(A free translation of the original in Portuguese)

Magnesita Refratários S.A.

Quarterly Information (ITR) at
March 31, 2012
and Report on Review of
Quarterly Information

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Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Magnesita Refratários S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Magnesita Refratários S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2012, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information, in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

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

PricewaterhouseCoopers, Rua dos Inconfidentes 1190 - 9º, Belo Horizonte, Minas Gerais, Brasil 30140-120, Caixa Postal 289
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Magnesita Refratários S.A.

Conclusion on the parent
company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated
interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Interim statements
of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended March 31, 2012, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, May 10, 2012

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

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1 "S" MG

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Contents

Information

1. General information

Corporate name	MAGNESITA REFRATÁRIOS S.A.
Date of adoption of the corporate name	3/17/2008
Type	Public company
Previous corporate name	RPAR HOLDING S.A.
Date of establishment	12/11/2006
Federal Corporate Taxpayers' Registration Number (CNPJ)	08.684.547/0001-65
Brazilian Securities Commission (CVM) code	2084-2
CVM registration date	7/2/2007
CVM registration status	Active
Date of effectiveness of status	7/2/2007
Home country	Brazil
Country in which the securities are held in custody	Brazil

Other countries in which the securities can be traded

Country	Listing date

Activity sector	Mineral extraction
Description of activities	Mining, production and sale of an extensive line of refractory materials
Issuer category	Category A
Date of registration in the current category	1/1/2010
Issuer status	Operating
Date of effectiveness of status	3/17/2008
Type of ownership control	Private
Date of last change in ownership control	3/12/2010
Date of last change of the fiscal year	12/31/2010
Month/day of the end of the fiscal year	12/31
Issuer's website on the Internet	www.magnesita.com

Newspapers in which the issuer discloses its information

Name of newspaper where issuer discloses its information	State
Valor Econômico	SP

2. Address

Mail address	AV PAULISTA, 37, 7 andar, BELA VISTA, São Paulo, SP, Brasil, CEP 01311-000, Telephone (11) 31523241, Fax (11) 31523263, E-mail ri@magnesita.com
Head Office address	PRAÇA LOUIS ENSCH, 240, CIDADE INDUSTRIAL, Contagem, MG, Brasil, CEP 32210-050, Telephone (11) 31523241, Fax (11) 31523263, E-mail ri@magnesita.com

3. Securities

Shares

		Trading			Listing	
Trading market	**Managing entity**	**Start**	**End**	**Segment**	**Start**	**End**
Stock Exchange	BM&FBOVESPA	7/2/2007		New Market	4/2/2008	

4. Auditor

Does the Company have an auditor?	YES
CVM code	471-5
Type of auditor	Brazilian firm
Name/Company name	Ernest & Young Terco Auditores Independentes S.S.
Individual Taxpayers' Registration Number (CPF)/ Federal Corporate Taxpayers' Registration Number (CNPJ)	61.366.936/0001-25
Services provided since	5/11/2012

Name of partner responsible	Services provided since	CPF
Flávio de Aquino Machado	5/11/2012	685.128.306-97

Does the company have an auditor?	YES
CVM code	287-9
Type of auditor	Brazilian firm
Name/Company name	PRICEWATERHOUSECOOPERS AUDITORES INDEPENDENTES
Individual Taxpayers' Registration Number (CPF)/ Federal Corporate Taxpayers' Registration Number (CNPJ)	61.562.112/0001-20
Services provided since	7/20/2007 to 5/10/2012

Name of partner responsible	Services provided since	CPF
GUILHERME CAMPOS E SILVA	11/10/2011 to 5/10/2012	714.114.966-04
ANIBAL MANOEL GONÇALVES DE OLIVEIRA	7/20/2007 to 11/9/2011	851.939.507-44

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5. Share Registrar

Does the Company have a provider?	YES
Corporate name	BANCO ITAÚ S.A.
CNPJ	60.701.190/0001-04
Period of services	6/3/2008
Service address	AV ENGENHEIRO ARMANDO DE ARRUDA PEREIRA, 707, 7 ANDAR, JABAQUARA, São Paulo, SP, Brasil, CEP 04344-902, Telephone (11) 50291925, Fax (11) 50291920, E-mail marcio.conde-souza@itau-unibanco.com.br

6. Investor Relations Officer or Equivalent

Name	FLAVIO REZENDE BARBOSA
	Investor Relations Officer
CPF/CNPJ	590.964.976-00
Mail address	AV PAULISTA, 37, 7 andar, BELA VISTA, São Paulo, SP, Brasil, CEP 01311-000, Telephone (11) 31523201, Fax (11) 31523263, E-mail ri@magnesita.com
Date when the person assumed the position	3/12/2010
Date when the person left the position	

7. Shareholders' Department

Contact	**VINICIUS SANTOS SILVA**
Date when the person assumed the position	**12/11/2006**
Date when the person assumed the position	**12/31/2011**
Mail address	AV PAULISTA, 37, 7 andar, BELA VISTA, São Paulo, SP, Brasil, CEP 01311-000, Telephone (11) 31523239, Fax (11) 31523263, E-mail vinicius.silva@magnesita.com

Contact	**Daniel Domiciano da Silva**
Date when the person assumed the position	**1/1/2012**
Date when the person left the position	
Mail address	AV PAULISTA, 37, 7 andar, BELA VISTA, São Paulo, SP, Brasil, CEP 01311-000, Telephone (11) 31523201, Fax (11) 31523241, E-mail ri@magnesita.com

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Contents

Company information / Capital composition

Number of shares (Units)	Current quarter 3/31/2012
Paid-up share capital	
Common	291,981,934
Preferred	0
Total	291,981,934
Treasury shares	
Common	0
Preferred	0
Total	0

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Parent Company Financial Statements / Balance Sheet - Assets

(R$ thousand)

1 - Code	2 - Description	Current quarter 3/31/2012	Prior year 12/31/2011
1	Total assets	3,961,380	4,007,420
1.01	Current assets	1,186,828	1,290,723
1.01.01	Cash and cash equivalents	518,379	595,498
1.01.02	Financial investments	55,110	43,842
1.01.02.01	Financial investments measured at fair value	55,110	43,842
1.01.02.01.01	Trading securities	55,110	43,842
1.01.03	Receivables	316,849	358,805
1.01.03.01	Trade accounts receivable	302,355	345,780
1.01.03.01.01	Domestic customers	164,039	172,841
1.01.03.01.02	Foreign customers	115,395	154,053
1.01.03.01.03	Provision for impairment of trade receivables	-1,014	-1,093
1.01.03.01.04	Unbilled measurements	23,935	19,979
1.01.03.02	Other receivables	14,494	13,025
1.01.03.02.01	Receivable from sale of property	14,494	13,025
1.01.04	Inventories	237,765	234,590
1.01.06	Taxes recoverable	53,342	52,815
1.01.06.01	Current taxes recoverable	53,342	52,815
1.01.07	Prepaid expenses	1,689	0
1.01.08	Other current assets	3,694	5,173
1.01.08.03	Other	3,694	5,173
1.02	Non-current assets	2,774,552	2,716,697
1.02.01	Long-term receivables	147,911	148,413
1.02.01.03	Receivables	6,023	7,946
1.02.01.03.02	Other receivables	6,023	7,946
1.02.01.08	Receivables from related parties	55,913	56,983
1.02.01.08.02	Receivables from subsidiaries	55,913	56,983
1.02.01.09	Other non-current assets	85,975	83,484
1.02.01.09.03	Goodwill on downstream merger, net of provision	59,990	62,211
1.02.01.09.04	Judicial deposits	10,289	9,731
1.02.01.09.05	Other	15,696	11,542
1.02.02	Investments	1,060,905	1,037,645
1.02.02.01	Investments	1,060,905	1,037,645
1.02.02.01.02	Subsidiaries	1,060,262	1,036,989
1.02.02.01.04	Other investees	643	656
1.02.03	Property, plant and equipment	484,709	447,956
1.02.03.01	Property, plant and equipment in use	315,089	328,736
1.02.03.03	Construction in progress	169,620	119,220
1.02.04	Intangible assets	1,081,027	1,082,683
1.02.04.01	Intangible assets	1,081,027	1,082,683
1.02.04.01.02	Computer software and other	37,373	39,029
1.02.04.01.03	Goodwill	1,043,654	1,043,654

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Parent Company Financial Statements / Balance Sheet - Liabilities and Equity

(R$ thousand)

1 - Code	2 - Description	Current quarter 3/31/2012	Prior year 12/31/2011
2	Total liabilities and equity	3,961,380	4,007,420
2.01	Current liabilities	341,776	370,123
2.01.01	Social and labor charges	67,367	60,438
2.01.01.01	Social charges	28,966	26,706
2.01.01.02	Labor charges	38,401	33,732
2.01.02	Suppliers	143,919	163,004
2.01.02.01	Domestic suppliers	124,651	147,102
2.01.02.02	Foreign suppliers	19,268	15,902
2.01.03	Taxes payable	21,871	18,367
2.01.03.01	Federal taxes payable	14,862	11,452
2.01.03.01.01	Income tax and social contribution payable	1,240	0
2.01.03.01.02	Other federal taxes payable	13,622	11,452
2.01.03.02	State taxes payable	6,926	6,806
2.01.03.03	Municipal taxes payable	83	109
2.01.04	Loans and financing	68,890	85,479
2.01.04.01	Loans and financing	68,890	85,479
2.01.04.01.01	Local currency	53,118	68,767
2.01.04.01.02	Foreign currency	15,772	16,712
2.01.05	Other payables	39,729	42,835
2.01.05.02	Other	39,729	42,835
2.01.05.02.01	Dividends and interest on capital payable	9,415	9,415
2.01.05.02.04	Obligations on assignment of rights	3,467	4,267
2.01.05.02.05	Other payables	26,847	29,153
2.02	Non-current liabilities	956,388	998,966
2.02.01	Loans and financing	806,651	853,455
2.02.01.01	Loans and financing	806,651	853,455
2.02.01.01.01	Local currency	688,214	731,528
2.02.01.01.02	Foreign currency	118,437	121,927
2.02.02	Other payables	51,736	51,056
2.02.02.02	Other	51,736	51,056
2.02.02.02.03	Post-employment liabilities	51,736	51,056
2.02.03	Deferred taxes	34,797	30,569
2.02.03.01	Deferred income tax and social contribution	34,797	30,569
2.02.04	Provisions	63,204	63,886
2.02.04.01	Tax, social security, labor and civil contingencies	63,204	63,886
2.02.04.01.01	Tax provisions	39,372	38,987
2.02.04.01.02	Social security and labor provisions	23,705	24,772
2.02.04.01.04	Civil provisions	127	127
2.03	Equity	2,663,216	2,638,331
2.03.01	Capital	2,528,146	2,528,146
2.03.02	Capital reserves	235,515	234,326
2.03.02.01	Share premium	-17,225	-16,829
2.03.02.02	Special reserve - goodwill on merger	88,874	88,874
2.03.02.04	Stock options granted	18,566	16,981
2.03.02.07	Special reserve - Law 8,200/91	5,973	5,973
2.03.02.08	Reserve for issue of shares	139,327	139,327
2.03.04	Revenue reserves	34,130	34,130
2.03.04.01	Legal reserve	1,982	1,982
2.03.04.05	Profit retention reserve	32,148	32,148
2.03.05	Retained earnings	27,914	0
2.03.07	Cumulative translation adjustments	-162,489	-158,271

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Income

(R$ thousand, unless otherwise stated)

1 - Code	2 - Description	Current quarter 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
3.01	Net revenues from sales and services	287,302	285,033
3.02	Cost of sales and services rendered	-195,226	-188,696
3.03	Gross profit	92,076	96,337
3.04	Operating income/expenses	-53,066	-46,840
3.04.01	Selling expenses	-30,718	-29,537
3.04.02	General and administrative expenses	-33,078	-30,988
3.04.04	Other operating income	1,820	7,763
3.04.05	Other operating expenses	-5,357	-5,723
3.04.06	Equity in the results of investees	14,267	11,645
3.05	Operating profit before financial results and taxes	39,010	49,497
3.06	Financial results	-3,406	-21,192
3.06.01	Financial income	18,683	14,072
3.06.01.01	Exchange/monetary variation gains	4,799	-412
3.06.01.02	Income from financial investments	13,418	14,041
3.06.01.03	Other income	466	443
3.06.02	Financial expenses	-22,089	-35,264
3.06.02.01	Exchange/monetary variation losses	4,758	-470
3.06.02.02	Interest on loans	-25,874	-34,655
3.06.02.03	Other expenses	-973	-139
3.07	Profit before taxes	35,604	28,305
3.08	Income tax and social contribution	-7,690	-6,388
3.08.02	Deferred	-7,690	-6,388
3.09	Net income from continuing operations	27,914	21,917
3.11	Net income/loss for the period	27,914	21,917
3.99	Earnings per share - (reais / share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.10000	0.08000
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.09000	0.08000

Parent Company Financial Statements / Statement of Comprehensive Income

(R$ thousand)

1 - Code	2 - Description	Current quarter 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
4.01	Net income for the period	27,914	21,917
4.02	Other comprehensive income	-4,218	19,301
4.02.02	Foreign exchange gain (loss) on investments in subsidiaries abroad	-4,218	19,301
4.03	Comprehensive income for the period	23,696	41,218

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method

(R$ thousand)

1 - Code	2 - Description	Year-to-date - current year 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
6.01	Cash flows from operating activities	68,697	157,504
6.01.01	Cash generated from operations	57,712	59,215
6.01.01.01	Net income for the period	27,914	21,917
6.01.01.02	Monetary and exchange variations, net	22,794	30,362
6.01.01.03	Depreciation and depletion	10,337	9,201
6.01.01.04	Amortization of intangible assets	1,659	1,479
6.01.01.05	Equity in the results of investees	-14,267	-11,645
6.01.01.06	Deferred income tax and social contribution	7,690	6,388
6.01.01.07	Stock options	1,585	1,513
6.01.02	Changes in assets and liabilities	10,985	98,289
6.01.02.01	Trade accounts receivable	43,425	33,135
6.01.02.02	Inventories	-3,175	130
6.01.02.03	Taxes recoverable	-527	-695
6.01.02.04	Receivables from sale of property, plant and equipment	454	1,959
6.01.02.05	Receivables - Eletrobrás	0	65,189
6.01.02.06	Suppliers	-19,085	7,445
6.01.02.07	Taxes payable	3,503	-3,545
6.01.02.09	Available-for- sale securities	-11,268	0
6.01.02.10	Other	-2,342	-5,329
6.02	Net cash used in investing activities	-60,304	-16,245
6.02.01	Proceeds from sales of property, plant and equipment, investments and intangible assets	13	21
6.02.02	Additions to property, plant and equipment and intangible assets	-47,093	-16,266
6.02.03	Payment of capital in subsidiary	-13,224	0
6.03	Cash flows from financing activities	-85,512	-85,186
6.03.01	Loans and financing obtained	5,898	462
6.03.02	Repayment of loans and financing	-36,514	-289,830
6.03.03	Payment of interest on loans and financing	-54,500	-66,703
6.03.05	Share issue costs	-396	-7,717
6.03.06	Capital increase	0	278,602
6.05	Increase (decrease) in cash and cash equivalents	-77,119	56,073
6.05.01	Cash and cash equivalents at the beginning of the period	595,498	518,974
6.05.02	Cash and cash equivalents at the end of the period	518,379	575,047

Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2012 to 3/31/2012

(R$ thousand)

1 - Code	2 - Description	Paid-up share capital	Capital reserves	Revenue reserves	Retained earnings	Cumulative translation adjustments	Total equity
5.01	Opening balances	2,528,146	234,326	34,130	0	-158,271	2,638,331
5.03	Adjusted opening balances	2,528,146	234,326	34,130	0	-158,271	2,638,331
5.04	Equity transactions with shareholders	0	1,189	0	0	0	1,189
5.04.02	Share issue costs	0	-396	0	0	0	-396
5.04.03	Stock options granted	0	1,585	0	0	0	1,585
5.05	Total comprehensive income	0	0	0	27,914	-4,218	23,696
5.05.01	Net income for the period	0	0	0	27,914	0	27,914
5.05.02	Other comprehensive income	0	0	0	0	-4,218	-4,218
5.05.02.06	Foreign exchange loss on investments in subsidiaries abroad	0	0	0	0	-4,218	-4,218
5.07	Closing balances	2,528,146	235,515	34,130	27,914	-162,489	2,663,216

Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2011 to 3/31/2011

(R$ thousand)

1 - Code	2 - Description	Paid-up share capital	Capital reserves	Revenue reserves	Retained earnings/ accumulated deficit	Cumulative translation adjustments	Total equity
5.01	Opening balances	2,388,845	104,576	3,495	-67,774	-227,796	2,201,346
5.03	Adjusted opening balances	2,388,845	104,576	3,495	-67,774	-227,796	2,201,346
5.04	Equity transactions with shareholders	139,301	133,097	0	0	0	272,398
5.04.01	Capital increases	139,301	0	0	0	0	139,301
5.04.02	Share issue costs	0	-7,717	0	0	0	-7,717
5.04.03	Stock options granted	0	1,513	0	0	0	1,513
5.04.08	Reserve on issue of shares	0	139,301	0	0	0	139,301
5.05	Total comprehensive income	0	0	0	21,917	19,301	41,218
5.05.01	Net income for the period	0	0	0	21,917	0	21,917
5.05.02	Other comprehensive income	0	0	0	0	19,301	19,301
5.05.02.06	Foreign exchange gain (loss) on investments in subsidiaries abroad	0	0	0	0	19,301	19,301
5.07	Closing balances	2,528,146	237,673	3,495	-45,857	-208,495	2,514,962

Parent Company Financial Statements / Statement of Value Added

(R$ thousand)

1 - Code	2 - Description	Year-to-date - current year 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
7.01	Revenues	370,194	375,453
7.01.01	Revenues from sales of products and services	368,907	369,252
7.01.02	Other revenue	1,313	6,181
7.01.04	Decrease (increase) in provision for impairment of trade receivables	-26	20
7.02	Inputs acquired from third parties	-246,683	-235,563
7.02.01	Cost of sales and services rendered	-181,333	-174,148
7.02.02	Materials, energy, outsourced services and other	-65,350	-61,415
7.03	Gross value added	123,511	139,890
7.04	Retentions	-11,996	-10,680
7.04.01	Depreciation, amortization and depletion	-11,996	-10,680
7.05	Net value added generated	111,515	129,210
7.06	Value added received through transfer	32,950	25,717
7.06.01	Equity in the results of investees	14,267	11,645
7.06.02	Financial income	18,683	14,072
7.07	Total value added to be distributed	144,465	154,927
7.08	Distribution of value added	144,465	154,927
7.08.01	Personnel	83,502	88,087
7.08.02	Taxes and contributions	7,690	6,388
7.08.03	Remuneration of third-party capital	25,359	38,535
7.08.03.01	Interest	25,874	34,655
7.08.03.02	Rentals	3,270	3,272
7.08.03.03	Other	-3,785	608
7.08.04	Remuneration of own capital	27,914	21,917
7.08.04.03	Profits reinvested	27,914	21,917

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Balance Sheet - Assets

(R$ thousand)

1 - Code	2 - Description	Current quarter 3/31/2012	Prior year 12/31/2011
1	Total assets	5,226,085	5,334,169
1.01	Current assets	1,951,819	2,063,992
1.01.01	Cash and cash equivalents	667,042	770,466
1.01.02	Financial investments	55,110	43,842
1.01.02.01	Financial investments measured at fair value	55,110	43,842
1.01.02.01.01	Trading securities	55,110	43,842
1.01.03	Receivables	523,836	518,568
1.01.03.01	Trade accounts receivable	509,342	505,543
1.01.03.01.01	Domestic customers	170,989	178,362
1.01.03.01.02	Foreign customers	324,544	317,463
1.01.03.01.03	Provision for impairment of trade receivables	-10,126	-10,261
1.01.03.01.04	Unbilled measurements	23,935	19,979
1.01.03.02	Other receivables	14,494	13,025
1.01.03.02.01	Receivable from sale of property	14,494	13,025
1.01.04	Inventories	580,947	601,708
1.01.06	Taxes recoverable	99,597	102,846
1.01.06.01	Current taxes recoverable	99,597	102,846
1.01.07	Prepaid expenses	6,524	0
1.01.08	Other current assets	18,763	26,562
1.01.08.03	Other	18,763	26,562
1.02	Non-current assets	3,274,266	3,270,177
1.02.01	Long-term receivables	141,401	149,213
1.02.01.03	Receivables	6,023	7,946
1.02.01.03.02	Other receivables	6,023	7,946
1.02.01.06	Deferred taxes	45,057	45,854
1.02.01.06.01	Deferred income tax and social contribution	45,057	45,854
1.02.01.09	Other non-current assets	90,321	95,413
1.02.01.09.03	Goodwill on downstream merger, net of provision	59,990	62,211
1.02.01.09.04	Judicial deposits	14,635	21,660
1.02.01.09.05	Other	15,696	11,542
1.02.02	Investments	1,520	1,179
1.02.02.01	Investments	1,520	1,179
1.02.02.01.04	Other investees	1,520	1,179
1.02.03	Property, plant and equipment	920,251	898,017
1.02.03.01	Property, plant and equipment in use	710,047	743,072
1.02.03.03	Construction in progress	210,204	154,945
1.02.04	Intangible assets	2,211,094	2,221,768
1.02.04.01	Intangible assets	39,162	40,826
1.02.04.02	Goodwill	2,171,932	2,180,942

Consolidated Financial Statements / Balance Sheet - Liabilities and Equity

(R$ thousand)

1 - Code	2 - Description	Current quarter 3/31/2012	Prior year 12/31/2011
2	Total liabilities and equity	5,226,085	5,334,169
2.01	Current liabilities	618,364	689,198
2.01.01	Social and labor charges	99,611	90,763
2.01.01.01	Social charges	34,575	33,435
2.01.01.02	Labor charges	65,036	57,328
2.01.02	Suppliers	298,457	346,047
2.01.02.01	Domestic suppliers	126,508	146,760
2.01.02.02	Foreign suppliers	171,949	199,287
2.01.03	Taxes payable	62,484	51,877
2.01.03.01	Federal taxes payable	48,263	38,428
2.01.03.01.01	Income tax and social contribution payable	20,281	14,885
2.01.03.01.02	Other federal taxes payable	27,982	23,543
2.01.03.02	State taxes payable	14,131	13,335
2.01.03.03	Municipal taxes payable	90	114
2.01.04	Loans and financing	90,754	124,799
2.01.04.01	Loans and financing	90,754	124,799
2.01.04.01.01	Local currency	53,225	68,890
2.01.04.01.02	Foreign currency	37,529	55,909
2.01.05	Other payables	67,058	75,712
2.01.05.02	Other	67,058	75,712
2.01.05.02.01	Dividends and interest on capital payable	9,437	9,437
2.01.05.02.04	Obligations on assignment of rights	3,467	4,267
2.01.05.02.05	Other payables	54,154	62,008
2.02	Non-current liabilities	1,928,998	1,991,810
2.02.01	Loans and financing	833,859	871,021
2.02.01.01	Loans and financing	833,859	871,021
2.02.01.01.01	Local currency	688,214	731,528
2.02.01.01.02	Foreign currency	145,645	139,493
2.02.02	Other payables	946,134	973,428
2.02.02.02	Other	946,134	973,428
2.02.02.02.03	Long-term debt	710,472	731,898
2.02.02.02.04	Post-employment liabilities	219,477	222,926
2.02.02.02.05	Other payables	16,185	18,604
2.02.03	Deferred taxes	85,789	83,463
2.02.03.01	Deferred income tax and social contribution	85,789	83,463
2.02.04	Provisions	63,216	63,898
2.02.04.01	Tax, social security, labor and civil provisions	63,216	63,898
2.02.04.01.01	Tax	39,384	38,999
2.02.04.01.02	Social security and labor	23,705	24,772
2.02.04.01.04	Civil	127	127
2.03	Consolidated equity	2,678,723	2,653,161
2.03.01	Capital	2,528,146	2,528,146
2.03.02	Capital reserves	235,515	234,326
2.03.02.02	Special reserve - goodwill on merger	88,874	88,874
2.03.02.04	Stock options granted	18,566	16,981
2.03.02.07	Special reserve - Law 8,200/91	5,973	5,973
2.03.02.08	Reserve for issue of shares	139,327	139,327
2.03.02.09	Share issue costs	-17,225	-16,829
2.03.04	Revenue reserves	34,130	34,130
2.03.04.01	Legal reserve	1,982	1,982
2.03.04.05	Profit retention reserve	32,148	32,148
2.03.05	Retained earnings	27,914	0
2.03.07	Cumulative translation adjustments	-162,489	-158,271
2.03.09	Non-controlling interests	15,507	14,830

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Income

(R$ thousand, unless otherwise stated)

1 - Code	2 - Description	Current quarter 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
3.01	Net revenues from sales and services	606,853	575,291
3.02	Cost of sales and services rendered	-425,174	-389,600
3.03	Gross profit	181,679	185,691
3.04	Operating expenses/income	-119,934	-116,319
3.04.01	Selling expenses	-65,940	-60,156
3.04.02	General and administrative expenses	-49,455	-57,333
3.04.04	Other operating income	6,409	11,737
3.04.05	Other operating expenses	-10,948	-10,567
3.05	Operating profit before financial results and taxes	61,745	69,372
3.06	Financial results	-16,537	-31,287
3.06.01	Finance income	22,219	17,053
3.06.01.01	Exchange/monetary variation gains	7,622	2,108
3.06.01.02	Income from financial investments	14,080	14,041
3.06.01.03	Other income	517	904
3.06.02	Financial expenses	-38,756	-48,340
3.06.02.01	Exchange/monetary variation losses	4,183	2,524
3.06.02.02	Interest on loans	-39,805	-48,400
3.06.02.03	Other expenses	-3,134	-2,464
3.07	Profit before taxes	45,208	38,085
3.08	Income tax and social contribution	-16,891	-16,289
3.08.01	Current	-10,233	-1,144
3.08.02	Deferred	-6,658	-15,145
3.09	Net income from continuing operations	28,317	21,796
3.11	Consolidated net income for the period	28,317	21,796
3.11.01	Attributable to owners of the parent company	27,914	21,917
3.11.02	Attributable to non-controlling interests	403	-121
3.99	Earnings per share - (reais / share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.10000	0.08000
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.09000	0.08000

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Comprehensive Income

(R$ thousand)

1 - Code	2 - Description	Current quarter 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
4.01	Consolidated net income for the period	28,317	21,796
4.02	Other comprehensive income	-3,944	19,564
4.02.01	Foreign exchange gain (loss) on investments in subsidiaries abroad	-3,944	19,564
4.03	Consolidated comprehensive income for the period	24,373	41,360
4.03.01	Attributable to shareholders of the Company	23,696	41,218
4.03.02	Attributable to non-controlling interests	677	142

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(R$ thousand)

1 - Code	2 - Description	Year-to-date - current year 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
6.01	Cash flows from operating activities	63,723	186,367
6.01.01	Cash generated from operations	89,410	85,681
6.01.01.01	Net income for the period	28,317	21,796
6.01.01.02	Monetary and exchange variations, net	26,619	21,639
6.01.01.03	Depreciation and depletion	24,132	22,886
6.01.01.04	Amortization of intangible assets	1,696	1,557
6.01.01.05	Deferred income tax and social contribution	6,658	16,290
6.01.01.06	Stock options	1,585	1,513
6.01.01.07	Non-controlling interests	403	0
6.01.02	Changes in assets and liabilities	-25,687	100,686
6.01.02.01	Trade receivables	2,466	6,006
6.01.02.02	Inventories	19,250	4,483
6.01.02.03	Taxes recoverable	4,823	-4,575
6.01.02.04	Receivables from sale of property, plant and equipment	454	1,959
6.01.02.05	Receivables - Eletrobrás	0	65,189
6.01.02.06	Suppliers	-51,246	28,336
6.01.02.07	Taxes payable	8,535	5,704
6.01.02.08	Available-for-sale securities	-11,268	0
6.01.02.09	Derivative instruments - fair value of swaps	11,405	0
6.01.02.10	Other	-10,106	-6,416
6.02	Net cash used in investing activities	-53,484	-21,170
6.02.01	Sales of property, plant and equipment, investments and intangible assets	679	464
6.02.02	Additions to property, plant and equipment and intangible assets	-54,163	-21,634
6.03	Cash flows from financing activities	-112,021	-116,821
6.03.01	Loans and financing obtained	9,642	1,461
6.03.02	Repayment of loans and financing	-38,599	-296,029
6.03.03	Payment of interest on loans and financing	-82,669	-93,138
6.03.05	Share issue costs	-395	-7,717
6.03.06	Capital increase	0	278,602
6.04	Exchange variation on cash and cash equivalents	-1,642	4,561
6.05	Increase (decrease) in cash and cash equivalents	-103,424	52,937
6.05.01	Cash and cash equivalents at the beginning of the period	770,466	669,516
6.05.02	Cash and cash equivalents at the end of the period	667,042	722,453

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2012 to 3/31/2012

(R$ thousand)

1 - Code	2 - Description	Paid-up share capital	Capital reserves	Revenue reserves	Retained earnings	Accumulated translation adjustments	Parent company equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	2,528,146	234,326	34,130	0	-158,271	2,638,331	14,830	2,653,161
5.03	Adjusted opening balances	2,528,146	234,326	34,130	0	-158,271	2,638,331	14,830	2,653,161
5.04	Equity transactions with shareholders	0	1,189	0	0	0	1,189	0	1,189
5.04.02	Share issue costs	0	-396	0	0	0	-396	0	-396
5.04.03	Stock options granted	0	1,585	0	0	0	1,585	0	1,585
5.05	Total comprehensive income	0	0	0	27,914	-4,218	23,696	677	24,373
5.05.01	Consolidated net income for the period	0	0	0	27,914	0	27,914	403	28,317
5.05.02	Other comprehensive income	0	0	0	0	-4,218	-4,218	274	-3,944
5.05.02.06	Foreign exchange gain (loss) on investments in subsidiaries abroad	0	0	0	0	-4,218	-4,218	274	-3,944
5.07	Closing balances	2,528,146	235,515	34,130	27,914	-162,489	2,663,216	15,507	2,678,723

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2011 to 3/31/2011

(R$ thousand)

1 - Code	2 - Description	Paid-up share capital	Capital reserves	Revenue reserves	Retained earnings/ accumulated deficit	Accumulated translation adjustments	Parent company equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	2,388,845	104,576	3,495	-67,774	-227,796	2,201,346	14,294	2,215,640
5.03	Adjusted opening balances	2,388,845	104,576	3,495	-67,774	-227,796	2,201,346	14,294	2,215,640
5.04	Equity transactions with shareholders	139,301	133,097	0	0	0	272,398	0	272,398
5.04.01	Capital increases	139,301	0	0	0	0	139,301	0	139,301
5.04.02	Share issue costs	0	-7,717	0	0	0	-7,717	0	-7,717
5.04.03	Stock options granted	0	1,513	0	0	0	1,513	0	1,513
5.04.08	Reserve on issue of shares	0	139,301	0	0	0	139,301	0	139,301
5.05	Total comprehensive income	0	0	0	21,917	19,301	41,218	142	41,360
5.05.01	Consolidated net income for the period	0	0	0	21,917	0	21,917	-121	21,796
5.05.02	Other comprehensive income	0	0	0	0	19,301	19,301	263	19,564
5.05.02.06	Foreign exchange gain on investments in subsidiaries abroad	0	0	0	0	19,301	19,301	263	19,564
5.07	Closing balances	2,528,146	237,673	3,495	-45,857	-208,495	2,514,962	14,436	2,529,398

Consolidated Financial Statements / Statement of Value Added

(R$ thousand)

1 - Code	2 - Description	Year-to-date - current year 1/1/2012 to 3/31/2012	Year-to-date - prior year 1/1/2011 to 3/31/2011
7.01	Revenues	692,502	668,240
7.01.01	Revenues from sales of products and services	691,215	662,908
7.01.02	Other revenue	1,313	5,312
7.01.04	Decrease (increase) in provision for impairment of trade receivables	-26	20
7.02	Inputs acquired from third parties	-474,329	-438,171
7.02.01	Cost of sales and services	-356,464	-318,972
7.02.02	Materials, energy, outsourced services and other	-117,865	-119,199
7.03	Gross value added	218,173	230,069
7.04	Retentions	-25,828	-24,443
7.04.01	Depreciation, amortization and depletion	-25,828	-24,443
7.05	Net value added generated	192,345	205,626
7.06	Value added received through transfer	22,219	17,053
7.06.02	Finance income	22,219	17,053
7.07	Total value added to be distributed	214,564	222,679
7.08	Distribution of value added	214,564	222,679
7.08.01	Personnel	127,348	133,721
7.08.02	Taxes and contributions	16,787	15,506
7.08.03	Remuneration of third-party capital	42,112	51,656
7.08.03.01	Interest	39,805	48,400
7.08.03.02	Rentals	3,356	3,376
7.08.03.03	Other	-1,049	-120
7.08.04	Remuneration of own capital	28,317	21,796
7.08.04.03	Profits reinvested	27,914	21,917
7.08.04.04	Non-controlling interests in profits reinvested	403	-121

1Q12 HIGHLIGHTS

- **Net revenues** of R$606.9 million, up 5.5% and 1.3% against 1Q11 and 4Q11 respectively;
- **A rise of 6.0% in the sales of refractory solutions** compared to the previous quarter, driven by a higher volume of refractory solutions for the steel industry in South America (up 5.7%) and North America (up 9.3%) and for the industrial sector (up 40.0%), with growth in all the regions where Magnesita operates;
- **Net income** of R$28.3 million, up 29.9% from 1Q11 and 145.0% from 4Q11;
- **Higher rating for Magnesita** – Fitch and Standard & Poor's ratings agencies upgraded the Company's rating from "BB-"to "BB". Both agencies attributed this upgrade to Magnesita's better operating results, high cash generation, lower financial leverage ratio and the impact of the vertical integration projects.

POST-1Q12 HIGHLIGHTS

- **New unit in Brumado, Bahia State, in operation** – An additional high-grade magnesite sinter production unit, with a capacity of 60,000 tons per year, went into operation in April, as scheduled. As a result, Magnesita has become self-sufficient in high-grade magnesite sinter and achieves important reduction in raw material costs. The project is an integral part of the Company's strategy of becoming more vertically integrated.
- **Issue of perpetual bonds totaling US$250 million**–Magnesita has concluded an issue of U.S. Dollar-denominated perpetual bonds totaling US$250 million, with a fixed interest rate of 8.625% p.a. The proceeds will be used to prepay other debts, thus giving the Company more flexibility and improving its debt profile.

MAIN INDICATORS

Indicator (R$ million)	Quarter			Var. %	
	1Q12 (a)	4Q11 (b)	1Q11 (c)	(a/b)	(a/c)
Net Revenues	606.9	599.1	575.3	1.3%	5.5%
Gross Profit	181.7	183.0	185.7	-0.7%	-2.2%
Gross Margin (%)	29.9%	30.5%	32.3%	-61 bp	-234 bp
EBIT	61.7	53.0	69.4	16.5%	-11.0%
EBITDA	87.6	111.8	93.8	-21.7%	-6.7%
EBITDA Margin (%)	14.4%	18.7%	16.3%	-422 bp	-188 bp
Net Income	28.3	11.6	21.8	145.0%	29.9%
Net Debt	968.0	957.3	908.5	1.1%	6.6%
CAPEX (R$ million)	55.7	84.1	21.6	-33.8%	157.6%
Operating Cash Flow	63.7	104.8	186.4	-39.2%	-65.8%

EBIT = earnings before interest and taxes; EBITDA = earnings before interest, taxes, depreciation and amortization.

New accounting practices adopted in Brazil

The financial statements, along with the comments on Magnesita's economic and financial performance in the first quarter of 2012 and the retrospective comparison with the fourth quarter of 2011 and the first quarter of 2011 are based on international accounting principles established by the International Financial Reporting Standards (IFRS) and all the CPC pronouncements regarding the Company's operations.

OPERATIONAL AND FINANCIAL PERFORMANCE

REVENUES AND VOLUMES

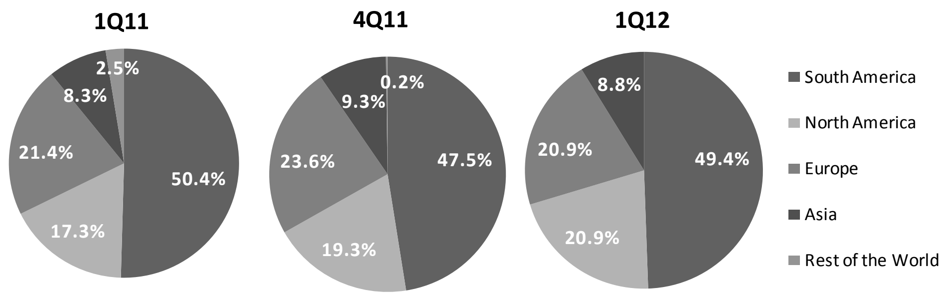
1Q12 – R$ 606.9 million net revenues, up 5.5% over 1Q11

Net revenues amounted to R$606.9 million in 1Q12, a rise of 5.5% over 1Q11 and 1.3% over 4Q11. The growth in net revenues from refractory solutions was 10.4% against 1Q11 and 6.0% against 4Q11 and, with net revenues totaling R$547.5 million, or 90.2% of total net revenues in the quarter. Revenues from the minerals segment totaled R$28.2 million, accounting for 4.6% of consolidated revenues. Revenues from the services segment amounted to R$31.3 million and comprised 5.2% of total sales.

By segment	Quarter			Var. %	
	1Q12 (a)	4Q11 (b)	1Q11 (c)	(a/b)	(a/c)
Refractory Solutions					
Volume ('000 ton)	270.9	271.8	277.8	-0.3%	-2.5%
Revenues (R$ million)	547.4	516.4	495.8	6.0%	10.4%
Minerals					
Volume ('000 ton)	233.3	226.0	130.1	3.2%	79.3%
Revenues (R$ million)	28.2	48.6	34.5	-42.0%	-18.3%
Services					
Revenues (R$ million)	31.3	34.2	45.0	-8.5%	-30.6%
TOTAL					
Revenues (R$ million)	606.9	599.1	575.3	1.3%	5.5%

Net revenues by client location

The expansion in the refractory solutions segment in South America and North America led to an increase in the share of these regions in consolidated revenues:



Refractory solutions

R$547.4 million revenues, up 10.4% over 1Q11 and 6.0% quarter-over-quarter

In relation to 1Q11, volume sold of refractory solutions dropped by 2.5%, mainly reflecting the reduction of volumes in Europe, due to the 3.9% drop of steel production in the Euro zone (1Q12 vs 1Q11), partially mitigated by higher steel production and market share gains in North America, and also the higher volume of refractory solutions sold to the industrial sector.

Compared to 1Q11, net revenues grew 10.4% in 1Q12, driven by increased sales of 7.1% for steel and 29.0% for the industrial sector. The 13.2% higher average price per ton of refractory (1Q12 vs. 1Q11) is explained by the impact of the depreciation of 6.2% of the Real against the US dollar in the translation of revenues in U.S. dollars to Reais, price increases, especially in North America, and mix changes with a higher share of sales to the industrial sector.

Sales to the steel industry accounted for 82.2% of revenues from the refractory solutions segment (84.8% in 1Q11 and 82.6% in 4Q11) whereas sales to the industrial sector comprised 17.8% (15.2% in 1Q11 and 17.4% in 4Q11).

Refractory Solutions - Steel
Sales climbed by 7.1% against 1Q11 and 5.5% against 4Q11

Sales to the steel industry amounted to R$450.2 million in 1Q12 against R$420.4 million in 1Q11 and R$426.6 million in 4Q11 and, with the highlights coming from sales in South America and North America operations.

Sales in South America rose by 12.3% in 1Q12, reflecting the increase of steel production in the region during the period (up 2.9% quarter-over-quarter against a 4.5% increase in Brazil – Data from the World Steel Association), as well as gains of market share.

In North America, revenues increased by 8.4% in 1Q12, versus a 4.8% expansion in steel production in the region (World Steel Association), which shows that Magnesita continued gaining market share. The steel industry in the region has been showing signs of recovery, and Magnesita's expansion in the region resulted from both higher volumes and prices.

Regarding Europe, despite the macroeconomic uncertainties that continued to pressure the region, sales in Euros remained flat quarter-over-quarter. Nevertheless, revenues were affected by the 4.3% appreciation of the Real against the Euro in the quarter.

In Asia, where Magnesita still does not have a strong presence, sales remained virtually stable quarter-over-quarter.

Sales based on the CPP contract model stood at R$152.5 million in 1Q12 and comprised 33.9% of revenues from sales to the steel industry (33.0% in 1Q11 and 33.5% in 4Q11). During the quarter, the Company won a new contract in Spain and has now a total of 63 CPP contracts globally.

Refractory Solutions – Industrial Sector

An increase of 29.0% against 1Q11 and 8.3% against 4Q11

Sales to the industrial sector totaled R$97.2 million, versus R$75.4 million in 1Q11 and R$89.8 million in 4Q11. Magnesita continues to pursue the strategy of expanding its sales to the industrial sector. The highlight continues to be the cement industry, which accounted for 67.8% of the 1Q12 sales (70.0% in 1Q11 and 64.0% in 4Q11). Sales to the cement industry in South America reached R$37.9 million, up 33.0% from 1Q11. In the same period, the Brazilian cement industry expanded by 13.4% against 1Q11.

Outside of South America, sales to the industrial sector amounted to R$31.8 million, rising by 19.3% against 1Q11 and by 53.3% against 4Q11. It is worth noting that sales to the cement industry in North America, rose by 118.4% quarter-over-quarter. It is important to explain that refractory sales to the cement industry are seasonally higher in the first quarter of the year and, in 2012, due to an unusually warm winter in North America, the refractory maintenance stoppages scheduled for the second quarter were brought forward into the first quarter.

Minerals
R$28.2 million sales in 1Q12

Sales of minerals fell by 18.4% and 42.1% from 1Q11 and 4Q11 respectively. This decline was mainly due to the lower volume of magnesite sinter available for sale owing to the higher internal consumption for refractory production to support the strong growth in sales of refractory solutions to the cement industry, which have in their formulation a greater share of sinter. The main minerals sold by Magnesita, talc and caustic magnesia, amounted to R$25.3 million in the quarter, up 9.9% from 4Q11 but down 1.0% from 1Q11. The increased volume of minerals of over 100 thousand tons in 1Q12 compared to 1Q11 is explained by the growth in volume of by-products of mine, with a lower average price/ton, sold primarily in North America.

Services

R$31.2 million revenues in 1Q12

In 1Q12, revenues from the services segment dropped 30.6% over 1Q11 and 8.5% quarter-over-quarter. This drop is due primarily to a decrease in the scope of some contracts with steel plants due to the slowdown in the Brazilian steel production in 4Q11.

COST OF GOODS SOLD, GROSS PROFIT AND MARGIN

Gross margin – 29.9% vs. 30.5% in 4Q11

COGS came to R$425.2 million in 1Q12, up 2.2% quarter-over-quarter and 9.1% versus 1Q11. The consolidated gross margin stood at 29.9%, against 30.5% in 4Q11 and 32.3% in 1Q11. The quarter-over-quarter drop in the gross margin was mainly due to lower sales of minerals and a lower gross margin in the services and minerals segments. The gross margin flattened out in the refractory solutions segment owing to stable raw material prices during the period (4Q11 and 1Q12).

Comparing to the 1Q11, the fall in the consolidated gross margin resulted from a 2.8 p.p. decrease in the gross margin of the refractory solutions segment, impacted mainly by increasing material prices during 2011.

Gross Margin by Segment

Segment (R$ million)	Quarter			Var. %	
	1Q12 (a)	4Q11 (b)	1Q11 (c)	(a/b)	(a/c)
Refractory Solutions					
Gross Profit	168.0	157.9	166.0	6.4%	1.2%
Gross Margin (%)	30.7%	30.6%	33.5%	12 bp	-279 bp
Minerals					
Gross Profit	11.9	21.8	13.7	-45.3%	-12.7%
Gross Margin (%)	42.4%	44.9%	39.7%	-256 bp	273 bp
Services					
Gross Profit	1.7	3.3	6.0	-48.0%	-71.5%
Gross Margin (%)	5.5%	9.7%	13.4%	-418 bp	-789 bp
TOTAL					
Gross Profit	181.7	183.0	185.7	-0.7%	-2.2%
Gross Margin (%)	29.9%	30.5%	32.3%	-61 bp	-234 bp

Refractory solutions
Compared to the 1Q11, the refractory segment margin was impacted by a series of increases in raw material prices in 2011, in an adverse economic environment for the main industries served by the Company, which did not allow for passing through these rising costs. Additionally, the higher share of the operations outside of South America also contributed to this drop since margins are lower in these regions. Magnesita has been working on several fronts to increase its profitability. The main initiative encompasses the vertical integration projects. The Company will be able to realize important cost savings with the new HW4 furnace (Brumado), which went into operation in April.

Minerals
The gross margin of the minerals segment tends to fluctuate more due to the changes in the product mix. Despite the quarter-over-quarter decline in the margin for the above-mentioned reason (lower sales of magnesite sinter, consumed in the refractory operation), this segment shows an upward trend owing to the restrictions imposed by China, which has been keeping raw material prices high.

Services

The margin drop in the services segment resulted from higher labor costs in some contracts, due to negotiations with unions and strikes in 1Q12. The negotiations were concluded during the quarter, and their effects are reflected in the quarter's results.

SELLING EXPENSES

Flat in relation to previous quarters

Selling expenses came to R$65.9 million in 1Q12, versus R$64.1 million in 4Q11 and R$60.2 million in 1Q11. Selling expenses in relation to revenues remained virtually flat, 10.9% in 1Q12, 10.7% in 4Q11 and 10.5% in 1Q11. Despite rising freight costs, the Company has been seeking to improve its logistics operations and lessen the impact of these increases.

GENERAL AND ADMINISTRATIVE EXPENSES
A 13.7% drop versus 1Q11

General and administrative expenses amounted to R$49.5 million in 1Q12, against R$57.3 million in 1Q11 and R$63.7 million in 4Q11. In relation to revenues, these expenses corresponded to 8.1% of net sales in 1Q12, versus 10.6% in 4Q11 and 10.0% in 1Q11. The fall in expenses reflects the Company's effort to reduce costs and gain efficiency in its administrative area, as well as lower nonrecurring general and administrative expenses.

EBITDA
R$ 87.6 million EBITDA with a 14.4% margin

EBITDA totaled R$87.6 million in 1Q12 with a 14.4% margin, versus 18.7% in 4Q11 and 16.3% in 1Q11. The 4Q11 EBITDA was positively impacted by a nonrecurring income of R$36.9 million in the "other operating income" account. The drop in relation to 1Q11 is explained mainly by the decrease of 2.8p.p. in the gross margin in the refractory solutions segment due to higher raw material costs, as previously mentioned.

Magnesita has been working on several fronts to improve its profitability. The main initiative comes from the vertical integration projects within the strategy to achieve 90% of vertical integration in the next two years. The first project within this strategy became operational in April this year, the new furnace HW4 in Brumado, which will bring significant cost savings starting in the second half of 2012.

FINANCIAL INCOME/EXPENSES
Net expense of R$16.5 million vs. R$31.3 million in 1Q11

The net financial result in 1Q12, including the effects of foreign exchange rate variances, was an expense of R$16.5 million versus R$31.3 million in 1Q11 and R$30.2 million in 4Q11, a drop of 47.1% and 45.2% respectively. This decline mainly reflects the reduction in the net debt and in the interest rates on loans, in addition to a smaller impact of the foreign exchange expense in relation to 4Q11.

INCOME TAX AND SOCIAL CONTRIBUTION
Cash payment of R$10.2 million

Magnesita has tax credits due to fiscal losses in previous years and the amortization of goodwill corresponding to the future profitability of acquired subsidiaries. Due to these credits, the cash income tax and social contribution payments will amount R$10.2 million, even though the Company had booked a R$16.9 million provision.

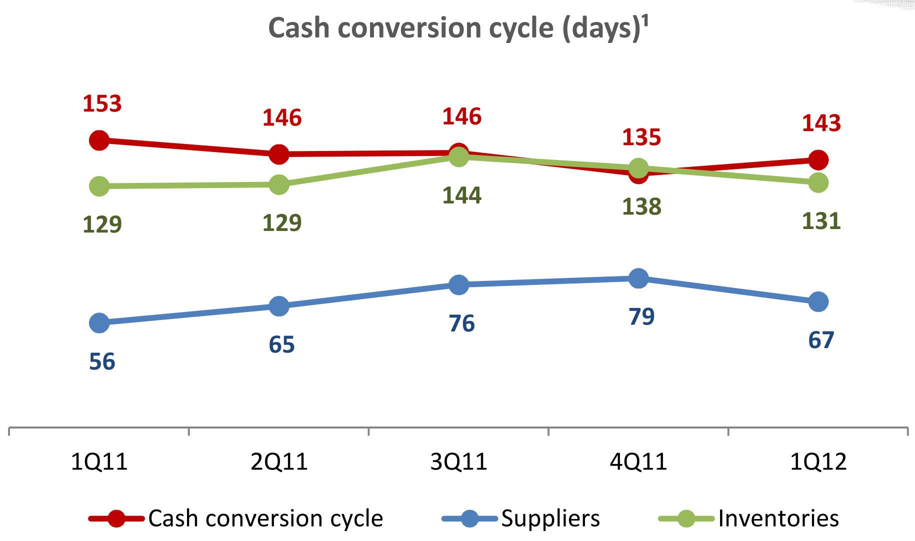
NET INCOME
Up 145.0% quarter-over-quarter

Net income totaled R$28.3 million (with a 4.7% net margin) in 1Q12, versus R$11.3 million (with a 1.9% net margin) in 4Q11 and R$21.8 million (with a 3.8% net margin) in 1Q11. The quarter-over-quarter rise mainly reflects the increase in operating income.

WORKING CAPITAL
A R$13.3 million decrease against 1Q11 (a drop of 10 days in the cash conversion cycle)

In relation to 1Q11, working capital fell by R$13.3 million and totaled R$791.8 million in 1Q12. As a result, there was a 10-day decrease to 143 days in the cash conversion cycle by the close of the quarter. Quarter-over-quarter, working capital increased by R$50.6 million, impacted mainly by the decline in the average payment terms offered by suppliers, when there was a one-off reduction in 1Q12. The Company expects to continue to improve supplier payment terms through the year 2012.

Magnesita has been successful in decreasing its working capital. In 2012, the Company's Management will seek to lower it even more and, consequently, reduce its cash conversion cycle. This initiative will focus mainly on managing inventories and extending payment terms to suppliers.



[1] *The cash conversion cycle is calculated on the basis of the LTM results.*

OPERATING CASH FLOW

Operating cash flow of R$63.7 million in the quarter

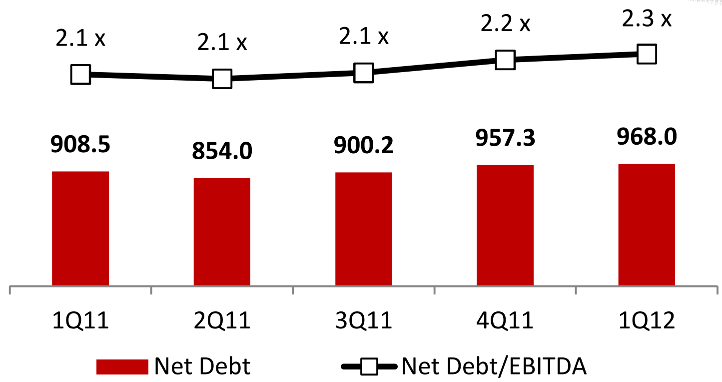
Magnesita recorded operating cash flow of R$63.7 million in 1Q12, against R$104.8 million in 4Q11 and R$186.4 million in 1Q11. The decrease in cash generation resulted primarily from the rise in working capital in 1Q12. It is important to note that the operating cash generation was enough to cover the high investments made in the quarter to the expand sinter production in Brumado.

DEBT

Net debt flattened out. Leverage ratio of 2.3 times at the close of the quarter

Magnesita's gross debt stood at R$1,635.1 million at the close of the quarter, 45.3% of which was denominated in local currency and 54.7% in foreign currency. Of this amount, 5.6% matured in the short term and 94.4% in the long term. The net debt amounted to R$968,0 million at the close of 1Q12, stable in relation to December 31, 2011.

The leverage ratio, or Net Debt/EBITDA, stood at 2.3 times, versus 2.2 times at the close of 2011. The chart below shows net debt (in thousand R$) and the leverage ratio.



CAPITAL EXPENDITURES

R$39.6 million invested in the vertical integration projects

Investments in the vertical integration projects were high in 2011 and are expected to remain high in 2012. In 1Q12, investments in all Magnesita's units totaled R$55.7 million, R$39.6 million of which was allocated to the vertical integration projects and the remainder to refurbishments, maintenance, system upgrades, and environment and safety.

Supplies of raw materials for the global refractory industry are becoming more and more strategic due to the new dynamics of the Chinese market. Responsible for supplying 50% to 80% of the global demand for several raw materials used in refractory production (depending on the product), the Chinese government introduced export quotas, among other barriers, leading to a considerable rise in prices.

In addition to ensuring a steady supply of raw material for the Company, the vertical integration projects will make Magnesita's margins more stable and allow it to increase the sale of minerals, a segment whose margins are rising. As previously announced, the Company is seeking to increase its level of vertical integration in raw materials to 90%.

Expansion projects in Brumado, Bahia State

Phase 1 – 60,000 tons per year – Start-up in April 2012

The project to expand the production in Brumado to 240ktpa of high-grade M-30 magnesite sinter (>98.5% MgO) involves installing one more HW furnace next to three existing ones, in addition to some work to reduce bottlenecks in order to increase production. The HW4 furnace went into operation in April, as scheduled, and made Magnesita self-sufficient in this raw material. In addition, Magnesita has increased its vertical integration level and expects to reduce costs significantly since it will cease to import this raw material from China at higher costs.

Magnesite's strategy is to use this raw material in its operations outside of South America. Considering that the furnace takes about two months to reach its nominal production capacity, project impact on the results will take place from the second half.

Greenfield project at the graphite mine in Almenara, Minas Gerais State
Phase 1 – 40,000 tons per year

In 2011, Magnesita concluded the acquisition of land in Almenara, Minas Gerais State, under which the Company owns mineral rights where the graphite deposits will be exploited for the first phase of the project. The Environmental Impact Study has been filed with the competent agency and, during the first quarter, a public hearing was held with the local community. The Company is waiting for the Environmental License to start the project construction. The Company maintains its expectation to obtain the License in 2012 and to start production in 2014.

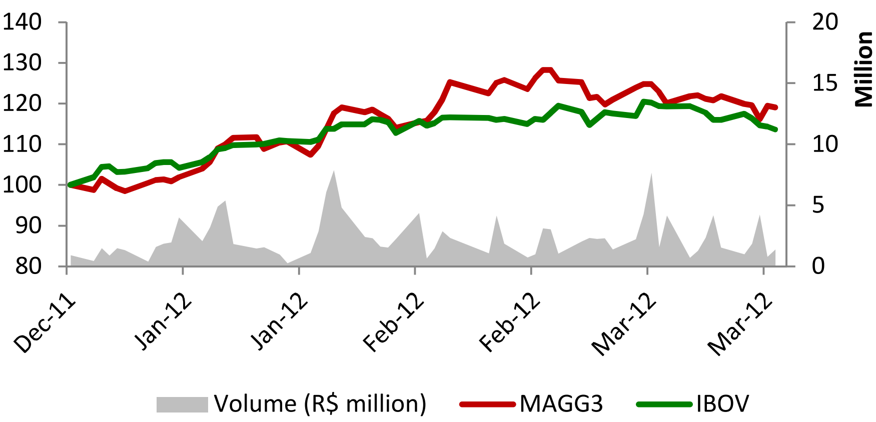
Besides using graphite to increase its vertical integration in refractory solutions, Magnesita is conducting more in-depth studies to determine the size of additional reserves and monetize their mineral potential. These prospection studies continue producing evidence that the reserves, currently estimated at 57 million tons, may be significantly larger.

Currently, there is a serious imbalance between graphite supply and demand worldwide. On the one hand, China, which has the largest reserves and accounts for 80% of the world production, has been increasing the control over production and exports of this mineral for strategic reasons, within its policy to focus on higher value-added applications. On the other hand, graphite is in increasingly higher demand for traditional applications–such as in refractories, lubricants, brake pads, among others – and more recent ones – especially lithium-ion batteries for electrical vehicles –, as well as other applications related to alternative energy. This mismatch has led to a sharp rise in prices and market expectations are for this trend to continue for the next few months.

CAPITAL MARKETS
Stock Performance

Magnesita's common shares (Novo Mercado: MAGG3) closed the quarter at R$6.87, rising by 19.1% in the year. In the same period, Ibovespa rose by 13.7% and stood at 64,510 at the close of the quarter. The average daily trading volume during the year was R$2.4 million, with an average of 357,400 shares traded per day.

Stock vs. Ibovespa in the year – IBF (Dec. 10=100)



Magnesita Refratários S.A. is a publicly-held company, with shares traded at BM&FBovespa in Brazil and through Level 1 ADRs in the USA, dedicated to mining, producing and trading an extensive line of refractory materials. Its products are used mainly by the steel, cement and glass industries. Its industrial activities started in 1940, shortly after magnesite deposits were discovered in Brumado, Bahia State. At present, it operates 28 industrial and mining plants: sixteen in Brazil, three in Germany, three in China, one in the United States, two in France, one in Belgium, one in Taiwan and one in Argentina, with a capacity to produce over 1.4 million tons per year of refractories. The Company is the market leader in Brazil and South America and exported to over 70 countries in 2011.

All statements contained herein concerning business prospects, expected operating and financial results and references to the Company's potential for growth are simply forecasts and were based on the expectations and estimates of Management with regard to the Company's future performance. Even though the Company believes these forecasts are based on reasonable assumptions, it does not guarantee that they will materialize. The expectations and estimates on which the Company's future prospects are based are highly dependent on the behavior of the market, Brazil's political and economic situation, current and future regulations, international industry and markets and, consequently, are subject to changes beyond the control of the Company and its Management. The Company is not obliged to posting updates or reviews of the expectations, estimates and forecasts contained herein due to future events or information.

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Notes to the Quarterly Information

(All amounts in thousands of reais, unless otherwise stated)

1 Operations

Magnesita Refratários S.A. (the "Company" or "Magnesita"), which is controlled though the investment vehicles of GP Investments, Ltd., Rhône Group and Gávea Investimentos, is a public company listed in the New Market of BMF&FBOVESPA (the São Paulo Commodities, Futures and Stock Exchange). Together with its subsidiaries located in South America, North America, Europe and Asia, the Company operates mainly in the manufacture of refractory materials, a key product in processes where high temperatures are used. Its products are constituted based on magnesium or dolomite and take a number of forms, the most important of which are bricks, paste, mortar, and concrete. To capitalize on the synergy with its customers, the Company also provides electro-mechanical maintenance and refractory assembly services.

In addition to the plant located in Contagem, State of Minas Gerais, Brazil (head office), the Company has plants for the production of refractory materials through the following subsidiaries and jointly-controlled subsidiaries:

- Magnesita Insider Refratários Ltda. - Brazil
- Refractarios Argentinos S.A.I.C.y M - Argentina
- Magnesita Refractories Company - United States
- Magnesita Refractories GmbH - Germany
- Magnesita Refractories S.C.S. - France
- Magnesita Resource (Anhui) Co. Ltd. - China
- Shanxi LWB Taigang Refractories Company Ltd. - China
- Sinterco S.A. - Belgium
- Krosaki Magnesita Refractories LLC - United States
- Magnesita Envoy Asia Ltd. - Taiwan

In addition to the above mentioned subsidiaries, the Company also has other direct and direct subsidiaries, composed of holding, commercial, mining and non-operating companies, which comprise the consolidated financial statements (the "Magnesita Group" or "Group").

2 Approval of the quarterly information

This quarterly information was approved by the Company's Board of Directors on May 10, 2012.

3 Summary of significant accounting policies

The parent company and consolidated financial information for the three-month period ended March 31, 2012 was prepared and is presented in accordance with accounting practices adopted in Brazil, which comprise the provisions of Brazilian Corporation Law, the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) and the standards issued by the Brazilian Securities Commission (CVM), as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), except for the measurement of investments in subsidiaries on the equity method. The Company's quarterly information for the first quarter of 2012 was prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting -

Notes to the Quarterly Information

Revised (Parent company and consolidated) and IAS 34 - Interim Financial Reporting (consolidated).

This interim accounting information should be read in conjunction with the Company's financial statements for the year ended December 31, 2011.

The accounting policies applied in this interim accounting information are consistent with the policies described in note 3 to the Company's financial statements for the year ended December 31, 2011, filed with the Brazilian Securities Commission (CVM).

The accounting policies were consistently applied to all periods presented, unless otherwise stated.

The adoption of the pronouncements IAS 1 - Presentation of Financial Statements and IAS 12 - Income Tax - Recovery of Underlying Assets did not impact the quarterly information at March 31, 2012.

3.1 Basis of preparation and presentation of the quarterly information

The parent company and consolidated quarterly information has been prepared under the historical cost convention, as modified for certain financial assets and liabilities (including derivative instruments) measured at fair value.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

4 Critical accounting estimates and judgments

The critical accounting estimates and judgments utilized in the preparation of this interim accounting information are continuously reevaluated and do not differ from those described in note 4 to the Company's financial statements for the year ended December 31, 2010, filed with CVM.

5 Financial risk management

The financial risk management policy and the financial risk factors in this interim accounting information are consistent with the policies described in note 5 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

The policies for the utilization of financial instruments, financial risks, credit risks, liquidity risks and market risks have been consistently applied to all the periods presented.

Notes to the Quarterly Information

As a preventive measure and to reduce the impacts of exchange variations, it is management's policy to enter into swap transactions and maintain assets denominated in foreign currencies, as shown below:

	Consolidated - 3.31.2012		
	In R$ thousand		
	USD	€	Other currencies
Assets and liabilities in foreign currency			
Cash and banks	43,565	79,771	40,087
Marketable securities	-	-	279
Available-for-sale securities	-	55,110	-
Accounts receivable, net	135,412	130,694	48,312
Suppliers	(76,683)	(78,721)	(16,544)
Loans and financing	(174,120)	(9,054)	-
Notes	(710,472)	-	-
Other monetary liabilities abroad, net	(66,387)	(131,951)	(22,831)
	(848,685)	45,849	49,303

Loans and financing linked to U.S. dollar variations are backed by transactions carried out in the United States and Europe, in addition to exports of the Parent Company in this currency. The surplus was used to contract hedge transactions against the exchange loss risk. Therefore, management considers that the exchange variation risk is mitigated by these transactions.

With regard to Magnesita Group's interest rate risk, arising from loans and financing, the contracted interest rates on loans and financing and long-term notes, recognized in current and non-current liabilities, are shown below:

	Consolidated				Parent			
	3/31/2012	%	12/31/2011	%	3/31/2012	%	12/31/2011	%
Loans and financing								
Fixed rate	55,485	6	43,901	6	6,519	-	1,725	-
TJLP (long-term interest rate)	539	-	623	-	433	-	500	-
Libor	94,260	10	97,056	10	94,260	11	97,056	10
CDI (Interbank Deposit Certificate)	774,329	84	839,653	84	774,329	89	839,653	90
	924,613	100	981,233	100	875,541	100	938,934	100
Long-term debt notes								
Fixed	710,472	100	731,898	100	-	-	-	-

The Company has no derivative financial instruments to manage the risks associated with fluctuations in loan and financing rates.

Notes to the Quarterly Information

5.1 Capital management

The Magnesita Group's objectives when managing capital are consistent with the policies described in note 5.2 to the Company's financial statements for the year ended December 31, 2011, filed with CVM, and have been consistently applied to the period presented.

The Magnesita Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings and long-term debt less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

The debt/equity ratios can be presented as follows:

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Total loans, financing, REFIS and long-term debt notes	1,636,457	1,729,114	876,913	940,330
Less: cash and cash equivalents	(667,042)	(770,466)	(518,379)	(595,498)
Net debt	969,415	958,648	358,534	344,832
Shareholders' equity	2,678,723	2,653,161	2,663,216	2,638,331
Total capital	3,648,138	3,611,809	3,021,750	2,983,163
Gearing ratio	27%	27%	12%	12%

5.2 Fair value estimation

The carrying values of trade receivables, less the impairment provision, and trade payables are assumed to approximate their fair values due to their short maturity term. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Magnesita Group for similar financial instruments.

For swap and Non-Deliverable Forward (NDF) transactions, the Company independently calculates asset and liability positions, utilizing the mark to market methodology in accordance with the rates practiced and verified, as disclosed on the BM&F Broadcast and Bloomberg websites. When no trading exists for the term of the Company's portfolio, the interpolation methodology is used to obtain rates relating to specific terms. In both cases, the present value of flows is calculated. The difference between amounts payable and receivable is the fair value of transactions.

5.3 Chart of sensitivity analysis

This analysis considers the following risks:

1. Derivative contracts to cover exchange risk. In this case, management considered, as scenario I, a reasonably possible scenario for the fair value of contracts at March 31, 2012. Scenarios II and III were calculated with deteriorations of 25% and 50%, respectively, on Scenario I, considering these hypotheses for March 31, 2012. This analysis presented the following position:

Notes to the Quarterly Information

Transaction	Risk	Gain (loss) Scenario I	Scenario II	Scenario III
Swap (Germany - hedge)	Appreciation of euro against U.S. dollar	(6,391)	(90,741)	(175,091)
NDF (United Kingdom - hedge)	Appreciation of GB Pound against euro	194	(1,579)	(5,123)

2. Interest rate risk. Management considered as scenario I (reasonably possible) the projection of the Brazilian Central Bank for CDI and Libor rates in 2012. Additionally, scenarios II and III were calculated with deteriorations in the CDI and Libor rates of 25% and 50%, respectively, on scenario I, considering these hypotheses for 2012, which, in the case of the Libor rate was 0.65% for scenario I, 0.81% for scenario II and 0.97% for scenario III. This situation would result in the following financial expenses at March 31, 2012, considering the floating portion of the interest rate:

Transaction	Risk	Financial expenses Scenario I	Scenario II	Scenario III
Export credit note	Increase in CDI	7,528	(13,599)	(27,099)
Export prepayment	Increase in Libor	(727)	(1,925)	(3,722)

According to management's evaluation, the future changes in the floating interest rates will not generate effects that cannot be supported by the Company's business.

6 Derivative financial instruments

The Company does not enter into transactions with derivatives for speculative purposes, nor does it usually settle these transactions before maturity.

The Company monitors exchange risks arising from its borrowings in foreign currencies in excess of the volume of transactions in these currencies. The monitoring also considers the performance of exchange rates, in particular the U.S. dollar and the euro, in order to make decisions about the contracting of swap transactions.

Description	Maturity ranges Month/year	Consolidated - 3/31/2012 Notional value	Thousands Fair value R$
Exchange rate hedge:			
Germany - Swap	3/30/2015		
Assets		US$ 150,000	(6,391)
Liabilities		Euro 118,110	
United Kingdom - NDF	10/29/2010 to 6/30/2012		
Assets		GBP 4,340	194
Liabilities		Euro 4,896	

Notes to the Quarterly Information

7 Financial instruments by category

	Consolidated			Parent		
	Assets at fair value through profit or loss	Loans and receivables	Total	Assets at fair value through profit or loss	Loans and receivables	Total
Assets						
March 31, 2012						
Cash and cash equivalents						
- Cash and banks	-	165,547	165,547	-	45,516	45,516
- CDB and repurchase transactions	-	501,495	501,495	-	472,863	472,863
Available-for-sale securities	55,110	-	55,110	55,110	-	55,110
Trade receivables	-	509,342	509,342	-	302,355	302,355
Other receivables (excluding prepayments)	-	20,517	20,517	-	20,517	20,517
	55,110	1,196,901	1,252,011	55,110	841,251	896,361

	Consolidated			Parent		
	Assets at fair value through profit or loss	Loans and receivables	Total	Assets at fair value through profit or loss	Loans and receivables	Total
Assets						
December 31, 2011						
Cash and cash equivalents						
- Cash and banks	-	205,889	205,889	-	55,805	55,805
- CDB and repurchase transactions	-	564,577	564,577	-	539,693	539,693
Available-for-sale securities	43,842	-	43,842	43,842	-	43,842
Trade receivables	-	505,543	505,543	-	345,780	345,780
Derivative financial instruments	5,568	-	5,568	-	-	-
Other receivables (excluding prepayments)	-	20,971	20,971	-	20,971	20,971
	49,410	1,296,980	1,346,390	43,842	962,249	1,006,091

	Consolidated			Parent
	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Other financial liabilities
Liabilities				
March 31, 2012				
Loans and financing	-	924,613	924,613	875,541
Trade payables	-	298,457	298,457	143,919
Derivative financial instruments	6,391	-	6,391	-
	6,391	1,223,070	1,229,461	1,019,460

Notes to the Quarterly Information

	Consolidated	Parent
	Other financial liabilities	**Other financial liabilities**
Liabilities		
December 31, 2011		
Loans and financing	981,233	938,934
Trade payables	346,047	163,004
	1,327,280	1,101,938

8 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Consolidated		Parent	
	3/31/2012	**12/31/2011**	**3/31/2012**	**12/31/2011**
Trade accounts receivable				
Counterparties without external credit rating				
Group 1	491,347	478,700	275,261	309,792
Group 2	12,068	22,891	12,068	22,891
Group 3	16,053	14,213	16,040	14,190
Provision for impairment of trade receivables	(10,126)	(10,261)	(1,014)	(1,093)
Trade accounts receivable	509,342	505,543	302,355	345,780
Cash at banks and short-term bank deposits				
AAA	165,547	205,889	45,516	55,805
Marketable securities				
AAA	501,495	564,577	472,863	539,693
Cash and cash equivalents	667,042	770,466	518,379	595,498

- Group 1 - Large economic groups, where risk of default is very low.
- Group 2 - Customers insured by reputed financial institutions.
- Group 3 - Customers without guarantee or with a poor history.

Notes to the Quarterly Information

9 Cash and cash equivalents

The composition is as follows:

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Cash and banks	165,547	205,889	45,516	55,805
Marketable securities				
Fixed income	501,495	564,577	472,863	539,693
	667,042	770,466	518,379	595,498

The item "Cash and banks" at March 31, 2012 included, in the consolidated, R$ 2,124 (12/31/2011 - R$ 2,872) in local currency and R$ 163,423 (12/31/2011 - R$ 203,017) in foreign currency principally relating to deposits in bank current accounts. "Marketable securities" were classified as "loans and receivables" and correspond to fixed income securities with earnings that approximate the variation in the Interbank Deposit Certificates (CDI), and are available for immediate redemption. In the consolidated, a part of these fixed income securities, amounting to R$ 279 (12/31/2011 - R$ 708), was linked to foreign exchange variations, mainly the U.S. dollar.

10 Trade accounts receivable

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Domestic market	170,989	178,362	163,874	172,663
Foreign markets	324,544	317,463	41,536	60,066
Receivables from subsidiaries	-	-	74,024	94,165
Provision for impairment of trade receivables	(10,126)	(10,261)	(1,014)	(1,093)
Trade accounts receivable, net	485,407	485,564	278,420	325,801
Unbilled measurements	23,935	19,979	23,935	19,979
Trade accounts receivable	509,342	505,543	302,355	345,780

The accounts receivable do not have the characteristics of financing and are initially evaluated and recognized at fair value.

Notes to the Quarterly Information

The aging analysis of trade accounts receivable is as follows:

	Consolidated		Parent	
	3/31/2012	**12/31/2011**	**3/31/2012**	**12/31/2011**
Not yet due:				
Up to 90 days	243,520	345,836	161,267	210,002
More than 90 days	52,756	46,669	53,341	53,741
Overdue:				
Up to 30 days	148,382	56,087	21,038	33,388
More than 30 days	50,875	47,233	43,788	29,763
Provision for impairment of trade receivables	(10,126)	(10,261)	(1,014)	(1,093)
	485,407	485,564	278,420	325,801

The maximum exposure to credit risk at the financial statements date was the carrying amount of each class of accounts receivable mentioned above.

The changes in the provision for impairment of trade receivables were as follows:

	Consolidated	**Parent**
At December 31, 2011	(10,261)	(1,093)
Write-offs	56	56
Exchange variation	79	23
At March 31, 2012	(10,126)	(1,014)

11 Inventories

	Consolidated		Parent	
	3/31/2012	**12/31/2011**	**3/31/2012**	**12/31/2011**
Finished products	314,653	316,979	89,007	90,329
Work in progress	37,794	35,671	25,048	25,536
Raw materials	182,980	204,106	92,317	88,379
Warehouse (consumable and other)	63,282	62,700	31,393	30,346
Provision for losses	(17,762)	(17,748)	-	-
	580,947	601,708	237,765	234,590

Notes to the Quarterly Information

The changes in the provision for losses were as follows:

	Consolidated
At 12/31/2011	(17,748)
Exchange loss	(14)
At 3/31/2012	(17,762)

12 Other taxes recoverable

				Consolidated
		3/31/2012		12/31/2011
	Current	Non-current	Current	Non-current
Indirect taxes, mainly ICMS (Valued-added Sales and Services Tax)	46,011	15,696	45,493	11,542
Taxes on consignments	10,300	-	12,381	-
Other	5,545	-	6,750	-
	61,856	15,696	64,624	11,542

				Parent
		3/31/2012		12/31/2011
	Current	Non-current	Current	Non-current
Indirect taxes, mainly ICMS	24,823	15,696	26,009	11,542
Taxes on consignments	9,535	-	11,511	
Other	1,388	-	1,679	-
	35,746	15,696	39,199	11,542

13 Income tax and social contribution

(a) Deferred income tax and social contribution

The Company recognized in long-term receivables income tax (25%) and social contribution (9%) credits on temporary additions and tax losses, the realization of which is in accordance with the expectation of future taxable income. The tax credits, presented according to the nature of these temporary additions, are as follows:

Notes to the Quarterly Information

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Tax credits on timing differences				
Provision for losses on assets	193	313	193	313
Provision for contingencies	15,370	15,492	15,370	15,492
Post-employment liabilities	47,310	48,712	17,590	17,359
Provision for bonuses	12,033	9,840	12,033	9,840
Other	18,194	17,706	2,857	3,205
	93,100	92,063	48,043	46,209
Tax credit on tax loss carry forwards	246,740	229,235	246,740	229,235
Total tax credits	339,840	321,298	294,783	275,444

The realization of deferred income tax and social contribution credits is contingent on future events which will make the related provisions tax-deductible, under the terms of existing tax legislation, as well as on the generation of future taxable income.

The projections of future results, combined with the history of operations, indicate that the Company and its subsidiaries will earn future taxable profits in an amount sufficient to absorb the deferred tax assets. These projections considered estimates that are associated, among other factors, with the performance of the companies, as well as the behavior of the markets in which they operate and certain economic aspects. The actual amounts may differ from these estimates.

Management expects that the deferred tax assets will be realized as follows:

	Provision for losses on assets	Provision for contingencies	Post-employment liabilities	Provision for bonuses	Other	Tax loss carry forwards	Total
1st year	-	1,537	1,126	12,033	-	-	14,696
2nd year	-	1,537	1,126	-	-	-	2,663
3rd year	193	1,537	1,126	-	18,194	19,739	40,789
4th year	-	1,537	1,126	-	-	37,011	39,674
5th year	-	1,537	1,126	-	-	44,414	47,077
6th to 8th year	-	4,610	3,378	-	-	145,576	153,564
9th to 11th year	-	3,075	3,378	-	-	-	6,453
After 11 years	-	-	34,924	-	-	-	34,924
Balance at 3/31/2012	**193**	**15,370**	**47,310**	**12,033**	**18,194**	**246,740**	**339,840**

Tax credits arising from tax losses are primarily generated by the amortization of goodwill based on future profitability, arising from acquisitions of subsidiaries. The amortization of the goodwill is scheduled to be completed in 2013 (balance of R$ 284,202) and in 2018 (balance of R$ 421,502), which is the basis for management's expectation to realize the credit.

It should be noted that the recorded tax credits are supported by a technical report in accordance with CVM Instruction 371/02.

Notes to the Quarterly Information

Non-current liabilities are as follows:

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Deferred taxes on fiscal amortization of goodwill (i)	322,485	297,678	322,485	297,678
Social contribution on tax incentives	548	1,788	548	1,788
Deferred taxes on accelerated fiscal depreciation	50,992	52,894	-	-
Other	6,547	6,547	6,547	6,547
	380,572	**358,907**	**329,580**	**306,013**

(i) As from January 1, 2009, goodwill supported by expected future profitability is no longer being amortized for accounting purposes, in accordance with technical pronouncement CPC 13. However, the Company has been recognizing, pursuant to Law 11,941/09, under the Transitional Tax Regime, the fiscal amortization of this goodwill. The tax effect of this amortization required the recording of deferred income tax and social contribution.

Deferred income tax and social contribution assets and liabilities are presented in this quarterly information on a net basis, according to the nature of balances, as shown below:

	Parent	
	3/31/2012	12/31/2011
Assets	294,783	275,444
Non-current liabilities	329,580	306,013
	34,797	**30,569**

	Consolidated	
	3/31/2012	12/31/2011
Assets	339,840	321,298
Assets - Parent	294,783	275,444
	45,057	**45,854**
Non-current liabilities	380,572	358,907
Non-current liabilities - Parent	329,580	306,013
	50,992	52,894
Net balance - Parent	34,797	30,569
	85,789	**83,463**

Notes to the Quarterly Information

(b) Reconciliation of income tax and social contribution expense

	Consolidated		Parent	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Profit before income tax and social contribution	45,208	38,085	35,604	28,305
Composite nominal Brazilian statutory rate - %	34%	34%	34%	34%
Tax charge at nominal rate	(15,371)	(12,949)	(12,105)	(9,624)
Tax and contribution on				
Equity in the results of investees	-	-	4,851	3,959
Differences in foreign jurisdiction tax rates	(1,212)	(1,146)	-	-
Limitation of interest deductibility in Germany	(642)	(1,864)	-	-
Other permanent differences, net	334	(330)	(436)	(723)
Income tax and social contribution expense	(16,891)	(16,289)	(7,690)	(6,388)
Current	(10,233)	(1,144)	-	-
Deferred	(6,658)	(15,145)	(7,690)	(6,388)

14 Receivable from sale of property

The Company sold urban and rural areas in the city of São Caetano do Sul and in the region of Uberaba, State of Minas Gerais (approximately 2,266 hectares).

The amounts receivable can be classified as follows:

	Consolidated and Parent	
	3/31/2012	12/31/2011
Group 1	2,397	2,387
Group 2	18,120	18,584
	20,517	**20,971**
Current	14,494	13,025
Non-current	6,023	7,946

- Group 1 - Large economic groups, where the delinquency risk is very low.
- Group 2 - Customers insured by reputed financial institutions.

Notes to the Quarterly Information

15 Investments in subsidiaries

(a) Information on investments

Carrying amount

	Investment in capital %	Participation in: Adjusted net equity	Adjusted net income (loss)
Iliama II Trading (Sociedade Unipessoal) Lda.			
Capital of EUR 3 thousand and 3,010 quotas	100	(40,463)	(219)
Magnesita Finance Ltd.			
Capital of EUR 285,429 thousand and 1,286 quotas	100	660,918	8,904
Magnesita Grundstucks Beteiligungs GmbH			
Capital of EUR 25 thousand and 1 quota	100	390	-
Metal Data S.A. - Mineração e Metalurgia			
Capital of R$ 382 and 381,703 quotas	50	791	17
Magnesita Insider Refratários Ltda.			
Capital of R$ 1,590 and 1,590,000 quotas	100	83,481	2,510
MAG-Tec Ltda.			
Capital of R$ 200 and 800,000 quotas	100	245	-
RASA - Refractarios Argentinos S.A. I. C. y M.			
Capital of ARS 1,000 thousand and 1,000,000 shares	100	11,825	(19)
Refractários Magnesita Colômbia S.A			
Capital of COP 25,413,801 thousand and 1,167,320,000 quotas	100	18,622	3,012
Refractários Magnesita Peru S.A.C.			
Capital of PEN 7,490 thousand and 1,000 quotas	100	5,885	13
Refractários Magnesita Uruguay S.A.			
Capital of UYU 450 thousand and 450,000 quotas	100	251	49
Total at 3/31/2012		741,945	14,267
Total at 12/31/2011		718,198	12,866

Goodwill

	Goodwill arising on acquisition
Of subsidiary LWB Island Company Ltd.	307,738
Of subsidiary Metal Data S.A. - Mineração e Metalurgia	10,579
Total at March 31, 2012	318,317
Total in 2011	318,791

Notes to the Quarterly Information

(b) Changes in investments

The changes in the investment accounts were as follows:

	Parent	
	3.31.2012	**12.31.2011**
Balance at the beginning of the period/year	1,037,645	936,370
Additions (i)	13,224	18,888
Equity in the results of investees	14,267	12,866
Exchange variation of investments (ii)	(3,744)	46,301
Exchange variation of goodwill (iii)	(474)	23,224
Disposal of other investments	(13)	(4)
Balance at the end of the year	1,060,905	1,037,645

(i) In 2012, refers to the capital increase in the subsidiary Magnesita Refractários Colômbia S.A. In 2011, refers to the acquisition of Metal Data S.A. - Metalurgia e Mineração, amounting to R$ 11,300, and the capital increase in the subsidiary Refractarios Magnesita Peru S.A.C., amounting to R$ 7,588.

(ii) Recognized in shareholders' equity (note 23 (c)).

(iii) Recognized in shareholders' equity (note 23 (c)).

(c) Related parties (parent)

Balances and transactions

The principal balances receivable and payable at March 31, 2012 and the main transactions carried out during the period then ended, such as sales, purchases of services and products and dividends received, involving the Company's subsidiaries, were as follows:

	Balances			Transactions	
	Accounts receivable	**Suppliers**	**Credits (iv) (Debits)**	**Sales**	**Purchase of products**
Magnesita Insider Refratários Ltda. (i)	164	1,756	(857)	288	1,436
RASA - Refractarios Argentinos S.A. I. C. y M. (ii)	39,711	35	10	1,718	33
Iliama II Trading (Sociedade Unipessoal) Lda.	-	-	54,015	-	-
Refractários Magnesita Uruguay S.A. (iii)	303	-	-	15	-
Refractários Magnesita Colômbia S.A (iii)	7,817	-	-	9,440	-
Refractários Magnesita Peru S.A.C. (iii)	3,853	-	-	1,844	-
Refractários Magnesita Chile (iii)	1,288	-	-	179	-
Empresas LWB (i)	20,888	-	2,745	26,976	-
Total at March 31, 2012	74,024	1,791	55,913	40,460	1,469
At December 31, 2011	94,165	1,998	56,983		
At March 31, 2011				25,477	2,224

Notes to the Quarterly Information

(i) Sales of raw materials by the parent company for the manufacture of refractory materials by the subsidiary;

(ii) Sales of raw materials and refractory materials by the parent company for the manufacture and sale of refractory products by the subsidiary;

(iii) Sales of refractory products for resale in the countries where the subsidiaries are located.

The purchases and sales of products and services between the parent company and its subsidiaries were realized under conditions agreed by the parties. Considering that the percentage participation of the Company in its subsidiaries is 100%, the transactions were eliminated in the consolidated information.

16 Property, plant and equipment

Consolidated

	3/31/2012			12/31/2011			
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Weighted average annual depreciation rate %
Land	60,788	-	60,788	61,449	-	61,449	
Mineral deposits	38,845	(4,521)	34,324	39,725	(4,360)	35,365	Based on volume
Buildings and improvements	367,908	(159,594)	208,314	369,340	(155,561)	213,779	4
Machinery, facilities and equipment, including IT	1,153,377	(763,384)	389,993	1,163,902	(748,911)	414,991	7 to 10
Transportation equipment	15,322	(14,146)	1,176	15,355	(14,043)	1,312	6 to 20
Furniture and fixtures and other	36,900	(21,448)	15,452	36,953	(20,777)	16,176	9 to 10
Construction in progress (iii)	210,204	-	210,204	154,945	-	154,945	
Total property, plant and equipment	1,883,344	(963,093)	920,251	1,841,669	(943,652)	898,017	

Parent

	3/31/2012			12/31/2011			
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Annual depreciation rate %
Land (ii)	12,564	-	12,564	12,564	-	12,564	
Mineral deposits	9,132	(2,572)	6,560	9,132	(2,469)	6,663	Based on volume
Buildings and improvements (i) (ii)	148,296	(90,213)	58,083	147,878	(89,447)	58,431	3.5
Machinery, facilities and equipment, including IT (i)	724,868	(502,458)	222,410	728,610	(493,558)	235,052	9
Transportation equipment	12,088	(11,700)	388	12,088	(11,614)	474	20
Furniture and fixtures and other	27,005	(11,921)	15,084	27,005	(11,453)	15,552	10
Construction in progress (iii)	169,620	-	169,620	119,220	-	119,220	
Total property, plant and equipment	1,103,573	(618,864)	484,709	1,056,497	(608,541)	447,956	

(i) The Company reevaluated the useful life for 2012 and considered that there were no significant changes affecting the depreciation rates currently utilized.

(ii) The Company has pledged assets of R$ 18,584 in respect of administrative and judicial proceedings.

(iii) No loans were capitalized in the quarter and in 2011, as no costs were directly attributable to the acquisition, construction or production of qualifying assets.

Notes to the Quarterly Information

The changes in property, plant and equipment accounts were as follows:

	Consolidated	Parent
At December 31, 2011	898,017	447,956
Additions	54,134	47,093
Disposals	(666)	-
Depreciation	(24,132)	(10,337)
Transfer to intangible assets	(3)	(3)
Exchange loss (assets abroad)	(7,099)	-
At March 31, 2012	920,251	484,709

17 Intangible assets

							Consolidated
	3/31/2012			12/31/2011			
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Annual amortization rate %
Computer software and other (i)	76,524	(37,362)	39,162	76,492	(35,666)	40,826	12 to 20
Goodwill on the acquisition of investments							
Magnesita S.A.	1,316,509	(272,855)	1,043,654	1,316,509	(272,855)	1,043,654	
LWB	1,080,464	(2,602)	1,077,862	1,089,474	(2,602)	1,086,872	
Insider - Insumos Refratários para Siderurgia Ltda.	40,536	(699)	39,837	40,536	(699)	39,837	
Metal Data S.A. - Mineração e Metalurgia	10,579	-	10,579	10,579	-	10,579	
Total intangible assets	2,524,612	(313,518)	2,211,094	2,533,590	(311,822)	2,221,768	

							Parent
	3/31/2012			12/31/2011			
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Annual amortization rate %
Computer software and other	72,743	(35,370)	37,373	72,740	(33,711)	39,029	12 to 20
Goodwill on the acquisition of investments							
Magnesita S.A.	1,316,509	(272,855)	1,043,654	1,316,509	(272,855)	1,043,654	
Total intangible assets	1,389,252	(308,225)	1,081,027	1,389,249	(306,566)	1,082,683	

(i) The Company reevaluated the useful life for 2012 and considered that there were no significant changes affecting the amortization rates currently utilized.

Notes to the Quarterly Information

The changes in the intangible assets account were as follows:

	Consolidated	Parent
At December 31, 2011	2,221,768	1,082,683
Additions	29	-
Transfers from property, plant and equipment	3	3
Exchange loss	(9,010)	-
Amortization	(1,696)	(1,659)
At March 31, 2012	2,211,094	1,081,027

18 Loans and financing

	Currency	Annual average interest rate	3/31/2012	12/31/2011
				Consolidated
Export credit notes	R$	CDI+1.80%	746,205	812,508
(-) Unamortized transaction costs		-	(11,203)	(12,713)
Import financing	US$	Libor + 2.05%	2,377	2,432
	US$	8.18%	621	1,725
Property, plant and equipment financing				
In local currency	R$	7.61%	539	623
Advances on export invoices	US$	6.08%	39,327	39,858
	US$	Libor + 2.92%	91,884	94,624
Other	US$	7.25%	39,912	29,553
Other	€	5.31%	9,053	12,623
Other	R$	11.76%	5,898	-
			924,613	981,233
		Current	90,754	110,212
		Non-current	833,859	871,021

	Currency	Annual average interest rate	3/31/2012	12/31/2011
				Parent
Export credit notes	R$	CDI+1.81%	746,205	812,508
(-) Unamortized transaction costs		-	(11,203)	(12,713)
Import financing	US$	Libor + 2.05%	2,376	2,432
	US$	8.18%	621	1,725

Notes to the Quarterly Information

				Parent
	Currency	**Annual average interest rate**	**3/31/2012**	**12/31/2011**
Property, plant and equipment financing				
In local currency	R$	7.61%	433	500
Advances on export invoices	R$	6.08%	39,327	39,858
	US$	Libor + 2.92%	91,884	94,624
Other	R$	11.76%	5,898	-
			875,541	938,934
		Current	68,890	85,479
		Non-current	806,651	853,455

(a) Export credit notes

The Company realized out export credit note transactions with the following characteristics:

- Creditor: Banco Bradesco S.A.
- Amount: R$ 135,451
- Term: 5 years
- Grace period: 2 years
- Annual interest: CDI + 1.35%

- Creditor: Banco Itaú BBA S.A.
- Amount: R$ 407,508
- Term: 5 years
- Grace period: 3 years
- Annual interest: CDI + 2.10%
- Covenants: Net debt/EBITDA (4.5 until 12/31/2010; 4.00 until 3/31/2011; and 3.5 thereafter). EBITDA/Net financial expense (2.0 from 12/31/2010 onwards)

- Creditor: Banco do Brasil S.A.
- Amount: R$ 203,246
- Term: 5 years
- Grace period: 3 years
- Annual interest: CDI + 1.50%
- Covenants: Net debt/EBITDA (4.75 until 12/31/2010; 4.00 until 12/31/2011; and 3.75 thereafter).

The unamortized transaction costs correspond to the commissions paid on the renegotiation of the contracts and will be amortized over the terms of the contracts. On February 14, 2011, the Company settled a portion of the financing obtained from the bank Itaú BBA S.A., through the issue of shares (note 25).

Notes to the Quarterly Information

The financial covenants for the export credit notes of Banco Bradesco S.A. are as follows:

	Net Debt / Ebitda - maximum	Ebitda / Net Financial Expense - minimum
4Q 2010	4.5	2.00
1Q 2011 to 4Q2011	4.0	2.00
1Q 2012 onwards	3.75	2.00

The Company was in compliance with the requirements at December 31, 2011 and March 31, 2012.

(b) Advances on export invoices

Advances on export invoices refer to the financing of the future exports of the Company and were obtained from financial institutions, such as Banco do Brasil, Santander, Itaú and Bradesco.

(c) Maturity

The long- and short-term maturities of the balances payable at March 31, 2012 were as follows:

	Consolidated	Parent
Up to 180 days	16,750	16,750
From 180 to 360 days	71,058	49,194
2013	114,528	108,842
2014	290,376	287,327
2015	416,595	413,428
2016 onwards	15,306	-
	924,613	875,541

The carrying amount of loans and financing approximates their fair value.

At March 31, 2012, the market values of loans and financing did not significantly differ from their carrying amounts, to the extent that they were agreed and recorded at rates and conditions practiced in the market for transactions of a similar nature, risk and terms.

(d) Borrowing facilities

The Company has the following unused borrowing facilities:

	3/31/2012	12/31/2011
Floating rate		
- Expiring within one year	90,038	90,038
- Expiring after one year	500,000	661,255
Fixed rate		
- Expiring within one year	21,000	21,000
- Expiring after one year	5,000	5,000
	616,038	777,293

The facilities expiring within one year are annual facilities subject to review at various dates during 2012. The other facilities have been agreed to help finance the proposed expansion of the Group's activities.

19 Long-term debt

The general conditions and the characteristic of the debt notes issued in the first quarter of 2010, amounting to US$ 400 million, remain unaltered.

At March 31, 2012, the long-term debts totaled R$ 710,472 (consolidated).

20 Other taxes payable

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Indirect taxes, mainly ICMS	24,991	21,842	17,464	15,000
Other	17,212	15,150	3,167	3,367
	42,203	36,992	20,631	18,367

21 Provision for contingencies

The Company and its subsidiaries are parties in lawsuits and administrative proceedings at various courts and government entities, resulting from the ordinary course of operations, involving mainly tax matters, besides labor and social security aspects. The provision for contingencies is determined based on the analysis of pending lawsuits, assessments and evaluations of risk. The composition is as follows:

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Tax - Provision	39,384	38,999	39,372	38,987
Tax - Judicial deposit	(2,802)	(2,029)	(2,802)	(2,029)
Labor - Provision	21,425	22,546	21,425	22,546
Labor - Judicial deposit	(7,232)	(14,975)	(3,143)	(3,302)
Civil - Provision	127	127	127	127
Social Security - Provision	2,280	2,226	2,280	2,226
Social Security - Judicial deposit	(4,344)	(4,400)	(4,344)	(4,400)
Other - Judicial deposits	(257)	(256)	-	-
	48,581	42,238	52,915	54,155
Non-current - provision	63,216	63,898	63,204	63,886
Non-current - Judicial deposit	(14,635)	(21,660)	(10,289)	(9,731)
	48,581	42,238	52,915	54,155

Notes to the Quarterly Information

The changes in the provision in the first quarter of 2012 are shown below:

	Consolidated	Parent
At December 31, 2011	63,898	63,886
Reduction	(1,145)	(1,145)
Monetary variation	463	463
At March 31, 2012	63,216	63,204

Management, based on information provided by its legal advisors, recorded provisions at amounts considered sufficient to cover probable unfavorable outcomes for the lawsuits in progress, classified between short and long-term as presented above, in accordance with the expectation of the outcomes.

The main contingent liabilities with probable unfavorable outcomes, covered by provisions in this interim accounting information, did not alter significantly during the course of the lawsuits, remaining consistent with the discussions and bases presented in note 23 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

The provisions and estimates for tax, civil, social security, labor and other lawsuits have been consistently applied to all the periods presented. The provisions for the main lawsuits were as follows:

	Parent	
	3/31/2012	12/31/2011
National Social Security Institute (INSS)	2,280	2,226
Excise Tax (IPI)	8,054	7,961
Financial Offset on the Exploration of Mineral Resources	1,614	1,614
Income Tax and Social Contribution on profits abroad	20,951	20,707

The tax, civil and labor claims involving risks of loss classified as possible by management, based on the evaluation of its legal advisors, did not alter significantly during the course of the lawsuits, as well as their estimates, remaining consistent with the discussions and bases presented in note 23 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

22 Post-employment liabilities

The Company and its subsidiaries sponsor pension plans for their employees, the actuarial liabilities of which can be summarized as follows:

					Region
	Subsidiaries			Parent	Consolidated
Description	Europe	United States	China	South America	
Defined benefit plan	92,481	38,193	-	51,736	182,410
Bonus for length of service	3,491	-	-	-	3,491
Early retirement plan	-	-	33,576	-	33,576

Notes to the Quarterly Information

Description	Subsidiaries Europe	Subsidiaries United States	Subsidiaries China	Parent South America	Region Consolidated
At March 31, 2012	95,972	38,193	33,576	51,736	219,477
At December 31, 2011	96,426	40,447	34,997	51,056	222,926

Parent Company

The general conditions and characteristics of the defined contribution and defined benefit plans, sponsored by the Parent Company as well as the assumptions for the calculation of plan liabilities, remained unaltered and consistent with those presented in note 24 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

The estimated expense to fund the Defined Contribution Plan for 2012 is R$ 5,864, charged to cost of sales and services rendered, selling expenses or general and administrative expenses, in accordance with the participants' allocation in the Company structure. At March 31, 2012, the pension plan had 6,970 active participants (12/31/2011 - 7,147).

At March 31, 2012, BB Previdência had 250 (12/31/2011- 241) retired participants and pensioners and 1,271 (12/31/2011 - 1,277) participants awaiting the deferred benefits.

The liability corresponding to the beneficiaries of the Defined Benefit Plan was recognized by the sponsor in long-term liabilities - post-employment liabilities, and can be summarized as follows:

	Parent Present value of liabilities	Parent Fair value of assets	Parent Liability recognized
At December 31, 2011	(203,862)	152,806	(51,056)

The projected actuarial costs for the Defined Benefit Plan for 2012 are as follows:

	3.31.2012
Current service cost	(776)
Interest cost	(19,977)
Return on plan assets	14,889
Contributions from former employees	-
	(5,864)

Subsidiaries

(i) Defined contribution plans

The general conditions and characteristics of the defined contribution plans in the United States and in the United Kingdom, as well as the assumptions for the calculation of plan liabilities, remained unaltered and consistent with those presented in note 24 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

Notes to the Quarterly Information

The total cost of these plans amounted to R$ 522 in the first quarter of 2012 (R$ 1,136 in the first quarter of 2011), calculated in accordance with the rates defined in the related rules. Of this total, R$ 253 was charged to cost of sales, R$ 117 to selling expenses and R$ 152 to administrative expenses (1st quarter of 2011: R$ 559, R$ 281, R$ 296, respectively)

(ii) Defined benefit plans

The subsidiaries also maintain Defined Benefit Plans in Europe and the United States, which are determined using the projected unit credit method and assessments by independent actuaries, who maintained the economic assumptions aligned and consistent with those presented in note 24 to the Company's financial statements for the year ended December 31, 2011, which can be presented as follows:

				Region
		Europe		**United States**
	3/31/2012	**12/31/2011**	**3/31/2012**	**12/31/2011**
Present value of actuarial liability	(92,481)	(92,926)	(235,003)	(240,543)
Fair value of assets	-	-	196,810	200,096
Actuarial liability	(92,481)	(92,926)	(38,193)	(40,447)
Active participants	443	424	305	305
Assisted participants	1,144	1,175	576	576
Dismissed participants, but eligible for the plan	325	283	234	234

The total cost of the defined benefit plans amounted to R$ 151,875 in the first quarter of 2012 (R$ 82,776 in the first quarter of 2011), of which R$ 48,820 was charged to cost of sales, R$ 71,953 to selling expenses and R$ 31,084 to administrative expenses (1st quarter of 2011 - R$ 10,231, R$ 44,335 R$ 28,210, respectively).

(iii) Early retirement plan

In 2007, the Company restructured the activities of its subsidiary in China, and 222 employees were dismissed. These employees are entitled to a benefit proportional to their remuneration until they reach the age stipulated for official retirement. This liability was calculated by external actuaries and forms part of the actuarial liabilities of the Group.

23 Shareholders' equity

(a) Capital

The Company's capital was R$ 2,528,146 at March 31, 2012 (12/31/2011 - R$ 2,528,146), represented by 291,981,934 common shares (12/31/2011 - 291,981,934), all nominative and with no par value.

Notes to the Quarterly Information

The changes in capital during 2012 and 2011 were as follows:

		Changes		Capital	
Date	Event	Number of shares - thousand	R$ thousand	Number of shares - thousand	R$ thousand
12/31/2010	Balance	-	-	258,212	2,388,845
2/14/2011	Capital increase in cash (i)	33,770	139,301	291,982	2,528,146
12/31/2011	Balance			291,982	2,528,146
3/31/2012	Balance	-	-	291,982	2,528,146

(i) Issue of 33,770 shares at R$ 8.25 each, totaling R$ 278,602. 50% of this amount, net of costs arising from consulting and auditing charges and fees, was recorded in the share capital account and 50% was allocated to the capital reserve.

The Company is authorized to increase its capital to up to R$ 4,000,000, without amending the bylaws, through the approval of the Board of Directors, which will determine the conditions for the issue.

(b) Reserves

The general conditions and characteristics of dividends, capital reserves and revenue reserves in this interim accounting information did not change significantly, remaining consistent with the information presented in note 25 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

In the first quarter of 2012, R$ 1,856 (1st quarter of 2011 - R$ 1,513) was recorded as stock options granted to management, with a corresponding entry to the expense recognized in the statement of income.

(c) Carrying value adjustments

Carrying value adjustments comprise the corresponding entries for the exchange variations of investments in subsidiaries abroad, loans to subsidiaries abroad and goodwill. The recorded amounts for exchange variations of investments and goodwill abroad were:

	Parent
At December 31,2011	(158,271)
Exchange loss of investments abroad	(3,744)
Exchange loss of goodwill abroad	(474)
At March 31, 2012	(162,489)

Notes to the Quarterly Information

24 Segment information

Management has determined the Magnesita Group's operating segments based on the reports that are utilized to make strategic decisions, which are reviewed by the Board of Directors. The Board of Directors analyzes the business, segmenting it from a geographic perspective.

The reportable operating segments derive their revenue primarily from the manufacture and sale of refractory products.

The amounts presented to the Board of Directors are consistent with the balances recorded in the consolidated financial statements.

The segment information provided to the Board of Directors in respect of the quarters ended March 31, 2012 and March 31, 2011 was as follows:

					Consolidated - 3.31.2012
	South America	Europe	North America	China	Total
Total segment net revenue	316,209	154,226	145,894	35,479	651,808
Inter-segment net revenue	(21,809)	(10,637)	(10,062)	(2,447)	(44,955)
Net revenue from third parties	294,400	143,589	135,832	33,032	606,853
Net income (loss)	19,009	2,743	9,009	(2,444)	28,317
Total segment receivables	284,957	143,039	101,777	25,556	555,329
Inter-segment receivables	(23,597)	(11,845)	(8,428)	(2,117)	(45,987)
Receivables from third parties, net	261,360	131,194	93,349	23,439	509,342
Inventories	293,447	139,612	119,847	28,041	580,947
Property, plant and equipment	496,502	219,113	92,193	112,443	920,251
Segment suppliers	165,784	90,647	59,513	21,937	337,881
Inter-segment suppliers	(19,344)	(10,577)	(6,944)	(2,559)	(39,424)
Third-party suppliers	146,440	80,070	52,569	19,378	298,457

Notes to the Quarterly Information

	Consolidated - 3.31.2011				
	South America	Europe	North America	China	Total
Total segment net revenue	308,040	154,876	118,105	28,123	609,144
Inter-segment net revenue	(17,120)	(8,607)	(6,563)	(1,563)	(33,853)
Net revenue from third parties	290,920	146,269	111,542	26,560	575,291
Net income (loss)	12,926	8,440	4,924	(4,494)	21,796
Total segment receivables	309,547	146,712	80,801	18,575	555,635
Inter-segment receivables	(29,954)	(14,197)	(7,819)	(1,797)	(53,767)
Receivables from third parties, net	279,593	132,515	72,982	16,778	501,868
Inventories	300,432	112,586	93,611	28,477	535,106
Property, plant and equipment	356,072	214,564	78,445	137,523	786,604
Segment suppliers	111,129	81,111	54,213	29,511	275,964
Inter-segment suppliers	(17,780)	(12,976)	(8,673)	(4,721)	(44,150)
Third-party suppliers	93,349	68,135	45,540	24,790	231,814

25 Stock Option

The general conditions and characteristics of the stock option plan, as well as the assumptions adopted for fair value measurement are consistent with those described in note 27 to the Company's financial statements for the year ended December 31, 2011, filed with CVM.

The number of stock options and their corresponding weighted average prices are presented below:

	3.31.2012		12.31.2011	
	Number (thousand)	Average price (R$)	Number (thousand)	Average price (R$)
Outstanding at the beginning	11,016	4.05	10,316	4.10
Granted during the period			700	3.25
Balance of options	11,016	4.05	11,016	4.05
Adjustment for probability	77.8%		77.8%	
Number to be accounted for on the accrual basis	8,570	3.15	8,570	3.15

The amount to be recognized on the accrual basis, considering a five-year term for exercising the options, adjusted for probability, amounted to R$ 29,452 for the entire period, of which R$ 1,585 was recorded in 2012, totaling R$ 18,566 in a specific equity account.

26 Expenses by nature

	Consolidated		Parent	
	1st quarter/12	1st quarter/11	1st quarter/12	1st quarter/11
Depreciation and amortization	25,828	24,443	11,996	10,680
Employee benefits	127,348	133,134	83,502	88,088
Raw materials and consumables used	284,977	248,300	109,008	104,397
Transportation and commission expenses	33,596	30,220	18,053	16,176
Third-party services	35,015	31,486	26,369	25,233
Other expenses	33,805	39,506	10,094	4,647
	540,569	507,089	259,022	249,221
Classification				
Cost of sales and services rendered	425,174	389,600	195,226	188,696
Selling expenses	65,940	60,156	30,718	29,537
General and administrative expenses	49,455	57,333	33,078	30,988
	540,569	507,089	259,022	249,221

27 Employee benefit expenses

	Consolidated		Parent	
	1st quarter/12	1st quarter/11	1st quarter/12	1st quarter/11
Salaries and fees	84,983	86,061	50,138	53,665
Social charges	32,710	34,441	25,145	26,748
Profit sharing	7,859	8,620	6,576	5,765
Pension plan	1,796	4,012	1,643	1,910
	127,348	133,134	83,502	88,088

Notes to the Quarterly Information

28 Other operating income (expenses), net

	Consolidated		Parent	
	1st quarter/12	1st quarter/11	1st quarter/12	1st quarter/11
Labor indemnities	(2,665)	(2,681)	(2,665)	(2,681)
Assignment of payroll processing rights	800	800	800	800
Net gains on real estate project	513	699	513	699
Complement to judicial gain - Eletrobrás share	-	4,706	-	4,706
Employee benefits	(1,465)	(1,461)	(1,465)	(1,461)
Other, net	(1,722)	(893)	(720)	(23)
	(4,539)	1,170	(3,537)	2,040

29 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of outstanding issued common shares during the period.

	Consolidated	
	1st quarter/12	1st quarter/11
Basic		
Basic numerator		
Net income attributable to shareholders of the Company	27,914	21,917
Basic denominator		
Weighted average number of outstanding common shares (thousand)	291,982	280,725
Basic earnings per share (in R$)	0.10	0.08

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all the potentially dilutable common shares. The Company has only one category of potentially dilutable common shares: stock options. Accordingly, a calculation is effected to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company shares), based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as mentioned above is compared with the number of issued shares, assuming the exercise of the stock options.

Notes to the Quarterly Information

	Consolidated	
	1st quarter/12	1st quarter/11
Diluted		
Diluted numerator		
Net income attributable to shareholders of the Company	27,914	21,917
Diluted denominator		
Weighted average number of outstanding common shares	291,982	280,725
Adjustments for stock options (thousand)	8,570	8,026
Weighted average number of common shares for diluted earnings (thousand)	300,552	288,751
Diluted earnings per share (in R$)	0.09	0.08

30 Net revenue

	Consolidated		Parent	
	1st quarter/12	1st quarter/11	1st quarter/12	1st quarter/11
Gross revenue from sales and services				
Domestic market	325,124	338,425	316,503	328,165
Foreign market	366,091	324,483	52,404	41,087
	691,215	662,908	368,907	369,252
Taxes on sales and services	(84,362)	(87,617)	(81,605)	(84,219)
Net revenue from sales and services	606,853	575,291	287,302	285,033

31 Insurance

The Company and its subsidiaries maintain insurance policies to cover operating risks, comprising industrial facilities, machinery and inventories. This coverage insures loss of profits, risk of fires, floods and other events, and can be presented as follows:

	Consolidated		Parent	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Asset amounts insured	2,746,119	2,760,557	1,629,561	1,593,092
Loss of profits	782,300	777,986	92,937	92,937
Civil liability	268,416	268,856	25,000	25,000

The Company also maintains management civil liability insurance, credit insurance, group life insurance for employees, transportation insurance, employee accident insurance, and employee travel insurance.

Notes to the Quarterly Information

32 Remuneration of key personnel

In the first quarter of 2012, the remuneration of key personnel (members of the Board of Directors and Executive Board) corresponded to R$ 2,163 (1st quarter of 2011 - R$ 2,074), related to fees. In addition, the fair value of stock options granted, in the amount of R$ 1,585 (1st quarter of 2011 - R$ 1,513), was recorded in the statement of income.

33 Events after the end of the reporting period

On April 5, 2012, the Group issued debt bonds denominated in U.S. dollars, amounting to US$ 250 million, through its wholly-owned subsidiary Magnesita Finance Ltd. These bonds constitute non-subordinated, unguaranteed obligations of Magnesita Finance Ltd. and are fully and unconditionally guaranteed by the Parent Company and other subsidiaries located in Brazil and abroad. The debt bonds have the following characteristics:

- Term: perpetual
- Annual interest: 8.625%, payable quarterly
- Internal Return Rate: 8.625%

The proceeds from the issue of these debt bonds will be used to amortize the export credit notes with Banco Itaú BBA S.A.

* * *

Opinions and Representations / Report on Special Review – Without Exceptions

Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Magnesita Refratários S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Magnesita Refratários S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2012, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information, in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

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

Conclusion on the parent
company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Opinions and Representations / Report on Special Review – Without Exceptions

Conclusion on the consolidated
interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Interim statements
of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended March 31, 2012, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, May 10, 2012

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

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1 "S" MG

Opinions and Representations / Opinion of the Audit Committee or Equivalent

Audit Committee Opinion

The Audit Committee of Magnesita Refratários S.A. (the "Company"), in the exercise of its legal and statutory functions, has examined the Management Report, the Executive Board accounts, the audited consolidated financial statements of the Company and the report on review of quarterly information for the quarter ended March 31, 2012. The Audit Committee has also analyzed the technical feasibility study that supports the expectation of the generation of future taxable income and, in compliance with the provisions of article 163, items II, III and VII of Law 6,404/76, articles 2, item II, and 4, both in CVM Instruction 371/02, hereby fully approves these documents.

Contagem, May 10, 2012

Pedro Wagner Pereira Coelho
Alexei Ribeiro Nunes
Sergio Antonio Cordeiro de Oliveira
Ricardo Scalzo
Sergio Valadares Portella

Opinions and Representations / Directors' Representation on the Financial Statements

STATEMENT

In our capacity as Statutory Directors of Magnesita Refratários S.A, pursuant to CVM Instruction 480 of December 7, 2009, article 25, paragraph 1, items V and VI, we declare that:

We have analyzed, discussed and agreed with the limited review of the interim financial statements (Parent Company and Consolidated) for the quarter ended March 31, 2012;

We have analyzed, discussed and agreed with the terms of the independent accountants' limited review of the interim financial statements (Parent Company and Consolidated) for the quarter ended March 31, 2012.

Contagem, May 10, 2012

Ronaldo Iabrudi dos Santos Pereira
Chief Executive Officer

Flávio Rezende Barbosa
Vice President, Finance and Investor Relations

Directors with no specific title:

Peter Paul Lorenço Estermann
Luís Rodolfo Mariani Bittencourt
Gilmar Fava Carrara
Gustavo Lúcio Gonçalves Franco
Milton José de Oliveira Sacramento
Octavio Cortes Pereira Lopes

Wagner Mariano Sampaio
Otto Alexandre Levy Reis
Afonso Celso de Resende
Fabrício Rodrigues Amaral
Yan Yves Hoffstetter

Responsible Accountant
Leonardo Figueiredo Moreira
Contador - CRC-MG 76.170/O-4

Opinions and Representations / Directors' Representation on the Independent Accountants' Report

DIRECTORS' REPRESENTATION ON THE INDEPENDENT ACCOUNTANTS' REPORT

In our capacity as Statutory Directors of Magnesita Refratários S.A., pursuant to CVM Instruction 480 of December 7, 2009, article 25, paragraph1, items V and VI, we declare that:

We have analyzed, discussed and agreed with the limited review of the interim financial statements (Parent Company and Consolidated) for the quarter ended March 31, 2012;

We have analyzed, and discussed and agreed with the terms of the independent accountants' report on the limited review of the interim financial statements (Parent Company and Consolidated) for the quarter ended March 31, 2012.

Contagem, May 10, 2012

Ronaldo Iabrudi dos Santos Pereira
Chief Executive Officer

Flávio Rezende Barbosa
Vice President, Finance and Investor Relations

Directors with no specific title:

Wagner Mariano Sampaio
Otto Alexandre Levi Reis
Luis Rodolfo Mariani Bittencourt
Yan Yves Hofstetter
Fabrício Rodrigues Amaral
Octavio Cortes Pereira Lopes
Afonso Celso de Resende
Milton José de Oliveira Sacramento
Gustavo Lúcio Gonçalves Franco
Peter Paul Lorenço Estermann
Gilmar Fava Carrara

Responsible Accountant
Leonardo Figueiredo Moreira
Contador - CRC-MG 76.170/O-4