



MINUTES OF BOARD OF DIRECTORS AND AUDITORS' MEETINGS

MAGNESITA REFRATÁRIOS S.A.
Publicly Held Company
CNPJ (Corporate Taxpayer Registration) Nr. 08.684.547/0001-65
NIRE (Commercial Registry Number) 31.300.026.485

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD ON 15 AUGUST 2012

Date, Time and Place: On August 15th , 2012, at 6pm (BrT), by teleconference.

Notice of Meeting, Attendance and Agenda: Call notice dismissed, pursuant to Article 16, Paragraph 3rd , of the Company's By-Laws, due to the attendance of the totality of the Board members in order to deliberate on the approval of the repurchase program of shares issued by the Company.

Chairman and Secretary: Chairman - Fersen Lamas Lambranh Secretary - Gustavo Abramides Bassetti

Resolutions adopted by unanimous vote:

1. To authorize these minutes to be drawn up in summary form.
2. To approve, according to the authority assigned by the Article 15, item 'g', of the Company's Bylaws, the repurchase program of shares issued by the Company, for maintenance in treasury and latter sale or cancellation, without reduction of the Company's capital stock, up to the limit of 8,581,563 (eight million, five hundred and eighty one thousand, five hundred and sixty three) common shares, that represents 5% (five percent) of the Company's outstanding shares. The acquisition will not affect the distribution of the mandatory dividends provided by the Company's Bylaws, since it shall be made using the capital reserve (share premium reserve), in accordance with the balance sheet as of June 30 th, 2012, up to the amount available on such balance sheet, according to the CVM's Instruction No. 10/80. The purpose of the operation is to maximize the value creation to the shareholder through an efficient management of the capital structure. This authorization is valid for a term of 365 (three hundred and sixty five) days counted from the date hereof, and the negotiations shall be intermediated by (i) Itaú Corretora de Valores S.A., stock company, enrolled in CNPJ/MF under no. 61.194.353/0001-64, with its headquarters at Av. Brigadeiro Faria Lima, no. 3.400, 10th floor, Itaim Bibi, in the City and State of São Paulo, Zip Code 04538-132; (ii) Deutsche Bank Corretora de Valores S.A., stock company, enrolled in CNPJ/MF under no. 02.184.143/0001-26, with its headquarters at Av. Brigadeiro Faria Lima, no. 3.900, 13th, 14th and 15th floors, Itaim Bibi, in the City and State of São Paulo, Zip Code 04538-132; and (iii) Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários, stock company, enrolled in CNPJ/MF under no. 42.584.318/0001-07, with its headquarters at Av. Brigadeiro Faria Lima, no. 3064, 13th floor and 14th floor (part), Jardim Paulistano, in the City and State of São Paulo, Zip Code 01451-000.
3. To register that currently (i) there are 171,631,264 (one hundred and seventy one million, six hundred and thirty one thousand, two hundred and sixty four) outstanding common shares issued by the Company; and (ii) there are no treasury shares.
4. To authorize the Company's Executive Committee to take all measures necessary to the implementation of the resolutions now approved, as well as to grant powers to the Company's Executive Committee to determine the opportunity and volume of shares that shall be acquired by the Company, pursuant to the terms and conditions hereby approved.

Adjournment: There being no further business, the meeting was briefly adjourned for the drawing up of these minutes. The meeting being once again call to order, these minutes were read and approved, and were signed by the Chairman and Secretary and by the members of the Board of Directors of the Company. Signatures - Chairman and Secretary: Fersen Lamas Lambranh (Chairman), Gustavo Abramides Bassetti (Secretary). Members of the Board of Directors: Fersen Lamas Lambranh, Thiago Emanuel Rodrigues, Gustavo Abramides Bassetti, Santos de Araújo Fagundes, Nelson Rozental, Franz Buerstedde, Rodrigo Sancovsky and Bernardo Guimarães Rodarte.

I declare that these minutes are a true copy of the original drawn up in the relevant book.

São Paulo, August 15th , 2012.

Gustavo Abramides Bassetti
Secretary