

## MAGNESITA POSTS REVENUE OF R\$2.46 BILLION IN 2012, 6.2% ABOVE 2011

Contagem, Brazil – March 15, 2013 – Magnesita Refratários S.A. (BM&FBOVESPA, Novo Mercado: MAGG3) announces today its results for the fourth quarter of 2012 (4Q12) and the 2012 fiscal year. The Company's consolidated operating and financial information, except where otherwise stated, is presented in thousands of Reais, pursuant to the Brazilian Corporate Law.

### 2012 HIGHLIGHTS

- **Revenue:** Net revenue of R\$2,463.7, up 6,2% over 2011;
- **Refractories for the steel sector:** Market share gains and expansion in South America, where sales volume grew 5.8% while steel production fell 2.9%;
- **Refractories for the industrial sector:** Significant 9.3% growth in sales volume, representing 15.9% of total revenue from refractories;
- **Services:** Strategic realignment, with margin recovery throughout the year, ending 2012 with gross margin of 11.0%, in line with 2011 (11.3%), and margin of 14.7% in 4Q12;
- **EBITDA:** In 2012, Magnesita recorded EBITDA of R\$359.7 million, down 15.8% versus 2011 EBTIDA. Nonetheless, excluding non-recurring effects, EBITDA was up 10.7% for the year;
- **Profitability:** Despite the challenges of 2012, with falling steel production in key markets, gross and EBITDA margins improved 0.4 p.p. and 0.6 p.p. respectively, excluding reclassifications and non-recurring effects.
- **Brumado Expansion:** In 2012, Magnesita completed the expansion of its high-grade magnesite sinter production capacity, further strengthening its global competitiveness;
- **Strategic realignment:** In 2012, Magnesita's mid-to-long term strategic focus was redefined in order to achieve greater value generation and shareholder returns.

## KEY INDICATORS

| In R\$ million      | Quarter  |          |          | Var. %  |         | Year     |          | Var. %  |
|---------------------|----------|----------|----------|---------|---------|----------|----------|---------|
|                     | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)   | (a/c)   | 2012 (d) | 2011 (e) | (d/e)   |
| Net Revenues        | 611.1    | 608.1    | 599.1    | 0.5%    | 2.0%    | 2,463.7  | 2,318.9  | 6.2%    |
| Gross Profit        | 180.3    | 185.5    | 183.0    | -2.8%   | -1.5%   | 749.2    | 730.1    | 2.6%    |
| Gross Margin (%)    | 29.5%    | 30.5%    | 30.5%    | -99 bp  | -104 bp | 30.4%    | 31.5%    | -107 bp |
| EBIT                | 52.8     | 56.4     | 53.0     | -6.5%   | -0.5%   | 249.2    | 291.4    | -14.5%  |
| EBITDA              | 82.7     | 84.3     | 111.8    | -1.8%   | -26.0%  | 359.7    | 427.4    | -15.8%  |
| EBITDA Margin (%)   | 13.5%    | 13.9%    | 18.7%    | -31 bp  | -511 bp | 14.6%    | 18.4%    | -383 bp |
| Net Income          | 0.0      | 10.7     | 11.6     | -99.9%  | -99.9%  | 75.8     | 98.5     | -23.1%  |
| Net Margin (%)      | 0.0%     | 1.8%     | 1.9%     | -176 bp | -193 bp | 3.1%     | 4.2%     | -117 bp |
| CAPEX               | -77.5    | -61.7    | -84.1    | 25.6%   | -7.9%   | -257.3   | -170.9   | 50.5%   |
| Operating Cash Flow | 97.4     | 71.4     | 139.9    | 36.3%   | -30.4%  | 342.0    | 551.6    | -38.0%  |
| Net Debt            | 1,058.2  | 1,074.4  | 957.3    | -1.5%   | 10.5%   | 1,058.2  | 957.3    | 10.5%   |
| Net Debt/EBITDA     | 2.94x    | 2.76x    | 2.24x    | 6.4%    | 31.3%   | 2.94x    | 2.24x    | 31.3%   |

## 4Q12 and 2012 Results Conference Call

March 18, 2013 at 10 A.M. (Brasília) - 9 A.M. EST – in English  
 March 18, 2013 at 12 P.M. (Brasília) - 11 A.M. EST – in Portuguese

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### Message from the CEO

"2012 was marked by a deteriorating macroeconomic scenario with the deepening fiscal crisis in the Eurozone. In the United States, despite solid performance from the steel sector in the first half of the year with capacity utilization above 80%, the last quarter saw a slowdown with utilization down to near 70% and GDP retracting 0.1%. In Brazil, despite several economic stimulus packages implemented by the government during the year, GDP growth was below 1%. Industrial production ended the year down 2.7%, demonstrating that government efforts did not produce the expected results. In this context, steel production in the Eurozone (EU-27) fell 4.5% in the year and 2.0% in 4Q12 as compared to 3Q12, according to the World Steel Association. In the U.S., production increased 2.7% in the year, but in 4Q12 fell 5.9% versus the previous quarter. Production was down 2.9% for the year in South America, with 4Q12 practically stable when compared to 3Q12, while in Brazil, production declined 1.4% in the year and quarter over quarter.

Despite the unfavorable macroeconomic scenario and a 3.8% decline in refractory sales volume, Magnesita closed 2012 with revenue of R\$2.46 billion, 6.2% above 2011. Our highlight were sales in the Americas, where we earned new contracts and market share gains that partially offset falling European sales resulting from reduced steel production. We achieved solid performance in refractory sales to industrial sectors with significant 9.3% volume growth. In 2012, sales to these sectors accounted for 15.9% of total refractory revenue, compared to 13.7% in 2011. We will continue to seek growth and diversification into these sectors. In the service segment, we recovered margins over the year with a new direction and operational focus on more profitable contracts. Despite this challenging scenario with falling steel production in key markets, we were able to expand margins and profitability, increasing gross margin from 30.0% in 2011 to 30.4% in 2012 and EBITDA margin from 14.5% to 15.1%, excluding reclassifications and non-recurring effects.

From the operational side, we highlight the conclusion of the Brumado expansion project, which increased our high-grade magnesite sinter production capacity from 180 thousand to 240 thousand tonnes/year, making us self-sufficient. As part of our strategy of expanding production of industrial minerals beyond those necessary for refractory production, we took important steps in the graphite project, obtaining the preliminary environmental license.

In 2012, we concluded the Company's five-year strategic plan, delineating our roadmap for growth and value creation for our shareholders. The conclusion of this work corroborated the vision of the Board of Directors and management team that Magnesita is a one-of-a-kind asset with several opportunities for value generation,

both in refractory solutions and in industrial minerals. In the refractory business, through our mineral and industrial asset base, the differentiated relationship with customers, as well as the quality of our products and services, we will continue to strive to maintain our leadership in key markets. But we know that our potential extends beyond that. We concluded a detailed analysis of each market where we can be competitive and we are focusing on expanding operations to new geographies and industrial sectors where we have competitive advantages. Regarding our industrial minerals segment, besides magnesite sinter, caustic magnesia and talc, we are focusing on expanding our portfolio, leveraging our experience and expertise in mining and the unexplored minerals opportunities in Brazil. The greenfield graphite project, currently under development, was the first step in this direction. We have a pipeline of projects under analysis and are optimistic that soon, we will be able to announce new mining initiatives.

To implement this strategy, we have made a few important changes. We reinforced our support areas and sales team, with new commercial offices around the world. All of our industrial plants and mines now report to a single division responsible for global production, supply chain and procurement. We also created a new global leadership for People and Management and are investing in our research and development team. In the industrial mineral business, we created an Executive Vice President with a fully dedicated team responsible for prospecting, analyzing and developing new projects, in addition to the current minerals business unrelated to refractories.

With this, our goal is that in the future, Magnesita will be not only larger and more profitable, but also much more diversified both geographically and with respect to end market industries, with a significant industrial minerals portfolio. We are certain that the macroeconomic scenario will still be challenging, but we are very confident that we are on the right track to extract the full potential for value generation that Magnesita offers.

Thank you.”

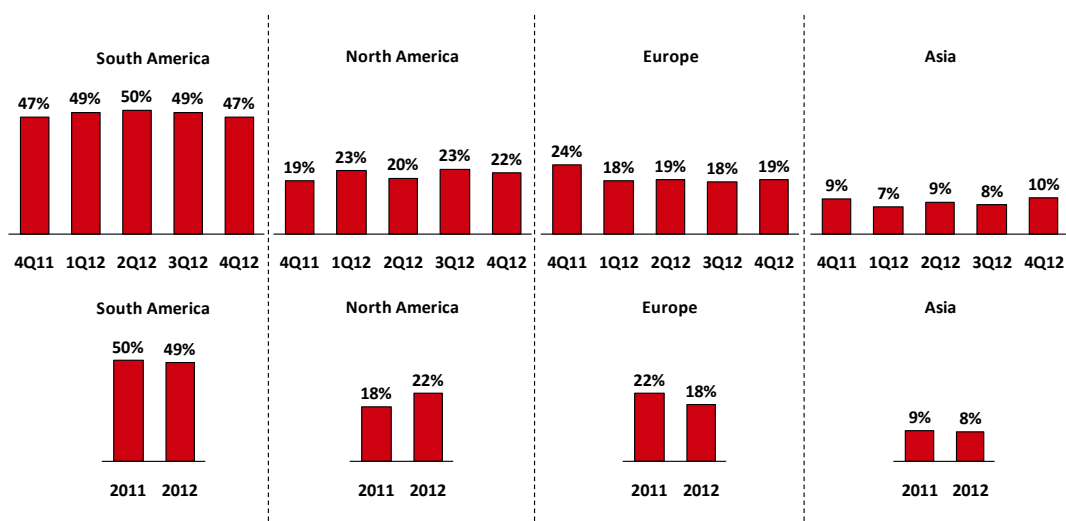
*Octavio Pereira Lopes*

## CONSOLIDATED OPERATING AND FINANCIAL PERFORMANCE

### REVENUE AND VOLUME

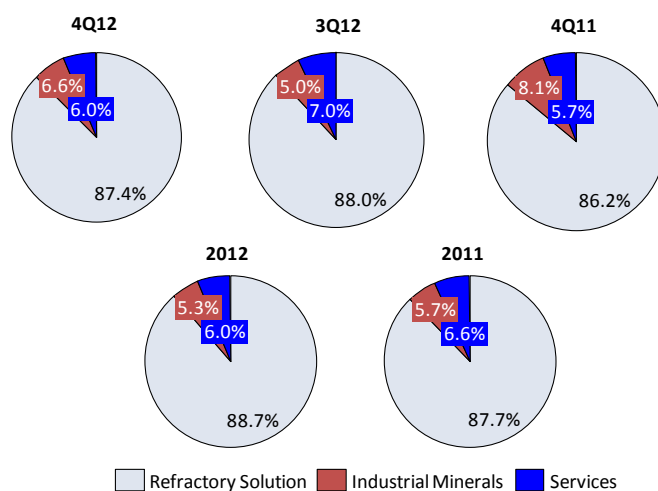
| Segment                    | Quarter  |          |          | Var. % |        | Year     |          | Var. % |
|----------------------------|----------|----------|----------|--------|--------|----------|----------|--------|
|                            | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)  | 2012 (d) | 2011 (e) | (d/e)  |
| <b>Refractory Solution</b> |          |          |          |        |        |          |          |        |
| Volume ('000 ton)          | 250.0    | 252.5    | 271.8    | -1.0%  | -8.0%  | 1,060.8  | 1,102.4  | -3.8%  |
| Revenues (R\$ million)     | 534.0    | 535.1    | 516.4    | -0.2%  | 3.4%   | 2,186.4  | 2,034.1  | 7.5%   |
| <b>Industrial Minerals</b> |          |          |          |        |        |          |          |        |
| Volume ('000 ton)          | 123.4    | 169.3    | 226.0    | -27.1% | -45.4% | 734.9    | 678.9    | 8.2%   |
| Revenues (R\$ million)     | 40.3     | 30.3     | 48.6     | 32.8%  | -17.1% | 129.7    | 132.2    | -1.9%  |
| <b>Services</b>            |          |          |          |        |        |          |          |        |
| Revenues (R\$ million)     | 36.9     | 42.7     | 34.2     | -13.6% | 7.9%   | 147.6    | 152.6    | -3.2%  |
| <b>TOTAL</b>               |          |          |          |        |        |          |          |        |
| Revenues (R\$ million)     | 611.1    | 608.1    | 599.1    | 0.5%   | 2.0%   | 2,463.7  | 2,318.9  | 6.2%   |

### Sales Breakdown by Region – Client location



In 2012, North America became the second most important region in consolidated sales as a result of greater sales volumes both to the steel and industrial sectors.

## Consolidated Revenue Breakdown by Segment

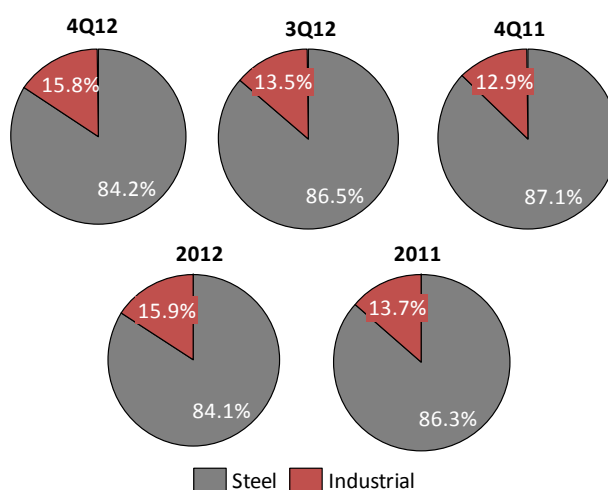


## Results Analysis by Segment

### Refractory solutions

| Refractory Solution    | Quarter  |          |          | Var. % |       | Year     |          | Var. % |
|------------------------|----------|----------|----------|--------|-------|----------|----------|--------|
|                        | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c) | 2012 (d) | 2011 (e) | (d/e)  |
| Volume ('000 ton)      | 250.0    | 252.5    | 271.8    | -1.0%  | -8.0% | 1,060.8  | 1,102.4  | -3.8%  |
| Revenues (R\$ million) | 534.0    | 535.1    | 516.4    | -0.2%  | 3.4%  | 2,186.4  | 2,034.1  | 7.5%   |

### % of Refractory Revenue for Steel vs Industrial Sectors



## Refractory Solutions – Steel Sector

| Refractory Solution - Steel | Quarter  |          |          | Var. % |        | Year     |          | Var. % |
|-----------------------------|----------|----------|----------|--------|--------|----------|----------|--------|
|                             | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)  | 2012 (d) | 2011 (e) | (d/e)  |
| Volume ('000 ton)           | 217.2    | 223.8    | 242.1    | -3.0%  | -10.3% | 924.6    | 977.7    | -5.4%  |
| Revenues (R\$ million)      | 449.7    | 462.7    | 450.0    | -2.8%  | -0.1%  | 1,839.8  | 1,756.1  | 4.8%   |

Despite the challenges faced by the steel industry throughout 2012 with excess global capacity and falling steel production, besides the 5.4% decline in refractory sales volume, revenues from refractory solutions for the steel industry grew 4.8% in the year to R\$1,839.8 million, compared to R\$1,756.1 million in 2011. South America showed the best performance with a 5.8% rise in volume and market share gains. In North America, due to the better mix and productivity gains in CPP contracts, sales in local currency were up 4.6% despite the 4.3% decline in volume. In Europe, the sales volume fell 12.5% in the year as a result of reduced steel production in the region.

In 4Q12, sales reached R\$449.7 million, down 2.8% and 0.1% over 3Q12 and 4Q11, respectively. The quarter-on-quarter decline reflects reduced steel production in key markets. In Brazil, steel production fell 1.4% with U.S. and EU-27 steel production down 5.9% and 2.0%, respectively. With this, sales volume fell 3.0% over the previous quarter.

Year-on-year, revenue was stable despite the 10.3% decline in the sales volume. Sales volume fell both in the U.S. and Europe, as a reflection of the 3.9% and 5.2% retractions in steel production in both regions, respectively. Revenue was stable, positively impacted by foreign exchange effects in the period.

## Refractory Solutions – Industrial

| Refractory Solution - Industrial | Quarter  |          |          | Var. % |       | Year     |          | Var. % |
|----------------------------------|----------|----------|----------|--------|-------|----------|----------|--------|
|                                  | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c) | 2012 (d) | 2011 (e) | (d/e)  |
| Volume ('000 ton)                | 32.8     | 28.6     | 29.7     | 14.6%  | 10.4% | 136.2    | 124.7    | 9.3%   |
| Revenues (R\$ million)           | 84.3     | 72.4     | 66.4     | 16.4%  | 26.9% | 346.6    | 278.1    | 24.6%  |

Sales to the industrial sector were up 24.6% over 2011's R\$278.1 million to R\$346.6 million as a result of the 9.3% expansion in volume driven by South America, where volume was up 18.3%, and by North America, with volume up 7.6%. The foreign exchange effect and the sales mix also contributed to revenue growth. In other regions, volumes declined, mainly due to the reduced industrial production in Europe.

With the 2012 growth, sales to this segment represented 15.9% of refractory sales, compared to 13.7% in 2011 and in line with the Company's strategy of diversification in industrial sectors.

In the quarter, sales reached R\$84.3 million, up 16.4% over 3Q12 and 26.9% over 4Q11. Volume increased 14.6% quarter-on-quarter, with sales up in all regions, reminding that the third quarter is seasonally weaker in the Northern Hemisphere. Regarding 4Q11, sales volume were up 10.4%, with important expansion in South America of 18.8%. In the other regions, volumes were down mainly due to reduced sales in Europe as a result of the economic slowdown.

## Industrial minerals

| Industrial Minerals    | Quarter  |          |          | Var. % |        | Year     |          | Var. % |
|------------------------|----------|----------|----------|--------|--------|----------|----------|--------|
|                        | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)  | 2012 (d) | 2011 (e) | (d/e)  |
| Volume ('000 ton)      | 123.4    | 169.3    | 226.0    | -27.1% | -45.4% | 734.9    | 678.9    | 8.2%   |
| Revenues (R\$ million) | 40.3     | 30.3     | 48.6     | 32.8%  | -17.1% | 129.7    | 132.2    | -1.9%  |

Mineral sales reached R\$129.7 million, compared to R\$132.2 million in 2011. Despite the increased mineral sales volume in the year, revenue fell 1.9% over 2011, mainly due to the sales mix with lower sales of magnesite sinter. The lower sinter volume is a reflection of a strategic decision to hold approximately 30 thousand tones in inventory due to lower prices observed in the 4Q12. On the other hand, talc sales reached R\$40.0 million in the year, up 20.8% over 2011. This growth is primarily explained by increased demand from the plastic industry, mainly for automotive parts. Caustic magnesia sales remained stable in 2012.

Quarter-on-quarter, industrial mineral sales were up 32.8% to R\$40.2 million, mainly driven by increased sinter sales volumes, offsetting the fell of lower-added value products sold in Europe and China. Year-on-year, sales fell 17.1% as a result of higher sinter sales in 4Q11.

## Service

| Services               | Quarter  |          |          | Var. % |       | Year     |          | Var. % |
|------------------------|----------|----------|----------|--------|-------|----------|----------|--------|
|                        | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c) | 2012 (d) | 2011 (e) | (d/e)  |
| Revenues (R\$ million) | 36.9     | 42.7     | 34.2     | -13.6% | 7.9%  | 147.6    | 152.6    | -3.2%  |



The 3.2% decline in service revenues in 2012 reflects Magnesita's strategic realignment, focusing on higher value-added services with activities directly linked to refractory installation and maintenance and a gradual discontinuation of industrial maintenance contracts where margins are lower and more volatile. In addition, the Company is working to achieve new contracts outside of South America. At the end of 2012, Magnesita closed its first service contract in North America.

Revenues of R\$36.9 million in 4Q12 was up 8.0% over the same period of the previous year but down 13.5% over 3Q12. The year-on-year increase is explained by the reduced scope of contracts with steel makers in that period. The quarter-on-quarter reduction is explained by the lower volume of spot jobs done during the 4Q12.

## GROSS PROFIT AND MARGIN

### Consolidated

| Consolidated               | Quarter  |          |          | Var. % |         | Year     |          | Var. %  |
|----------------------------|----------|----------|----------|--------|---------|----------|----------|---------|
|                            | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)   | 2012 (d) | 2011 (e) | (d/e)   |
| Revenues (R\$ million)     | 611.1    | 608.1    | 599.1    | 0.5%   | 2.0%    | 2,463.7  | 2,318.9  | 6.2%    |
| Gross Profit (R\$ million) | 180.3    | 185.5    | 183.0    | -2.8%  | -1.5%   | 749.2    | 730.1    | 2.6%    |
| Gross Margin (%)           | 29.5%    | 30.5%    | 30.5%    | -99 bp | -104 bp | 30.4%    | 31.5%    | -107 bp |

In 2012, plant overhead costs, which were previously classified as general and administrative expenses, were reclassified to production costs. Making the same adjustment to 2011 figures, gross profit would have been R\$695.1 million with margin at 30.0% compared to 30.4% in 2012, an increase of 0.4 p.p. year on year.

### By segment

## Refractory solutions

| Refractory Solution        | Quarter  |          |          | Var. %  |        | Year     |          | Var. %  |
|----------------------------|----------|----------|----------|---------|--------|----------|----------|---------|
|                            | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)   | (a/c)  | 2012 (d) | 2011 (e) | (d/e)   |
| Volume ('000 ton)          | 250.0    | 252.5    | 271.8    | -1.0%   | -8.0%  | 1,060.8  | 1,102.4  | -3.8%   |
| Revenues (R\$ million)     | 534.0    | 535.1    | 516.4    | -0.2%   | 3.4%   | 2,186.4  | 2,034.1  | 7.5%    |
| Gross Profit (R\$ million) | 158.3    | 165.9    | 157.9    | -4.6%   | 0.3%   | 677.5    | 652.3    | 3.9%    |
| Gross Margin (%)           | 29.7%    | 31.0%    | 30.6%    | -136 bp | -92 bp | 31.0%    | 32.1%    | -108 bp |

Gross margin for refractory solutions closed 2012 at 31.0%, against 32.1% in 2011. This decline is mainly due to the accounting reclassification of administrative expenses to costs in 2012, as explained above. Excluding this effect, gross margin for the refractory segment in 2011 would have been 30.6%. Therefore, despite the challenges faced in 2012 with declining volumes and impacts on fixed costs, in addition to increased magnesite sinter production costs at Brumado due to startup costs of the new sinter production furnace (HW4), margin improved 40 bps in 2012. The quarter-on-quarter decline in margin reflects mainly variations in the sales mix, in addition to lower sales volume in the 4Q12.

## Industrial minerals

| Industrial Minerals        | Quarter  |          |          | Var. %  |         | Year     |          | Var. %  |
|----------------------------|----------|----------|----------|---------|---------|----------|----------|---------|
|                            | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)   | (a/c)   | 2012 (d) | 2011 (e) | (d/e)   |
| Volume ('000 ton)          | 123.4    | 169.3    | 226.0    | -27.1%  | -45.4%  | 734.9    | 678.9    | 8.2%    |
| Revenues (R\$ million)     | 40.3     | 30.3     | 48.6     | 32.8%   | -17.1%  | 129.7    | 132.2    | -1.9%   |
| Gross Profit (R\$ million) | 16.6     | 13.6     | 21.8     | 21.6%   | -24.0%  | 55.5     | 60.5     | -8.3%   |
| Gross Margin (%)           | 41.2%    | 45.0%    | 44.9%    | -378 bp | -374 bp | 42.8%    | 45.8%    | -298 bp |

Margin for minerals closed the year at 42.8%, compared to 45.8% in 2011. The reduction reflects the change in the sales mix with higher participation of magnesite sinter in 2011. As discussed above, the reduced sinter sales are the result of a strategic decision to keep the mineral in the inventory due to the seasonal lower prices during the 4Q12. When compared to the previous quarter, the reduced margin is also explained by changes in the sales mix.

## Services

| Services                   | Quarter  |          |          | Var. % |        | Year     |          | Var. % |
|----------------------------|----------|----------|----------|--------|--------|----------|----------|--------|
|                            | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)  | 2012 (d) | 2011 (e) | (d/e)  |
| Revenues (R\$ million)     | 36.9     | 42.7     | 34.2     | -13.6% | 7.9%   | 147.6    | 152.6    | -3.2%  |
| Gross Profit (R\$ million) | 5.4      | 5.9      | 3.3      | -8.6%  | 64.2%  | 16.3     | 17.3     | -5.9%  |
| Gross Margin (%)           | 14.7%    | 13.9%    | 9.7%     | 80 bp  | 505 bp | 11.0%    | 11.3%    | -31 bp |

Since the start of the year, when this segment was impacted by higher labor costs with some renegotiated union contracts and strikes, Magnesita has implemented a margin management and recovery plan with greater focus on recurring contracts and repositioning of its operations in the segment, as mentioned above. This initiative

drove a significant improvement in the margin of this division as compared to the previous year.

## GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

| Consolidated           | Quarter  |          |          | Var. % |         | Year     |          | Var. %  |
|------------------------|----------|----------|----------|--------|---------|----------|----------|---------|
|                        | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)   | 2012 (d) | 2011 (e) |         |
| Revenues (R\$ million) | 611.1    | 608.1    | 599.1    | 0.5%   | 2.0%    | 2,463.7  | 2,318.9  | 6.2%    |
| G&A                    | -58.0    | -56.1    | -63.7    | 3.5%   | -9.0%   | -210.0   | -231.0   | -9.1%   |
| % of G&A on revenues   | 9.5%     | 9.2%     | 10.6%    | 28 bp  | -115 bp | 8.5%     | 10.0%    | -144 bp |

In 2012, G&A fell 9.1% over the previous year due to reclassification of plant overhead cost centers to production costs, previously classified as G&A expenses. Excluding this effect, G&A was up in 2012, mainly due to expenses related to the strategic restructuring plan in the amount of approximately R\$11 million, in addition to approximately R\$6 million above 2011 expense related to the new stock option plan. Also driving the G&A increase was the increased cost of labor in Brazil, as well as foreign exchange impacts on administrative expenses from operations abroad.

In the quarter, G&A was up 3.5% over 3Q12. This increase mainly reflects the expenses related to the stock option plan that was amended in July of 2012. In 4Q12, we incurred expenses related to the strategic planning project that impacted G&A, including expenses with consulting and internal restructuring in the amount of approximately R\$5 million. Compared to 4Q11, the reduction of 9.0% is explained mainly by the reclassification of plant overhead costs, as already mentioned.

## EBITDA

| EBITDA Conciliation (R\$ million) | Quarter  |          |          | Var. % |         | Year     |          | Var. %  |
|-----------------------------------|----------|----------|----------|--------|---------|----------|----------|---------|
|                                   | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | (a/b)  | (a/c)   | 2012 (d) | 2011 (e) |         |
| Operational Profit (EBIT)         | 52.8     | 56.4     | 53.0     | -6.5%  | -0.5%   | 249.2    | 291.4    | -14.5%  |
| Depreciation/Amortization         | 30.0     | 27.8     | 58.7     | 7.7%   | -49.0%  | 110.5    | 136.0    | -18.7%  |
| EBITDA                            | 82.7     | 84.3     | 111.8    | -1.8%  | -26.0%  | 359.7    | 427.4    | -15.8%  |
| EBITDA Margin                     | 13.5%    | 13.9%    | 18.7%    | -31 bp | -511 bp | 14.6%    | 18.4%    | -383 bp |

EBITDA declined 15.8% in 2012 over 2011 due to non-recurring income in the previous year, including reversals of tax provisions and fixed asset sale. On the other hand, 2012 EBITDA was impacted by expenses with restructuring, including consulting fees, as part of the strategic planning project. Excluding the non-recurring items from each

year, EBITDA would have been up 10.7% at R\$373.0 million with margin at 15.1% in 2012, compared to R\$336.9 million with margin at 14.5% in 2011.

In the quarter, EBITDA reached R\$82.7 million and represented a 1.8% decline compared to R\$84.3 million in 3Q12, as a result of lower gross profit and higher G&A expenses, as explained above. Excluding non-recurring expenses in 4Q12, EBITDA would have been R\$90.2 million with a 14.8% margin. Comparing with 4Q11, EBITDA in that quarter was positively impacted by the reversal of a tax provision regarding the amount to be used as the basis for calculating Financial Compensation for the Exploration of Mineral Resources (CFERM). Excluding this effect, 4Q11 EBITDA would have been R\$74.9 million with a 12.5% margin.

## FINANCIAL INCOME/EXPENSES

| Consolidated                      | Quarter      |              |              | Var. %        |               | Year          |               | Var. %        |
|-----------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                                   | 4Q12 (a)     | 3Q12 (b)     | 4Q11 (c)     | (a/b)         | (a/c)         | 2012 (d)      | 2011 (e)      |               |
| <b>Financial Income</b>           | <b>18.9</b>  | <b>22.3</b>  | <b>25.9</b>  | <b>-15.2%</b> | <b>-27.1%</b> | <b>104.7</b>  | <b>108.8</b>  | <b>-3.7%</b>  |
| Forex variation on assets         | 10.1         | 11.9         | 8.8          | -15.1%        | 15.1%         | 60.8          | 38.1          | 59.5%         |
| Income from financial investments | 7.5          | 9.8          | 16.6         | -23.1%        | -54.8%        | 41.0          | 68.7          | -40.3%        |
| Other income                      | 1.3          | 0.6          | 0.5          | 107.1%        | 137.5%        | 2.9           | 2.0           | 48.4%         |
| <b>Financial Expenses</b>         | <b>-49.3</b> | <b>-55.8</b> | <b>-56.1</b> | <b>-11.7%</b> | <b>-12.2%</b> | <b>-208.7</b> | <b>-230.2</b> | <b>-9.4%</b>  |
| Forex variation on liabilities    | -10.6        | -13.1        | -11.1        | -18.5%        | -4.4%         | -36.5         | -41.6         | -12.3%        |
| Interest on loans                 | -38.3        | -39.0        | -43.8        | -2.0%         | -12.7%        | -161.4        | -178.1        | -9.4%         |
| Other expenses                    | -0.4         | -3.7         | -1.1         | -90.2%        | -68.0%        | -10.8         | -10.5         | 2.8%          |
| <b>Net Financial Result</b>       | <b>-30.4</b> | <b>-33.5</b> | <b>-30.2</b> | <b>-9.3%</b>  | <b>0.6%</b>   | <b>-103.9</b> | <b>-121.4</b> | <b>-14.4%</b> |

Net financial expenses for the year were 14.4% lower than that of 2011. This result is mainly explained by higher foreign exchange variation income in 2012, in addition to interest expenses that were 9.4% below the previous year.

In the quarter, net expenses were stable over the same quarter of the previous year and down 9.3% over 3Q12 as a result of the lower impact of monetary and foreign exchange liabilities in 4Q12.

## NET INCOME

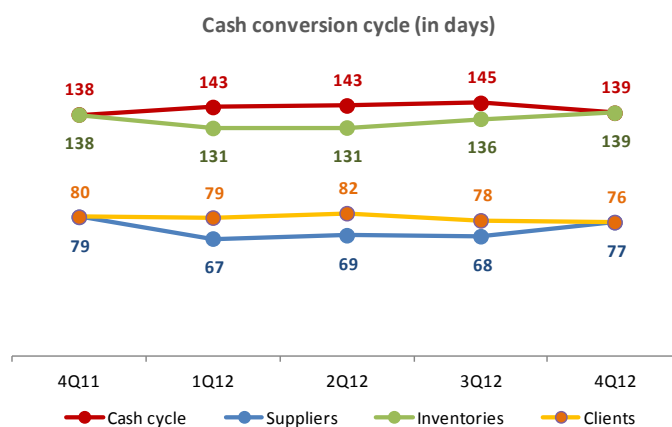
Net income totaled R\$75.8 million in the year, as compared to R\$98.5 million in 2011. This reduction is primarily explained by the effects of non-recurring items that positively impacted profits in 2011 and one-off expenses in 2012.

Net income in the quarter was R\$0.01 million, compared to profit of R\$10.7 million in 3Q12 and R\$11.6 million in 4Q11. Net income for the quarter was primarily impacted by higher G&A expenses, as explained above.

The company's results were also impacted by a non-recurring and non-cash income tax expense due to a retroactive adjustment of goodwill amortization of R\$4.9 million. The company continues to be affected by an increase in the effective tax rate resulting from the reduction of our income in Europe, where there are legal limits on the deductibility of interest.

During 4Q12, the Company accrued R\$22.4 million for income tax and social contribution, however, due to tax credits relating to losses from past years and goodwill, actual payments will be only R\$5.2 million. In 2012, the total provision for payment of income tax and social contribution was R\$69.5 million, but the total disbursement will be of only R\$31.4 million.

## WORKING CAPITAL



The cash conversion cycle closed the year at 139 days, in line with 2011.

## DEBT

Magnesita's gross debt at the close of the year was R\$1,878.1 million, compared to R\$1,727.7 million in 2011. This rise was due to the real's depreciation against the dollar, since 81.4% of total debt is dollar-denominated. Of this total, 6.8% matures in the short term and 93.2% in the long-term. As a proportion of the Company's gross

debt, R\$510.8 million corresponds to the amount of perpetual bonds issued by the Company in April of 2012.

The Company closed the quarter with cash and financial investments of R\$819.9 million, compared to R\$770.5 million at the end of 2011. As a consequence of its solid cash position and R\$1,303.8 million in bonds which mature in more than 7 years, Magnesita currently has low refinancing risk.

Leverage as measured by Net Debt/EBITDA closed the period at 2.94x, as compared to 2.24x in 2011. The increase is explained by currency depreciation that impacted dollar-denominated debt, in addition to the majority of disbursements for the Brumado expansion project being made in 2012, of approximately R\$92.0 million. Excluding the perpetual bonds from total debt, net leverage would have been 1.52x. The Company believes that its leverage will be reduced over the coming quarters with the conclusion of investments in the Brumado expansion and higher operating cash flow.

## **CAPITAL EXPENDITURES**

CAPEX for 2012 amounted to R\$257.3 million, compared to R\$170.9 million in 2011, an increase mainly explained by expenditures with the Brumado expansion, as well as increased investments in productivity gains and cost reduction at South American refractory production units. Of the total CAPEX in 2012, R\$112.3 million were allocated to refurbishments, maintenance, system upgrades, environmental projects, IT projects and investments in clients; R\$126.3 million to expansion projects (including HW4) and productivity gains and; R\$18.6 million to mining projects.

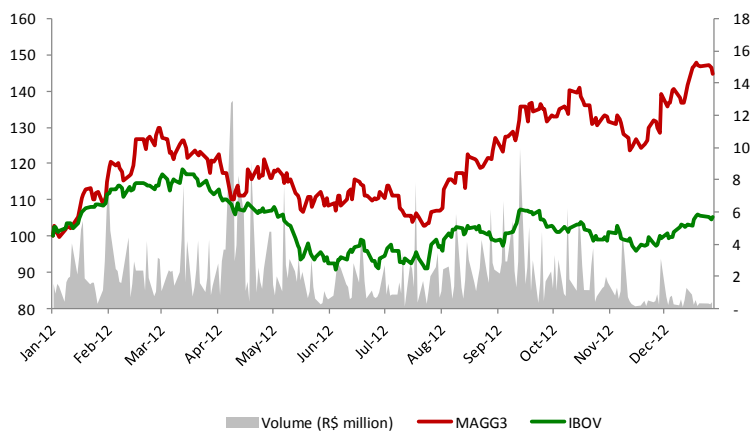
In 4Q12, CAPEX was R\$72.8 million, being R\$43.8 million in maintenance (refurbishments, system upgrades, environmental projects, IT projects and investments in clients), R\$25.4 million in expansion projects and productivity gains, and R\$8.3 million in mining projects.

## **CAPITAL MARKETS**

Magnesita's common shares (Novo Mercado: MAGG3) closed 2012 at R\$8.25, rising 42.9% in the year. In the same period, the Ibovespa Index increased by 7.4%, closing the period at 60,952 points. The average daily trading volume in the year was R\$2.5 million, with an average of 367 thousand shares traded each day.



Stock vs. Ibovespa in the year – (Dec/11=100)



### Disclaimer

*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.*

### **About Magnesita Refratários S.A.**

*Magnesita Refratários S.A. is a publicly-held company, with shares traded on the BM&FBovespa's Novo Mercado in Brazil and through Level 1 ADRs in the U.S., dedicated to mining, producing and trading an extensive line of refractory materials and industrial minerals. 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, Brazil. 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 1.6 million tons per year of refractories. The Company is the market leader in Brazil and South America and sold to over 70 countries in 2012.*

### **Mission**

*Provide integrated solutions in refractories and industrial minerals, offering unparalleled services and value to our customers through long term relationships*

### **Vision**

*Be the best provider of refractories solutions and industrial minerals, leveraging and developing our minerals base.*

### **Values**

- ✓ Customer
- ✓ People
- ✓ Meritocracy
- ✓ Ethics
- ✓ Profit
- ✓ Management and Method
- ✓ Agility and Transparency
- ✓ Respect for Safety, Environment and Communities



# APPENDIX I – CONSOLIDATED BALANCE SHEET

| As per Brazilian Corporate Law (R\$ million)      | 31/12/12       | 30/09/12       | 31/12/11       |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>                                     |                |                |                |
| <b>Current</b>                                    | 2.150,9        | 2.139,4        | 2.064,0        |
| Cash and cash equivalents                         | 819,9          | 767,6          | 770,5          |
| Accounts receivable                               | 516,2          | 520,7          | 505,5          |
| Inventories                                       | 654,3          | 632,6          | 601,7          |
| Recoverable taxes                                 | 111,7          | 121,3          | 102,8          |
| Others  | 48,7           | 97,2           | 83,4           |
| <b>Long term</b>                                  | 3.532,6        | 3.541,5        | 3.270,2        |
| Deferred income and social contribution taxes     | 18,0           | 48,3           | 45,9           |
| Legal deposits                                    | 18,3           | 18,1           | 21,7           |
| Others  | 17,6           | 74,0           | 81,7           |
| Investments                                       | 68,1           | 68,7           | 1,2            |
| Property, plant and equipment                     | 1.083,2        | 1.029,0        | 898,0          |
| Intangibles                                       | 2.327,4        | 2.303,3        | 2.221,8        |
| <b>Total Assets</b>                               | <b>5.683,5</b> | <b>5.680,8</b> | <b>5.334,2</b> |
| <b>LIABILITIES</b>                                |                |                |                |
| <b>Current</b>                                    | 708,9          | 660,5          | 689,2          |
| Suppliers   | 359,4          | 318,6          | 346,0          |
| Loans   | 128,4          | 125,7          | 124,8          |
| Salaries and social charges                       | 94,7           | 96,4           | 90,8           |
| Taxes and contributions                           | 49,3           | 51,7           | 51,9           |
| Others  | 77,0           | 68,1           | 75,7           |
| <b>Long term liabilities</b>                      | 2.163,7        | 2.153,3        | 1.991,8        |
| Loans   | 1.749,7        | 1.716,3        | 1.602,9        |
| Deferred tax and contributions                    | 25,5           | 122,2          | 83,5           |
| Severance payment                                 | 305,9          | 231,1          | 222,9          |
| Provision for contingencies                       | 66,6           | 66,5           | 63,9           |
| Others  | 15,9           | 17,2           | 18,6           |
| <b>Shareholder's equity</b>                       | 2.810,9        | 2.867,0        | 2.653,2        |
| Capital   | 2.528,1        | 2.528,1        | 2.528,1        |
| Capital and revenue reserves                      | 246,1          | 238,6          | 234,3          |
| Profit reserves                                   | 88,1           | 34,1           | 34,1           |
| Retained earnings (losses)                        | 0,0            | 73,5           | 0,0            |
| Other comprehensive income                        | -68,9          | -26,4          | -158,3         |
| Shares buyback                                    | -1,1           | 0,0            | 0,0            |
| Non- controlling interests                        | 18,6           | 18,9           | 14,8           |
| <b>Total liabilities and Shareholder's equity</b> | <b>5.683,5</b> | <b>5.680,8</b> | <b>5.334,2</b> |
| <b>Total number of shares outstanding ('000)</b>  | <b>292,0</b>   | <b>292,0</b>   | <b>292,0</b>   |
| <b>Book Value Per Share</b>                       | <b>9,63</b>    | <b>9,82</b>    | <b>9,09</b>    |

## APPENDIX II – CONSOLIDATED INCOME STATEMENT

| As per Brazilian Corporate Law (R\$ million) | Quarter  |          |          | Var. % |        | Year     |          | Var. %  |
|--|----------|----------|----------|--------|--------|----------|----------|---------|
|  | 4Q12 (a) | 3Q12 (b) | 4Q11 (c) | a/b    | a/c    | 2012 (d) | 2011 (e) | d/e     |
| Net operating revenues                       | 611.1    | 608.1    | 599.1    | 0.5%   | 2.0%   | 2,463.7  | 2,318.9  | 6.2%    |
| Cost of goods sold                           | -430.7   | -422.6   | -416.1   | 1.9%   | 3.5%   | -1,714.5 | -1,588.8 | 7.9%    |
| Gross Profit                                 | 180.3    | 185.5    | 183.0    | -2.8%  | -1.5%  | 749.2    | 730.1    | 2.6%    |
| Gross margin (%)                             | 29.5%    | 30.5%    | 30.5%    | -99pb  | -104pb | 30.4%    | 31.5%    | -3.4%   |
| Selling expenses                             | -72.8    | -69.8    | -64.1    | 4.3%   | 13.7%  | -278.1   | -251.9   | 10.4%   |
| General and administrative expenses          | -58.0    | -56.1    | -63.7    | 3.5%   | -9.0%  | -210.0   | -231.0   | -9.1%   |
| Other operating income (expenses)            | 3.3      | -3.3     | -2.2     | n/a    | n/a    | -11.9    | 44.2     | -126.9% |
| Operating profit (EBIT)                      | 52.8     | 56.4     | 53.0     | -6.5%  | -0.5%  | 249.2    | 291.4    | -14.5%  |
| Operating margin (%)                         | 8.6%     | 9.3%     | 8.8%     | -64pb  | -21pb  | 10.1%    | 12.6%    | -19.5%  |
| Financial income (expenses)                  | -29.8    | -32.3    | -27.8    | -7.7%  | 7.2%   | -128.2   | -117.9   | 8.8%    |
| Currency variation, net                      | -0.5     | -1.1     | -2.3     | -54.3% | -77.7% | 24.3     | -3.5     | -788.5% |
| Income before income tax and social contrib. | 22.4     | 22.9     | 22.8     | -2.4%  | -2.0%  | 145.3    | 170.0    | -14.6%  |
| Income tax and social contribution           | -22.4    | -12.2    | -11.3    | 83.2%  | 98.4%  | -69.5    | -71.5    | -2.8%   |
| Net income (losses)                          | 0.01     | 10.7     | 11.6     | n/a    | n/a    | 75.8     | 98.5     | -23.1%  |
| Net margin (%)                               | 0.0%     | 1.8%     | 1.9%     | n/a    | n/a    | 3.1%     | 4.2%     | -27.6%  |
| Earning per share (R\$)                      | 0.00     | 0.04     | 0.04     | n/a    | n/a    | 0.26     | 0.34     | -23.1%  |
| Depreciation/amortization                    | 30.0     | 27.8     | 58.7     | 7.7%   | -49.0% | 110.5    | 136.0    | -18.7%  |
| EBITDA                                       | 82.7     | 84.3     | 111.8    | -1.8%  | -26.0% | 359.7    | 427.4    | -15.8%  |
| EBITDA Margin (%)                            | 13.5%    | 13.9%    | 18.7%    | -31pb  | -511pb | 14.6%    | 18.4%    | -20.8%  |

# APPENDIX III – CONSOLIDATED CASH FLOW

| As per Brazilian Corporate Law (R\$'000)                     | 4Q12         | 3Q12         | 4Q11          | 2012          | 2011          |
|--|--------------|--------------|---------------|---------------|---------------|
| <b>Cash flows from operating activities:</b>                 |              |              |               |               |               |
| <b>Net income (losses)</b>                                   | <b>0,0</b>   | <b>10,7</b>  | <b>11,6</b>   | <b>75,8</b>   | <b>98,5</b>   |
| <b>Adjustments</b>   |              |              |               |               |               |
| Charges and monetary/exchange variations, net                | 1,0          | 16,4         | 58,7          | 148,8         | 190,8         |
| Depreciation and amortization                                | 27,7         | 26,1         | 24,3          | 103,3         | 96,2          |
| Intangible amortization                                      | 2,3          | 1,7          | 1,6           | 7,3           | 7,0           |
| Impairment   | 0,0          | 0,0          | 32,8          | 0,0           | 32,8          |
| Deferred income tax and social contribution                  | 17,2         | 4,9          | -4,0          | 38,1          | 34,8          |
| Derivativos - fair value swap                                | 9,7          | 9,5          | -8,2          | 15,3          | -8,9          |
| Stock Option   | 7,4          | 3,1          | 1,5           | 12,1          | 6,1           |
| Minority interests   | -7,3         | 1,0          | -0,6          | -5,1          | -0,6          |
|  | <b>58,1</b>  | <b>73,5</b>  | <b>117,7</b>  | <b>395,8</b>  | <b>456,6</b>  |
| <b>Change in assets and liabilities</b>                      |              |              |               |               |               |
| Accounts receivable  | 10,9         | 3,1          | -18,2         | -3,4          | 3,2           |
| Inventories  | -10,8        | -31,4        | 11,2          | -20,5         | -47,0         |
| Taxes recoverable  | 0,2          | 6,7          | -35,7         | -8,6          | -35,6         |
| Account receivable – law suit                                | 0,0          | 0,0          | 2,1           | 0,0           | 65,2          |
| Suppliers  | 33,4         | 16,5         | 24,0          | 8,1           | 143,3         |
| Accrued taxes  | -2,9         | -14,0        | -8,3          | -9,5          | -11,2         |
| Dividends/Interests on equity payable                        | 0,0          | 0,0          | 0,0           | -9,3          | 0,0           |
| Others   | 8,5          | 17,1         | 47,1          | -10,5         | -23,0         |
|  | <b>39,3</b>  | <b>-2,1</b>  | <b>22,2</b>   | <b>-53,8</b>  | <b>95,0</b>   |
| <b>Net cash provided from used in operating activities</b>   | <b>97,4</b>  | <b>71,4</b>  | <b>139,9</b>  | <b>342,0</b>  | <b>551,6</b>  |
| <b>Cash flows from investing activities:</b>                 |              |              |               |               |               |
| Securities and other investments                             | 16,9         | 18,4         | -43,8         | 21,1          | -43,8         |
| Disposal of property, plant and equipment                    | 1,4          | 0,4          | 0,1           | 4,0           | 49,1          |
| Additions of fixed, investments and intangible assets        | -79,0        | -61,7        | -96,5         | -258,8        | -216,2        |
| <b>Net cash provided from (used in) investing activities</b> | <b>-60,7</b> | <b>-43,0</b> | <b>-140,2</b> | <b>-233,7</b> | <b>-210,9</b> |
| <b>Cash flows from financing activities</b>                  |              |              |               |               |               |
| New loans and financing                                      | 31,7         | 5,1          | 7,6           | 573,6         | 16,8          |
| Payment of loans and financing                               | 4,8          | -61,1        | -81,1         | -502,5        | -393,5        |
| Payment of loans and financing - interest                    | -46,4        | -22,7        | -6,4          | -167,2        | -137,2        |
| Shares issue costs/goodwill due to shares issue              | 0,0          | 0,0          | -4,9          | -0,4          | -15,6         |
| Capital increase   | 0,0          | 0,0          | 0,0           | 0,0           | 278,6         |
| Buyback  | -1,1         | 0,0          | 0,0           | -1,1          | 0,0           |
| <b>Net cash provided from (used in) financing activities</b> | <b>-11,1</b> | <b>-78,7</b> | <b>-84,8</b>  | <b>-97,7</b>  | <b>-250,9</b> |
| <b>Increase (decrease ) in cash and cash equivalents</b>     | <b>25,6</b>  | <b>-50,2</b> | <b>-85,1</b>  | <b>10,6</b>   | <b>89,8</b>   |
| Forex variations – opening balance                           | 4,0          | 5,3          | -1,2          | 16,1          | 11,2          |
| <b>Opening balance of cash and cash and equivalents</b>      | <b>767,6</b> | <b>812,5</b> | <b>856,8</b>  | <b>770,5</b>  | <b>669,5</b>  |
| <b>Closing balance - cash and equivalents</b>                | <b>797,2</b> | <b>767,6</b> | <b>770,5</b>  | <b>797,2</b>  | <b>770,5</b>  |

#### APPENDIX IV – DEBT (R\$ million)

| Type                   | Short term   |              |              | Long term      |                |                | Total          |                |                |
|------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                        | 12/31/2011   | 9/30/2012    | 12/31/2012   | 12/31/2011     | 9/30/2012      | 12/31/2012     | 12/31/2011     | 9/30/2012      | 12/31/2012     |
| Bonds (Reg. 144A)      | 14.6         | 0.0          | 0.0          | 731.9          | 794.3          | 799.5          | 746.5          | 794.3          | 799.5          |
| Export credit notes    | 68.5         | 10.9         | 44.9         | 731.3          | 789.6          | 787.4          | 799.8          | 800.4          | 832.3          |
| Advance                | 12.6         | 39.2         | 47.4         | 121.9          | 100.5          | 86.5           | 134.5          | 139.7          | 133.9          |
| Fixed assets financing | 0.4          | 0.6          | 0.8          | 0.2            | 17.1           | 47.4           | 0.6            | 17.6           | 48.2           |
| Import financing       | 4.2          | 4.3          | 4.4          | 0.0            | 0.0            | 0.0            | 4.2            | 4.3            | 4.4            |
| Others                 | 24.6         | 70.8         | 30.9         | 17.6           | 14.9           | 29.0           | 42.2           | 85.7           | 59.8           |
| <b>Total</b>           | <b>124.8</b> | <b>125.7</b> | <b>128.4</b> | <b>1,602.9</b> | <b>1,716.3</b> | <b>1,749.7</b> | <b>1,727.7</b> | <b>1,842.0</b> | <b>1,878.1</b> |
| Share %                | 7.2%         | 6.8%         | 6.8%         | 92.8%          | 93.2%          | 93.2%          | 100.0%         | 100.0%         | 100.0%         |
| Cash+investments       |              |              |              |                |                |                | 770.5          | 767.6          | 819.9          |
| Net Debt               |              |              |              |                |                |                | 957.3          | 1,074.4        | 1,058.2        |

#### APPENDIX V – SHAREHOLDING STRUCTURE – 12/31/2012

| Shareholders   | COMMON SHARES      | %              |
|--|--------------------|----------------|
| <b>Controlling Block</b>                                 |                    |                |
| Alumina Holdings LLC (GP Investments)                    | 88,654,796         | 30.36%         |
| MAG Fundo de Invest. em Participações (GP Investments)   | 9,537,978          | 3.27%          |
| GPCP4 Fundo de Invest. em Participações (GP Investments) | 1,138,301          | 0.39%          |
| Rearden L Holdings 3 S.À R.L (RHONE)                     | 21,019,595         | 7.20%          |
| <b>Total Controlling Block</b>                           | <b>120,350,670</b> | <b>41.22%</b>  |
| Other Shareholders                                       | 171,631,264        | 58.78%         |
| <b>Total</b>   | <b>291,981,934</b> | <b>100.00%</b> |

## APPENDIX VI – GROSS PROFIT BY SEGMENT

| Segment                 | 1Q11    | 2Q11    | 3Q11    | 4Q11    | 1Q12    | 2Q12    | 3Q12    | 4Q12    | 2011      | 2012      |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
| Refractory Solution     |         |         |         |         |         |         |         |         |           |           |
| Volume (t)              | 277,799 | 289,888 | 262,891 | 271,791 | 274,857 | 283,471 | 252,475 | 250,034 | 1,102,369 | 1,060,838 |
| Revenues (R\$ '000)     | 495,768 | 525,286 | 496,709 | 516,381 | 550,433 | 566,861 | 535,150 | 533,953 | 2,034,145 | 2,186,396 |
| Gross Profit (R\$ '000) | 165,983 | 168,380 | 160,071 | 157,881 | 169,552 | 183,638 | 165,941 | 158,323 | 652,315   | 677,454   |
| Gross Margin (%)        | 33.5%   | 32.1%   | 32.2%   | 30.6%   | 30.8%   | 32.4%   | 31.0%   | 29.7%   | 32.1%     | 31.0%     |
| Industrial Minerals     |         |         |         |         |         |         |         |         |           | 2012      |
| Volume (t)              | 130,129 | 150,531 | 172,235 | 226,003 | 229,319 | 212,894 | 169,290 | 123,375 | 678,897   | 734,879   |
| Revenues (R\$ '000)     | 34,475  | 20,982  | 28,158  | 48,577  | 25,144  | 33,965  | 30,318  | 40,266  | 132,191   | 129,693   |
| Gross Profit (R\$ '000) | 13,671  | 10,743  | 14,239  | 21,832  | 10,405  | 14,840  | 13,638  | 16,590  | 60,484    | 55,473    |
| Gross Margin (%)        | 39.7%   | 51.2%   | 50.6%   | 44.9%   | 41.4%   | 43.7%   | 45.0%   | 41.2%   | 45.8%     | 42.8%     |
| Services                |         |         |         |         |         |         |         |         |           | 2012      |
| Revenues (R\$ '000)     | 45,049  | 36,749  | 36,603  | 34,167  | 31,277  | 36,809  | 42,671  | 36,873  | 152,568   | 147,631   |
| Gross Profit (R\$ '000) | 6,037   | 4,136   | 3,806   | 3,311   | 1,723   | 3,169   | 5,947   | 5,436   | 17,290    | 16,274    |
| Gross Margin (%)        | 13.4%   | 11.3%   | 10.4%   | 9.7%    | 5.5%    | 8.6%    | 13.9%   | 14.7%   | 11.3%     | 11.0%     |
| Total                   |         |         |         |         |         |         |         |         |           |           |
| Volume (t)              | 407,927 | 440,418 | 435,126 | 497,794 | 504,177 | 496,366 | 421,765 | 373,409 | 1,781,266 | 1,795,717 |
| Revenues (R\$ '000)     | 575,291 | 583,017 | 561,470 | 599,126 | 606,853 | 637,635 | 608,139 | 611,092 | 2,318,903 | 2,463,720 |
| Gross Profit (R\$ '000) | 185,691 | 183,259 | 178,116 | 183,024 | 181,680 | 201,646 | 185,527 | 180,349 | 730,090   | 749,202   |
| Gross Margin (%)        | 32.3%   | 31.4%   | 31.7%   | 30.5%   | 29.9%   | 31.6%   | 30.5%   | 29.5%   | 31.5%     | 30.4%     |