

- ❄ **Net Revenue: R\$201.9 mn in 2Q12 (-13.7% vs. 2Q11)**
- ❄ **Adjusted EBITDA: R\$12.8 mn in 2Q12, with margin of 6.3% (-46.7% vs. 2Q11)**

**São Paulo, Brazil, July 27, 2012** - Metalfrio Solutions S.A. (FRIO3) ("Metalfrio"), one of the world's largest manufacturers of plug-in commercial refrigeration equipment, announces its results for the second quarter of 2012 ("2Q12"). Financial and operational information given is in accord with international accounting standards (IFRS), in Reais (R\$). Comparisons are with the second quarter of 2011 ("2Q11") or as indicated.

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#### Conference call in Portuguese

Date: **August 9, 2012**  
Time: 10:00 a.m. São Paulo  
09:00 a.m. New York

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#### Conference call in English

Date: **August 9, 2012**  
Time: 11:00 a.m. São Paulo  
10:00 a.m. New York

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### Summary

- ❄ **Net revenue: R\$201.9 mn** in 2Q12 (-13.7% vs. 2Q11). **Americas: R\$134.8 mn** (-4.1% vs. 2Q11). **Europe: R\$67.0 mn** (-28.2% vs. 2Q11)
- ❄ **Gross profit of R\$29.7 mn** in 2Q12 (gross margin of 14.7%), compared with a gross profit of R\$40.9 mn in 2Q11 (gross margin of 17.5%)
- ❄ Adjusted **EBITDA of R\$12.8 mn** in 2Q12 (-46.7% vs. 2Q11), margin of 6.3% (10.2% in 2Q11)
- ❄ **Net debt of R\$215.0 mn** in 2Q12 (net debt of R\$146.4 mn in 2Q11)

### Message from management

Dear stockholder,

In this quarter, stagnation in the economies of the main countries where the Company operates continued to hurt sales volumes: in 2Q11 our total unit sales were down 13.7% YoY (vs. 2Q11); in the first six months of the year they were down 14.7%, YoY. The highest decline continued to be in Europe – down 28.2% YoY in the quarter, and 33.0% YoY in the six months.

Gross margin in 2Q12 was 14.7% of net revenue, compared to 17.5% in 2Q11. Following the closing of our factory in São Paulo in 3Q10, with the transfer of 100% of our production in Brazil to the Três Lagoas plant, our gross margin has deteriorated mainly due to operational inefficiencies and the increase in cost of labor, and also associated with the reduction in sales volumes. In order to improve our operational efficiency, this quarter we invested approximately R\$7 mn in machinery that we expect to begin operating during the 2<sup>nd</sup> half of 2012.

Working capital at the end of 2Q12 was R\$175.4 mn, R\$18.2 mn less than at the end of 2Q11. The operational cash flow cycle at the end of 2Q12 was 77 days.

The Company reports a net loss for 2Q12 of R\$14.8 mn, basically due to the appreciation of the US dollar and the euro against the functional currencies of the Company's operations, which generated a net negative FX variation of R\$19.0 mn. In spite of this factor, the Company reports net profit of R\$2.7 mn for the first six months of the year.

**Highlights of the consolidated result**

**Net revenue**

Our **net revenue** in 2Q12 was **R\$201.9 mn**, which compares with R\$234.0 mn in 2Q11 (13.7% lower YoY).

Of the 2Q12 net revenue, R\$14.2 mn came from services – maintenance and repair of equipment, and sales of parts – compared to R\$12.7 mn in 2Q11.

**Americas**

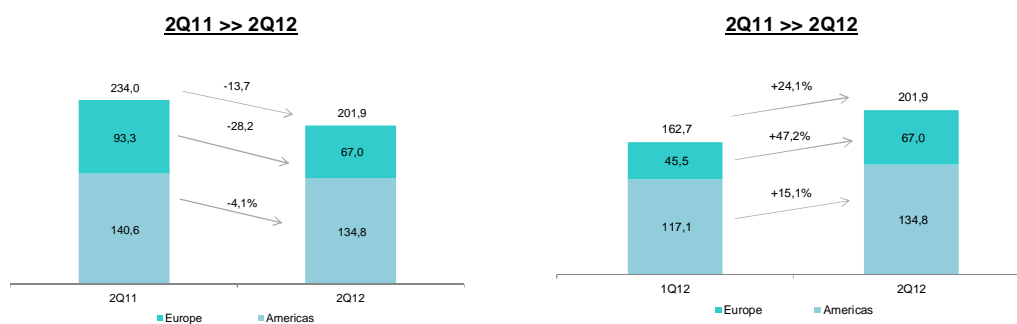
Net revenue of our **operation in the Americas** was **R\$134.8 mn in 2Q12**, 4.1% lower than in 2Q11 (R\$140.6 mn).

**Europe**

Net revenue of our **operation in Europe** was **R\$67.0 mn in 2Q12**, down **28.2%** from R\$93.3 mn in 2Q11.

The lower result in Europe is partly due to the negative effect on our sales of continued stagnation of the economy in various European countries.

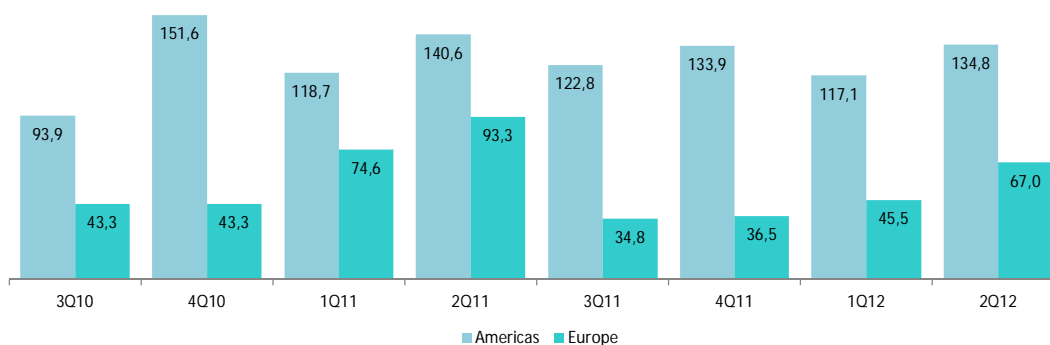
**Net revenue (R\$ mn)**



This table gives quarterly net revenue:

NET REVENUES (R\$ mn)	2Q11	3Q11	4Q11	1Q12	2Q12	Chg. 2Q12/ 2Q11	Chg. 2Q12/ 1Q12
<b>Total</b>	<b>234.0</b>	<b>157.6</b>	<b>170.3</b>	<b>162.7</b>	<b>201.9</b>	<b>-13.7</b>	<b>+24.1</b>
Americas	140.6	122.8	133.9	117.1	134.8	-4.1	+15.1
Europe	93.3	34.8	36.5	45.5	67.0	-28.2	+47.2

The chart below shows net revenue of the operations in the Americas and Europe, indicating the seasonal variations – with sales strongest in the quarters that precede summer, principally the second quarter in the Northern Hemisphere and the fourth quarter in the Southern Hemisphere

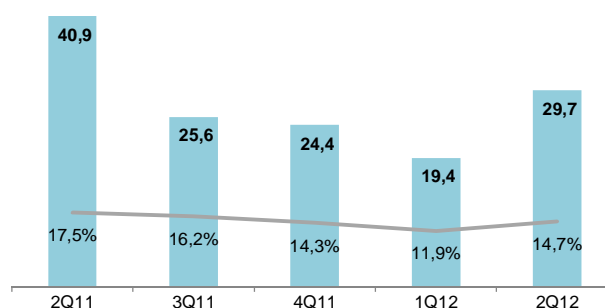


**Cost of goods sold, gross profit and gross margin consolidated**

**Gross profit** was R\$29.7 mn in 2Q12, **27.4% lower** than our 2Q11 gross profit of **R\$40.9 mn**

**Gross margin** was reduced from 17.5% in 2Q11 to **14.7% in 2Q12**. The reduction of 2.8 percentage points in gross margin is primarily due to the operational inefficiency and the rising costs of labor of the factory in Três Lagoas, Brazil, and associated with the reduction of 13.7% in net revenues.

**Gross profit and gross margin (R\$ mn)**



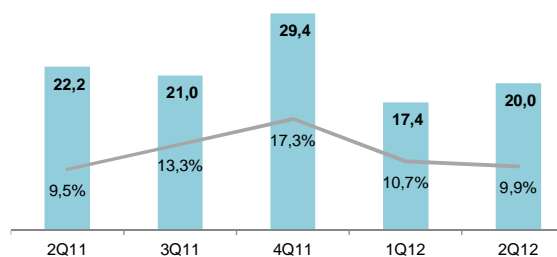
**Operational expenses (SG&A)**

**Consolidated selling expenses**

Selling expenses in 2Q12 were **R\$20.0 mn**, equal to **9.9% of net revenue**. This compares to selling expenses of R\$22.2 mn in 2Q11 (9.5% of net revenue in that quarter).

As a percentage of sales, selling expenses returned to their usual level with the improvement of freight costs, which had negatively affected the whole of the second half of 2011.

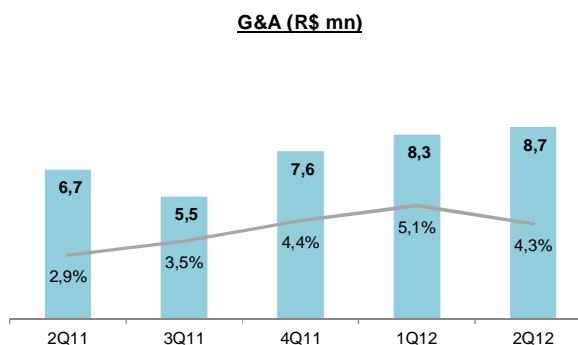
**Selling expenses (R\$ mn)**



Consolidated general and administrative expenses

General and administrative (G&A) expenses in 2Q12 were **R\$8.7 mn**, or **4.3% of net revenue**, compared to R\$6.7 mn (2.9% of revenue) in 2Q11.

This increase was due to Consulting services and increase in personnel related to pre-operational expenses for the new plant in the northeast of Brazil and the expansion in Russia.



Consolidated other operational revenues (expenses)

Other operational revenues, net, in 2Q12 were **R\$7.2 mn**, the main component being R\$7.4 mn in tax incentive gains. For comparison, in 2Q11 this line was R\$8.6 mn, mainly comprising tax incentive gains of R\$8.5 mn.

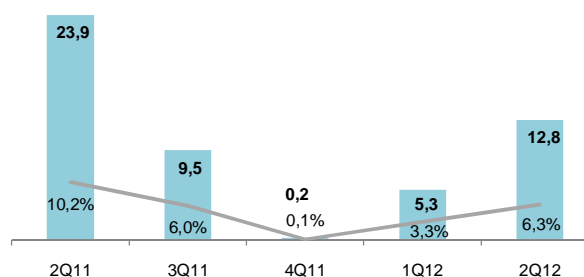
**Consolidated EBITDA and EBITDA margin**

**Adjusted Ebitda** in 2Q12 was **R\$12.8 mn**; with adjusted **Ebitda margin** of **6.3%**.

This compares with adjusted Ebitda in 2Q11 of R\$23.9 mn, with margin of 10.2%: the margin in 2Q12 was 3.9 percentage points lower.

The main factor in the lower adjusted Ebitda margin was the absorption of industrial costs, responsible for 2.8 percentage points of the YoY comparison.

**Adjusted EBITDA (R\$ mn and % of Net revenue)**



**Reconciliation of consolidated EBITDA and Adjusted EBITDA**

Consolidated EBITDA (In mn Reais)	2Q11	3Q11	4Q11	1Q12	2Q12
Operating result	18.4	4.0	-5.6	-0.1	7.0
Depreciation and amortization	5.1	5.1	5.4	5.1	5.6
<b>EBITDA</b>	<b>23.5</b>	<b>9.2</b>	<b>-0.2</b>	<b>4.9</b>	<b>12.5</b>
Extraordinary restructuring and accounting rules changing expenses	0.4	0.4	0.4	0.4	0.2
Adjusts to non operational result	0.0	0.0	0.0	0.0	0.0
<b>Adjusted EBITDA</b>	<b>23.9</b>	<b>9.5</b>	<b>0.2</b>	<b>5.3</b>	<b>12.8</b>

Adjustments to Ebitda:

- i. Stock options plan Expenses of the stock options plan are recognized in the profit and loss account during the period in which the entitlement is acquired, calculated in accordance with Accounting Statement CPC 10, approved by CVM Decision 562/08.

## Financial result

We posted net financial expenses of R\$30.0 mn in 2Q12, comprising R\$45.0 mn in financial revenues and R\$75.1 mn in financial expenses.

In 2Q11 we had net financial expenses of R\$3.2 mn, on financial revenues of R\$15.7 mn and financial expenses of R\$18.9 mn.

Financial Result (R\$ mn)	2Q11	2Q12	Chg. 2Q12/ 2Q11
Result with cash investments	4.2	-2.6	-6.8
Other financial income	0.1	0.1	+0.0
<b>Interest and Other Income</b>	<b>4.3</b>	<b>-2.5</b>	<b>-6.8</b>
Interest on loans and financing	-4.7	-5.1	-0.5
Other financial expenses	-5.6	-1.7	+3.8
<b>Interest and Other Expenses</b>	<b>-10.2</b>	<b>-6.9</b>	<b>+3.4</b>
Hedge operations gains	3.5	33.5	+30.0
Hedge operations losses	-1.5	-35.1	-33.7
<b>Hedge Operations Result</b>	<b>2.0</b>	<b>-1.7</b>	<b>-3.6</b>
FX variation gains	8.0	14.1	+6.1
FX variation losses	-7.2	-33.1	-25.8
<b>Net FX Variation</b>	<b>0.8</b>	<b>-19.0</b>	<b>-19.7</b>
<b>Net Financial Result</b>	<b>-3.2</b>	<b>-30.0</b>	<b>-26.8</b>

Interest on financial investments posted a net negative result of R\$2.6 mn in 2Q12, compared to income of R\$4.2 mn in 2Q11 – basically reflecting lower returns on bonds in 2Q12.

Interest expenses on loans were R\$5.1 mn in 2Q12, compared to R\$4.7 mn in 2Q11 – the increase is in line with the higher gross debt.

Derivatives produced a net negative return of R\$1.7 mn in 2Q12, comprising a gain of R\$33.5 mn and a loss of R\$35.1 mn.

Foreign exchange variation in 2Q12 resulted in a net negative posting of R\$19.0 mn, basically reflecting appreciation of the US dollar and the euro against the functional currencies of the Company's operations.

## Net profit

We report a net loss of R\$14.8 mn for 2Q12 (with net margin negative at 7.3%). In 2Q11 we reported net profit of R\$15.0 mn (with net margin of 6.4%).

The largest component in the negative variation of R\$29.8 mn in net profit was the net financial expense arising from foreign exchange variation, totaling R\$19.0 mn in 2Q12.



## Working capital

At the end of 2Q12 our working capital less financial assets and liabilities was **R\$175.4 mn**, which compares to R\$193.5 mn at the end of 2Q11. The difference is mainly in accounts payable to suppliers R\$14.2 mn higher, YoY. The **operational cash cycle** at the end of 2Q12 was **77 days**, six days more than at the end of 2Q11, and five days less than at the end of 1Q12.

WORKING CAPITAL (in mn Reais)	2Q11	3Q11	4Q11	1Q12	2Q12	Chg. 2Q12/ 2Q11	Chg. 2Q12/ 1Q12
<b>Current assets:</b>							
Cash and equivalents, bonds and securities	312.8	371.9	382.7	350.9	328.5	+15.7	-22.4
Accounts receivable	184.9	146.1	150.0	148.4	184.7	-0.1	+36.4
Inventory	120.1	113.5	100.9	121.4	122.1	+2.0	+0.7
Other	24.2	26.0	26.6	26.8	26.7	+2.6	-0.0
Financial assets	0.9	10.5	2.5	0.0	0.0	-0.9	+0.0
<b>A) Total</b>	<b>642.9</b>	<b>668.0</b>	<b>662.7</b>	<b>647.5</b>	<b>662.1</b>	<b>+19.3</b>	<b>+14.6</b>
<b>B) Current assets (less fin. assets)</b>	<b>329.1</b>	<b>285.6</b>	<b>277.5</b>	<b>296.6</b>	<b>333.6</b>	<b>+4.5</b>	<b>+37.0</b>
<b>Current liabilities:</b>							
Accounts payable	89.2	62.9	80.6	91.5	103.4	+14.2	+11.9
ST debt	190.7	214.8	185.4	172.2	212.0	+21.4	+39.8
Other	46.3	44.2	56.0	51.1	54.8	+8.5	+3.7
Financial liabilities	9.7	0.0	0.0	2.1	2.9	-6.7	+0.8
<b>C) Total</b>	<b>335.9</b>	<b>321.9</b>	<b>321.9</b>	<b>317.0</b>	<b>373.2</b>	<b>+37.3</b>	<b>+56.1</b>
<b>D) Current liabilities (less fin. liab.)</b>	<b>135.6</b>	<b>107.0</b>	<b>136.6</b>	<b>142.7</b>	<b>158.2</b>	<b>+22.7</b>	<b>+15.6</b>
<b>Working capital (B-D)</b>	<b>193.5</b>	<b>178.6</b>	<b>141.0</b>	<b>153.9</b>	<b>175.4</b>	<b>-18.2</b>	<b>+21.5</b>
Days of receivables	57	66	61	63	67	+10	+4
Days of inventory	56	77	62	76	64	+8	-12
Days of suppliers	42	43	50	58	54	+12	-3
<b>Cash cycle</b>	<b>71</b>	<b>100</b>	<b>74</b>	<b>82</b>	<b>77</b>	<b>+6</b>	<b>-5</b>
Current liquidity (A/C)	1.9x	2.1x	2.1x	2.0x	1.8x	n/a	n/a

### Cash and cash equivalents, bonds and Securities

Our holding in cash (inc luding securities) at the end of 2Q12 was **R\$328.5 mn**, R\$15.7 mn higher than at the end of 2Q11 (R\$312.8 mn).

### Accounts receivable from customers

Accounts receivable from clients, at **R\$185.0m at the end of 2Q12**, was unchanged from the figure at the end of 2Q11 (R\$184.7 mn). Receivables in terms of days increased from 57, at the end of 2Q11, to 67 days at the end of 2Q12. There was no change in the credit policy.

### Inventories

Inventories, at June 30, were **up R\$2.0 mn** from 2Q11, at **R\$122.1 mn**, vs. R\$120.1 mn a year before, with days' inventories up from 56 at the end of 2Q11 to 64 at the end of 2Q12.

### Suppliers

Suppliers were **up R\$14.2 mn year-on-year** at **R\$103.4 mn** at the end of 2Q12, vs. R\$89.2 mn at end-2Q11. Suppliers' payment time was 54 days, compared to 42 a year before.

## Operating Cash Flow

The table below gives the reconciliation of operating cash flow:

Operating Cash Generation (in R\$ mn)	2Q11	2Q12
<b>Ajusted EBITDA</b>	<b>23.9</b>	<b>12.8</b>
<b>Current income tax</b>	<b>(0.3)</b>	<b>0.2</b>
<b>Working Capital</b>	<b>2.5</b>	<b>(21.5)</b>
Accounts receivable	(4.6)	(36.4)
Inventories	18.1	(0.7)
Suppliers	(16.9)	11.9
Others	5.9	3.7
<b>Operating Cash Generation</b>	<b>26.1</b>	<b>(8.5)</b>

## Investments

### Fixed assets

Net **property, plant and equipment** at the end of 2Q11 was **R\$188.2 mn**, R\$21.7 mn higher than at the end of 1Q12. **Capital expenditure** in 2Q12 totaled R\$21.2 mn, including: R\$6.8 mn in equipment to improve efficiency at the Três Lagoas plant in Brazil; R\$7.8 mn on the new plant in the northeast of Brazil; R\$2.0 mn on expansion in Russia for the new vertical refrigerator line; and other investments in modernization of machinery and plant facilities. There was also depreciation of R\$4.8 mn.

### Intangible assets

The total of intangible assets at the end of 2Q12 was **R\$119.3 mn**, increased from R\$107.8 mn at the end of the first quarter of 2012, basically an effect of variation in the exchange rate. There was also amortization of R\$0.7 mn.

This table shows changes in the balance of fixed assets:

FIXED ASSETS (in mn Reais)	2Q11	3Q11	4Q11	1Q12	2Q12	Chg. 2Q12/ 2Q11	Chg. 2Q12/1Q12
Net PP&E	141.4	147.9	155.1	166.5	188.2	+46.8	+21.7
Intangibles	93.6	108.4	109.5	107.8	119.3	+25.7	+11.5
<b>Total</b>	<b>235.0</b>	<b>256.3</b>	<b>264.6</b>	<b>274.3</b>	<b>307.4</b>	<b>+72.4</b>	<b>+33.2</b>

## Capitalization and liquidity

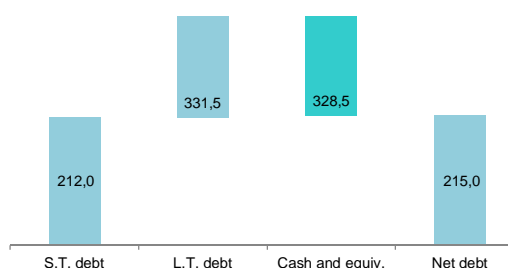
### Debt

**Cash (including securities) at the end of 2Q12 was R\$328.5 mn**, compared to R\$312.8 mn at the end of 2Q11 (increase of 5.0%), and R\$350.9 mn at the end of 1Q12.

**Total debt at the end of 2Q12 was R\$543.6 mn**, which compares with R\$459.2 mn at the end of 2Q11 (an increase of 18.4%). Compared to the total debt at the end of 1Q12, R\$498.3 mn, there was an increase of R\$45.3 mn, or 9.1%.

Our **net debt** at the end of **2Q12** was **R\$215.0 mn**, an increase of R\$67.7 mn from the end of 1Q12. This is basically due to: (i) cash used in operations totaling of R\$8.5 mn (table, page 10); (ii) capital expenditure of R\$21.2 mn (above); and (iii) the net negative effect of R\$35.4 mn resulting from exchange rate variation.

Consolidated debt breakdown (R\$ mn)



LIQUIDITY INDICATORS (in mn Reais)	2Q11	3Q11	4Q11	1Q12	2Q12	Chg. 2Q12/ 2Q11	Chg. 2Q12/ 1Q12
<b>Cash and equivalents, bonds and securities</b>	<b>312.8</b>	<b>371.9</b>	<b>382.7</b>	<b>350.9</b>	<b>328.5</b>	<b>+15.7</b>	<b>-22.4</b>
Short term debt (ST)	190.7	214.8	185.4	172.2	212.0	+21.4	+39.8
Long term debt (LT)	268.5	358.1	347.6	326.0	331.5	+63.0	+5.5
USD denominated debt	312.9	342.3	377.3	430.4	485.6	+172.7	+55.2
BRL denominated debt	47.5	40.9	38.3	45.7	44.0	-3.5	-1.7
Euro denominated debt	51.7	43.8	43.1	22.1	13.9	-37.7	-8.2
Other Currencies	47.2	145.9	74.3	0.0	0.0	-47.2	-0.0
<b>Gross debt</b>	<b>459.2</b>	<b>572.9</b>	<b>533.0</b>	<b>498.3</b>	<b>543.6</b>	<b>+84.3</b>	<b>+45.3</b>
<b>Net cash / (Net debt)</b>	<b>-146.4</b>	<b>-201.0</b>	<b>-150.3</b>	<b>-147.3</b>	<b>-215.0</b>	<b>-68.6</b>	<b>-67.7</b>
<b>Shareholders' equity (Equity)</b>	<b>271.4</b>	<b>248.8</b>	<b>257.2</b>	<b>277.5</b>	<b>270.4</b>	<b>-1.0</b>	<b>-7.1</b>
Cash and equiv. / ST debt	1.6x	1.7x	2.1x	2.0x	1.5x	n/a	n/a
ST debt / (ST + LT)	41.5%	37.5%	34.8%	34.6%	39.0%	n/a	n/a
Net cash (Net debt) / Equity	-0.5x	-0.8x	-0.6x	-0.5x	-0.8x	n/a	n/a
Net debt / (Net debt + Equity)	35.0%	44.7%	36.9%	34.7%	44.3%	n/a	n/a

The increase in our financial leverage presented in this quarter is mainly due to 1) investments to expand our production capacity with the construction of the factory in Vitória de Santo Antão and expansion of the plant in Kaliningrad, 2) investments to increase operational efficiency with the acquisition of machinery for the factory in Três Lagoas, and 3) exchange rate variations. As investments go into operation, we will generate operating cash and consequently reduce our financial leverage. Additionally, the company has been monitoring its exposure and has used financial instruments to limit the possible impact that currency fluctuations can have on your net cash.

**Short-term debt** at the end of 2Q12 was **R\$212.0 mn**, and 39.0% of total debt. Cash and cash equivalents (including securities) were 1.5 times short-term debt.

### Stockholders' equity

**Stockholders' equity** at the end of 2Q12 was R\$270.4 mn, which compares to R\$277.5 mn at the end of 1Q12. The reduction of R\$7.1 mn basically reflects: the net loss of R\$14.8 mn in 2Q12, and a positive effect of R\$8.1 mn from exchange rate variation on goodwill and investments outside Brazil.

## Other Information

### Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's Opinion and with the accounting statements relative to the business quarter ended June 30, 2012.

### Relationship with external auditors

In accordance with Instruction 381/2003 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), we report that in 2Q12 we did not contract our Independent Auditors for services not related to external auditing.

In our relationship with external auditors, we evaluate conflicts of interests on services not related to external auditing based on the following: auditors should not (a) audit their own work; (b) carry out management functions; and (c) promote our interests.

### Commitment Clause

The Company, its shareholders, administrators and members of its Tax Board, if installed, are responsible for solving, through arbitration, any and every dispute or controversy that might arise among them, related or resulting, specially, of application, validity, effectiveness, interpretation, violation and its effects, of provisions set forth in the Business Corporation Act, the Company's Bylaws, in the rules edited by CMN, by the Central Bank of Brazil and by CVM, as well as in other rules applicable to operation of general capital markets, besides those included in the Regulation of *Novo Mercado*, Agreement for Participation in *Novo Mercado* and Arbitration Regulation.

### Disclaimer

Information in this report on performance that is not directly derived from the financial statements, such as, for example, information on the market, quantities produced and sold, production capacity, and the calculation of EBITDA and adjusted EBITDA has not been the subject of special review by our external auditors.

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and information to which the company currently has access. Forward-looking statements include information about our present intentions, beliefs or expectations, and those of the members of the company's Board of Directors, and Executive Officers. Reservations in relation to statements and information about the future also include information about possible or presumed operational results, and also statements that are preceded, followed by or include the words "believe", "may", "will", "continue", "expect", "forecast", "intend", "plan", "estimate", or similar expressions. Statements and information about the future are not guarantees of performance. They involve risks, uncertainties and suppositions because they refer to future events, and thus depend on circumstances which may or may not occur. Future results and the creation of value for stockholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond Metalfrío's capacity to control or forecast.

### About Metalfrío

**Metalfrío Solutions S.A. (Bovespa: FRI03)** is one of the world's largest manufacturers of plug-in commercial refrigeration equipment. Our product portfolio comprises hundreds of models of vertical and horizontal plug-in refrigerators and freezers, for refrigeration of beers, soft drinks, ice creams and frozen foods, and cooled products in general. Through direct distribution or through distributors and commercial representatives, we supply our products to clients that are among the world's largest manufacturers of cooled and frozen beverages and foods. We currently operate plants in Brazil, Mexico, Turkey, and Russia, and our own distribution center in the United States

## Consolidated income statements (R\$ mn)

	2Q11	2Q12
<b>GROSS REVENUE</b>		
Domestic markets product sales	225.4	191.7
Export sales	61.6	50.4
Service sales	5.2	5.8
<b>TOTAL GROSS REVENUE</b>	<b>292.2</b>	<b>247.9</b>
<b>SALES DEDUCTIONS</b>		
Sales taxes	(51.8)	(44.2)
Discounts and returns	(6.5)	(1.9)
<b>NET REVENUE</b>	<b>234.0</b>	<b>201.9</b>
Cost of goods sold	(193.1)	(172.2)
<b>GROSS PROFIT</b>	<b>40.9</b>	<b>29.7</b>
<b>OPERATING REVENUES (EXPENSES)</b>		
Sales expenses	(22.2)	(20.0)
General and administrative expenses	(6.7)	(8.7)
Management and BoD fees	(2.2)	(1.2)
Equity income	0.0	0.0
Other operating revenues (expenses)	8.6	7.2
<b>OPERATING PROFIT (LOSS) BEFORE FINANCIAL RESULTS</b>	<b>18.4</b>	<b>7.0</b>
<b>NET FINANCIAL RESULT</b>	<b>(3.2)</b>	<b>(30.0)</b>
Financial expenses	(18.9)	(75.1)
Financial income	15.7	45.0
<b>EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>15.2</b>	<b>(23.0)</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>		
Current	(0.3)	0.2
Deferred	0.2	8.0
<b>NET EARNINGS (LOSS)</b>	<b>15.0</b>	<b>(14.8)</b>
TROLLING GROUP INTERESTS	11.2	(14.5)
MINORITY INTERESTS	(3.8)	0.3

## Consolidated balance sheets (R\$ mn)

	1Q12	2Q12	Chg. (%)		1Q12	2Q12	Chg. (%)
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>CURRENT</b>				<b>CURRENT</b>			
Cash and equivalents	165.5	193.4	16.9%	Suppliers	91.5	103.4	13.0%
Bonds and securities	185.4	135.1	-27.1%	Loans	172.2	212.0	23.1%
Receivables from clients	148.4	184.7	24.5%	Tax obligations	9.1	8.9	-2.1%
Inventory	121.4	122.1	0.6%	Payroll charges	20.4	22.6	10.6%
Recoverable taxes	16.8	17.0	1.2%	Sundry provisions	13.7	15.1	9.6%
Deferred taxes	0.0	0.0	n/a	Deferred taxes	0.0	0.0	n/a
Receivables with derivatives	0.0	0.0	n/a	Dividends payable	0.0	0.0	n/a
Other receivables	9.9	9.7	-2.4%	Payables with derivatives	2.1	2.9	37.1%
<b>Total do ativo circulante</b>	<b>647.5</b>	<b>662.1</b>	<b>2.3%</b>	Other payables	7.9	8.2	4.8%
<b>NON-CURRENT</b>				<b>Total current</b>			
Long term:					<b>317.0</b>	<b>373.2</b>	<b>17.7%</b>
Deferred taxes	20.2	26.9	33.0%	<b>NON-CURRENT</b>			
Recoverable taxes	3.4	3.8	11.6%	Loans	326.0	331.5	1.7%
<b>Fixed:</b>				Tax obligations	0.0	0.0	n/a
Investments	0.0	(0.0)	-128.2%	Deferred taxes	20.4	20.3	-0.5%
Net PP&E	166.5	188.2	13.0%	Contingency provisions	1.0	1.0	2.1%
Intangible	107.8	119.3	10.7%	Other payables	3.3	3.7	11.8%
<b>Total non-current</b>	<b>297.8</b>	<b>338.1</b>	<b>13.5%</b>	<b>Total non-current</b>	<b>350.8</b>	<b>356.6</b>	<b>1.7%</b>
<b>TOTAL ASSETS</b>				<b>SHAREHOLDER'S EQUITY</b>			
	<b>945.4</b>	<b>1.000.2</b>	<b>5.8%</b>	Registered capital	240.0	240.0	0.0%
				Capital reserve	1.5	1.7	13.8%
				Profit reserve	40.0	39.9	-0.4%
				Treasury held stock	(1.7)	(1.7)	0.0%
				Shareholders' evaluation adjustments	3.5	13.6	n/a
				Proposed additional dividends	0.0	0.0	n/a
				Agio em transações de Capital	(32.5)	(36.1)	10.9%
				Retained profit	17.3	2.9	-83.0%
				Minority interest	9.4	10.1	7.2%
				<b>Total shareholders' equity</b>	<b>277.5</b>	<b>270.4</b>	<b>-2.6%</b>
				<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
				<b>945.4</b>	<b>1.000.2</b>	<b>5.8%</b>	

## Consolidated cash flow – accumulated in the year (R\$ mn)

	2Q11	2Q12
<b>OPERATING CASH FLOW</b>		
<b>Net result</b>	<b>15.0</b>	<b>(14.8)</b>
<b>Reconciliation of net result and operating cash flow</b>		
Depreciation and amortization	5.2	5.6
Contingency provisions	0.0	0.0
Sundry provisions	(1.2)	1.3
Derivatives Gain & Loss Provisions	(0.4)	0.8
Stock option plan	0.4	0.2
FX variation	(1.5)	19.1
Interest on loans	4.4	5.0
Residual value of fixed assets written off or sold	0.2	0.3
Goodwill amortization	0.0	0.0
Investment write-off	0.7	0.0
Equity income	0.0	0.0
FX variation on Net Investment	(0.6)	0.7
Minority Interest	0.0	0.0
Income tax and social contribution	(0.2)	(8.0)
<b>Total</b>	<b>22.0</b>	<b>10.1</b>
<b>(Increase) reduction of assets:</b>		
<b>Current:</b>		
Bonds and securities	(37.2)	50.3
Receivables from clients	(5.9)	(36.0)
Inventory	18.1	(0.7)
Recoverable taxes	1.1	(0.2)
Other receivables	3.7	0.2
<b>Non-current:</b>		
Recoverable taxes	0.1	(0.4)
<b>Total</b>	<b>(20.2)</b>	<b>13.4</b>
<b>Increase (reduction) of liabilities:</b>		
<b>Current:</b>		
Suppliers	(14.8)	9.0
Taxes payable	2.4	(0.2)
Payroll charges	1.0	2.2
Other payables	(0.9)	0.4
<b>Non-current:</b>		
Other payables	0.1	0.4
<b>Total</b>	<b>(12.3)</b>	<b>11.7</b>
<b>Net cash generated (consumed) by operating activities</b>	<b>(10.5)</b>	<b>35.2</b>
<b>INVESTMENT CASH FLOW</b>		
Addition to fixed assets	(6.8)	(21.2)
Addition to intangible assets	(0.8)	(1.3)
FX variation on Net Investment	0.0	0.0
<b>Net cash generated (consumed) by investing activities</b>	<b>(7.7)</b>	<b>(22.5)</b>
<b>FINANCING CASH FLOW</b>		
Draw down of loans	83.6	39.6
Payment of loans	(35.5)	(39.8)
Payment of interest	(5.2)	(5.8)
Capital increase	0.0	0.0
Treasury held stock	(0.0)	0.0
Payment of dividends	(18.5)	0.0
Capital restitution payment to shareholders	0.0	0.0
Capital transactions between shareholders	(36.3)	0.0
Other	0.0	0.0
<b>Net cash generated (consumed) by financing activities</b>	<b>(12.0)</b>	<b>(6.0)</b>
FX VARIATION ON CASH AND CASH EQUIVALENTS	(14.2)	21.2
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(44.4)</b>	<b>27.9</b>
<b>CASH AND EQUIVALENTS</b>		
Final balance	171.3	193.4
Initial balance	215.7	165.5
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(44.4)</b>	<b>27.9</b>