MARCOPOLO S.A.
Consolidated Information

Caxias do Sul, February 23, 2011.

2010 Fiscal Year Results

Consolidated financial statements in accordance with Brazilian Accounting Principles and IFRS – International Financial Reporting Standards.

MANAGEMENT REPORT

Dear Shareholders:

For Marcopolo, 2010 was a year that was notable for the recovery of domestic demand, of investments in its Brazilian units and abroad and of consistent operating and financial results.

1. Operating Context

Marcopolo is a publicly held company with head offices in Caxias do Sul, Rio Grande do Sul, incorporated on August 6, 1949. Its corporate purpose is to manufacture buses, bus chassis and components.

Its product line encompasses a wide range of models, comprised of intercity, urban, micro and minibuses, as well as its Volare family (complete bus, including chassis and body).

Its bus manufacturing operations are conducted in 11 production facilities, of which four are in Brazil (two units in Caxias do Sul – RS, one in Duque de Caxias – RJ, as well as a 45.0% ownership interest in San Marino Ônibus e Implementos Ltda., also located in Caxias do Sul – RS). Furthermore, it has seven industrial complexes overseas, including one wholly-owned facility in South Africa, and joint ventures in Argentina, Colombia, Egypt, India (2) and Mexico. Marcopolo also has important ownership stakes in SPHEROS (climate control and air-conditioning), WSUL (seat foams) and MVC – Componentes Plásticos Ltda. (plastic components).

Marcopolo is the Brazilian market leader in its business sector and it respected as one of the most important bus manufacturers in the world. In 2010, the Company’s share of Brazilian production was 46.3%. Besides the previously mentioned companies, Marcopolo has full ownership control of Moneo Bank S.A., established to support the financing of Marcopolo’s products.

2. Performance Indicators

Some of the Company's important management indicators for 2010 are shown in the following table.

SELECTED INFORMATION

(R$ million, except when otherwise indicated)

CONSOLIDATED DATA	2010	2009	Var. %
Operating performance:			
Net Operating Revenues	2,964.5	2,023.8	46.5
- Revenues in Brazil	2,079.7	1,383.2	50.4
- Overseas revenues	884.8	640.6	38.1
Gross Income	631.3	384.7	64.1
EBITDA (1)	398.3	177.4	124.5
Net Income	295.8	125.0	136.6
Profit per share	0.663	0.280	136.8
Return on Invested Capital – ROIC (2)	23.3%	18.4%	4.9pp
Return on Net Equity – ROE (3)	40.0%	18.2%	21.8pp
Investments	81.5	113.6	(28.3)
Net Equity	955.9	729.9	31.0
Financial position: Industrial Segment			
Cash, cash equivalents and financial investments	800.1	475.8	68.2
Short-term financial liabilities	102.6	212.9	(51.8)
Long-term financial liabilities	689.1	494.0	39.5
Net financial liabilities (assets)	(8.4)	231.1	-
Net financial liabilities of the industrial segment /EBITDA	-	1.3x	-
Financial position: Industrial and Financial Segments			
Cash, cash equivalents and financial investments	854.3	536.4	59.3
Short-term financial liabilities	268.2	379.8	(29.4)
Long-term financial liabilities	1.094.4	866.2	26.3
Net Financial Liabilities	508.4	709.6	(28.4)
Margins			
Gross Margin	21.3%	19.0%	2.3pp
EBITDA Margin	13.4%	8.8%	4.6pp
Net Margin	10.0%	6.2%	3.8pp

Notes: (1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization; (2) ROIC *(Return on Invested Capital) = EBIT* ÷ (stocks + clients + property - suppliers); (3) ROE *(Return on Equity)* = Net Income/Initial Net Equity; pp = percentage points.

3. Marcopolo's Highlights – Consolidated Data

The **Company's Worldwide Production** was 27,580 units in 2010. Of this total, 18,900 units were produced in Brazil and another 8,680 were produced overseas.

Net Revenues totaled R$ 2,964.5 million during the 2010 fiscal year.

EBITDA was R$ 398.3 million in 2010, with a 13.4% margin. EBITDA (adjusted) for the exchange variation on exports totaled R$ 409.5 million and the margin was 13.8%.

Net Income was R$ 295.8 million with a 10.0% margin.

Dividends/Interest on Shareholders Equity. The amount that was approved for the payment of dividends and interest on shareholders equity for the 2010 fiscal year was R$ 150.0 million, representing a 50.7% pay-out.

Units Registered in Net Revenues. A total of 27,597 units were registered for the purpose of net revenues touring the year, of which 18,633 were for the domestic market, representing 67.5% of the consolidated number, and 8,964 units were for the external market, representing the remaining 32.5% of the total, as shown in the following table:

OPERATIONS	2010	2009	Var. %
BRAZIL:			
- Domestic Market	16,634	11,937	39.3
- External Market	2,426	2,191	10.7
SUBTOTAL	**19,060**	**14,128**	**34.9**
Exclusion of exported KDs [1]	427	606	(29.5)
TOTAL IN BRAZIL	**18,633**	**13,522**	**37.8**
INTERNATIONAL:			
- Mexico	1,255	1,510	(16.9)
- Portugal	-	58	-
- South Africa	678	280	142.1
- Colombia (50%)	758	649	16.8
- India (49%) [2]	5,216	2,517	107.2
- Egypt (49%)	334	207	61.4
- Argentina (40%)	723	464	55.8
TOTAL INTERNATIONAL	**8,964**	**5,685**	**57.7**
GENERAL TOTAL	**27,597**	**19,207**	**43.7**

Notes: [1] KD (Knocked Down) = Partially or totally disassembled bus bodies. [2] In India, the number of units produced at the Lucknow factory is totaled.

4. Performance of the Bus Industry in Brazil

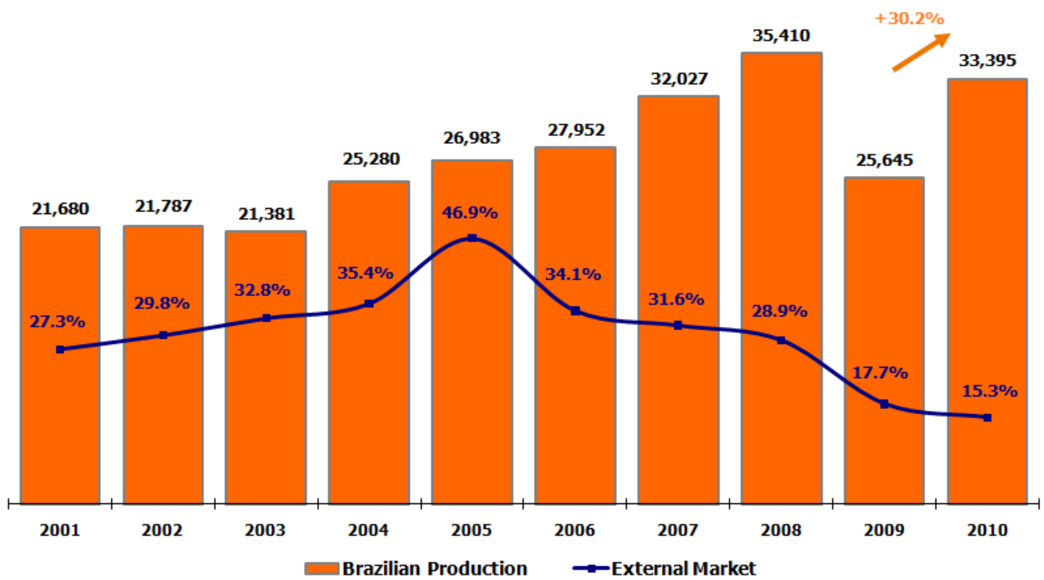
In 2010, the Brazilian bus body business experienced resurgence after contracting in 2009. Brazilian production totaled 33,395 units, compared to 25,645 in 2009, representing an increase of 30.2%. Due to the fact that VOLARE only sells completed vehicles, its production is not included in the sales figures for Brazilian bus bodies. If production of this type of vehicle were to be included, the domestic production of bodies would be 37,291 units in 2010.

The domestic market demand was 28,285 units, up 34.0% over 2009, while production earmarked for the export market totaled 5,110 units in 2010, 12.7% higher than the previous year's exports.

Brazilian production once again surpassed the mark of 30,000 units this year, a tendency that has been consolidating itself since 2007 and which was interrupted in 2009 as a result of the international crisis. The following chart shows the growth over the past 10 years of Brazilian bus bodies:

EVOLUTION OF BRAZILIAN BUS PRODUCTION

(in '000 units)



BRAZILIAN BUS PRODUCTION – TOTAL (in units)

PRODUCTS [1]	2010	2009	2008	2007	2006
Intercity	8,903	6,456	9,728	8,613	7,552
Urban	19,131	15,093	21,008	18,699	15,540
Micros	4,299	3,075	4,282	4,303	4,217
SUBTOTAL	**32,033**	**24,624**	**35,018**	**31,615**	**27,309**
Minis [2]	1,062	1,021	392	412	643
TOTAL	**33,395**	**25,645**	**35,410**	**32,027**	**27,952**

Sources: FABUS (National Association of Bus Manufacturers) and SIMEFRE (Interstate Syndicate of Railroad and Highway Materials and Equipment Companies).

Notes: [1] Includes KD units (knocked down - disassembled) units exported; [2] The production data for Ministry of Health does not include integral units, such as Volare.

BRAZILIAN BUS PRODUCTION – DOMESTIC MARKET (in units)

PRODUCTS [1]	2010	2009	2008	2007	2006
Intercity	6,506	4,066	5,741	4,873	3,726
Urban	16,969	13,329	16,075	13,967	11,591
Micros	3,753	2,708	2,990	2,670	2,452
SUBTOTAL	**27,228**	**20,103**	**24,806**	**21,510**	**17,769**
Minis [2]	1,057	1,009	365	412	639
TOTAL	**28,285**	**21,112**	**25,171**	**21,922**	**18,408**

Note: See chart notes– Brazilian Bus Production – TOTAL.

BRAZILIAN BUS PRODUCTION – EXTERNAL MARKET (in units)

PRODUCTS [1]	2010	2009	2008	2007	2006
Intercity	2,397	2,390	3,987	3,740	3,826
Urban	2,162	1,764	4,933	4,732	3,949
Micros	546	367	1,292	1,633	1,765
SUBTOTAL	**5,105**	**4,521**	**10,212**	**10,105**	**9,540**
Minis [2]	5	12	27	-	4
TOTAL	**5,110**	**4,533**	**10,239**	**10,105**	**9,544**

Note: See chart notes– Brazilian Bus Production – TOTAL.

5. Marcopolo's Production and Market Share

5.1 Production

In 2010, Marcopolo's consolidated production totaled 27,580 units, 42.3% higher than the 19,384 units produced in 2009. Of this total, 68.5% were produced in Brazil and the remaining 31.5% overseas. The data about Marcopolo's worldwide production is presented in the following charts:

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

OPERATIONS (in units)	2010	2009	Var. %
BRAZIL: [1]			
- Domestic Market	16,856	12,123	39.0
- External Market	2,486	2,188	13.6
SUBTOTAL	**19,342**	**14,311**	**35.2**
Exclusion of exported KDs [2]	442	639	(30.8)
TOTAL IN BRAZIL	**18,900**	**13,672**	**38.2**
INTERNATIONAL:			
- Mexico	1,255	1,510	(16.9)
- Portugal	-	54	-
- South Africa	416	308	35.1
- Russia (50%)	-	8	-
- Colombia (50%)	736	638	15.4
- India (49%) [3]	5,216	2,517	107.2
- Egypt (49%)	334	207	61.4
- Argentina (40%)	723	470	53.8
TOTAL INTERNATIONAL	**8,680**	**5,712**	**52.0**
GENERAL TOTAL	**27,580**	**19,384**	**42.3**

Notes: [1] Includes the production of the Volare model, as well as production from Ciferal (5,296 units in 2010) and 45.0% of San Marino (1,766 units in 2010), representing Marcopolo's stake in the company. [2] Partial bus bodies, or totally knocked down. [3] In India, the units produced in the Lucknow factory are part of the total.

MARCOPOLO – CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

PRODUCTS/MARKETS [2] (in units)	2010			2009		
	DM	EM [1]	TOTAL	DM	EM [1]	TOTAL
Intercity	4,546	1,478	**6,024**	2,475	1,044	**3,519**
Urban	6,420	4,145	**10,565**	4,877	2,695	**7,572**
Micros	1,566	716	**2,282**	963	623	**1,586**
Minis (LCV)	498	4,315	**4,813**	364	2,720	**3,084**
SUBTOTAL	**13,030**	**10,654**	**23,684**	**8,679**	**7,082**	**15,761**
Volares [3]	3,826	70	**3,896**	3,444	179	**3,623**
TOTAL PRODUCTION	**16,856**	**10,724**	**27,580**	**12,123**	**7,261**	**19,384**

Notes: [1] EM total production includes export of units KD (partially or totally disassembled) that totaled 442 units in 2010, compared to 639 units in 2009; [2] DM = Domestic Market; EM = External Market; [3] The production of Volares is not included in the SIMEFRE and FABUS data, or in the sector production figures.

MARCOPOLO – PRODUCTION IN BRAZIL

PRODUCTS/MARKETS [2] (in units)	2010			2009		
	DM	EM [1]	TOTAL	DM	EM [1]	TOTAL
Intercity	4,546	1,375	5,921	2,475	1,199	**3,674**
Urban	6,420	803	7,223	4,877	631	**5,508**
Micros	1,566	238	1,804	963	179	**1,142**
Minis (LCV)	498	-	498	364	-	**364**
SUBTOTAL	**13,030**	**2,416**	**15,446**	**8,679**	**2,009**	**10,688**
Volares [3]	3,826	70	3,896	3,444	179	**3,623**
TOTAL PRODUCTION	**16,856**	**2,486**	**19,342**	**12,123**	**2,188**	**14,311**

Note: See notes in the Consolidated Worldwide Production by Model chart.

5.2 Market Share

The Company's market share in Brazil was 46.3% in 2010. The growth of Marcopolo's share in all product lines was the highlight.

SHARE OF THE BRAZILIAN PRODUCTION (%)

PRODUTOS [1]	2006	2007	2008	2009	2010
Intercity	42.6	48.5	49.3	56.9	66.5
Urban	43.0	45.6	41.6	36.5	37.8
Micros	22.5	35.4	38.6	37.1	42.0
Minis [2]	18.5	21.8	13.8	35.7	46.9
TOTAL	**39.2**	**44.7**	**43.0**	**41.7**	**46.3**

Source: FABUS and SIMEFRE
Notes: [1] Includes 100.0% of Ciferal and proportional share of San Marino's production; [2] Volare is not calculated for market share purposes.

6. Marcopolo's Operating Performance

Marcopolo's reported significant results in 2010. The resurgence of the industry, sustained basically by the Brazilian domestic market, made it possible for the Company to operate throughout the entire year with high utilization of installed capacity. Even with heated up demand, the Company was able to optimize its operating efficiency, rationalizing expenses and reducing costs, seeking to maximize shareholder returns. This was possible due to its R$ 330.0 million investment plan, initiated in 2008 and designed to modernize its factories and production processes and to develop new product lines. It is important to highlight the engagement of Marcopolo's employees in meeting market demand.

The growth of the Brazilian GDP, coupled with better financing conditions and the success of Marcopolo's Generation 7 intercity buses, offered a favorable scenario for growth of the sector. The "Going to School" project, which seeks to supply school transportation to students in rural zones of Brazil, continues to be an important driver of sales for the Company's microbuses and Volares models. Currently, there are projects under study to expand the school program into urban districts.

Even in the face of excessive appreciation of Brazil's currency, the real, compared to the American dollar — the currency used in international operations — the Company sought to service the overseas markets it has conquered, achieving important success in a number of countries. Furthermore, Marcopolo continues to invest in its global sourcing system, striving to develop suppliers of parts and components within the countries in which it is present in order to supply its production lines in Brazil and abroad. It also should be mentioned that the high "Brazil cost," made up of precarious infrastructure, high interest rates, red tape, an excessive tax burden and high social charges and fees on payrolls continue being important limitations to manufacturers' capacity of boosting the export of high added value products.

With regard to its overseas subsidiaries and associated companies, the maturing of investments and recovery of markets outside of Brazil characterized 2010. Marcopolo's international operations contributed 31.5% to its overall production, with a volume of 8,680 units. More information regarding the performance of subsidiaries/associated companies is described in item 16 of this report.

6.1 Consolidated Net Revenues

Consolidated net revenues totaled R$ 2,964.5 million, 46.5% higher than the R$ 2,023.8 million during 2009. Sales to the domestic market generated revenues of R$ 2,079.7 million, 50.4% higher than the R$ 1,383.2 million for the previous year, representing 70.2% of total net revenues (68.3% in 2009). Revenues from exports plus overseas business activities totaled R$ 884.8 million, compared to R$ 640.6 million during the previous year, an increase of 38.1%. Revenues by product and market of destination are presented in the following table:

CONSOLIDATED TOTAL NET REVENUES

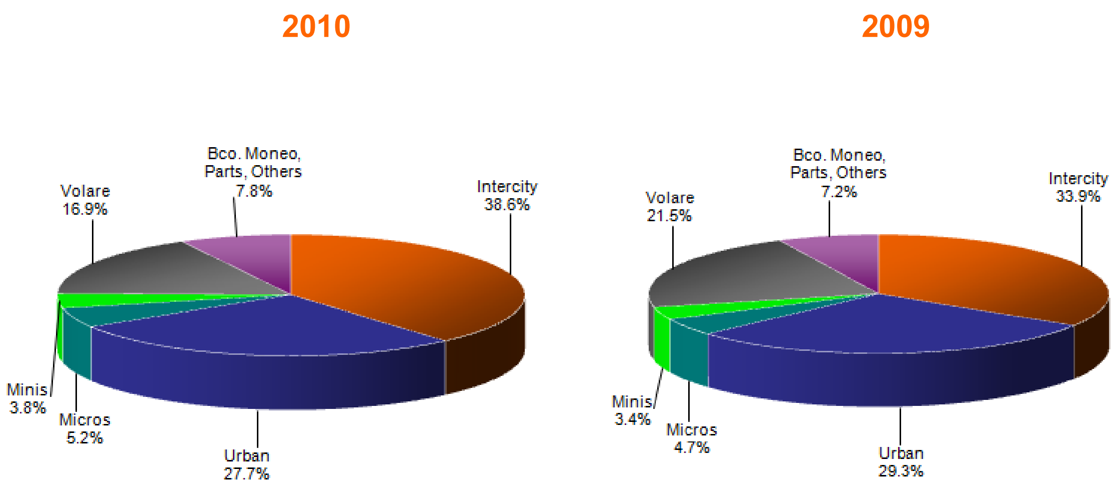
By Products and Markets (R$ Million)

PRODUCTS	2010		2009		TOTAL	
	DM	EM	DM	EM	2010	2009
Intercity	750.4	393.2	413.5	273.3	1.143.6	686.8
Urban	569.0	251.8	388.4	205.1	820.8	593.5
Micros	114.8	38.9	61.1	34.6	153.7	95.7
Minis – LCV	45.8	68.0	16.4	53.2	113.8	69.6
Bus bodies Subtotal	**1,480.0**	**751.9**	**879.4**	**566.2**	**2,231.9**	**1,445.6**
Volares (1)	481.8	20.3	414.6	19.9	502.1	434.5
Bco. Moneo, parts, others	117.9	112.6	89.2	54.5	230.5	143.7
GENERAL TOTAL	**2,079.7**	**884.8**	**1,383.2**	**640.6**	**2,964.5**	**2,023.8**

Note: (1) Volares revenues include the chassis.

6.2 Breakdown of Consolidated Net Revenues (%)

Of the consolidated net revenues of 2010, 75.3% originated through bus body sales, 16.9% from Volares sales and 7.8% from the sale of parts and through Moneo Bank. The following charts show the origin of consolidated revenues for product line in more detail (in %).



7. Gross Income and Margins

In 2010, gross income totaled R$ 631.3 million, 421.3% of net revenues (19.0% in 2009). The 2.3 percentage point improvement in the margin mainly was a result of efficiency gains due to investments in technological modernization of manufacturing facilities and improvements in the sales mix, with a higher share of Generation 7 highway models. On the other hand, the currency exchange appreciation over the course of 2010 reduced export margins. The result of the currency exchange hedges, which totaled R$ 11.2 million, was excluded from the gross margin, registered on the "Financial Revenues" line of the accounting statements. Furthermore, gross income was negatively affected by R$ 16.1 million due to the adjustment of the current net value of installment sales and purchases.

8. Sales Expenses

Sales expenses totaled R$ 162.6 million in 2010 and represented 5.5% of net revenues, whereas during the previous year these expenses totaled R$ 148.5 million, or 7.3% of the revenues. Despite the nominal increase of R$ 14.1 million, explained by the higher sales volume in 2010, the expenses as a percentage of revenues declined.

9. General and Administrative Expenses

General and Administrative Expenses totaled R$ 138.2 million in 2010, or 4.7% of net revenues, whereas in 2009 they represented 5.0% of revenues.

10. Other Revenues/Operating Expenses

The net balance of others revenues and operating expenses in 2010 was a positive R$ 26.2 million compared to a positive R$ 4.3 million in 2009. This result mostly stemmed from the success attained in lawsuits regarding tax payments.

11. Net Financial Income

Net financial income in 2010 was R$ 78.2 million, against a positive result of R$ 49.3 million in 2009. This result was influenced by exchange rate hedges on export contracts worth R$ 11.2 million at the net present value of sales and purchases on credit in the amount of R$ 16.1 million and investments. Financial income totaled R$ 208.8 million during the year against R$ 224.0 million last year, and financial expenses were R$ 130.6 million in 2010 and R$ 174.7 million in 2009. See Note 25 to Financial Statements.

12. EBITDA and EBITDA (adjusted)

EBITDA reached R$ 398.3 million in 2010, 124.5% higher than the R$ 177.4 million achieved in 2009. The EBITDA margin for 2010 was 13.4%, 4.6 percentage points above the margin of 8.8% last year. EBITDA (adjusted) because of exchange rate changes on exports, including forward operations to protect the order portfolio, totaled R$ 409.5 million in 2010 with a margin of 13.8% against R$ 201.1 million and a margin of 9.9% in 2009.

EBITDA AND EBITDA (ADJUSTED)

(R$ million)	2010	2009	Var. %
Operating Income	442.0	190.8	131.7
Financial Income	(208.8)	(224.0)	6.8
Financial Expenses	130.6	174.7	(25.2)
Depreciation / Amortization	34.5	35.9	(3.9)
EBITDA	**398.3**	**177.4**	**124.5**
Exchange Rate Variation from Exports	11.2	23.7	(52.7)
EBITDA (adjusted)	**409.5**	**201.1**	**103.6**

13. Net Income

Net income for 2010 was R$ 295.8 million, up 136.6% over the R$ 125.0 million last year. The net margin stood at 10.0% in 2010 against 6.2% in 2009, primarily as a result of improved gross margin and higher financial income.

14. Financial Debt

Net financial debt totaled R$ 508.4 million on Dec. 31, 2010 (R$ 709.6 million on Dec. 31, 2009). Of this total, R$ 516.8 million came from the financial segment, while the industrial segment had net cash of R$ 8.4 million.

It should be noted that the debt of the financial segment stems from the consolidation of Moneo Bank and should be analyzed separately, since it has distinct characteristics from those derived from the operating activities of the Company. The financial liabilities of the Moneo Bank are offset in the "Clients" account in the Bank's Assets. The credit risk is duly provisioned. Because it is a FINAME onlending transaction, each BNDES (Brazilian Development Bank) payment is an exact offset in account receivables from customers of Moneo Bank in terms of maturity and fixed interest rate.

15. Operating Cash Generation

In 2010, operating activities generated R$ 258.6 million in cash. Investment activities totaled R$ 81.5 million, while the financing activities consumed R$ 2.1 million. As a result, the starting cash balance of R$ 499.0 million, less the R$ 1.9 million from exchange rate changes on cash, increased to R$ 672.1 million at the end of the year. The statement of cash flows in the industrial and financial segments is presented in detail in the notes to the Financial Statements.

16. Performance of Subsidiaries and Affiliates

In 2010, overseas facilities produced 8,680 units against 5,712 units last year, an increase of 52.0%. This volume represented 31.5% of consolidated production by Marcopolo. Below are listed the principal highlights of the subsidiaries and affiliates overseas and Moneo Bank:

POLOMEX. Located in Mexico, the company faces a slow and gradual recovery of the bus market in that country. In 2010, the bus sector grew by 2.8% compared to 2009, increasing from 5,552 units to 5,709, still far below the 10,000 units that the market formerly demanded. The volume produced by Polomex was 1,255 units. The forecast production for 2011 is 1,700 units, according to guidance issued in December 2010.

SUPERPOLO. Located in Colombia, this company produced 1,472 units, of which 50.0%, or 736 units, were considered to be part of the consolidated production of Marcopolo. This volume was 15.4% higher than that produced in 2009, due to the strong demand for buses in Colombia. Throughout 2011, Superpolo supplied 1200 buses for the restructuring of bus transportation in Panama. The total production forecast for the year is 1,600 units, and of this total, Marcopolo will consolidate 800.

MARCOPOLO SOUTH AFRICA. In 2010, Marcopolo South Africa - MASA - was the beneficiary of investments in public transportation for the FIFA World Cup held in South Africa. Total production was 416 units, 35.1% higher than the output for 2009, maintaining market leadership with a 42.0% share. The year 2011 will be a year of readjustment to the demand after the World Cup, with production estimated at 400 units.

METALPAR. The 40.0% share held by Marcopolo in Metalpar, located in Argentina, led to the consolidation of 723 units in 2010, 53.8% higher than the 470 units consolidated in 2009. Metalpar produces urban buses exclusively, and in this segment it is the market leader in that country. In February 2011, Marcopolo exercised its partial purchase option, increasing its share in the company to 50.0%. Metalpar plans to produce 800 units in 2011.

TATA MARCOPOLO MOTORS LMTD. The Marcopolo joint venture in India produces urban and mini buses. The proportional consolidation of Marcopolo's 49.0% share of the company totaled 5,216 units in 2010, or 60.0% of the production of consolidated companies abroad. Since the challenge to build two factories in India had already been overcome in 2009, the objectives for 2010 were to increase the scale of production to the level of 1,000 buses per month and implement a management model focused on control and optimization of resources. The expectation for 2011 is to diversify the product portfolio to reach segments still untapped by the company, such as LCV (light commercial vehicles), charter, tourism and CNG (compressed natural gas) and MCV (medium commercial vehicles) school buses and charters. The expected production for 2011 is 13,000 units, and of this total, Marcopolo will consolidate 6,500.

GB POLO. The Marcopolo joint venture in Egypt, located in the town of Suez, provided the consolidation of 334 units, referring to the 49.0% share of Marcopolo in the company, a 61.4% increase over 2009 production. Beginning in 2011, GB POLO will produce buses for markets in Africa and the Middle East, besides the domestic market in Egypt. The forecast consolidation of production for 2011 is 600 units.

MARCOPOLO CHINA. The MAC, located in Changzhou City, is geared towards the production of components for bus bodies. In 2010, the highlights of the Company were making and selling seats for urban and intercity buses and the development of components to meet the needs of the other Marcopolo units around the world.

MONEO BANK. The activities of Moneo Bank SA began in July 2005 with the objective of financing Marcopolo products. The Bank is authorized to act in investment portfolios, leasing and credit, and financing and investment. In 2010, the bank's profit was

R$ 25.8 million, with return on initial net shareholders' equity of 21.7%, resulting from reduced levels of delinquency, lower provisions for loan losses and recovering losses from prior periods. Loan and guarantee operations on December 31, 2010, totaled R$ 737.5 million, against R$ 686.1 million on December 31, 2009, an increase of 7.5%. In 2010, the levels of non-performing payments and provisions returned to normal levels.

17. Corporate Governance

Marcopolo has adopted good corporate governance practices, following the principles of transparency, fairness, accountability and corporate responsibility. Its shares have been listed on Level 2 of Corporate Governance of the BM&F BOVESPA since 2002. The Company is subject to the rules of arbitration in the Market Arbitration Panel, according to the arbitration clause in its bylaws.

The management of Marcopolo is organized based on the distinction between the roles and responsibilities of the Management Board, Fiscal Council and the Executive Board of Officers. The Board of Directors consists of seven members, three of whom are external and independent, one elected by minority shareholders, one by the holders of preferred shares and another by the controllers. The Fiscal Council is composed of three members, one appointed by minority shareholders, one by the holders of preferred shares and one by the controllers. The responsibilities of each body are defined in the Company's Bylaws. To help provide feedback and support in conducting business, the Board has created the following Committees: (i) Executive Committee, (ii) Audit and Risk, (iii) Human Resources and Ethics, and (iv) Strategy and Innovation. The Company provides fair and equal treatment to all minorities, whether capital or other stakeholders. When disclosing information, the Company adheres to high standards of transparency, seeking to establish a climate of confidence, both internally and in the Company's relations with third parties. To meet legal requirements and improve the information provided to the market in general and in particular foreign investors, the financial statements are disclosed under standards established by the International Financial Reporting Standards (IFRS). In 2010, the Company held meetings with the Association of Investment Analysts and Professionals of the Capital Market (APIMEC) in São Paulo, Rio de Janeiro and Porto Alegre, as well as non-deal road shows in Brazil and abroad. Marcopolo's relationship with its shareholders and potential investors is carried out by its Investor Relations department. In 2010, analysts visited the Company from Brazil and abroad and made numerous telephone contacts in addition to the fourth edition of Marcopolo Day, an event in which the Company receives analysts and investors at its Ana Rech unit in Caxias do Sul, for a presentation about the company, its products and its production process. The event features the participation of members of the Board of Directors and the Company’s CEO. The Marcopolo Investor Relations website is always updated and has relevant content to serve the investing public.

18. Independent Auditores

18.1 Independent Auditors

Since 2005, the Company has rotated its auditors by hiring PricewaterhouseCoopers - Independent Auditors, headquartered at Rua Mostardeiro, 800, 8th and 9th floor, in Porto Alegre (RS), replacing KPMG.

18.2 CVM Instruction 381/03

Pursuant to CVM Instruction 381/03, subparagraphs I - IV of Article 2, Marcopolo declares that it has no contracts with its independent auditors that are not related to the audit of financial statements of the Company issued and sent to the CVM. The practice is based on internationally accepted principles, that the external auditors should not audit their own services and do not exercise managerial functions and promote the interests of the Company.

19. Capital Market

19.1 Capital Stock

The Company's capital stock totals $ 700.0 million, divided into 448,450,042 shares, of which 170,812,872 are common shares (38.1%) and 277,637,170 are preferred shares (61.9%), all nominal, no par value.

19.2 Performance of Marcopolo's Shares on the BM&FBovespa

Marcopolo's preferred shares increased in value by 119.1% in 2010, against a 1.0% increase in the Ibovespa index. In 2010, there were 197,200 transactions, an increase of 174.7% over the 71,800 transactions in 2009, and 198.9 million shares traded. Trading of Marcopolo's shares involved a turnover of R$ 1.4 billion during the year, a volume 111.4% greater than in 2009. The share of foreign investors in the Marcopolo's capital stock amounted to 56.4% of preferred shares and 34.9% of total capital on December 31 2010. The following table shows the evolution of the indicators related to the capital market:

INDICATORS	2010	2009	2008	2007	2006
Number of transactions (thousand)	197.2	71.8	58.6	51.6	20.3
Shares traded (million)	198.9	133.5	90.9	119.6	114.7
Value traded (R$ million)	1,435.6	679.0	512.0	863.8	424.8
Market value (R$ milion) (1)	3,135.0	1,430.7	636.9	1,341.0	1,058.5
Book value per share (R$) (*)	2.13	1.65	1.52	1.33	1.21
POMO4 Quotation (last day) (*)	6.99	3.19	1.42	2.99	2.36
Interest on Own Capital and Dividends per share (R$/share) (*)	0.335	0.321	0.233	0.335	0.225

Notes: (1) Quote the last transaction in period of action preferred book (PE), multiplied by total shares (LE + PE) from the same period; (*) Data are updated to reflect the bonus of 100.0% granted as the Board of Directors Meeting of October 9, 2010.

20. Dividends/Interest on Shareholders' Equity

At a meeting of the Board of Directors on December 9, 2010, the Board approved the payment of interest as a return on capital and dividends, totaling R$ 116.4 million, and of that amount, R$ 11.6 million will be paid as interest on capital - 4th Step 2010 - and R$ 104.8 million will be paid as anticipated dividends to account for the present year 2010. The interest and dividends will be paid on March 30, 2011. With this determination, the total amount proposed for payment of interest on account of return on capital and anticipated dividends on account for the present year 2010, an amount totaling R$ 150.0 million, of this total, R$ 45.2 million was interest on capital and R$ 104.8 million was paid in dividends. The total amount distributed equals 50.7% of net income in 2010.

21. Capital Expenditures/Fixed Assets

In 2010, Marcopolo invested R$ 83.0 million in capital goods, of which R$ 31.8 million was spent by the parent company and invested in: R$ 3.0 million in computer equipment and software, R$ 15.5 million in machinery and equipment, R$ 1.9 million on plants, land and improvements and R$ 11.4 million in other assets. Subsidiaries and associated companies invested R$ 51.2 million, of which R$ 23.2 million went to Ciferal, R$ 6.2 million to the Tata Marcopolo Motors Limited, R$ 4.6 million to San Marino and R$ 17.2 million in other units.

22. Environmental Management and Certifications

Continuing with its commitment to the dissemination of sustainability, Marcopolo invested in specific controls for environmental, workplace health and safety and social responsibility within the scope of its Production System, including the creation of an in-company Sustainability Committee. Continuous Improvement Teams promote permanent monitoring and intervention in production processes, to improve the utilization of raw materials, reduce energy and water consumption, minimizing the generation of wastes, emissions and effluents, combined with proper treatment and final disposal of wastes. The actions for mitigation and control of impacts arising from their activities are continually evaluated and improved. The Marcopolo environmental management system remains certified to ISO 14001 standards and is integrated with other certifications: ISO 9001 - Quality, OHSAS 18001 - Health and Safety SA 8000 - Social Responsibility.

23. Value-Added Management (VAM)

Marcopolo remains committed to creating value for shareholders by identifying and investing in projects that promise to deliver returns above their weighted average cost of capital. At the same time, the company has adopted the Balanced Scorecard Concept (BSC), which transforms each unit's strategy into objectives, drivers, targets and action plans, which are regularly monitored and managed. The VAM/BSC tools, beyond their use in measuring the effectiveness of management strategies, evaluate operating performance and constitute the basis of the Variable Compensation Plan for executives.

24. Social Responsibility

Marcopolo and its employees develop social responsibility programs in coordination with the Marcopolo Foundation. The SuperAction Program aims to promote the social development of children and teens in communities where the company maintains manufacturing facilities, and includes projects focused on education and health. The Schools Project, aimed at improving the school community, was run this year in two schools in the city of Caxias do Sul, encompassing about 800 students and teachers. The Volunteers Program was active in five Education Centers and two nursing homes, and included socio-educational activities, renovation of physical facilities and campaigns to collect food for 1,500 children and 90 senior citizens. In celebration of Children's Day, the traditional A Happy Day event was organized, which brought together young people from institutions and schools served by volunteers during a festive afternoon that included leisure activities and the distribution of snacks to a total of around 1,600 children and teens. The Marcopolo Foundation also made monthly contributions to community health and education institutions, especially in support of the Oncology Department of Caxias do Sul General Hospital, which treats SUS (Unified Health System) patients.

Through a grant from the Brazilian Ministry of Culture's Rouanet Cultural Incentive Law, Marcopolo sponsored the Recreate Project - Making Art Education, which has been running since 2004 in the city of Caxias do Sul, offering art workshops for around 3,500 children and teens. Also receiving support was the May 1st Center for Popular Culture and the Tholl Image and Dream Company. Ciferal supported the Hospital Pequeno Príncipe (Little Prince Hospital) in Curitiba, Paraná, which offers cinema workshops for children receiving cancer treatment, and the Mosaic Day Care Center in Caxias do Sul, Rio Grande do Sul, which assists children with multiple disabilities. Moneo Bank continues to support the Reolon Center for Popular Culture, which serves about 300 children and teens in social and personal at-risk situations. Marcopolo, Moneo Bank and Ciferal designated 1.0% of their Income Tax liability to the Municipal Fund for Children's and Adolescent's Rights in the cities of Caxias do Sul, RS and Duque de Caxias, RJ, where these firms are located. Through the property tax-funded Cultural Incentive Act (LIC via IPTU), Marcopolo has supported education-oriented programs in the city of Caxias do Sul, such as the Dynamism of Community Libraries and Reading Passport projects. With resources form the Sports Incentive Act, Marcopolo, Moneo Bank and Ciferal supported projects that also served children in Rio Grande do Sul. Altogether, projects supported by these tax incentives have been the beneficiaries of R$ 1.9 million, which came from taxes levied on the Marcopolo companies.

An in-company awareness campaign, regarding the allocation of 6.0% of Personal Income Tax receipts, resulted in the participation of 100 company employees, totaling R$ 404,900, for use in teenager-focused Industrial Training programs and Project Helping Hand in nursery schools in the city of Caxias do Sul.

25. Persons Chart

No. OF COLLABORATORS	2010	2009	2008	2007	2006
Parent Company	8,457	7,040	7,581	6,877	6,076
Subsidiaries in Brazil	3,441	2,656	3,035	3,046	2,086
Subsidiaries Abroad	4,181	4,310	2,749	2,449	1,927
TOTAL [1]	**16,079**	**14,006**	**13,365**	**12,372**	**10,089**
GENERAL TOTAL [2]	**20,016**	**18,303**	**15,393**	**14,240**	**10,572**

Notes: [1] Includes employees of controlled/affiliated parties in proportion to company participation; [2] Refers to full participation in the controlled/affiliated companies.

26. People Management

26.1 Satisfaction of Collaborators

Company employee satisfaction is measured by means of an internal, Organizational Climate Survey, which occurs every two years. The latest survey, conducted in October 2009, achieved a 78.0% average satisfaction rating in the Caxias do Sul, RS units, which resulted in a number of improvement steps that were developed during 2010. Locker room renovations, restaurant services restructuring, roofing over of access locations, and overhaul of the collective transportation fleet are examples of employee welfare actions that have been taken.

26.2 Education and Training

The Company's training program covers operational, administrative and technical staff. In Brazil, open courses were made available to interested employees, after office hours, as a way to enhance their opportunities for career advancement. The Education Incentive Program has offered scholarships in diverse areas of regular education, as well as foreign languages.

The Marcopolo School of Vocational Training (EFPM), which turned 20 in 2010, maintains industrial training courses for young people (including those in socially vulnerable circumstances), offering benefits, first paid employment opportunities and access to the company's career plan. EFPM currently operates five units in Brazil and one in South Africa, in association with MASA. There are currently 160 young people participating in the EFPM learning programs in Brazil, with the units serving as a means to promote sustainability in the communities where the company operates. Marcopolo's overseas affiliates maintain training courses for young people in accordance with present needs, promoting their inclusion into the permanent employee workforce whenever possible. On April 30, an unprecedented activity brought together Marcopolo's 7,200 employees in the gymnasium of SESI (Brazilian Social Services for Industry) in Caxias do Sul, for a meeting on the theme of "Teamwork as the Key to Company Success." The event's promotional campaign used the slogan, "SIMPS - Marcopolo and You in Action" and the meeting was aimed at enhancing the SIMPS - Marcopolo Production Partnership System, which was started by the company in 1986.

26.3 Quality of Life

Quality of life programs for employees and their families are adapted to the reality of each country where the company has affiliates. In Brazil, activities fall under the responsibility of the Marcopolo Foundation's *VidaConvida* (or LifeServices) Program, which includes leisure, culture and sports. The infrastructures of the Caxias do Sul, RS, and Ciferal, RJ, units contain their own recreational centers suitable for enjoyment by employees and their families. In Mexico and Colombia, specific activities are offered in the form of workshops, tours and tournaments, while in Africa we feature local-style barbecues. The more recent India and Egypt units are still in the process of structuring their welfare and quality of life programs.

26.4 Compensation and Stock Option Purchase Plan

Employee compensation is comprised of a fixed part, linked to skills and competencies, and a variable part, coupled with meeting the goals of the Profit Sharing Program. Salary surveys are periodically carried out to allow the company to determine if amounts paid to employees are within regional patterns and maintain competitiveness in the labor market.

On December 22, 2005 a "Stock Option Purchase Plan" was approved at an Extraordinary Shareholders Meeting. The principle objectives of the plan, whose participants are executives of the Company and its subsidiaries (other than controlling directors), are to: (i) align the interests of participants with those of shareholders, (ii) have the participants assume responsibility for short, medium and long-term business results, (iii) encourage and stimulate a feeling of ownership, and (iv) attract and retain talent. The Plan is monitored by the HR and Ethics Committee and approved by the Board of Directors.

26.5 Management Compensation

The total, annual amount of fixed compensation is established by the General Shareholders Meeting and distributed among the managers by the Board of Directors. In 2010, the highest, annual compensation for an individual on the Board of Directors/Board of Executive Officers came to R$ 2,619,300, with average compensation standing at R$ 766,700 and the lowest amount being R$ 168,600. For the Board of Executive Officers, in 2010, the largest, fixed compensation for an individual was R$ 936,200, the average was R$ 821,000 and the lowest was R$ 590,700. Fixed, individual, annual compensation for members of the Audit Committee was R$ 127,000.

In 2010, the largest, variable compensation for an individual of the Board of Directors/Board of Executive Officers was R$ 2,619,300, the average variable compensation was R$ 1,532,400 and the lowest was R$ 485,800. For the Board of Executive Officers, in 2010, the largest, variable compensation for an individual was R$ 936,200, the average was R$ 821,000 and the lowest was R$ 590,700. Members of the Board of Directors and Audit Committee members do not receive variable compensation.

27. Outlook for 2011

In 2011, the outlook for the bus sector in Brazil remains favorable. Credit lines provided by the Brazilian National Economic and Social Development Bank (BNDES) through the FINAME-PSI (Special Agency for Industrial Financing's Investment Support Program), that should be extended until December 2011, provide more favorable conditions for business owners to renew their fleets. Moreover, the enforcement, as of 2012, of the new EURO-5 engine standards is expected to generate purchases. The auction of concessions for interstate and international lines, scheduled by the National Land Transport Agency (ANTT) to take place in mid-2011, will also spur improvements of the Brazilian intercity bus fleet. As well, considering the great need for school transportation in Brazil, auctions by the federal government's "Road to School" program should be scheduled in 2011.

In the first half of 2011, Marcopolo intends to launch two models, which will complete its Generation 7 line of intercity buses *(*Double Decker and Low Driver*),* as well as new products in the Volare line.

Besides the factors mentioned above, in the coming years, the growth potential for bus demand in Brazil is also tied to the following factors:

- 2012 Municipal Elections, elections which typically generate upgrades in urban bus fleets;
- Expansion of the federal government's "Road to School" program;
- Sporting events in Brazil (FIFA Confederations Cup in 2013, FIFA World Cup in 2014, and the Summer Olympics in 2016), which will require investments in public transportation;
- Increased flow of tourists;
- Expected GDP growth and rising employment.

Abroad, highlights will include the start of a Mexican bus market recovery, the maturation of the India and Egypt units, and continued good performance from the Argentina and Colombia units. Recent events in Egypt could affect productivity of GB

POLO in 2011. However, the duration of those events was brief and the Company intends to achieve its anticipated production volumes for the year.

It is imperative to note that, in 2011, there will be greater pressures to increase the cost of major raw materials, principally for metallic commodities. The Company continues to focus on improving its operational efficiency to reduce costs and maximize returns to shareholders.

According to a guidance announcement issued by the Company on December 17, 2010, the expected performance for 2011 is to: (i) invest R$ 70.0 million; (ii) achieve consolidated net revenues of R$ 3.15 billion; and (iii) produce 29,300 buses in units located in Brazil and abroad.

28. Acknowledgements

Marcopolo is honored to express appreciation to its employees for their efforts, dedication and commitment. Thanks to them, the Company was able to overcome challenges, surpass goals and achieve consistent results in 2010. We also wish to thank our customers and shareholders for their choice, loyalty and trust, and to suppliers, financial institutions, governmental authorities and the community for their support.

The Management.

Marcopolo
BRINGING PEOPLE TOGETHER

BALANCE SHEETS

IFRS (in thousands of reais)

ASSETS	Consolidated		
	12/31/10	12/31/09	12/31/08
Current assets			
Cash and cash equivalents	672.123	498.972	416.077
Financial assets at fair value	54.092	37.438	14.354
Trade accounts receivable	810.464	701.260	681.435
Inventories	311.448	237.403	303.021
Taxes recoverable	87.144	93.228	172.243
Other accounts receivable	55.238	48.062	64.380
	1.990.509	**1.616.363**	**1.651.510**
Non-current assets			
Long-term receivables			
Related parties	-	102	41
Financial assets available for sale	128.096	-	-
Taxes recoverable	2.975	2.243	2.940
Deferred income tax and social contribution	43.315	54.956	70.327
Judicial Deposits	14.365	13.618	13.883
Trade accounts receivable	425.700	398.943	329.721
Other accounts receivable	10.766	14.390	291
Investments	22.272	20.114	18.399
Property, plant and equipment	318.761	282.278	259.487
Intangible assets	72.842	71.887	73.203
	1.039.092	**858.531**	**768.292**
TOTAL ASSETS	**3.029.601**	**2.474.894**	**2.419.802**

LIABILITIES AND STOCKHOLDERS' EQUITY	Consolidated		
	12/31/10	12/31/09	12/31/08
Current liabilities			
Suppliers	306.901	204.920	187.517
Loans and financing	267.412	372.898	582.506
Derivatives	788	6.906	39.473
Salaries and vacation pay	135.427	57.008	61.078
Taxes and contributions payable	64.938	41.303	22.660
Related parties	-	90	278
Advances from customers	37.238	19.573	31.763
Comissioned representatives	17.031	20.330	22.701
Interest on own capital and dividends	35.632	43.576	59.810
Management profit sharing	7.060	7.552	7.074
Other accounts payable	76.309	67.824	91.217
	948.736	**841.980**	**1.106.077**
Non-current liabilities			
Loans and financing	1.094.439	866.156	548.156
Provision for contingencies	17.444	27.149	56.524
Benefits to employees	-	-	22.813
Other accounts payable	5.592	936	1.205
	1.117.475	**894.241**	**628.698**
Stockholders' equity			
Capital	700.000	450.000	450.000
Capital reserves	(790)	(806)	708
Revenue reserves	301.863	308.782	236.066
Treasury stock	(14.054)	(2.427)	(6.058)
Carrying value adjustments	(31.125)	(7.054)	13.608
Accumulated losses	-	(18.637)	(21.106)
	955.894	**729.858**	**673.218**
Non-controling Interest	**7.496**	**8.815**	**11.809**
	963.390	**738.673**	**685.027**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**3.029.601**	**2.474.894**	**2.419.802**

The consolidated financial statements including the notes to financial statements and the report of independent auditors - PRICEWATERHOUSECOOPERS - Auditores independentes - are available at the sites www.cvm.gov.br and www.bmfbovespa.com.br.

STATEMENTS OF INCOME

IFRS (in thousands of reais)

ACCOUNTS	Consolidated	
	12/31/10	12/31/09
Net sales and service revenues	**2.964.499**	**2.023.819**
Cost of sales and services	(2.333.156)	(1.639.100)
Gross Profit	**631.343**	**384.719**
Operating expenses (income)		
Selling expenses	(162.650)	(148.512)
Administrative expenses	(138.174)	(101.038)
Other operating expenses (income), net	26.189	4.299
Operating profit before financial income (expenses)	**356.708**	**139.468**
Financial income	208.803	223.968
Financial expenses	(130.638)	(174.713)
Financial result net	**78.165**	**49.255**
Equity in earnings of affiliates	7.084	2.050
Income before taxation and profit sharing	**441.957**	**190.773**
Income tax and social contribution		
For the year	(134.562)	(47.010)
Deferred	(11.641)	(15.371)
Discontinued operations	**-**	**(3.409)**
Net income for the year	**295.754**	**124.983**
Net income per share - R$	**0,663**	**0,280**

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CASH FLOWS

IFRS (in thousands of reais)

	Consolidated	
	12/31/10	12/31/09
Cash flows from operating activities		
Net income for the year	**295.754**	**124.983**
Adjustments to reconcile net income with cash generated by (used in) operating activities:		
Depreciation and amortization	34.479	35.875
Cost of fixed and intangible asset sales	12.417	31.112
Equity in the results of investees	(7.084)	(2.050)
Provision for credit losses	3.325	15.695
Beferred income tax and social contribution	11.641	15.371
Interest and appropriated exchange variations	33.177	1.032
Minority interest	(784)	28
Changes in assets and liabilities		
(Increase) decrease in trade accounts receivable	(140.160)	(141.016)
(Increase) decrease in other accounts receivable	1.208	87.905
(Increase) decrease in inventories	(75.610)	47.978
Increase (decrease) in short-term investment	(144.750)	(23.084)
Increase (decrease) in suppliers	100.052	53.261
Increase (decrease) in accounts payable	134.920	(77.194)
Net cash provided by (used in) operating activities	**258.585**	**169.896**
Cash flows from investing activities		
Dividends from subsidiaries	2.247	326
Fixed assets variation	(72.888)	(93.939)
Intangible assets variation	(10.122)	(6.862)
Proceeds from sale of property, plant and equipment	(720)	(13.143)
Net cash used in investing activities	**(81.483)**	**(113.618)**
Cash flows from financing activities		
Related parties	12	(249)
Loans and financing	595.504	717.879
Payment of loans	(457.148)	(548.591)
Payment of interest	(56.437)	(60.906)
Payment of dividends and interest on capital stock	(73.069)	(78.919)
Treasury stock	(10.923)	2.117
Net cash provided by (used in) financing activities	**(2.073)**	**31.580**
Foreign exchange variation on cash and cash equivalents	**(1.890)**	**(4.714)**
Cash and cash equivalents at the beginning of the year	498.972	416.077
Cash and cash equivalents at the end of the year	672.123	498.972
Net increase (decrease) in cash and cash equivalents	**173.151**	**82.895**

The consolidated financial statements including the notes to financial statements and the report of independent auditors - PRICEWATERHOUSECOOPERS - Auditores independentes - are available at the sites www.cvm.gov.br and www.bmfbovespa.com.br.