

# MARCOPOLO S.A.

## Consolidated Information - 1Q12



**Caxias do Sul - May 7, 2012 - Marcopolo S.A. (BM&FBOVESPA: POMO3; POMO4)**, one of the world's leading companies dedicated to developing solutions for the public transportation of passengers, announces its results for the performance of the first quarter of 2012 (1Q12). The financial statements are presented in accordance with accounting practices adopted in Brazil and with IFRS - International Financial Reporting Standards established by IASB - International Accounting Standards Board.

### Net Revenue reaches R\$ 880.7 million and EBITDA totaled R\$ 110.9 million from January to March 2012

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#### HIGHLIGHTS OF THE 1<sup>st</sup> QUARTER OF 2012

- **Consolidated Net Revenue** reached R\$ 880.7 million.
- **Gross Income** totaled R\$ 186.6 million with a margin of 21.2%.
- **EBITDA** was R\$ 110.9 million with a margin of 12.6%.
- **Net Income** totaled R\$ 78.4 million with a margin of 8.9%.
- Marcopolo's **Production** in Brazil reached 4,642 units and 7,589 units including overseas operations.

(R\$ million, unless stated otherwise).

SELECTED INFORMATION	1Q12	1Q11	Var. %
Net operating revenue	880.7	761.3	15.7
- Revenue in Brazil	637.9	541.2	17.9
- Revenue from exports and abroad	242.8	220.1	10.3
Gross Profit	186.6	162.6	14.8
EBITDA <sup>(1)</sup>	110.9	98.5	12.6
Net Income	78.4	75.8	3.4
Earnings per Share	0.175	0.169	3.6
Return on Invested Capital (ROIC) <sup>(2)</sup>	21.5%	21.8%	(0.3) pp
Return on Equity (ROE) <sup>(3)</sup>	36.8%	38.0%	(1.2) pp
Investments	150.8	28.9	421.8
Gross Margin	21.2%	21.4%	(0.2) pp
EBITDA Margin	12.6%	12.9%	(0.3) pp
Net Margin	8.9%	10.0%	(1.1) pp
DATA ON EQUITY	3/31/2012	12/31/2011	Var. %
Net Equity	1,152.0	1,162.1	(0.9)
Cash, cash equivalents, and investments	826.1	1,023.1	(19.3)
Short term financial liabilities	611.2	617.2	(1.0)
Long term financial liabilities	901.1	869.8	3.6
Net Fin. Liabilities (asset) - Industrial Segment	172.6	(53.1)	-

Notes: <sup>(1)</sup> EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization; <sup>(2)</sup> ROIC (Return on Invested Capital) = EBIT of the last 12 months ÷ (inventories + clients + fixed assets - suppliers); <sup>(3)</sup> ROE (Return on Equity) = Net Income for the last 12 months/Initial Shareholders' Equity pp = percentage points.

## BRAZILIAN BUS INDUSTRY PERFORMANCE

In 1Q12, the Brazilian production of buses reached 8,281 units, up 5.7% compared to 7,832 units produced in the first quarter of 2011.

**a) Domestic Market (DM).** The production for the domestic market reached 7,742 units in 1Q12, 16.4% higher than the 6,649 units produced in 1Q11, and represented 93.5% of the total Brazilian production.

**b) External Market (EM).** Exports totaled 539 units in 1Q12, a volume less than the 1,183 units exported in the first quarter last year. It should be pointed out that Marcopolo's participation in total Brazilian exports was 49.7% in the period.

### BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS <sup>(1)</sup>	1Q12			1Q11			Variation
	DM	EM <sup>(2)</sup>	TOTAL	DM	EM <sup>(2)</sup>	TOTAL	%
Intercity	1,861	340	<b>2,201</b>	1,913	537	<b>2,450</b>	(10.2)
Urban	5,157	55	<b>5,212</b>	3,946	397	<b>4,343</b>	20.0
Micros	724	144	<b>868</b>	722	241	<b>963</b>	(9.9)
<b>SUBTOTAL</b>	<b>7,742</b>	<b>539</b>	<b>8,281</b>	<b>6,581</b>	<b>1,175</b>	<b>7,756</b>	<b>6.8</b>
Minis <sup>(3)</sup>	-	-	-	68	8	<b>76</b>	-
<b>TOTAL</b>	<b>7,742</b>	<b>539</b>	<b>8,281</b>	<b>6,649</b>	<b>1,183</b>	<b>7,832</b>	<b>5.7</b>

Sources: FABUS (National Association of Bus Manufacturers) and SIMEFRE (Interstate Syndicate of the Industrial of Rail and Road Materials and Equipment).

Notes: <sup>(1)</sup> DM = Domestic Market; EM = External Market; <sup>(2)</sup> Includes units exported as KD (Knockdown); <sup>(3)</sup> The production data of the Mini-buses does not include the production of entire units such as Volare.

## MARCOPOLO'S OPERATING AND FINANCIAL PERFORMANCE

### • Units Registered in Net Revenue

In 1Q12, 7,883 units were recorded in net revenue, of which 4,882 were registered in Brazil representing 61.9% of the total, and 3,001 units abroad representing the remaining 38.1%, as shown in the table below:

OPERATIONS	1Q12	1Q11	Var. %
<b>BRAZIL:</b>			
- Domestic Market	4,527	4,238	6.8
- External Market	372	654	(43.1)
<b>SUBTOTAL</b>	<b>4,899</b>	<b>4,892</b>	<b>0.1</b>
Exclusion exported KD's <sup>(1)</sup>	17	56	(69.6)
<b>TOTAL IN BRAZIL</b>	<b>4,882</b>	<b>4,836</b>	<b>1.0</b>
<b>INTERNATIONAL:</b>			
- Mexico	271	357	(24.1)
- South Africa	73	78	(6.4)
- Colombia (50%)	270	321	(15.9)
- India (49%) <sup>(2)</sup>	2,105	1,121	87.8
- Egypt (49%)	52	49	6.1
- Argentina (50%)	141	250	(43.6)
- Australia	89	-	-
<b>TOTAL INTERNATIONAL</b>	<b>3,001</b>	<b>2,176</b>	<b>37.9</b>
<b>GENERAL TOTAL</b>	<b>7,883</b>	<b>7,012</b>	<b>12.4</b>

Notes: <sup>(1)</sup> Bodies partially or completely knocked down; <sup>(2)</sup> India includes the units produced at the factory in Lucknow.

## • Production

Marcopolo's consolidated production reached 7,589 units in 1Q12, 10.3% higher than the 6,881 units produced in 1Q11. In Brazil production reached 4,642 units in 1Q12, 1.8% higher than 1Q11, while overseas production was 2,947 units, 26.9% above the production of the same period last year.

Marcopolo's consolidated production data and its respective comparison with the previous year are shown in the following table:

## MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

OPERATIONS	1Q12	1Q11	Var. %
<b>BRAZIL:</b> <sup>(1)</sup>			
- Domestic Market	4,283	4,031	6.3
- External Market	376	584	(35.6)
<b>SUBTOTAL</b>	<b>4,659</b>	<b>4,615</b>	<b>1.0</b>
Exclusion exported KD's <sup>(2)</sup>	17	56	(69.6)
<b>TOTAL IN BRAZIL</b>	<b>4,642</b>	<b>4,559</b>	<b>1.8</b>
<b>INTERNATIONAL:</b>			
- Mexico	271	357	(24.1)
- South Africa	46	77	(40.3)
- Colombia (50%)	254	325	(21.8)
- India (49%) <sup>(3)</sup>	2,095	1,262	66.0
- Egypt (49%)	52	60	(13.3)
- Argentina (50%)	140	241	(41.9)
- Australia	89	-	-
<b>TOTAL INTERNATIONAL</b>	<b>2,947</b>	<b>2,322</b>	<b>26.9</b>
<b>GENERAL TOTAL</b>	<b>7,589</b>	<b>6,881</b>	<b>10.3</b>

Notes: <sup>(1)</sup> Includes the production of the Volare model as well as the production of the companies Ciferal (1,451 units in 1Q12 and 1,266 units in 1Q11) and 45.0% from San Marino (405 units in 1Q12 and 366 units in 1Q11), which corresponds to Marcopolo's participation in the company; <sup>(2)</sup> Bodies partially or completely knocked down; <sup>(3)</sup> India includes the units produced at the factory in Lucknow.

## MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

PRODUCTS (in units)	1Q12			1Q11		
	DM	EM <sup>(1)</sup>	TOTAL	DM	EM <sup>(1)</sup>	TOTAL
Intercity	1,202	214	<b>1,416</b>	1,225	335	<b>1,560</b>
Urban	1,960	676	<b>2,636</b>	1,573	1,015	<b>2,588</b>
Micros	302	180	<b>482</b>	288	223	<b>511</b>
Minis (LCV)	-	2,128	<b>2,128</b>	-	1,231	<b>1,231</b>
<b>SUBTOTAL</b>	<b>3,464</b>	<b>3,198</b>	<b>6,662</b>	<b>3,086</b>	<b>2,804</b>	<b>5,890</b>
Volares <sup>(2)</sup>	819	108	<b>927</b>	945	46	<b>991</b>
<b>TOTAL PRODUCTION</b>	<b>4,283</b>	<b>3,306</b>	<b>7,589</b>	<b>4,031</b>	<b>2,850</b>	<b>6,881</b>

Notes: <sup>(1)</sup> Total production of EM includes units exported in KD (bodies partially or completely knocked down), which totaled 17 units in 1Q12 and 56 units in 1Q11. <sup>(2)</sup> The production of Volares is not part of the data from SIMEFRE and from FABUS, neither of Marcopolo's market share or the sector's production.

## MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS (in units)	1Q12			1Q11		
	DM	EM <sup>(1)</sup>	TOTAL	DM	EM <sup>(1)</sup>	TOTAL
Intercity	1,202	189	<b>1,391</b>	1,225	285	<b>1,510</b>
Urban	1,960	6	<b>1,966</b>	1,573	141	<b>1,714</b>
Micros	302	73	<b>375</b>	288	112	<b>400</b>
Minis (LCV)	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>3,464</b>	<b>268</b>	<b>3,732</b>	<b>3,086</b>	<b>538</b>	<b>3,624</b>
Volares <sup>(2)</sup>	819	108	<b>927</b>	945	46	<b>991</b>
<b>TOTAL PRODUCTION</b>	<b>4,283</b>	<b>376</b>	<b>4,659</b>	<b>4,031</b>	<b>584</b>	<b>4,615</b>

Note: See notes under the Consolidated World Production by Model.

### • Brazilian Market Share

The Company's market share in Brazil was 45.1% in 1Q12. In the segment of coach buses, the market share reached 63.2%, remaining stable compared to the last two quarters of 2011.

### MARKET SHARE IN BRAZILIAN PRODUCTION (%)

PRODUCTS <sup>(1)</sup>	1Q11	2Q11	3Q11	4Q11	2011	1Q12
Intercity	61.7	62.9	63.2	63.1	62.8	63.2
Urban	39.5	36.8	38.2	39.3	38.4	37.7
Micros	41.5	39.7	40.2	40.6	40.4	43.2
Minis <sup>(2)</sup>	-	-	-	-	-	-
<b>TOTAL</b>	<b>46.3</b>	<b>44.7</b>	<b>45.6</b>	<b>46.2</b>	<b>45.7</b>	<b>45.1</b>

Source: FABUS and SIMEFRE

Notes: <sup>(1)</sup> Includes 100,0% of Ciferal and a proportional market share in the production of San Marino; <sup>(2)</sup> The Volare is not counted for purposes of market share.

### • Net Revenue

Consolidated net revenue reached R\$ 880.7 million in 1Q12, which is 15.7% higher than the R\$ 761.3 million recorded in 1Q11, explained by an increase of 6.8% in the volume sold to the Brazilian domestic market, by the chassis invoices of R\$ 18.5 million, and by the consolidation of revenue from Volgren, Australia in the amount of R\$ 49.2 million. In the domestic market, revenues reached R\$ 637.9 million, or 72.4% of the total, while in the foreign markets revenues totaled R\$ 242.8 million representing the remaining 27.6% of consolidated net revenues.

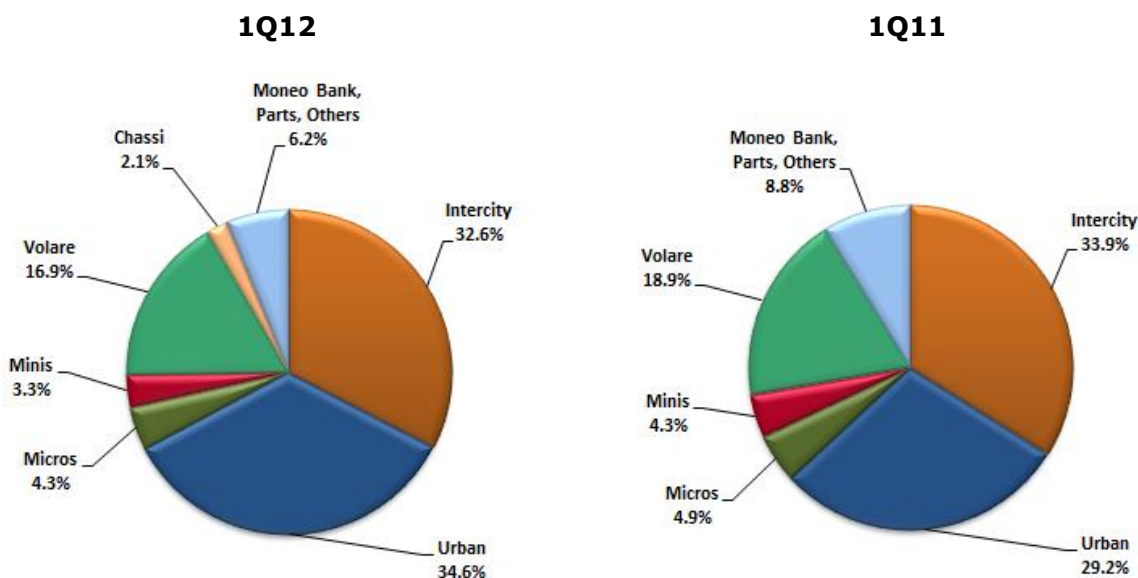
The table and graphs below show the breakdown of the net revenue by products and markets:

## CONSOLIDATED TOTAL NET REVENUE By Products and Markets (R\$ million)

PRODUCTS / MARKETS <sup>(1)</sup>	1Q12		1Q11		TOTAL	
	DM	EM	DM	EM	1Q12	1Q11
Intercity	214.6	72.7	189.9	68.3	287.3	258.2
Urban	205.3	99.3	136.5	85.5	304.6	222.0
Micros	26.9	11.1	24.3	13.0	38.0	37.3
Minis - LCV	-	28.6	15.2	18.0	28.6	33.2
<b>Subtotal bodies</b>	<b>446.8</b>	<b>211.7</b>	<b>365.9</b>	<b>184.8</b>	<b>658.5</b>	<b>550.7</b>
Volares <sup>(2)</sup>	140.8	7.9	138.0	5.6	148.7	143.6
Chassis	18.5	-	-	-	18.5	-
Moneo Bank, Parts & Others	31.8	23.2	37.3	29.7	55.0	67.0
<b>GENERAL TOTAL</b>	<b>637.9</b>	<b>242.8</b>	<b>541.2</b>	<b>220.1</b>	<b>880.7</b>	<b>761.3</b>

Notes: <sup>(1)</sup> DM = Domestic Market; EM = External Market; <sup>(2)</sup> Revenues from Volares includes the chassis.

## COMPOSITION OF THE CONSOLIDATED NET REVENUE (%)



## GROSS PROFIT AND MARGINS

Consolidated gross profit in 1Q12 totaled R\$ 186.6 million from R\$ 162.6 million in 1Q11. The margin remained relatively stable. The improved result reflects primarily the higher volume of units recorded in the revenue, mainly in the Brazilian domestic market, and of the consolidation of the Australian company Volgren.

## OPERATING EXPENSES

- **Selling Expenses**

Selling expenses totaled R\$ 50.9 million in 1Q12 against R\$ 44.8 million in 1Q11, corresponding to 5.8% and 5.9% of net revenue, respectively. The increase in these expenses is a result of the higher volume of domestic sales and the consolidation of Volgren.

- **General & Administrative Expenses**

The general and administrative expenses totaled R\$ 38.4 million in 1Q12, or 4.4% of net revenue, while these expenses in 1Q11 totaled R\$ 31.3 million, or 4.1% of revenue.

- **Other Operating Income/Expenses**

In 1Q12 R\$ 1.2 million was accounted as "Other Operating Income" against a revenue of R\$ 0.8 million in 1Q11.

## NET FINANCIAL RESULTS

The net financial result of the 1Q12 was R\$ 15.9 million versus the R\$ 20.1 million also positive recorded in 1Q11. This result is largely explained by the income from financial investments and the adjustment at present value of accounts receivable and payable.

## EBITDA

O EBITDA reached R\$ 110.9 million in 1Q12 with a margin of 12.6% versus R\$ 98.5 million and a margin of 12.9% in 1Q11. The increase in the EBITDA is explained by the same reasons described under "Gross Income and Margins". The table below shows the accounts that make up the EBITDA:

(R\$ million)	1Q12	1Q11	Var. %
Operating Income	116.7	109.6	6.5
Financial Income	(71.1)	(47.3)	50.3
Financial Expenses	55.2	27.3	102.2
Depreciation / Amortization	10.1	8.9	13.5
<b>EBITDA</b>	<b>110.9</b>	<b>98.5</b>	<b>12.6</b>

## **NET INCOME**

The consolidated net income of 1Q12 reached R\$ 78.4 million, 3.4% higher than 1Q11 earnings. The net margin reached 8.9%.

## **FINANCIAL INDEBTEDNESS**

The net financial indebtedness totaled R\$ 686.2 million at 3/31/2012 (R\$ 463.9 million at 12/31/2011). Of this total, R\$ 513.6 million came from the financial segment (Moneo Bank) and R\$ 172.6 million from the industrial segment.

It is important to point out that the indebtedness of the financial sector comes from the consolidation of the activities of Moneo Bank and should be analyzed separately since it has different characteristics from that of the Company's operating activities. The financial liability of Moneo Bank has as its counter entry the account of "Clients" in the bank's assets. The doubtful accounts are properly provisioned. Since it has to do with transfers from FINAME, each disbursement coming from the Bank for Economic and Social Development (BNDES) has an exact counter entry in the account receivables of clients of the Moneo Bank both in term and fixed rate.

## **GENERATION OF CASH**

In 1Q12, operating activities generated funds of R\$ 65.3 million, while investment activities demanded R\$ 150.8 million and loans consumed R\$ 115.9 million. As a result, the opening cash balance of R\$ 904.3 million, discounted from R\$ 0.4 million from exchange rate changes on cash, decreased to R\$ 702.5 million at the end of March 2012.

## **INVESTMENTS IN PERMANENT ASSETS**

In 1Q12, Marcopolo invested R\$ 150.8 million in capital goods of which R\$ 13.8 million was spent in the parent company and invested as follows: R\$ 3.0 million in machinery and equipment, R\$ 4.3 million in buildings and improvements, and R\$ 6.5 million in other fixed assets/investments. R\$ 137.0 million was invested in subsidiaries and associated companies as follows: R\$ 130.7 million in the acquisition of Volgren in Australia, and R\$ 6.2 million in other units.

## **CAPITAL MARKET**

The price of preferred shares of Marcopolo - POMO4 - had an appreciation of 36.7% over the past 12 months versus a 5.9% devaluation of 5.9% on IBOVSPA during the same period. In 1Q12, 76.4 million Marcopolo shares were traded worth R\$ 649.4 million.



INDICATORS	1Q12	1Q11
Number of transactions	136.9	107.9
Shares Traded (million)	76.4	98.3
Value traded (R\$ million)	649.4	623.3
Market value (R\$ million) <sup>(1)</sup>	4,193.5	3,067.7
Existing shares (thousands) <sup>(2) (*)</sup>	448.5	448.5
Book value per share (R\$) <sup>(*)</sup>	2.57	2.10
POMO4 quote at end of period <sup>(*)</sup>	9.35	6.84

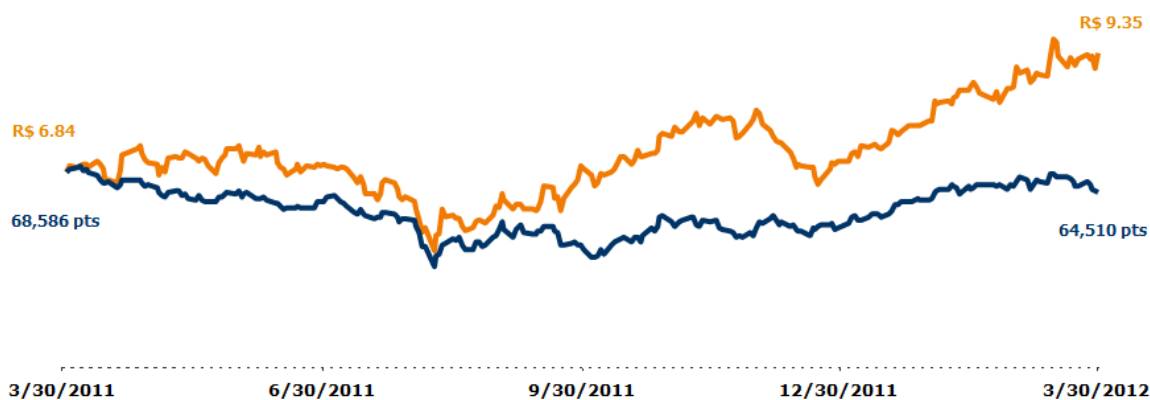
Notes: <sup>(1)</sup> Quote of the last transaction of the period for a Book Entry Preferred (PE) share multiplied by the total shares (OE+PE) from the same period; <sup>(2)</sup> Of this total, 1,298,240 were preferred shares in treasury at 3/31/2012;

## • Performance of Marcopolo Shares on BM&FBovespa

### Marcopolo PN x Ibovespa – Base 100

**POMO4: +36.7%**

**IBOV: -5.9%**



## PERSPECTIVES

The year 2012 began under uncertainty due to emission standards Proconve-7 (equivalent to EURO 5) coming into force in Brazil. The automakers adopted the strategy of producing additional supplies of EURO 3 chassis up until December 31, 2011 to be sold during 2012. Marcopolo adopted a similar strategy acquiring the EURO 3 chassis available in the market to resale to its customers. The decision proved to be correct and the Company's results presented in the first quarter of 2012 are largely the reflection of orders of bodies assembled on the chassis of the previous standard. Because it is a complete vehicle, the Volare also produced for inventory up until the end of 2011 and invoiced these units until March this year.

The stimulus program announced by the Brazilian Federal Government positively impacted Marcopolo through the payroll tax cuts, becoming effective in July, which will be partially offset by a new sales tax of 1% of gross revenues in the domestic market, and the extension of the FINAME PSI line of BNDES with lowest interest rate (7.7% per year) and greater terms (up to 10 years). The better funding conditions are already being reflected by the increased demand for buses with a Euro 5 chassis.

Also in Brazil, investments have been made in infrastructure for public transport, especially in BRT (Bus Rapid Transit). Some of the major cities of the country are implementing the system, which runs on separate lanes with loading and unloading platforms at the same level of the bus and use more sophisticated, articulated or double-articulated, low entry vehicles. The sporting events that Brazil will host, among them the 2013 Confederations Cup, the FIFA World Cup in 2014, and the 2016 Olympic Games, are the main promoters of these investments.

On the costs side, a collective bargaining will take place with the Steelworkers Union of Caxias do Sul in the month of June. The Company continues seeking to maximize its profitability through an investment program for training of manpower, increasing efficiency, and reducing costs.

In foreign markets, major contracts of exports from Brazil were signed over the first months of 2012, such as 486 units, of which 310 Gran Viales and 176 Senior Microbuses to supply the BRT system in Santiago Chile. In relation to associated companies and subsidiaries, Marcopolo began to consolidate the results from the Australian company Volgren beginning in February. TMML in India maintained its rapid pace of production, but the other units showed a decline in production compared to 1Q11.

The Company maintains a performance expectation for 2012 in accordance with the statement it issued on December 16, 2011, as long as the current market conditions and economic performance of the country are maintained, which are as follows: (i) Reach consolidated net revenues of R\$ 3.6 billion (ii) Produce 32,500 buses in the units of Brazil and abroad.

The Management.

## BALANCE SHEETS

IFRS (in thousands of reais)

ASSETS	Consolidated	
	03/31/12	12/31/11
<b>Current assets</b>		
Cash and cash equivalents	702.455	904.318
Financial assets at fair value	4.118	2.394
Trade accounts receivable	956.897	920.217
Inventories	408.557	368.330
Taxes recoverable	66.693	53.466
Other accounts receivable	39.597	46.118
	<b>2.178.317</b>	<b>2.294.843</b>
<b>Non-current assets</b>		
<b>Long-term receivables</b>		
Financial assets available for sale	119.539	116.371
Taxes recoverable	3.746	3.792
Deferred income tax and social contribution	72.257	68.593
Judicial Deposits	11.931	10.319
Trade accounts receivable	421.626	433.825
Other accounts receivable	874	724
Investments	22.756	21.802
Property, plant and equipment	379.076	353.567
Intangible assets	193.997	77.295
	<b>1.225.802</b>	<b>1.086.288</b>
<b>TOTAL ASSETS</b>	<b>3.404.119</b>	<b>3.381.131</b>
LIABILITIES AND STOCKHOLDERS' EQUITY	Consolidated	
	03/31/12	12/31/11
<b>Current liabilities</b>		
Suppliers	312.646	324.261
Loans and financing	606.514	612.529
Derivatives	4.696	4.690
Salaries and vacation pay	96.163	124.597
Taxes and contributions payable	77.017	69.774
Advances from customers	32.600	40.909
Comissioned representatives	23.635	27.788
Interest on own capital and dividends	14.430	41.016
Management profit sharing	2.471	7.699
Other accounts payable	92.641	68.002
	<b>1.262.813</b>	<b>1.321.265</b>
<b>Non-current liabilities</b>		
Loans and financing	901.143	869.809
Provision for contingencies	16.420	16.072
Taxes contributions	15.525	-
Other accounts payable	47.050	2.493
	<b>980.138</b>	<b>888.374</b>
<b>Stockholders' equity</b>		
Capital	700.000	700.000
Capital reserves	(999)	(1.578)
Revenue reserves	485.689	502.512
Treasury stock	(7.798)	(12.485)
Carrying value adjustments	(24.921)	(26.305)
	<b>1.151.971</b>	<b>1.162.144</b>
<b>Non-controlling Interest</b>	<b>9.197</b>	<b>9.348</b>
	<b>1.161.168</b>	<b>1.171.492</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3.404.119</b>	<b>3.381.131</b>

The consolidated financial statements including the notes to financial statements and the report of independent auditors KPMG Auditores Independentes - are available at the sites [www.cvm.gov.br](http://www.cvm.gov.br) and [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br).

## STATEMENTS OF INCOME

IFRS (in thousands of reais)

ACCOUNTS	Consolidated	
	1Q12	1Q11
<b>Net sales and service revenues</b>	<b>880.656</b>	<b>761.260</b>
Cost of sales and services	(694.084)	(598.628)
<b>Gross Profit</b>	<b>186.572</b>	<b>162.632</b>
<b>Operating income (expenses)</b>		
Selling expenses	(50.853)	(44.815)
Administrative expenses	(38.352)	(31.265)
Other operating income (expenses), net	1.192	783
<b>Operating profit before financial income (expenses)</b>	<b>98.559</b>	<b>87.335</b>
Financial income	71.110	47.385
Financial expenses	(55.253)	(27.292)
<b>Financial result net</b>	<b>15.857</b>	<b>20.093</b>
Equity in earnings of affiliates	2.319	2.190
<b>Income before taxation and profit sharing</b>	<b>116.735</b>	<b>109.618</b>
<b>Income tax and social contribution</b>		
For the year	(34.640)	(45.101)
Deferred	(3.664)	11.240
<b>Net income for the year</b>	<b>78.431</b>	<b>75.757</b>
<b>Net income per share - R\$</b>	<b>0,175</b>	<b>0,169</b>

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## CASH FLOWS

IFRS (in thousands of reais)

	Consolidated	
	03/31/12	03/31/11
<b>Cash flows from operating activities</b>		
<b>Net income for the year</b>	<b>78.431</b>	<b>75.757</b>
Adjustments to reconcile net income with cash generated by (used in) operating activities:		
Depreciation and amortization	10.059	8.944
Cost of fixed, intangible and investments sales	520	4.776
Equity in the results of investees	(2.319)	(2.190)
Provision for credit losses	1.041	3.540
Currents and deferred income tax and social contribution	38.304	(11.240)
Interest and appropriated exchange variations	17.360	6.719
Minority interest	121	411
<b>Changes in assets and liabilities</b>		
(Increase) decrease in trade accounts receivable	(25.175)	2.929
(Increase) decrease in other accounts receivable	(49.604)	10.947
(Increase) decrease in inventories	(38.537)	45.270
Increase (decrease) in short-term investment	(4.893)	16.550
Increase (decrease) in suppliers	(12.937)	(76.946)
Increase (decrease) in accounts payable	52.910	(39.178)
<b>Net cash provided by (used in) operating activities</b>	<b>65.281</b>	<b>46.289</b>
<b>Cash flows from investing activities</b>		
Investments	-	-
Dividends from subsidiaries	1.400	2.503
Fixed assets variation	(33.637)	(19.369)
Intangible assets variation	(118.764)	(11.580)
Proceeds from sale of fixed, intangible and investments	187	(436)
<b>Net cash used in investing activities</b>	<b>(150.814)</b>	<b>(28.882)</b>
<b>Cash flows from financing activities</b>		
Related parties	-	-
Loans and financing	118.131	75.684
Payment of loans	(89.317)	(75.529)
Payment of interest	(22.979)	(11.889)
Payment of dividends and interest on capital stock	(127.039)	(114.960)
Treasury stock	5.265	6.169
<b>Net cash provided by (used in) financing activities</b>	<b>(115.939)</b>	<b>(120.525)</b>
<b>Foreign exchange variation on cash and cash equivalents</b>	<b>(391)</b>	<b>(832)</b>
Cash and cash equivalents at the beginning of the year	904.318	672.123
Cash and cash equivalents at the end of the year	702.455	568.173
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(201.863)</b>	<b>(103.950)</b>

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