



## MMX – Results for 3rd Quarter 2011

Rio de Janeiro, November 7, 2011 – MMX Mineração e Metálicos S.A. (Bovespa: MMXM3) releases its results today for the third quarter of 2011. Financial and operating information below is presented on a consolidated basis in accordance with international accounting standards (IFRS) issued by the *International Accounting Standards Board – IASB*, in thousands of Reais, except where indicated otherwise.

MMX's 3Q11 was marked by the obtaining of preliminary licensing for the Serra Azul Unit expansion, the hire of engineering company CNEC WorleyParsons, purchase of equipment with longer delivery schedules and a power supply contract with MPX. These events demonstrate MMX's ability to deliver projects on schedule. The company continues to expect demand for iron ore to grow in the coming years, and sees the recent fall in the spot market price as temporary. Based on this conviction, in September this year MMX filed the EIA/RIMA (environmental reports) for the expansion of the capacity of the Sudeste Superport to 100 million tonnes per year.

"I am pleased to be making my first presentation of MMX's quarterly results. In the third quarter we achieved record sales, however our financial results were impacted by the variation in the exchange rate. We moved ahead quickly with project implementation, reaching important milestones during this period, such as the preliminary licensing for the expansion of Serra Azul and the orders for the main equipment for it, while at the Sudeste Superport we have finished drilling the tunnel and have filed the EIA/RIMA environmental reports for expansion to 100 million tonnes per year," stated Guilherme Escalhão, MMX's CEO and Investor Relations Officer.

### Highlights

- Record quarterly sales: 2.1 million tonnes of iron ore
- Preliminary license obtained for Serra Azul Unit expansion
- Purchase of equipment with long lead times for the new processing plant at the Serra Azul Unit, including rotary crushers and SAG and vertical ball mills
- Contract with CNEC WorleyParsons for engineering, procurement and implementation management services for the Serra Azul Unit expansion
- Contract with MPX for 200 MW average power supply to the Serra Azul Unit

- Certification of 3.1 billion tonnes of mineral resources by SRK
- Conclusion of drilling of Sudeste Superport tunnel
- Filing of EIA/RIMA reports for the 100 million tonnes per year Sudeste Superport expansion
- Acquisition of 99.1% of PortX free float shares

## Consolidated Highlights

	3Q11	2Q11	3Q10	Var. % 3Q11 / 2Q11	Var. % 3Q11/3Q10
Sales - Iron Ore (000 t.)	2,112	2,067	1,755	2%	20%
Gross Revenues (million R\$)	287.9	312.9	251.9	-8%	14%
Gross Profit (million R\$)	172.6	186.3	158.3	-7%	9%
EBITDA (million R\$)	50.2	75.2	72.8	-33%	-31%
Net Income (Loss) (million R\$)	(243.2)	90.9	88.5	-367%	-375%
Net Debt (million R\$)	(553.3)	(255.6)	(374.2)	117%	48%
Shareholders' Equity (million R\$)	2,813.7	3,129.2	789.2	-10%	257%

## Economic Context, Scenario and Outlook for the Mining Sector

In spite of significant growth in relation to 2010, world steel production declined in 3Q11, reflecting the effects of the international credit crisis which is mainly affecting Europe and having a negative impact on global consumption of steel-intensive goods.

However, China still has an estimated steel production of 700 million tonnes for 2011 and, consequently, the seaborne market still shows a strong demand for iron ore.

Iron ore prices remained at high levels in 3Q11, driven mainly by three factors:

- Use of installed capacity for steel production in iron ore importing countries returned to pre-2008 financial crisis levels, at around the 85% mark;
- Chinese steel production maintained its growth trend, due to continuing government investments in housing;
- Prohibition of exports in some parts of India, as well as the onset of the monsoon period, which reduced the supply of iron ore to China by about 20%

Because of high production costs and the gradual decline of ferrous content in the ore produced in China, most of the additional Chinese iron ore demand was met by imports, where an increase of 11% over 2010 is forecasted. This Chinese demand allowed Brazil to push its exports up to pre-2008 crisis levels, reaching 32.5 million tonnes in August 2011, which had not been reached since May 2008. In spite of the effects of the

reduction in iron ore demand, caused in large part by uneasiness on the part of iron ore traders at taking positions under the threat of a new international financial crisis, Brazilian exports remained above the 30 million ton mark in September, confirming Chinese dependence on the top quality Brazilian ore.

### *Long term perspectives*

In spite of recent uncertainties in the international financial market, MMX remains confident in its long term results, based on the tendency for per capita steel consumption to increase in developing economies and the continuing high urbanization rates in China.

Brazilian iron ore will continue to be the main steel input in the coming decades, due to its high quality and the country's logistical capacity, which is capable of meeting the additional demand which the future promises. Faced with this scenario, MMX is strengthening its strategic position in the international market by developing its own logistics infrastructure and increasing its current base of mineral assets.

## **Operational Performance and Financial Statements**

### **Iron Ore**

#### **Production**

<b>Production (´000 tonnes)</b>	<b>3Q11</b>	<b>2Q11</b>	<b>3Q10</b>	<b>Var. % 3Q11 / 2Q11</b>	<b>Var. % 3Q11/3Q10</b>
Sudeste	1,558	1,564	1,341	0%	16%
Corumbá	353	593	557	-40%	-37%
<b>Total</b>	<b>1,912</b>	<b>2,157</b>	<b>1,898</b>	<b>-11%</b>	<b>1%</b>

In 3Q11, MMX produced 1.9 million tonnes of iron ore, a decline of 11% in relation to 2Q11 and a slight increase (1%) compared with 3Q10. The third quarter production this year was affected by the performance at Corumbá, which was 40% below 2Q11 levels, reflecting the Company's strategy to adjust production to use the inventory.

The Sudeste System maintained production in line with last quarter, at 1.6 million tonnes. Compared with 3Q10, production increased by 16%.

#### **Sales**

<b>Sales (´000 tonnes)</b>	<b>3Q11</b>	<b>2Q11</b>	<b>3Q10</b>	<b>Var. % 3Q11 / 2Q11</b>	<b>Var. % 3Q11/3Q10</b>
Sudeste	1,534	1,583	1,329	-3%	15%
Corumbá	578	484	426	20%	36%
<b>Total</b>	<b>2,112</b>	<b>2,067</b>	<b>1,755</b>	<b>2%</b>	<b>20%</b>

The volume of iron ore sold in 3Q11 was 2.1 million tonnes, a Company record for the quarter. Compared with previous quarters 2Q11 and 3Q10, this volume rose by 2% and 20%, respectively. The domestic market accounted for 69% of sales, with 31% coming from the overseas market.

### Sudeste System

The Sudeste System sold 1.5 million tonnes of iron ore, of which 90% was for the internal market, which is equivalent to the export capacity of a Capesize vessel. In comparison with previous quarters, the volume was in line with 2Q11 and 15% greater than 3Q10.

In the year, 86% of the sales of the MMX Sudeste System was accounted for by the internal market, made up mainly by producers of pig iron, steel mills and large mining companies, who buy iron ore to improve the blend of their products for export. Currently, MMX's exports logistics involve moving product through the CSN port at Sepetiba Bay, (RJ). After the completion of the construction of the Sudeste Superport (Sepetiba Bay – RJ), MMX will be able to export its entire production through its own port infrastructure, resulting in significantly more attractive margins for the Company.

### Corumbá System

In 3Q11, the Corumbá System sold 578 thousand tonnes, showing the unit's best historical performance, with 86% delivered to the seaborne market. Compared to 2Q11, even though sales were negatively impacted by the rains, there was an increase of 20%, and in relation to 2Q11 and 3Q10, 36%. In the year, the seaborne market accounted for 89% of the sales from the Corumbá Unit.

### **Cost of Goods Sold - COGS**

In 3Q11, COGS was R\$ 100.8 million, 15.7% less than 2Q11 and 29.6% above 3Q10. COGS/ton in this quarter was R\$ 47.72, a decrease of 17.5% compared to 2Q11, when the result was affected by the purchase of third party iron ore at the Serra Azul Unit. Compared with 1Q11 and 4Q10, periods which have not been impacted by the purchase of iron ore from third parties, there was a small increase in COGS/ton of approximately 5% due to the increase in the waste-ore ratio because of the mining planning for 2011.

### **General and Administrative Expenses – G&A**

MMX's consolidated G&A in 3Q11 was R\$ 57.3 million, 103% above 2Q11 and 159% greater than 3Q10. This quarter's result was influenced by the following non-recurring items: (i) recognition of R\$28.9 million arising from an unfavourable arbitration decision for Corumbá Mining in a case brought by Fluviomar because of early termination of their transport contract and (ii) accounting adjustments with positive net impact of R\$ 17.5 million arising from accounting analyses and reconciliations. In addition, the G&A for the Sudeste Superport was mainly impacted by the construction of the Cultural Center in Itaguaí, representing an investment of R\$ 7.8 million (see sustainability section below).

R\$ Thousands	3Q11	2Q11	3Q10	Var. % 3Q11 / 2Q11	Var. % 3Q11/3Q10
G&A Operations	42,961	19,017	13,936	126%	208%
Corumbá System	32,772	5,179	2,489	533%	1,217%
Sudeste System	(6,099)	11,797	10,178	-152%	-160%
Superporto Sudeste	15,331	1,024	-	1,398%	-
Others	957	1,018	1,269	-6%	-25%
G&A Parent Company	14,350	9,232	8,173	55%	76%
<b>G&amp;A Consolidated</b>	<b>57,312</b>	<b>28,249</b>	<b>22,110</b>	<b>103%</b>	<b>159%</b>
% Gross Revenue	20%	9%	9%	121%	127%
G&A/ton	29.98	13.10	11.65	129%	157%

In 3Q11, the Controlling Company's G&A showed increases of 55% and 76% compared to 2Q11 and 3Q10, respectively. The result for 3Q11 reflected accounting for R\$ 2.6 million of stock options. The Board of Directors of the company reaffirms its ongoing commitment to reducing costs and expenses.

### Sales Costs

Sales costs are composed mainly of expenses related to the logistics associated with the sale of iron ore for export, which in 3Q11 totaled R\$ 66.9 million. In comparison with 2Q11 and 3Q10, the reduction of these costs was 8% and 5%, respectively. The costs for the quarter were impacted by: (i) record volume exported from Corumbá (500 thousand tonnes), (ii) the CSN port tariff for the Sudeste System exports being adjusted according to the selling price of iron ore, and (iii) transportation from the Serra Azul Unit to the rail terminal (valid for export and part of the sales to the internal market).

R\$ Thousands	3Q11	2Q11	3Q10	Var. % 3Q11 / 2Q11	Var. % 3Q11/3Q10
<b>Sales Expenses</b>	<b>66,922</b>	<b>73,099</b>	<b>70,250</b>	<b>-8%</b>	<b>-5%</b>
Corumbá System	33,863	24,919	36,803	36%	-8%
Sudeste System	32,588	47,647	31,855	-32%	2%

### Ebitda

In 3Q11, the Company recorded consolidated Ebitda of R\$ 50.2 million, 33% and 31% lower than those presented in 2Q11 and 3Q10, respectively. This is the first full quarter in which the results for the Sudeste Superport have been reported. Excluding non-recurring effects, the adjusted Ebitda would reach R\$ 61.6 million.

From this quarter onward, MMX will begin to disregard in the calculation of Ebitda the value of Metálicos Corumbá, as under the recently implemented IFRS accounting standards, this is considered as a discontinued operation.

The maintaining of sustainable levels of Ebitda over the past five quarters highlights the company's financial and operational consistency. The strong cash generation of MMX, even before the complete implementation of its business plan, is an important differentiating factor when compared to other mining projects.

R\$ Thousands	3Q11	2Q11	3Q10	Var. % 3Q11 / 2Q11	Var. % 3Q11/3Q10
<b>EBITDA Consolidated</b>	<b>50,198</b>	<b>75,226</b>	<b>72,752</b>	<b>-33%</b>	<b>-31%</b>
EBITDA from Operational Companies					
Sudeste System	79,095	73,196	75,461	8%	5%
Sistema System	1,540	24,087	7,741	-94%	-80%
Superporto Sudeste	(14,921)	(864)	-	-1,628%	-
<b>EBITDA Adjusted</b>	<b>61,629</b>	<b>75,226</b>	<b>72,752</b>	<b>-18%</b>	<b>-15%</b>

The **Sudeste System** contributed a record Ebitda of R\$ 79.1 million in 3Q11, this performance was 8% above 2Q11 and 5% higher compared to 3Q10. The result was influenced positively by non-recurring items of R\$ 17.5 million. The adjusted Ebitda amounted to R\$ 61.6 million.

The **Corumbá System** closed 3Q11 with a positive Ebitda of R\$ 1.5 million, 94% and 80% lower than the amounts recorded in 2Q11 and 3Q10, respectively. Despite the increase in the volumes sold, this quarter was impacted by non-recurring expenditures of R\$ 28.9 million resulting from an unfavourable ruling in the lawsuit brought by Fluviomar relating to early termination of a transport contract. Adjusting the Ebitda for non-recurring items, the amount would be R\$ 30.5 million.

For the **Sudeste Superport**, quarterly Ebitda was a negative R\$ 14.9 million, influenced mainly by R\$ 7.8 million investment in the Municipal Cultural Center in Itaguaí. Because MMX acquired controlling interest of the project of the Sudeste Superport on May 20, 2011, the results for the port were not reflected for the whole of 2Q11, thus worsening the quarterly comparison.

## Financial Result

In 3Q11, MMX had a negative financial result of R\$ 305.8 million, which is a result of: (i) R\$ 27.0 million financial income, (ii) R\$ 14.7 million financial expense and (iii) R\$ 318.1 million exchange rate loss.

R\$ Thousands	3Q11	2Q11	3Q10	Var. % 3Q11 / 2Q11	Var. % 3Q11/3Q10
Financial Income	27,043	37,189	23,007	-27%	18%
Financial Expenses	(14,692)	(23,188)	(35,249)	37%	58%
Exchange Variance	(318,130)	37,379	62,306	-951%	-611%
<b>Net Financial Result</b>	<b>(305,779)</b>	<b>51,380</b>	<b>50,064</b>	<b>-695%</b>	<b>-711%</b>

Financial performance this quarter was influenced by the 19% devaluation of the real against the dollar, reflected in financial debt and royalty payments obligations to the holders of variable remuneration bonds based on royalties amounting to USD 688.0 million, accounted for in non-current liabilities.

### Net Result

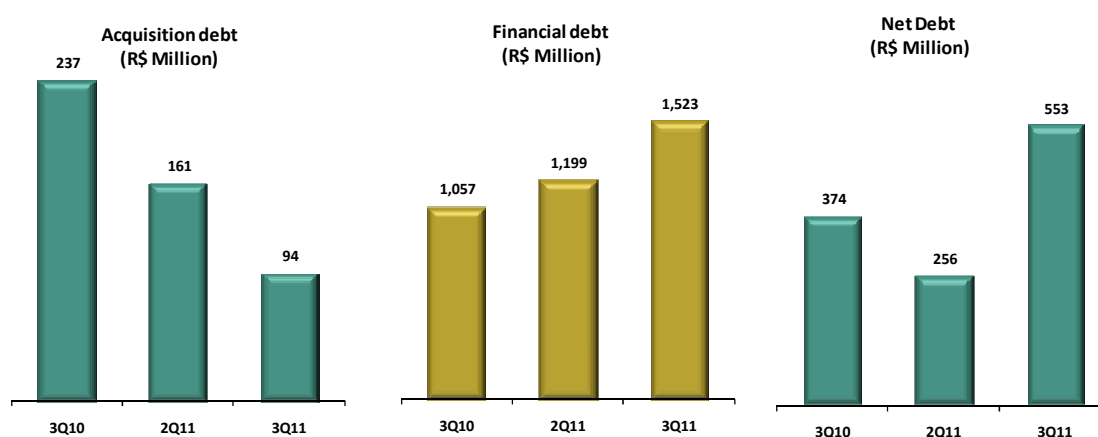
In 3Q11 MMX recorded a net loss of R\$ 243.2 million, due to exchange rate losses of R\$ 318.1 million. In 2Q11 and 3Q10 these figures were positive, at R\$ 90.9 million and R\$88.5 million respectively.

### Cash, Debt and Acquisitions

#### Cash

##### *Net position:*

The cash position at the end of the 3Q11 was positive at R\$ 1.1 billion, corresponding to: (i) R\$ 626 million in short-term financial investments with high liquidity, remunerated at a risk-free rate equivalent to 101.8% of the CDI (Interbank Offered Rate) marked to market, and 102.3% effective interest rate (ii) R\$ 226 million recorded in cash and banks and (iii) R\$ 213 million in investments in highly liquid government bonds issued by the National Treasury, whose returns track the Selic rate variation. The company's cash flow was kept constant during this period influenced by: (i) injection of repayment of financing by the BNDES for the Sudeste Superport amounting to R\$ 263 million, (ii) investments in the construction work at the Sudeste Superport amounting to 222.4 million (iii) payment of financial debt of USD 80.7 million and (iv) raising of PPE (export prepayment) of USD 20 million.



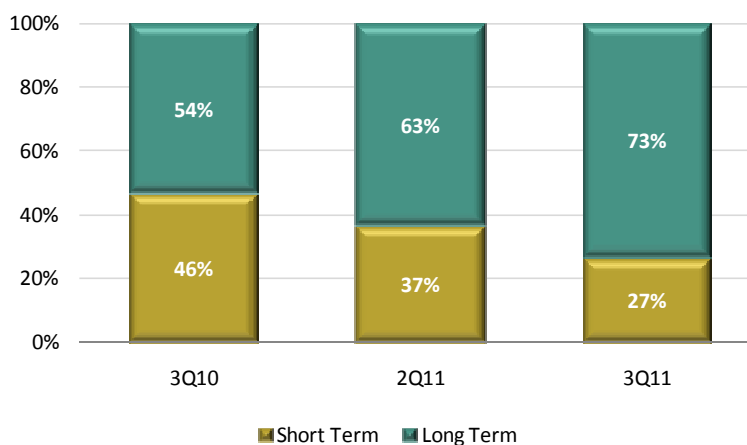
##### *Debt:*

MMX recorded a total financial debt of R\$ 1.5 billion. Of this total, R\$ 407 million is in the form of short-term debt and R\$ 1.1 billion long-term debt. Due to the drawing down of money for the financing of the Sudeste Superport from BNDES, debt increased by R\$ 263 million. Added to this, the company also had the following borrowings and amortization of company debt: (i) attracting new long-term debt, in PPE mode (pre-payment

of exports), to a total amount of US\$ 20 million, and (ii) amortization of debts in the amount of US\$ 80.7 million.

In this quarter, the average maturity of debt in foreign currency was 19 months. The weighted average cost of debt in dollars in 3Q11 is 7.04% p.a., an improvement compared to 2Q11 (7.10% p.a.), plus exchange variation in US dollars. The average cost of debt in Brazilian Reais was 7.93% p.a..

The chart below demonstrates the lengthening of the Company's debt profile in 3Q11 as compared to the previous quarter, as well as year over year:



### Aquisitions and New Business

MMX's growth strategy includes expanding operations at the Serra Azul Unit, developing new projects, such as Pau de Vinho, Bom Sucesso, Chile and the Sudeste Superport, through acquisitions of new iron ore areas, and also for purchase of iron ore in the domestic market for export resale, as seen with the transaction made with Minerinvest in July 2011. This process is catalysed by the acquisition of the Sudeste Superport, which establishes MMX as an integrated, consolidating mining company at Serra Azul and in the Iron Quadrangle of Minas Gerais.

MMX closed 3Q11 with acquisition debt of R\$ 92.0 million, an amount 43% lower than that recorded in 2Q11 which mainly reflects the purchase of GVA, , since the acquisition debt for the current Serra Azul Unit was paid up during this quarter. Below is a summary of outstanding acquisition debt as of the end of 3Q11:

R\$ Thousands	
Corumbá	3
GVA	78
Chile	11
<b>Total</b>	<b>92</b>

## Investments

The expansion of the Serra Azul Unit includes the construction of new processing plant with a capacity of 24 million tonnes of iron ore per year, a rail terminal and a 10 kilometer, long-distance belt conveyor, that will be used to transport ore from the mine to the railway terminal. The investment necessary for this expansion is R\$ 4 billion, net of taxes, and Itaú BBA and West LB banks were hired as financial advisors for the structuring of financing of approximately 75% of this amount (US\$ 1.8 billion) in the form of project finance. In August, Supram Central in Belo Horizonte issued the preliminary license for the expansion project.

The iron ore produced at the Serra Azul Unit will be exported through the Sudeste Superport, which is under construction in the city of Itaguaí (RJ). The Sudeste Superport will have capacity of 50 million tonnes per year in the first phase, and MMX is already working on its expansion to 100 million tonnes in the second phase. In September, MMX filed the EIA/RIMA reports with the Rio de Janeiro environmental agency requesting the license to double the expansion of the capacity of the Sudeste Superport.

In Bom Sucesso, the estimated investment in mine and plant for the project of 10 million tonnes per year is R\$ 1.5 billion, net of taxes, which represents an investment of R\$ 150 per ton. Moving forward with the environmental licensing process for the project, MMX held a Public Hearing on June 8, 2011.

The projects in Chile, for the development of a system with a capacity of 10 million tonnes of iron ore per year, and the Pau de Vinho mine, with 8 million tonnes of iron ore per year, are still in the engineering design and geological research phase

In August, the independent certification company SRK Consulting reported the new mineral resources report, attesting to 2.5 billion of mineral resources in for the Serra Azul Unit and Pau de Vinho mine. With this, the audited iron ore resources at Serra Azul, Pau de Vinho, Bom Sucesso and Corumbá increased to 3.1 billion tons, a volume 106% higher than certified in March of this year. The SRK reports, in compliance with NI43.101 international code, also highlight the fact that MMX has potential mineral resources of up to 1.4 billion tons of iron ore, if all locations are included.

In 3Q11, MMX invested R\$ 292.2 million, mostly made up of: (i) R\$ 231.6 million in the Sudeste Superport, (ii) R\$ 47.3 million in the Serra Azul and Bom Sucesso Units and (iii) R\$ 8.6 million in Chile. In the year, the amount invested was R\$ 475.6 million, of which (i) R\$ 341.9 in the Sudeste Superport as from the acquisition in May 20, 2011 (ii) R\$ 113.9 million in the Serra Azul and Bom Sucesso Units and (ii) R\$ 18.4 million in Chile.

### *Sudeste Superport*

The Sudeste Superport, a Private Mixed-Use Port Terminal used primarily for the shipment of iron ore, with a handling capacity for 50 million tonnes per year, will contribute to the integration and expansion strategy for the MMX Sudeste System, comprising the Serra Azul and Bom Sucesso Units, with production of 34 million

tonnes of iron ore per year by 2016. The Sudeste Superport will also leverage the Company's plans for iron ore asset consolidation in the region of Serra Azul and other areas of the Iron Quadrangle, pursuing the strategy with the agreements made with Mineração Usiminas and Minerinvest. In addition, when the Sudeste Superport is in operation, MMX will be able to target the seaborne market and export its entire production, with larger margins due to higher prices obtained on the international market in conjunction with lower logistics costs.

MMX's Board of Directors has approved the investment programme required to enable the expansion of the capacity of the Sudeste Superport to 100 million tonnes of iron ore per year. In order to eliminate the impact on operations during the work to double the capacity of the Sudeste Superport, investments for civil engineering work were approved, including enlargement of the tunnel, increasing the area of the railway loop, modifications to the equipment and purchase of land to prepare for 100 million tonnes capacity. The resources committed to these investments total R\$ 200 million.

After the acquisition of the Sudeste Superport in May this year, MMX carried out a complete re-evaluation of the project. The additional geotechnical information gathered demanded improvements in the structure of the car dumpers, in the concrete containment for the cutting into the hill adjacent to the railway loop and other improvements, with additional investments of R\$ 110 million.

In addition, the completion of procedures for the hiring of equipment and services and the purchase of land indicated end values higher than those included in the original budget, in a total of R\$290 million.

Because of this, the start date for Sudeste Superport operations was also changed and the new estimate is for the first quarter of 2013.

The Sudeste Superport already has two BNDES-approved credit lines totaling R\$ 1.2 billion (FINAM and FINEM financing modes) and MMX has already asked the BNDES for supplementary funding from FINEM in the amount of R\$ 550 million.

Moving forward with the implementation of the 50 million tonnes project, the civil engineering work is proceeding steadily on four fronts simultaneously:



1) Stockyard elevation 06 and 32: With retro-areas covering 70 hectares and total static capacity for 2.5 million tonnes of ore, the stockyards are well advanced. In Stockyard 06, it is worth noting that a hill had to be removed, (required for the installation of the railway loop), the concrete structures for the car dumpers have progressed significantly (50% of the civil engineering work) and the completion of the earthmoving for the circulation road for Stockyard 6, which in future will replace the current road.

Stockyard 06



Stockyard 32



2) Tunnel: the tunnel that connects the stockyards to the offshore structure is 1.8 kilometres long, 11 metres tall and 20.5 metres wide. In 3Q11, MMX completed the drilling of the tunnel, which is already capable of handling the Sudeste Superport capacity expansion to 100 million tonnes.



3) Offshore structure: MMX has finished 33% of the evolution basin and also the concrete foundations for the 700-metres long access bridge to the pier. MMX has also carried out 50% of the pile-driving work for the pier, which is more than 766 metres long.



4) Road&Railway Access: MMX initiated the construction of the viaduct over the Cação River, which will be 20 metres wide and 600 metres long and has progressed with the gravel foundations and the earthmoving for the road&railway access.

Bridge over Cação River



Road&Railway access



In 3Q11, MMX invested around R\$ 231.6 million in the Sudeste Superport, of which about 50% in civil engineering work, 27% for equipment and assembly and the remainder in acquiring land, and environmental, regulatory and administrative overhead.

In addition, MMX filed with Inea (State Environmental Institute) in Rio de Janeiro the EIA-RIMA (environmental impact assessment-environmental impact report) for the capacity expansion of Sudeste Superport to 100 million tonnes of iron ore per year.

### Sustainability

In continuation of its Sustainability Plan, in August MMX created an internal Commission in its operational units for deployment of a Sustainability Management System (SMS), which is based on the ISO, OHSAS and NBR standards that cover Environmental, Occupational Health and Safety and Social Responsibility issues.

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Also in August, the Company sponsored the 4th International Sustainability Forum, “Sustain 2011”, held in Belo Horizonte, Minas Gerais, where a presentation was made about the successful process of social dialogue that MMX has developed at Bom Sucesso (MG)

#### *Serra Azul Unit*

On August 30, MMX obtained the Preliminary License (LP 215/2011) for the expansion project at Serra Azul and on September 15 it filed, with Supram in the State of Minas Gerais, a request for the installation license for the same project.

MMX has continued to develop community projects in the areas surrounding the Serra Azul Unit, and between the months of July and September MMX received visits from about 500 pupils and 40 teachers to its mine. The visits are another part of the Interaction Program, a socio-educational program that MMX is running in conjunction with the schools at Igarapé and São Joaquim de Bicas.

The Raízes program – which aims to integrate projects and activities in the areas of Culture, the Environment, Income Creation and Education – has developed a series of events in the municipalities of Igarapé, São Joaquim de Bicas and Brumadinho. Among them, to strengthen the tradition of local gastronomy festivals, MMX supported the Igarapé Bem Temperado and Brumadinho Gourmet programs. In the first, held in July, MMX supported the publicizing of the festival and strengthened the interaction between the community and professionals in MMX, through tasting events for the festival held inside the mine. For Brumadinho Gourmet it included support for cultural and nutritional activities at the festival between September 7 and 11. Also, in September, MMX supported the Spring Festival, also offering consulting services through the Raízes Program for the organization of the event, management of 13 workshops for music, urban dance and capoeira for the older residents and supported the recording of the whole event.

#### *Corumbá System*

In Corumbá, MMX has established a partnership with the Moinho Cultural Sul Americano an arts school managed by the Instituto Homem Pantaneiro (IHP), for the donation of uniforms used by the company for making handbags and clothes by women of the community, who make up the so-called Cooperativa do Moinho.

Support for relevant events in the region, such as the Feira Agropecuária do Pantanal, National Traffic and Transportation Week of Ladário (an APAE festival), all in September, were also some of the relationship activities that MMX developed with stakeholders during this period.

#### *Sudeste Superport*

During the months of August and September, after two years of activities, the Plano de Investimento Social da Pesca was completed. Eleven projects were undertaken, with an investment of R\$ 2.2 million, in partnership

with fishermen's associations and municipal authorities in the surroundings of Sepetiba Bay, supporting the creation of a fish processing centre, deployment of fish and mussel farming, refurbishing of the headquarters of the associations, construction of ice factories, development of markets for selling fish and training courses.

On September, the ceremony to celebrate the termination of the project with awards of Environmental Education certificates for the Madeira Island community and surrounding areas of the municipalities of Itaguaí and Mangaratiba, was held at the Municipal Theater of Itaguaí. Courses for preparing Environmental Officers were held for 50 community leaders and workshops on Socio-environmental Edu-Communication with training courses for Multiplying Agents and Environmental Communication using photos and videos, for a public of 150 young people.

On September, the Rio de Janeiro State Institute of the Environment - Inea, issued a Notification of Acceptance of the EIA/RIMA for the prior license application for the Expansion Work at the Port Terminal, with the construction of a pier with two berths, extra stockpiling areas, rail network, belt transporters and wagon dumpers.

In accordance with its policy of social responsibility and partnership with the communities in which its projects are inserted, MMX, along with the city of Itaguaí, signed in 2010 an agreement to build the "Municipal Cultural Center of Itaguaí", an area for leisure and cultural events, with a stage and area for concerts, gymnasium, all-weather sports facilities, and a food court, among others. The construction work, with completion forecast for March 2012, envisages a total investment of R\$ 20 million, of which R\$ 12.1 million have already been disbursed. The project is being built on land owned by the Municipality, located in the Center of Itaguaí, and its main objective is to encourage socio-cultural activities, sport and leisure for the local population. This quarter, the investment in the cultural center totalled R\$ 7.8 million.

### **Subsequent Events**

- On October 18, MMX announced that Guilherme Escalhão would be taking over as CEO and Investor Relations Officer from Roger Downey, who has resigned. After more than 2 years in office, Roger Downey handed over to Guilherme Escalhão, who since January of this year had been MMX's Chief Financial Officer. This appointment reinforces the MMX's practice of drawing on the depth of talent present within the Company. Guido Germani takes the place of Guilherme Escalhão as Chief Financial Officer.

<b>INCOME STATEMENT</b>	<b>9/30/2011</b>	<b>6/30/2011</b>
Gross operating revenues	287,891	312,933
<i>Domestic Sales</i>	170,248	159,524
<i>Exports</i>	117,643	153,409
Taxes	(14,513)	(7,124)
<i>Net Revenue</i>	273,378	305,811
Cost of goods sold	(100,807)	(119,544)
<i>Gross Profit</i>	172,571	186,267
Selling	(66,921)	(73,099)
Administrative	(57,312)	(28,249)
Others operating expenses	(3,760)	(14,393)
Equity in net income of Subsidiaries	470	(12)
Financial Income	27,043	37,189
Financial Expenses	(14,692)	(23,188)
Exchange Variation	(318,130)	37,379
<i>Operating Income</i>	(260,731)	121,89
Income and Social Contribution Taxes	37,400	(27,194)
Discontinued Operations	(19,517)	(589)
<i>Net income (loss) for the period</i>	(242,848)	94,111
Non-Controlling Shareholders Interest	327	3,203
Net income (loss) for the period attributed to the controlling shareholders	(243,175)	90,908

<b>EBITDA</b>	<b>3Q11</b>	<b>2Q11</b>	<b>1Q11</b>
Net income (loss) for the period	(242,846)	94,111	63,853
Discontinued Operations	(19,517)	(589)	(1,830)
Income and Social Contribution Taxes	37,400	(27,194)	(15,903)
Exchange Variation	(318,130)	37,379	22,810
Financial Expenses	(14,692)	(23,188)	(19,070)
Financial Income	27,043	37,189	43,783
Equity in Net Income of Subsidiaries	470	(12)	658
Provisions for Uncovered Liabilities	-	(613)	-
<i>EBIT</i>	44,580	71,139	33,405
Depreciation, Amortization and Depletion	(5,618)	(4,087)	(8,246)
<b>EBITDA</b>	<b>50,198</b>	<b>75,226</b>	<b>41,651</b>

<b>Assets</b>	<b>9/30/2011</b>	<b>6/30/2011</b>
Total Assets	6,041,613	5,887,134
<b>Current Assets</b>	<b>1,501,978</b>	<b>1,628,634</b>
Cash and cash equivalents	1,063,938	1,105,171
Credits	287,902	365,728
Inventories	150,138	157,735
<b>Noncurrent Assets</b>	<b>4,539,635</b>	<b>4,258,500</b>
Long Term Assets	144,425	157,837
Permanent Assets	4,395,210	4,100,663
<b>Liabilities</b>	<b>9/30/2011</b>	<b>6/30/2011</b>
Total Liabilities	6,041,613	5,887,134
<b>Current Liabilities</b>	<b>699,804</b>	<b>829,867</b>
Loans and Financing	352,904	394,743
Suppliers	124,366	157,792
Taxes, Duties and Contributions	64,854	78,960
Related Parties Debts	3,205	4,581
Debenture	54,423	43,937
Others	100,052	149,854
<b>Noncurrent Liabilities</b>	<b>2,528,149</b>	<b>1,928,086</b>
Loans and Financing	1,064,306	717,512
Debentures	51,367	43,242
Others	1,412,476	1,167,332
<b>Shareholder Equity</b>	<b>2,813,660</b>	<b>3,129,181</b>
Capital	3,989,537	3,989,125
Capital Reserves	49,256	46,699
Equity Valuation Adjustments	5,362	(6,648)
Retained Earnings/Accumulated Losses	(1,158,714)	(914,586)
Non-controlling Shareholders	(71,781)	14,591

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**Teleconference Information:**

Tuesday, November 8th at 13:00 (Brasília time); 11:00 (NY time)

Telephone Brazil: 55 11 4688-6341

Telephone USA: 1 888-700-0802

Telephone Other Countries: 1 786-924-6977

Code for conference-room in Portuguese: MMX

Code for conference-room in English: MMX

Webcast in Portuguese: [www.ccall.com.br/mmx/3t11.htm](http://www.ccall.com.br/mmx/3t11.htm)

Webcast in English: [www.ccall.com.br/mmx/3q11.htm](http://www.ccall.com.br/mmx/3q11.htm)

Audio will be available at: [www.mmx.com.br/ri](http://www.mmx.com.br/ri)

The teleconference will be held in English with simultaneous translation to Portuguese.

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**ABOUT MMX**

The mining company MMX was created in 2005 by majority shareholder Eike Batista. Currently, MMX is composed of two systems, MMX Corumbá and MMX Sudeste. The MMX Corumbá System started operations in 2005. The MMX Sudeste System consists of two units: Serra Azul, formed by two mining companies in operation in the Iron Quadrangle of Minas Gerais, and Bom Sucesso, where geological research and engineering studies were being carried out with a view to developing the Mine. Minera MMX of Chile, in turn, is seeking to build new businesses and create partnerships in Chile, recognized for the quality of its natural resources. MMX continues to evaluate growth opportunities, either through organic growth or acquisitions, maintaining the same commitment to growth that has been a differentiating factor in its history so far. For more information visit our site: [www.mmx.com.br/ri](http://www.mmx.com.br/ri).

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