



## MPX - Earnings Release 4th Quarter 2010

**Rio de Janeiro, March 24, 2011** - MPX Energia S.A. (Bovespa:MPXE3; GDR I:MPXEY), announces results for the fourth quarter and full year ended December 31, 2010 and updates shareholders on the progress of its projects. MPX Energia S.A., an EBX Group company, is a Brazilian diversified energy company with complementary businesses in power generation, coal mining, and natural gas E&P in South America. The Company has a large portfolio of thermal energy projects, exceeding 11 GW of capacity, which positions it to be a leading private-sector power generator. In Colombia, MPX has a world-class coal company with potential resources of over 4 billion tons of compliance coal, enough to support production of 35 million tons per year with integrated infrastructure that includes a 150 km railway from the mines to the coast and a deep-water port. Coal produced in Colombia will be sold internationally in addition to supplying MPX plants in Brazil and Chile. MPX power generation plants will also be the primary off-takers of the natural gas produced in the Company's unique onshore portfolio, with potential resources of 15Tcf.

### Quarter Highlights and Subsequent Events:

- Announced capitalization of up to R\$ 1.3 billion to finance MPX Parnaíba and MPX Colombia, two key development projects contributing to the Company's growth.
- Received Preliminary License (PL) for a 3,300 MW, gas-fired plant in the Açú Superport Industrial Complex in February 2011. With this, MPX Açú reached 5,400 MW of licensed power and became the largest licensed greenfield generation complex in Brazil's Southeast region.
- Granted the operating license for MPX Castilla Generación in Chile, with a capacity of 2,100 MW, in February 2011.
- Alternative Environmental Diagnosis for the MPX port in Colombia approved in January 2011.
- Identified the presence of gas in well OGX-22 in the Parnaíba Basin in November 2010. That same month, tests indicated potential yield of up to 3.4 million m<sup>3</sup> per day in Absolute Open Flow (AOF).
- Strengthened its position in southern Brazil with the acquisition of the Seival Thermal Power Plant project in November, and by increasing the licensed capacity of MPX Sul to 727 MW in December, 2010.
- During the quarter, approximately R\$ 660 million was invested in the 3 contracted thermoelectric generation projects currently under construction – Energia Pecém, MPX Itaqui and MPX Pecém II. The total investment in these projects to date is approximately R\$ 4.0 billion.

## Message from Management

In the three year period since MPX's initial public offering at BMF&Bovespa, the commitment and dedication of our team has resulted in the successful execution of important ventures. With the Company's unique and diversified business model which provides us with differentiated growth and profit potential, we established MPX as one of the best positioned players to contribute to the development of South America's energy sector.

The exceptional results of the first stage of our exploratory campaign in Colombia served as a basis for our decision to develop an integrated coal mining system in the country. We estimate our potential resources to be greater than 4 billion tons and to support annual production of 35 million tons. The mines are located only 150 km from the coast, which results in extremely efficient transportation via railway and connection to a deep-water port. This world-class asset with large scale production, outstanding logistics and high-quality, compliance coal, is supported by a dedicated team with more than 30 years of international experience in the mining industry. These factors, combined with the significant projected growth of world's thermal coal demand to fuel energy production and the existing bottlenecks for supply expansion, point to a unique opportunity for the Company and its shareholders.

MPX also proved successful in the exploration of its onshore gas blocks in the Parnaíba Basin, where production potential is an estimated 15 million cubic meters per day. We began drilling there in July and subsequent tests carried out in two wells drilled by the end of the year indicated significant flow of gas. These discoveries marked the beginning of the development of an important natural gas thermal generation complex, which will greatly contribute to the future expansion of this segment in Brazil. MPX is already working to implement power generation units that will use the most modern and efficient technology available, for which construction time is under two years, implying cash generation in a short timeframe. The integration of energy production and natural gas supply in the Parnaíba Basin will be an important competitive advantage for the Company, which already has 1,863 MW licensed in the region.

With the approval of environmental licenses at MPX Castilla in Chile and MPX Açú in Brazil in the beginning of 2011, we enhanced our energy generating potential in South America with 11 GW in licensed production capacity. With these approvals, we currently have the largest licensed energy generation project in Chile, with a capacity that corresponds to approximately 20% of the country's current installed capacity, as well as the largest licensed project in the Southeast region of Brazil, with a total capacity of 5,400 MW. In November 2010, we acquired the Seival thermoelectric power plant project, reaching a licensed capacity of more than 1,300 MW and strengthening our position in the South of Brazil, a region that typically needs to import energy in order to meet its demand and has limited hydroelectric potential.

In 2010, we made significant progress in the construction of power plants in Ceará and Maranhão, projects which currently employ 10,000 people and are over 90% completed. The power plants will begin operation in 2011, generating revenues greater than R\$ 500 million as of 2012 and R\$ 750 million beginning in 2013. The operations teams for the respective plants have already been recruited and are in the final stage of training.

Long-term financing for the plants has been secured, attesting to the strong potential of the development projects and the overall excellence of our engineering, which seeks to generate energy not only efficiently and profitably, but responsibly, prioritizing environmental preservation and the development of local communities.

Finally, we must mention our Sustainability initiatives. In 2010, the Vila Canaã Program in Maranhão was awarded the Eco Award, among the most important awards in Brazil recognizing commitment to sustainable development, for works in the development of sustainable new businesses. The Vila Canaã Program included support for 100 families that used to live in impoverished conditions in the area of the Itaqui power plant. These families were moved into new houses equipped with appliances and computers, in a village with sports facilities, playgrounds and a school. Moreover, MPX granted 60 hectares of land for an agricultural development project that is overseen by specialists and expected to contribute to enriching the livelihood of these families.

Additional philanthropic initiatives of MPX include the sponsorship of the Nature Conservation Reserves of Acurizal, Penha and Dorochê in the Pantanal Matogrossense and the Lençóis Maranhenses National Park. We have also started the second phase of the Muriqui Ecological Corridor project, a partnership between MPX, IBio and Brasil Florestas for promoting environmentally sound and sustainable rural development in the Mid-North region of Rio de Janeiro.

In 2010, we began the construction of MPX Tauá, the first commercial solar plant in Brazil, located in Ceará. MPX Tauá will start operations in April 2011 and will generate 1 MW, enough to supply energy to 1,500 families. We have also finalized studies for burning wood biomass jointly with coal in our plants in the South of the country, reducing emissions, promoting reforestation and contributing to the restoration of degraded areas.

All of these achievements were only possible thanks to the dedication and support of our team and the sine qua non support of our shareholders. This made, and will continue making, all the difference in our journey.

We appreciate the support of our shareholders and re-affirm that MPX's management and staff are absolutely committed to the company success and to the excellence in execution of its integrated energy businesses.

The Management

## 1. Power Generation

With the recent granting of the environmental licenses to two of the Company's important thermoelectric development projects, a 3,300 MW natural gas-fired plant in the Açú Superport located in the southeast of Brazil and a 2,100 MW mineral coal-fired plant in Chile, MPX holds the largest growth portfolio in South America's energy sector, with 11GW in licensed developments. Additional information regarding the projects can be found in Appendix 1, page 21.

### Contracted Power Projects

	Installed Capacity (MW)	MPX's Stake	Start up Date <sup>3</sup>	Avg MW sold <sup>1</sup>	PPA Start Date	EPC progress to date	Fixed Revenues <sup>1,2</sup> (R\$ MM/year)	Estimated Coal Demand (Mty) <sup>4</sup>	Environmental license
<b>Pecém I</b>	720	50%	3Q11/4Q11	308	Jan 2012	87%	255.1	1.4	LI
<b>Pecém II</b>	365	100%	2Q12	276	Jan 2013	80%	242.2	0.7	LI
<b>Itaqui</b>	360	100%	4Q11	315	Jan 2012	85%	269.7	0.7	LI
<b>Total</b>	<b>1,445</b>			<b>899</b>			<b>767.0</b>	<b>2.8</b>	

(1) Values adjusted to reflect MPX's stake in the project

(2) As of December/10

(3) Energy generated between start up and beginning of PPA might be sold in the spot market, resulting in additional revenues

(4) Considering a 65% dispatch rate

### EPC Progress (Engineering, Procurement and Construction)\*

#### PECÉM I TPP (Energia Pecém)

- Entered the final stage of assembly of the pressure parts for the boiler of unit 1;
- Completed assembly of the pressure components and metal structure for the boiler of unit 2;
- Completed assembly of the coal mills and the condenser for unit 1;
- Construction of bag filters of both units underway;
- Completed the civil structure of cooling tower of unit 1 and structure of unit 2 at an advanced stage;
- Assembly of the de-mineralized water plant.
- Direct employment of 4,578 workers in the project's construction

#### ITAQUI TPP (MPX Itaqui)

- Conclusion of the entire implementation process of the electrical connection of MPX Itaqui TPP, comprised of a transmission line, the power plant's 230kV substation and the substation's connection bay;
- Assembly of the metal structure and pressure part of the high-pressure boiler;
- Work ongoing for the setup of the cooling water circulation tubes;

- Electromechanical assembly at the water pre-treatment station in final stage;
- FGD (Flue Gas Desulfurization) assembly ongoing;
- Direct employment of 3,300 workers in the project's construction

#### PECÉM II TPP (MPX Pecém II)

- Pre-assembly of the high-pressure boiler tubes;
- Assembly of the coal mills;
- Assembly of the structure that will house high-pressure boiler is in final stage;
- Pre-assembly of the FGD silos and assembly of the bag filter boxes;
- Assembly of the drainage tubes;
- Assembly of cooling water circulation tubes;
- Direct employment of 842 workers in the project's construction.

**\*Additional information including long-term financing, capital expenditures and financial statements can be found in Appendix 1 on Page 21.**

### Licensed Power Projects

Greenfield projects	Fuel Source	Capacity (MW)	Location	MPX's share	Environmental license
<b>Thermal Generation</b>					
MPX Açu	Imported coal	2,100	Rio de Janeiro	100%	LI
	Natural gas	3,300	Rio de Janeiro	100%	LP
					Definite Environmental License
MPX Chile	Imported coal	2,100	Copiapó, Chile	100%	LP
MPX Sul	Brazilian coal	727	Rio Grande do Sul	100%	LI
MPX Seival	Brazilian coal	600	Rio Grande do Sul	100%	LP
MPX Parnaíba	Natural gas	1,863	Maranhão	70%	LI
<b>Renewables</b>					
MPX Tauá	Solar	1	Ceará	100%	LI

LI – Installation license; LP – Preliminary license; LO – Operating license

## 2. Natural Resources

### NATURAL GAS

#### ❖ Parnaíba Basin Exploratory Blocks

- Location: Maranhão, Brazil

- Concessions in 7 blocks with total area of 21,471 km<sup>2</sup>
- OGX Maranhão, a special purpose company, holds 70% of exploration rights and obligations (MPX 33.3% participation and OGX 67.7%)
- Contingent resources: 1.7 Tcf of natural gas (303 MM boe)\* - UNDER REVISION
- Prospective resources: 0.2 Tcf of natural gas – UNDER REVISION

\* Resources and reserves certified by DeGolyer and MacNaughton

The Company's success in the Parnaíba Basin was furthered by the positive results obtained in OGX-22, the second well drilled by OGX Maranhão in this onshore basin. In the Upper Devonian section of the Poti Formation, where an important gas discovery was made, a formation test detected pressure of 1,950 psi and flame length of approximately 20 meters. A new accumulation of gas was discovered in the Lower Devonian section of the Cabeças Formation. An intermediary logging provided the determination of net pay for both formations, approximately 49 meters and 47 meters, respectively, reinforcing the expectation of the region's enormous potential of an estimated in 15 trillion cubic feet (Tcf) of natural gas.

The OGX-22 well showed exceptional production potential of up to 3.4 million cubic meters per day in Absolute Open Flow (AOF). This result alone indicates potential generation capacity of up to 500MW in open cycle or 800 MW in combined cycle. OGX-22 is only the second well to be drilled in the exploratory campaign for OGX Maranhão, in which a total of 15 wells are expected to be drilled by 2012.

In December 2010, North American consultants DeGolyer & MacNaughton began a re-evaluation of resources for the blocks held by OGX Maranhão (70%) and Petra Energia S.A. (30%) in the Parnaíba Basin which is expected to be completed by the end of March 2011. This review will be based on the excellent results that were obtained from the drilling in this basin as part of the exploratory campaign initiated in July 2010.

## MINING

	Location	Reserves (Mt)	Certified resources – open-pit (Mt)	Potential resources (Mt)
Mines in Colombia*	La Guajira, Colombia	39	144	1,600
Seival Mine	Candiota, Brazil	152	452	

\*If expansion of the borders of MPX's concession areas is achieved, reserves could reach 55.8 Mt

Obs. Resources and reserves in Colômbia certified by John T. Boyd

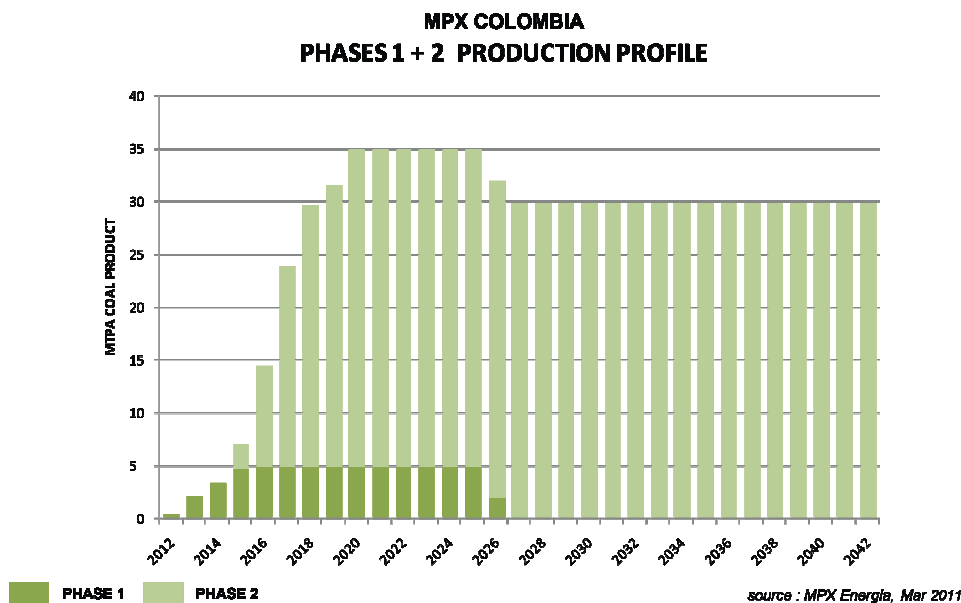
### ❖ MPX Colombia

Throughout the fourth quarter of 2010, MPX continued the licensing process and prepared for the development of its integrated compliance coal mining system in the La Guajira Department. The system will produce an estimated 35 million tons per year of compliance coal and will have extremely competitive logistical costs, due to a dedicated 150 km railroad extending from the mines to the coast and a deep-water port with capesize capacity.

In addition to the 49 million tons of open-pit reserves already certified in the regions of Cañaverales and Papayal, MPX Colombia estimates potential underground resources of over 4 billion tons in the region of San Juan. The first round of drilling identified 22 layers of coal with a thickness greater than 1.5 meters in depths of between 400 and 1,100 meters, of which 8 layers have a thickness greater than 3 meters, underscoring the region's extraordinary potential. The Company's estimates, based on these results as well as seismic analyses, indicate a potential of 1.6 billion tons of minable resources.

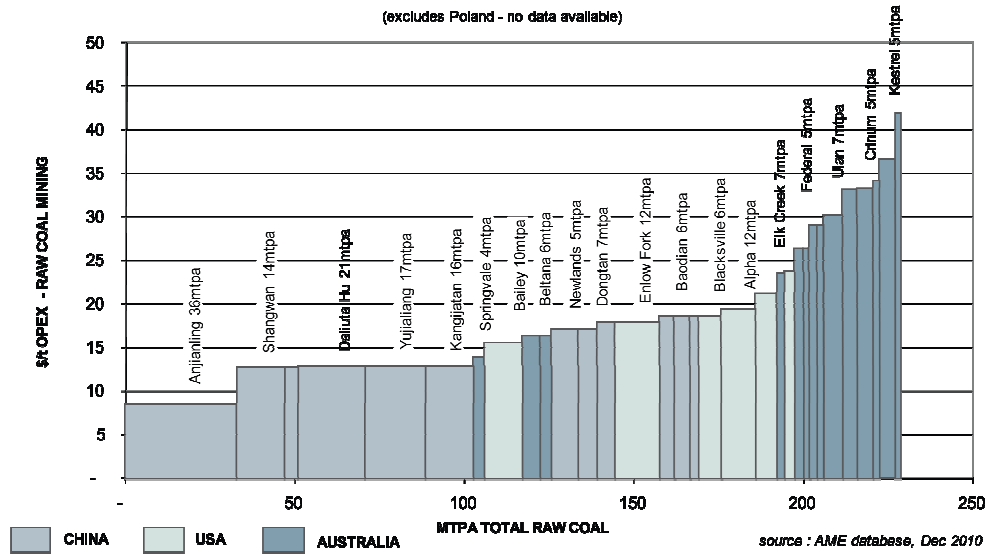
The exploratory campaign for certification of underground resources in the region of San Juan began in December 2010 and foresees drilling 80,000 meters by the end of 2011. Currently, MPX Colombia already has 3 rigs for deep hole drilling, contracted with GEOTEC Boyles Bros, S.A.

Production in the open-pit mines is expected to begin at the end of 2012 and should reach 5 million tons per year in 2015. In that same year, underground drilling is scheduled to begin and by 2020 the system should reach a scale of 35 million tons per year.



The use of longwall mining technology will enable high productivity with competitive costs. December 2010 data obtained from the international consultant, AME Group, indicates that the average cost for longwall mining is US\$25 per ton produced, excluding cost levels seen only in China, which are often between US\$10 and US\$15 per ton.

### LONGWALL COST CURVE - MINING COSTS



MPX's Colombia team is currently working on the optimization of the engineering projects and, therefore, identification of the required investment. For instance, the use of metal structures in the construction of the port pier resulted in a cost reduction of 30%.

As announced to the market on February 10, 2011, Colombia's Environmental Ministry (Ministerio de Ambiente, Vivienda e Desarrollo Territorial of Colombia - MAVDT) approved the Alternative Environmental Diagnostic (Diagnóstico Ambiental de Alternativas - DAA) for installation of a private port for export of mineral coal in the Atlantic coast, in the region of Dibulla. Analysis of the port's social impact is underway and the company is expected to submit the Environmental Impact Study (EIS) by May of this year. The licensing process and study the assessment of the social impact of the open-pit mines and railroad are also proceeding as expected. MPX Colombia submitted the EIS of the Canãverales mine to the MAVDT on August, 2010 and recently finalized the identification of the ethnic communities located in the area of the railroad.

### 3. Financial Performance

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). International standards have been implemented retroactively to January 1, 2009.

Consolidated and parent company 3Q10 financial statements as well as all MPX's subsidiaries financial statements are presented in BR GAAP. In order to improve the quarterly analysis, the adjustments from BR GAAP to IFRS are highlighted below and in the analysis presented.

R\$ thousand	12/31/2009
<b>Shareholder's equity as reported</b>	<b>1,907,360</b>
Fair Value of stock options awarded by the controlling shareholder – Impact on Capital Reserve	152,907
Fx variance on loans	(39,390)
Deferred Asset	(23,088)
Provision for dismantling of assets	(3,282)
Stock options awarded by the controlling shareholder	(152,907)
Minority interests	37,477
<b>Shareholder's equity adjusted by International Accounting Standards IFRS</b>	<b>1,879,077</b>

R\$ thousand	12/31/2009
<b>Net Income for the year as reported</b>	<b>(147,392)</b>
Reversion of deferred asset amortization	48,461
Fair Value of stock options awarded by the controlling shareholder	(88,921)
Provision for dismantling of assets	(271)
Fx variance on loans	(8,094)
Minority interests	(1,831)
Reversion of deferred taxes on deferred asset	(11,936)
<b>Net Income adjusted by International Accounting Standards IFRS</b>	<b>(209,984)</b>

R\$ thousand	
<b>Major adjustments on the Income Statement of 2010 arising from the adoption of IFRS</b>	
Expenses related to stock options awarded by the controlling shareholder	(63,506)
Fx variance on loans – Pecém I	(1,784)
Fx variance on loans – Pecém II	(2,866)

As determined by the Brazilian Securities and Exchange Commission (CVM), the Company should restate its financial statements as International Standards until May, 2011.

Further details according to can be found in the Notes to Financial Statements, filed with the Brazilian Securities and Exchange Commission (CVM).

## Income Statement Analysis

Account R\$ million	Consolidated Income Statement – 4Q10							Total
	MPX Parent	Pecém I <sup>1</sup>	Pecém II	Itaqui	Amapari	Trading Company	Other <sup>2,3</sup>	
Net Operating Revenues	-	-	-	-	9.2	18.6	-	27.8
Operating Costs	-	(0.4)	(1.2)	(1.9)	(9.2)	(18.4)	(0.9)	(31.8)
Operating Expenses	(60.1)	(1.3)	(2.3)	(3.8)	(1.4)	(0.1)	(14.2)	(83.1)
Net Financial Result	17.3	3.6	(17.4)	22.7	0.1	0.0	22.6	49.0

Equity Income	(14.0)	-	-	-	-	-	-	2.6
Other Revenues/(expenses)	25.9	-	-	(0.0)	0.2	-	(15.0)	11.1
Earnings before taxes	(30.9)	2.0	(20.8)	17.1	(1.1)	0.2	(7.4)	(24.4)
Current and deferred taxes	6.2	(0.6)	6.9	(5.8)	(0.2)	(0.0)	(7.6)	(1.3)
Minority interests	-	-	0.0	-	0.7	(0.0)	0.3	1.0
<b>Net Income</b>	<b>(24.8)</b>	<b>1.4</b>	<b>(13.8)</b>	<b>11.2</b>	<b>(0.7)</b>	<b>0.1</b>	<b>(14.8)</b>	<b>(24.8)</b>

**Note 1:** Figures presented above consider the full results of MPX's subsidiaries, except for Pecém I. In the latter, only 50% of the results are considered as MPX has joint control,

**Note 2:** In addition to the results of other subsidiaries, the elimination of related-party transactions is also taken into consideration, as well as equity income results.

**Note 3:** According to accounting rules in place, controlling interests with negative balances should be transferred to Non-current Liabilities from Assets, and booked as Non-covered Liabilities. Following the same principles, the respective equity income should be reclassified to Other Operating Expenses.

## Net Operating Revenues

Net Operating Revenues (In thousands Reasi)	Consolidated		
	2010	2009	% Var
<b>Gross Operating Revenues</b>			
Energy Supply	43,574	62,836	-30.7%
Energy commercialization	69,307	17,233	302.2%
<b>Taxes</b>	<b>(14,426)</b>	<b>(16,158)</b>	<b>-10.7%</b>
<b>Net Operating Revenues</b>	<b>98,455</b>	<b>63,911</b>	<b>54.0%</b>

Net Operating Revenues (In thousands Reasi)	Consolidated		
	4Q10	4Q09	% Var
<b>Gross Operating Revenues</b>			
Energy Supply	10,329	11,500	-10.2%
Energy commercialization	20,501	5,934	245.5%
<b>Taxes</b>	<b>(3,033)</b>	<b>(3,017)</b>	<b>0.5%</b>
<b>Net Operating Revenues</b>	<b>27,798</b>	<b>14,417</b>	<b>92.8%</b>

In the fourth quarter of 2010, MPX reported Consolidated Net Operating Revenues of R\$ 27.8 million, a 92.8% increase as compared to 4Q09. With the increased volume of energy sold by MPX Energy Trading Co., the company's net operating revenues surpassed the result recorded in 4Q09 by R\$ 13.2 million and was the main driver of Consolidated net revenue growth. In addition, MPX's Amapari subsidiary, which controls the Serra do Navio TPP, a 51/49 partnership between MPX and Eletronorte, reported net operating revenues of R\$ 9.2 million in the quarter, 1.8% higher than in 4Q09.

## Operating Costs

Operating Costs (In thousands Reais)	Consolidated		
	2010	2009	% Var
<b>Operating Costs</b>			

Personnel and managers	(5,099)	(9,729)	-47.6%
Material	(1,912)	(2,261)	-15.4%
Fuel - Diesel and Lubricants	(60,674)	(55,168)	10.0%
Outsourced services	(7,428)	(6,085)	22.1%
Leases and Rentals	(15,264)	(1,671)	813.5%
Insurance	(2,238)	(1,792)	24.8%
Taxes and Contributions	116	(710)	-116.4%
CCC Subsidy	45,072	44,089	2.2%
Energy acquired for resale	(61,773)	(2,690)	2196.6%
Other costs	(1,328)	(1,546)	-14.1%
<b>Total</b>	<b>(110,527)</b>	<b>(37,563)</b>	<b>194.2%</b>
Depreciation and amortization	(5,954)	(4,525)	31.6%
<b>Total</b>	<b>(116,482)</b>	<b>(42,088)</b>	<b>176.8%</b>

Operating Costs (In thousands Reais)	Consolidated		
	4Q10	4Q09	% Var
<b>Operating Costs</b>			
Personnel and managers	(1,711)	(2,207)	-22.5%
Material	(809)	(1,452)	-44.3%
Fuel - Diesel and Lubricants	(16,644)	5,584	-398.1%
Outsourced services	(3,432)	8,291	-141.4%
Leases and Rentals	(1,353)	(90)	1401.6%
Insurance	(815)	(718)	13.5%
Taxes and Contributions	9	177	-95.2%
CCC Subsidy	12,641	12,957	-2.4%
Energy acquired for resale	(17,939)	7,136	-351.4%
Other costs	182	(171)	-206.3%
<b>Total</b>	<b>(29,872)</b>	<b>29,507</b>	<b>-201.2%</b>
Depreciation and amortization	(1,949)	(1,315)	48.2%
<b>Total</b>	<b>(31,821)</b>	<b>28,192</b>	<b>-212.9%</b>

Consolidated Operating Costs amounted to R\$ 31.8 million in 4Q10. Energy Acquired for Resale, Fuel and Outsourced Services increased by R\$ 22.2 million, R\$ 11.7 million and R\$ 25.1 million, respectively.

**A more detailed analysis of Operating Costs follows:**

- **Fuel – diesel and lubricants:** refers to fuel costs incurred by the Serra do Navio TPP diesel plant. The amount of R\$ 16.6 million reported in this quarter was 31.5% higher than the R\$ 12.6 million recorded in 4Q09 due to the ratification of the exemption of ICMS on purchase supplies accounted in 4Q09. On a Consolidated basis, the R\$ 5.6 million reported the reversal of Deferred Assets in the amount of R\$ 18.2 million, as reflect per International Standard.

- **Outsourced services:** the R\$ 11.7 million increase in comparison to 4Q09 was mainly driven by the reclassification of the transaction costs related to Pecém II's long-term financing carried out in 4Q09, which positively impacted Outsourced Services costs by R\$ 10.6 million.
- **Leases and Rentals:** the result reported in 4Q10, R\$ 1.3 million, mostly reflects costs incurred by the MPX Açú subsidiary relating to the rental of the Porto do Açú TPP site, which amounted to R\$ 0.7 million. It is noteworthy that the terms of the rental contract between MPX Açú and the Açú Superport were revised to reflect the following:
  - ❖ The rental area is currently 74.79 hectares;
  - ❖ MPX Açú has an option to increase the rental area by an additional 74.79 hectares that may be exercised through 01/02/2012 and another option to increase the rental area by another 74.79 hectares, which is exercisable through 01/02/2013;
  - ❖ Rent remained unaltered, at R\$ 0.3182/m<sup>2</sup> (as of September 2009), and is adjusted annually in accordance with the IGP-M inflation index published by the Fundação Getúlio Vargas.
- **CCC Subsidy:** the Serra do Navio TPP is operational and eligible for fuel reimbursement according to the Fossil Fuel Consumption Account (CCC) regulations. In 4Q10, the reimbursement received amounted to R\$ 12.6 million, compared to R\$ 13.0 million in 4Q09.
- **Energy acquired for resale:** expenses incurred for energy acquired for resale were primarily impacted by the increase in 4Q10 energy trading volumes as compared to 4Q09. However, the gross margin per MWh of the MPX Energy Trading Co. also grew by 237% in the 4Q10 as compared to 4Q09.

### Operating Expenses

MPX's consolidated Operating Expenses, excluding Depreciation & Amortization, amounted to R\$ 70.5 million, a 1.2% decrease compared to 4Q09. In 4Q10, the operating expenses of the parent company, excluding Depreciation & Amortization, were R\$ 60 million versus R\$ 47.3 million recorded in the same period of last year. The IPCA inflation index increased by 5.91% during the period.

Operating expenses (In thousands Reais)	Parent			Consolidated		
	2010	2009	% Var	2010	2009	% Var
<b>Expenses</b>						
Personnel and managers	(117,583)	(119,135)	-1.3%	(131,278)	(141,544)	-7.3%
Material	(172)	(192)	-10.3%	(564)	0	-
Outsourced services	(33,679)	(35,187)	-4.3%	(66,694)	(83,210)	-19.8%
Leases and Rentals	(7,187)	(3,331)	115.8%	(11,263)	(6,597)	70.7%
Insurance	(391)	(402)	-2.9%	(2,311)	(862)	168.1%
Taxes	(1,407)	(175)	706.2%	(2,031)	(0)	-
Other expenses	(6,557)	(3,870)	69.4%	(10,010)	0	-
<b>Total</b>	<b>(166,976)</b>	<b>(162,291)</b>	<b>2.9%</b>	<b>(224,150)</b>	<b>(232,212)</b>	<b>-3.5%</b>

Depreciation and amortization	(666)	(524)	27,2%	(2,017)	(9,739)	-79.3%
<b>Total</b>	<b>(167,642)</b>	<b>(162,815)</b>	<b>3.0%</b>	<b>(226,167)</b>	<b>(241,951)</b>	<b>-6.5%</b>

Operating expenses (In thousands Reais)	Parent			Consolidated		
	4Q10	4Q09	% Var	4Q10	4Q09	% Var
<b>Expenses</b>						
Personnel and managers	(45,634)	(31,634)	44.3%	(45,384)	(46,141)	-1.6%
Material	(45)	(44)	3.6%	(297)	308	-196.4%
Outsourced services	(10,027)	(12,254)	-18.2%	(17,448)	(26,285)	-33.6%
Leases and Rentals	(2,674)	(693)	285.9%	(3,864)	(1,806)	113.9%
Insurance	(83)	(198)	-57.8%	(616)	(337)	83.0%
Taxes	(102)	(72)	41.2%	(436)	339	-228.5%
Other expenses	(1,351)	(2,397)	-43.6%	(2,505)	2,529	-199.0%
<b>Total</b>	<b>(59,915)</b>	<b>(47,291)</b>	<b>26.7%</b>	<b>(70,551)</b>	<b>(71,392)</b>	<b>-1.2%</b>
Depreciation and amortization	(203)	(148)	37.9%	(782)	(8,228)	-90,5%
<b>Total</b>	<b>(60,119)</b>	<b>(47,439)</b>	<b>26.7%</b>	<b>(71,332)</b>	<b>(79,620)</b>	<b>-10,4%</b>

**A more detailed analysis of Operating Expenses follows:**

- Personnel and management:** on a consolidated basis, expenses amounted to R\$ 45.4 million, a decrease of 1.6% in relation to 4Q09. The parent company Expenses grew R\$ 14 million in relation to 4Q09, mainly due to Personnel expenses of R\$ 6.5 million that was previously classified as a deferred asset, R\$ 2.6 million of incremental bonuses to the Company's personnel relative to fiscal 2010 and R\$ 4.3 million of annual pay adjustment of 6.63% and increase in the number of employees.
- Outsourced Services:** consolidated expenses incurred on outsourced services declined by 33.6% to R\$ 17.4 million from 4Q09 to 4Q10. The drop is attributed to the completion of the first stage of the drilling campaign by MPX Colombia at potential sites for open-pit mining. In 4Q10, MPX Colombia's reported expenses incurred on outsourced services amounted to R\$ 1.4 million, compared to R\$ 9.4 million reported in 4Q09. The second stage of MPX Colombia's drilling campaign, for the assessment of underground resources, began toward the end of 4Q10, and therefore had only a marginal impact on 4Q10 expenses.
- Leases and Rentals:** the R\$ 2.1 million increase in consolidated Leases and Rentals expense as compared to 4Q09 was mainly a result of the R\$ 1.9 million increase in the Parent company's rental expenses, related to the establishment of the Company's new headquarters.

## Net Financial Results

Financial Result (In thousands of Reais)	Parent			Consolidated		
	2010	2009	% Var	2010	2009	% Var
<b>Financial Income</b>						
Fx rate fluctuations	20	(671)	-102.9%	40,022	72,324	-44.7%
Interest revenue	71,498	144,015	-50.4%	60,272	158,380	-61.9%
Gain on derivatives	2,860	21,648	-86.8%	83,725	274,036	-69.4%
Derivatives liquidation	2,044	-	-	7,884	-	-
Other financial income	2,995	1,230	143.6%	4,821	85,195	-94.3%
	79,417	166,221	-52.2%	196,724	589,935	-66.7%
<b>Financial expenses</b>						
Fx rate fluctuations	(5)	1,454	-100.4%	(29,223)	(75,676)	-61.4%
Debt service	(0)	-	-	(3,962)	(65)	-
Losses on derivatives	-	(79,756)	-	(95,929)	(474,212)	-79.8%
Derivatives liquidation	-	-	-	(93,952)	-	-
Other financial expenses	(11,625)	(350)	3,223.4%	(19,404)	(76,246)	-74.6%
	(11,630)	(78,652)	-85.2%	(242,470)	(626,199)	-61.3%
<b>Net Financial Result</b>	67,787	87,569	-22.6%	(45,745)	(36,263)	26.1%

Financial Result (In thousands of Reais)	Parent			Consolidated		
	4Q10	4Q09	% Var	4Q10	4Q09	% Var
<b>Financial Income</b>						
Fx rate fluctuations	2	13	-83.4%	2,478	52,542	-95.3%
Interest revenue	18,311	25,946	-29.4%	11,771	16,919	-30.4%
Gain on derivatives	3,636	(5,837)	-162.3%	11,986	66,409	-82.0%
Derivatives liquidation	2,044	-	-	4,523	-	-
Other financial income	832	(384)	-316.5%	1,792	62,508	-97.1%
	24,825	19,738	25.8%	32,550	198,378	-83.6%
<b>Financial expenses</b>						
Fx rate fluctuations	12	(1,651)	-100.7%	(1,972)	(60,833)	-96.8%
Debt service	-	-	-	(2,537)	(65)	-
Losses on derivatives	-	-	-	44,392	(57,429)	-177.3%
Derivatives liquidation	-	-	-	(11,950)	-	-
Other financial expenses	(7,555)	3,081	-345.2%	(11,439)	(43,668)	-73.8%
	(7,544)	1,430	-627.6%	16,494	(161,995)	-110.2%
<b>Net Financial Result</b>	17,282	21,167	-18.4%	49,044	36,383	34.8%

MPX posted consolidated net financial revenues of R\$ 49.0 million, mainly reflecting the impact of the settlement of hedging instruments as well as the mark-to-market of outstanding positions in the subsidiaries of

Energia Pecém, MPX Pecém II, MPX Itaqui and the Fuel Trading Co. In 4Q10, the impact of hedge settlements on consolidated expenses was negative R\$ 7.4 million, offset by the positive impact of R\$ 58.7 million of the above-mentioned mark-to-market of outstanding positions, generating a net effect of R\$ 51.2 million. The Parent Company reported net financial revenues of R\$ 17.3 million, compared to net revenues of R\$ 21.2 million posted in 4Q09. In the quarter, interest income at the parent level amounted to R\$ 18.3 million.

### Net Income

MPX reported a net loss of R\$ 24.8 million in 4Q10, compared to the R\$ 18.7 million loss recorded in 4Q09.

### Balance Sheet Analysis

Swap derivative financial instruments were previously accounted for based on the net value of unrealized gains/losses. Following CVM's CPC 39 statement, unrealized gains/losses on these instruments were recorded as assets/liabilities, considering that such contracts have different maturities.

<i>R\$ million</i>	Parent Company		Consolidated	
	dec/10	sep/10	dec/10	sep/10
Current Assets	668.6	565.5	1,661.5	1,131.1
Noncurrent Assets	297.2	274.5	1,006.4	306.4
Fixed Assets	1,074.3	982.0	3,611.7	3,115.8
<b>Total Assets</b>	<b>2,040.1</b>	<b>1,822.0</b>	<b>6,279.6</b>	<b>4,553.2</b>
Current Liabilities	322.5	71.9	1,395.7	862.4
Non-current Liabilities	4.3	21.6	3,182.3	1,919.2
Minority Interests	-	-	43.4	43.1
Shareholders' Equity	1,713.3	1,728.5	1,658.2	1,728.5
<b>Total Liabilities</b>	<b>2,040.1</b>	<b>1,822.0</b>	<b>6,279.6</b>	<b>4,553.2</b>

### Current Assets

At the end of the quarter, Consolidated Current Assets amounted to R\$ 1,661.5 million, an R\$ 530.4 million increase as compared to 3Q10. At the end of 4Q10, Consolidated Cash and Cash Equivalents amounted R\$ 479.6 million, a R\$ 117.8 million decline as compared to the balance as of September 30, 2010. The reduction is due to the increased volume of payments made to suppliers, primarily to the consortium of builders of Pecém I, Pecém II and Itaqui TPPs.

The Parent Company reported Cash and Cash Equivalents balance of R\$ 200.5 million at the end of 2010, stable in relation to 3Q10.

At the end of 4Q10, Energia Pecém, MPX Pecém II and MPX Itaqui's reported Cash and Cash Equivalents balances were R\$ 68.0 million, R\$ 141.7 million and R\$ 35.6 million respectively, with respective variation of negative R\$ 92.7 million, negative R\$ 131.9 million and positive R\$ 143.7 million reflecting outlays from the

long-term financing, as well as loans and expenses incurred in the projects' implementation. The first disbursement of Pecém II's long-term financing, in the amount of R\$ 526 million, occurred in October 2010.

### **Non-Current Assets**

The Parent Company's Non-Current Receivables increased by R\$ 22.7 million, due to the increase of tax credits and credits to related parties. In the consolidated results, the R\$ 700 million increase compared to September 2010 was mainly due to changes in swap derivative financial instruments following CVM's CPC 39 statement as mentioned above.

### **Fixed Assets**

With the considerable progress achieved in the assembly and installation of equipment at the thermal power plants under construction, the balance of Property, Plant and Equipment of subsidiaries Energia Pecém, MPX Itaquí and MPX Pecém II increased by R\$ 171.4 million, R\$ 146.2 million and R\$ 177.0 million, respectively. At the end of the fourth quarter, the consolidated Property, Plant and Equipment account balance was R\$ 3,611.7 million.

### **Current Liabilities**

Consolidated Current Liabilities was R\$ 1,395.7 million, an R\$ 533,3 million increase as compared to 3Q10.

At the close of 4Q10, Loans and Financing in Current Liabilities amounted to R\$ 290.3 million. The R\$ 56.2 million decrease as compared to the 3Q10 was mainly due to the R\$ 305 million pay-off of MPX Pecém II's bridge loan. In 4Q10, Banco Nacional de Desenvolvimento Econômico e Social (BNDES) disbursed R\$ 526 million of Pecém II's long-term financing.

### **Non-Current Liabilities**

At the conclusion of 4Q10, Non-Current Liabilities had a R\$ 3,182.3 million balance, representing a R\$ 1,263 million increase in relation to the prior quarter, mainly due to an increase in Loans and Financing. In the quarter, the BNDES disbursed R\$ 532.9 million of long-term financing to MPX Pecém II.

MPX's consolidated gross debt amounted to R\$ 2,607.1 million as of September 30, with approximately 89% of the total corresponding to long-term debt. At the end of the quarter, consolidated net debt amounted to approximately R\$ 1,753 million.

### **Shareholders' Equity**

Shareholders' Equity amounted to R\$ 1,658.2 million as of the end of 4Q10, a R\$ 70.3 million reduction in relation to the balance registered in 3Q10, mainly due to the net loss recorded in the quarter. Capital Stock amounted to R\$ 2,041.9 million.

## 4. Subsequent Events

- **Approval of Alternative Environmental Diagnosis from Colombia’s Environmental Ministry**

On February 10, 2011, MPX announced that the Environmental, Housing and Development Ministry of Colombia (Ministerio de Ambiente, Vivienda e Desarrollo Territorial – MAVDT) approved the Alternative Environmental Diagnosis (“DAA”) confirming that the site selected by MPX Colombia will result in the lowest social and environmental impact in the area by the construction and operation of a private port to export mineral coal. The Company must next present an environmental impact study prior to receiving the final license required to commence construction of the port.

The advantageous port site was acquired by MPX Colombia (“Company”) in January 2010, as announced on January 21, 2010, and is located approximately 150 km from the Company’s mines. Bathymetric studies conducted by Moffatt & Nichol, a US-based global infrastructure advisor, indicated a 20-meter draft 3 km from the coast, which will allow the port to handle capesize vessels without the need for further dredging.

- **MPX Granted Environmental License for Central Castilla Generación**

On February 25, 2011, MPX announced that the Environmental Evaluation Committee of the Atacama Region (Comisión de Evaluación Ambiental or “CEA”) has granted the environmental license for the construction of the MPX Central Castilla Generación Power Plant – CGX (“MPX Castilla”), a development project fully-owned by MPX. The 2,100 MW, coal-fired plant will require an investment of approximately US\$ 4.4 billion and is currently the largest licensed power generation project in Chile.

The CEA’s decision was taken after a long and rigorous environmental evaluation process that included analytical studies carried out by all stakeholders. The environmental licensing process in Chile requires only a single environmental permit (equivalent to the preliminary, installation and operating licenses granted in Brazil), which allows the immediate construction and operation of the plant. MPX Castilla will comply with the highest environmental standards and the most strict emission standards established by the Chilean Government and equivalent to European rules and restrictions. The budgeted investment in environmental controls for the full project is expected to surpass US\$ 1.0 billion and includes the establishment of two environmental protection areas that cover over 12,000 hectares in the region.

- **Preliminary License for 3,300 MW, Gas-Fired Power Plant in Açú Superport**

On March 2, 2011, MPX announced that it received a Preliminary License (PL) for a 3,300 MW, gas-fired plant in the Açú Superport Industrial Complex. With the granting of the PL, MPX now holds the largest greenfield project portfolio in South America, with 11 GW of licensed electrical generating capacity. This positions the Company very well to benefit from increased demand for power in the region.

The plant’s strategic location, within the Açú Superport complex and close to natural gas accumulations discovered in the Campos Basin, will make it a power supplier to the complex as well as a potential off-taker of gas produced in Campos. It is worth emphasizing that the industries located within the Superport will benefit

from auto production sharing, which at current prices represents a reduction in energy costs by approximately 30%.

With the granting of the PL for a 3,300 MW gas-fired plant by the Environmental Council of the State of Rio de Janeiro (Instituto Estadual do Ambiente do Estado do Rio de Janeiro - INEA), and the previous granting of the Installation License (LI) to generate 2,100 MW in the Açú Super Port through the development of a separate coal-fired facility, the Company will now own the largest licensed greenfield generation complex in the Southeast region, with total capacity of 5,400 MW. The plant will be located in one of the most important port-industrial complexes in Latin America, which is expected to be among the largest globally.

- **Capitalization**

On March 10, 2011, MPX announced to the market, by material fact, that the Placement Committee of the BNDES approved the guidelines for the capitalization of MPX through the issuance of convertible debentures amounting to a total of R\$ 600 million to be subscribed to by BNDES Participações S.A. (“BNDESPAR”), a subsidiary of BNDES.

The GIF Gestão de Investimentos e Participações Ltda. through one or more of its funds (“Gávea”) and MPX’s controlling shareholder, Mr. Eike Batista, committed to participate in the deal under the same conditions as BNDESPAR and will each subscribe to convertible debentures in the amount of R\$ 200 million. Thus, the amount expected to be raised in the deal is a minimum of R\$1 billion. Mr. Batista agreed to waive his preference rights partially and proportionately in favor of BNDESPAR and Gávea.

The amount raised will be primarily allocated to:

- The development of the integrated coal mining system through MPX Colombia, MPX’s wholly-owned subsidiary in Colombia. The system, which is expected to produce 35 million tons of coal per year, will start operations in 2012, and feature a 150 km railway linking the mines to a private port; and
- The production of natural gas and power generation at MPX Parnaíba. The estimated volume of natural gas is expected to be up to 15 Tcf.

By furthering the development of MPX Parnaíba, a large scale gas-fired thermal power plant that is expected to become a generation hub in northern Brazil, and advancing the supply of coal to our operations in Brazil and Chile from MPX Colombia, we are developing valuable resources for which there is considerable demand.

Through the exercise of preemptive rights by MPX’s minority shareholders, it is expected that the total value of the capitalization will reach R\$ 1.3 billion. The following basic terms are expected to apply to the transaction:

- (i) there will be a private placement of convertible debentures by MPX (“Convertible Debentures”);
- (ii) the Convertible Debentures will have a floating guarantee and will be convertible into common shares of MPX;
- (iii) the Convertible Debentures will mature in 3 (three) years from the date of issuance;
- (iv) the interest rate will be based on the Brazilian IPC-A, a consumer price index (capitalized until maturity) plus a spread of 4.00% per year (payable annually by MPX from the date of issuance);

- (v) the Convertible Debentures may be converted into common shares of MPX, which will have the same rights and privileges of the current shares, at any time by investors until the maturity date, based on a fixed price of R\$43.00 per share, which is equivalent to a 45.5% premium over the volume-weighted average price (VWAP) of the last 60 trading days ; and
- (vi) after financial settlement, BNDESPAR and Gávea will each appoint 1 (one) member to the MPX Board of Directors.

The parties continue to negotiate terms and conditions of the transaction, including, but not limited to the settlement of the Convertible Debentures upon early conversion at the request of MPX, default and early expiration.

All terms and conditions are subject to the execution of the final documents of the deal, BNDESPAR's final board approval and Gavea's internal approval, as well as approval by MPX's shareholders at an Extraordinary Shareholders Meeting to be called by the Company's management.

## 4Q10 Conference Call

**Conference Call Information**  
**Monday, March 28, 2011**  
**12:00 pm (Brazilian Time) / 11:00 am (US EST)**

**Telephone Brazil:** +55 11 4688-6341  
**Telephone USA:** (+1)888-700-0802  
**Telephone Other Countries:** (+1)786-924-6977  
**Password:** MPX

The call will be held in Portuguese with simultaneous translations to English

**Webcast in Portuguese:** [www.ccall.com.br/mpx/4t10.htm](http://www.ccall.com.br/mpx/4t10.htm)

**Webcast in English:** [www.ccall.com.br/mpx/4q10.htm](http://www.ccall.com.br/mpx/4q10.htm)

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## 5. Appendix:

### Appendix 1

#### i. PECÉM I TPP (Energia Pecém)

#### Long-Term Financing

	Amount disbursed	% Disbursed	Total	Tenure (years)	Grace period	Cost
<b>BNDES</b>	R\$ 1,080 MM	77%	R\$ 1,410 MM	17	Jul/12 (interest+principal)	TJLP + 277bps
<b>BID (A + B loan)</b>	R\$ 538 MM	95%	R\$ 566 MM	13 - 17	Jul/12 (principal)	LIBOR + 300- 350bps w/ <i>step- ups</i>
<b>Total</b>	R\$ 1,618 MM	82%	R\$ 1,976 MM	-	-	-

Obs:

- (1) Values in nominal BRL
- (2) USD-denominated debt: fx exposure was hedged at a spot rate of 1,81 R\$/US\$
- (3) Amounts disbursed until December 31, 2010. On January 2011, R\$ 15 MM was disbursed by BID.

#### Operating Capex Disbursed (in BRL 000)

	2007	2008	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	TOTAL
<b>BRL (R\$000)</b>	54,906	526,014	29,150	124,477	161,490	169,663	136,437	196,230	257,691	332,440	1.988.487

Notes:

- (1) Including taxes and contingencies;
- (2) Not including interest during construction and the reserve account for the service of the debt;
- (3) Not including amounts retained with respect to the execution guarantee in the amount of R\$ 81.4 million. These should be disbursed if the EPC contractor presents the due guarantees.
- (4) Conversion to Brazilian Reais using FX hedging curves.

#### Estimated Disbursement Curve (%) and Total Capex (in BRL 000)

	2007A	2008A	2009A	2010A	2011E	2012E	TOTAL
Real (R\$)	1.9%	18.5%	17.0%	32.4%	30.1%	0.0%	2,844,081

Notes:

- (1) Estimated values in nominal terms.
- (2) Contingencies budgeted for and not used will be transferred to the next years' budget.
- (3) Considers investments 100% of the plant and not only MPX's stake.

## ii. ITAQUI TPP (MPX Itaqui)

### Long-Term Financing

	Amount disbursed	% Disbursed	Total	Tenure (years)	Grace period	Cost
<b>BNDES direct</b>	R\$ 541 MM	68%	R\$ 797 MM	17	Jul/12 (interest+principal)	TJLP + 278bps
<b>BNDES indirect</b>	R\$ 180 MM	75%	R\$ 241 MM	17	Jul/12 (interest+principal)	IPCA + 121bps (\$100MM) / TJLP + 450-500bps (\$141MM)
<b>BNB</b>	R\$ 187 MM	92%	R\$ 203 MM	17	Jul/12 (principal)	8,5% a.a.
<b>Total</b>	R\$ 908 MM	73%	R\$ 1,241 MM	-	-	-

Obs:

- (1) Values in nominal BRL
- (2) Amounts disbursed until December 31, 2010. On January and February 2011, R\$ 143 MM was disbursed by BNDES.

### Operating Capex Disbursed (in BRL 000)

	2007	2008	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	TOTAL
<b>BRL (R\$000)</b>	28,599	291,050	21,471	58,692	82,718	116,213	157,868	114,388	160,211	170,282	1,201,493

Notes:

- (1) Including taxes and contingencies;
- (2) Not including interest during construction and the reserve account for the service of the debt;
- (3) Not including amounts retained with respect to the execution guarantee in the amount of R\$ 50,3 million. These should be disbursed if the EPC contractor presents the due guarantees.
- (4) Conversion to Brazilian Reais using FX hedging curves

### Estimated Disbursement Curve (%) and Total Capex (in BRL 000)

	2007A	2008A	2009A	2010A	2011E	2012E	TOTAL
Real (R\$)	1,6%	16,3%	15,6%	33,7%	28,6%	4,2%	1,788,112

Notes:

- (1) Estimated values in nominal terms.
- (2) Contingencies budgeted for and not used will be transferred to the next years' budget.

### iii. PECÉM II TPP (MPX Pecém II)

#### Long-Term Financing

	Amount disbursed <sup>3</sup>	% Disbursed	Total	Tenure (years)	Grace period	Cost
<b>BNDES direct TJLP</b>	R\$ 438 MM	73%	R\$ 603 MM	17	Jul/13 (interest+principal)	TJLP + 218 bps
<b>BNDES direct IPCA</b>	R\$ 88 MM	67%	R\$ 132 MM	17	Jul/13 (interest+principal)	IPCA + 980 bps
<b>BNDES social</b>		0%	R\$ 2 MM	9	Jul/13 (interest+principal)	TJLP
<b>BNB (FNE)<sup>2</sup></b>	-	0%	R\$ 250 MM	17	Jul/13 (principal)	850 bps
<b>Total</b>	R\$ 526 MM	53%	R\$ 987 MM	-	-	-

Obs:

(1) Values in nominal BRL.

(2) BNB Financing contracts not signed, still subject to final approval by BNB's Board..

(3) Amounts disbursed on December 31, 2010. On January and February 2011, R\$ 36 MM was disbursed by BNDES.

The Pecém II bridge-loan, in the amount of R\$ 305 million, renewed until October 26 at the rate of CDI + 250 bps, was paid in advance on October 18, 2010 with the resources of the first tranche of BNDES's long-term financing of MPX Pecem II.

#### Operating Capex Disbursed (in BRL 000)

	2007	2008	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	TOTAL
<b>BRL (R\$ 000)</b>	-	63,619	88,283	97,919	5,519	107,739	74,453	66,447	122,955	158,332	785,265

Notes:

(1) Including taxes and contingencies;

(2) Not including interest during construction and the reserve account for the service of the debt;

(3) Not including amounts retained with respect to the execution guarantee in the amount of R\$ 52.2 million. These should be disbursed if the EPC contractor presents the due guarantees.

(4) Conversion to Brazilian Reais using FX hedging curves

#### Estimated Disbursement Curve (%) and Total Capex (in BRL 000)

	2007A	2008A	2009A	2010A	2011E	2012E	TOTAL
Real (R\$)	0.0%	4.8%	22.3%	31.5%	34.3%	7.1%	1,340,475

Notes:

(1) Estimated values in nominal terms.

(2) Contingencies budgeted for and not used will be transferred to the next years' budget.

## Balance Sheet

September 30, 2010 and June 30, 2010

(In thousands of reais)

	Parent		Consolidated		Energia Pecém		MPX Itaqui		MPX Pecém II		Amapari	
	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10
<b>Assets</b>												
<b>Current Assets</b>												
Cash and cash equivalents	200,521	197,792	479,558	597,319	67,966	321,424	35,615	179,324	141,732	9,829	535	683
Current Accounts Receivable	52,195	54,255	67,168	65,424	298	316	272	648	11	33	3,997	6,250
Other current assets	50,180	56,074	724,543	190,455	-	-	40	118	395	1,354	4,191	3,847
Inventories	-	-	7,068	5,066	-	-	0	-	-	-	7,186	5,066
Escrow Accounts	365,508	257,100	374,678	265,592	-	-	9,171	8,492	-	-	-	-
Prepaid Expenses	188	272	8,469	7,199	1,224	3,090	1,761	1,589	2,298	730	174	238
	668,592	565,492	1,661,483	1,131,055	69,488	324,829	46,859	190,171	144,436	11,946	16,082	16,084
<b>Non-current Assets</b>												
Accounts Receivable	277,707	261,211	21,533	16,290	6,254	10,198	7,491	5,958	548	1,237	2,245	8
Others Credits	-	-	676,852	24,621	3,302	-	1	4	-	-	24,617	24,617
Escrow Accounts	55	55	0	437	-	-	182	265	-	-	-	-
Deferred Taxes (IR/CSLL)	19,407	13,236	303,743	259,030	105,907	171,953	58,425	60,883	35,196	28,291	-	-
Prepaid Expenses	-	-	4,283	6,011	937	2,500	181	362	1,892	2,939	-	-
	297,169	274,502	1,006,411	306,388	116,401	184,650	66,280	67,473	37,635	32,467	26,862	24,625
<b>Fixed Assets</b>												
Equity interest	1,059,580	955,512	50,459	26,644	-	-	-	-	-	-	-	-
Property, plant and equipment	13,857	10,192	3,472,679	2,979,180	1,127,960	1,913,093	1,345,130	1,168,162	863,026	716,809	69,810	71,308
Intangible Assets	873	16,338	88,523	64,278	793	1,153	11,314	10,466	18	19	354	388
Deferred Assets	-	-	(0)	45,671	126	251	708	708	4	4	7,179	7,551
	1,074,310	982,042	3,611,661	3,115,772	1,128,878	1,914,497	1,357,152	1,179,336	863,048	716,832	77,344	79,247
<b>Total Assets</b>	2,040,071	1,822,036	6,279,555	4,553,214	1,314,767	2,423,977	1,470,291	1,436,979	1,045,119	761,245	120,287	119,956

Note 1: Figure presented above consider the full results of MPX's subsidiaries

**Balance Sheet**

September 30, 2010 and June 30, 2010

(In thousands of reais)

Liabilities	Parent		Consolidated		Energia Pecém		MPX Itaqui		MPX Pecém II		Amapari	
	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10	dez/10	sep/10
<b>Current Liabilities</b>												
Accounts Payable	3,471	1,791	119,486	102,499	20,277	5,485	50,155	55,266	4,575	13,485	25,162	19,552
Personnel	3,976	4,153	14,369	7,838	997	1,658	3,130	987	1,458	444	279	450
Capitalized Interest	1,379	-	4,541	13,013	1,213	10,266	708	645	1,240	7,235	-	-
Taxes payables	335	308	5,156	4,846	1,014	5,251	1,518	586	534	570	737	313
Dividends Payable	7,655	-	8,387	376	-	-	-	-	-	-	660	376
Short Term Debt	249,699	-	290,269	346,443	-	-	-	-	-	305,000	-	-
Other Liabilities	716	905	649	4,040	-	-	58	35	-	-	38	68
R&D	-	-	1,083	960	-	-	-	-	-	-	1,085	960
Losses on Derivatives	54,634	64,165	766,517	259,049	8,710	18,773	3,178	3,430	10,856	12,474	-	-
Other obligations	614	614	185,241	123,289	81,404	95,237	50,329	40,503	52,225	34,124	667	430
	322,478	71,936	1,395,697	862,354	113,616	136,669	109,076	101,453	70,888	373,333	28,629	22,150
<b>Non-current Liabilities</b>												
Capitalized Interest	-	-	(21,642)	(36,676)	(19,176)	(44,284)	4,608	(14,534)	(7,074)	-	-	-
Deferred Taxes(IR/CSLL)	-	-	90,571	86,694	44,775	81,309	14	42	-	-	-	-
Long-term debt	-	-	2,316,814	1,692,281	839,998	1,546,786	943,889	918,889	532,927	-	-	-
Related-party Transactions	2	2	1,271	135	-	-	-	-	256,865	245,920	9,918	14,834
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Provision for losses	4,251	21,587	795,282	176,802	99,303	209,899	47,166	70,234	2,145	264	-	-
	4,253	21,589	3,182,295	1,919,236	964,900	1,793,710	995,677	974,630	784,863	246,184	9,918	14,834
<b>Shareholder's Equity</b>												
Common Stock	2,041,918	2,041,918	2,041,918	2,041,918	305,237	570,474	479,000	479,000	258,701	197,193	84,761	84,761
Legal Reserve	223,851	-	223,851	-	-	-	-	-	-	-	127	-
Unrealized Gains (Losses)	(35,400)	(31,313)	(35,400)	(31,313)	(30,453)	(62,625)	-	-	-	-	-	-
Capital Reserve	0	7,106	0	7,106	35,656	71,312	-	-	-	-	-	-
AFAC	-	-	-	-	-	-	-	-	-	-	-	-
Currency Translation Adjustments	0	(4,797)	0	(4,797)	-	-	-	-	-	-	-	-
Retained Earnings	(517,029)	(100,226)	(572,183)	(100,226)	(32,784)	-	(79,802)	(73,197)	(35,541)	(35,541)	(3,331)	(3,331)
Net Earnings	0	(184,177)	0	(184,177)	(41,405)	(85,563)	(33,660)	(44,907)	(33,791)	(19,924)	183	1,542
	1,713,340	1,728,511	1,658,186	1,728,511	236,251	493,598	365,538	360,896	189,369	141,728	81,740	82,972
<b>Minority Interests</b>	-	-	43,377	43,114	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,040,071</b>	<b>1,822,036</b>	<b>6,279,555</b>	<b>4,553,214</b>	<b>1,314,767</b>	<b>2,423,977</b>	<b>1,470,291</b>	<b>1,436,979</b>	<b>1,045,119</b>	<b>761,245</b>	<b>120,287</b>	<b>119,956</b>

Note 1: Figure presented above consider the full results of MPX's subsidiaries

<b>Income Statement</b> <i>(In thousands of reais)</i>	<b>Parent</b>		<b>Consolidated</b>		<b>Energia Pecém</b>		<b>MPX Itaquí</b>		<b>MPX Pecém II</b>		<b>Amapari</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Gross Operating Revenues</b>												
Energy Supply	-	-	43,574	62,836	-	-	-	-	-	-	43,574	62,836
Energy commercialization	-	-	69,307	17,233	-	-	-	-	-	-	-	-
	-	-	112,880	80,069	-	-	-	-	-	-	43,574	62,836
<b>Deductions from Gross Revenue</b>												
Cofins	-	-	(8,579)	(3,201)	-	-	-	-	-	-	(3,312)	(1,885)
Pis	-	-	(1,863)	(694)	-	-	-	-	-	-	(719)	(408)
ICMS	-	-	(3,527)	(11,719)	-	-	-	-	-	-	(3,527)	(11,719)
ISS	-	-	(16)	(3)	-	-	-	-	-	-	-	-
R&D	-	-	(442)	(542)	-	-	-	-	-	-	(442)	(542)
<b>Net Operating Revenues</b>	-	-	98,455	63,911	-	-	-	-	-	-	35,574	48,282
<b>Operating Costs</b>												
Personnel and managers	-	-	(5,099)	(9,729)	(219)	(308)	(1,458)	(3,724)	(18)	(244)	(2,096)	(3,357)
Material	-	-	(1,912)	(2,261)	(13)	(14)	(80)	(168)	(3)	(2)	(1,801)	(974)
Fuel	-	-	(60,674)	(55,168)	-	-	-	-	-	-	(60,674)	(73,405)
Outsourced services	-	-	(7,428)	(6,085)	(250)	(2,348)	(2,205)	(3,858)	(1,201)	(888)	(2,945)	(2,319)
Depreciation and amortization	-	-	(5,954)	(4,525)	(139)	(1)	(30)	-	(3)	-	(5,747)	(4,524)
Leases and Rentals	-	-	(15,264)	(1,671)	(209)	(167)	(603)	(202)	(965)	(992)	(371)	(158)
Insurance	-	-	(2,238)	(1,792)	(56)	(633)	(1,389)	(297)	(690)	(393)	(102)	(258)
Taxes and Contributions	-	-	116	(710)	(6)	(9)	4	(207)	(5)	-	(55)	(251)
CCC Subsidy	-	-	45,072	44,089	-	-	-	-	-	-	45,072	44,089
Energy acquired for resale	-	-	(61,773)	(2,690)	-	-	-	-	-	-	-	-
Other costs	-	-	(1,328)	(1,546)	(8)	(117)	(331)	(1,154)	(620)	(7)	(52)	(23)
	-	-	(116,482)	(42,088)	(900)	(3,599)	(6,094)	(9,609)	(3,505)	(2,525)	(28,770)	(41,180)
<b>Operating Expenses</b>												
Personnel and managers	(117,583)	(119,135)	(131,278)	(141,544)	(1,604)	(1,885)	(3,830)	(4,395)	(1,936)	(2,579)	(1,931)	(1,485)
Material	(172)	(192)	(564)	0	(12)	(17)	(329)	(56)	(21)	(1)	(23)	(76)
Outsourced services	(33,679)	(35,187)	(66,694)	(83,210)	(2,144)	(2,644)	(5,369)	(8,051)	(1,831)	(469)	(2,139)	(2,558)
Depreciation and amortization	(666)	(524)	(2,017)	(9,739)	(57)	(35)	(170)	(51)	(28)	(7)	(29)	(26)
Leases and Rentals	(7,187)	(3,331)	(11,263)	(6,597)	(163)	(126)	(160)	(124)	(90)	(5)	(90)	(150)
Insurance	(391)	(402)	(2,311)	(862)	(1,576)	(8)	(83)	(435)	(0)	-	(6)	-
Taxes	(1,407)	(175)	(2,031)	(0)	(20)	(12)	(29)	(75)	-	-	(0)	(9)
Other expenses	(6,557)	(3,870)	(10,010)	0	(169)	(110)	(413)	(571)	(654)	(24)	(144)	(39)
	(167,641)	(162,815)	(226,167)	(241,951)	(5,745)	(4,838)	(10,383)	(13,759)	(4,561)	(3,084)	(4,362)	(4,342)
<b>Net financial income</b>	67,787	87,569	(45,745)	(36,263)	(56,162)	36,939	(34,359)	(87,529)	(42,612)	(48,241)	(2,407)	(3,851)
<b>Other revenues/ (expenses)</b>	6,695	(27,116)	(22,163)	(11,292)	-	-	(124)	(7)	-	-	379	-
<b>Equity Income</b>	(170,116)	(92,257)	(1,535)	-	-	-	-	-	-	-	-	-
<b>Earnings before taxes</b>	(263,275)	(194,619)	(313,638)	(267,683)	(62,807)	28,503	(50,960)	(110,904)	(50,677)	(53,851)	413	(1,091)
CSLL/IR	-	(27,747)	(280)	(30,063)	-	-	-	-	-	-	(230)	(2,015)
Deferred Taxes Provision (IR/CSLL)	7,025	12,382	58,303	77,563	21,403	7,153	17,300	37,707	16,887	18,309	-	-
<b>Minority Interest</b>	-	-	(636)	10,199	-	-	-	-	101	-	(90)	-
<b>Net Income</b>	(256,250)	(209,984)	(256,250)	(209,984)	(41,405)	35,656	(33,660)	(73,197)	(33,791)	(35,541)	183	(3,107)

Note 1: Figure presented above consider the full results of MPX's subsidiaries

Income Statement <i>(In thousands of reais)</i>	Parent		Consolidated		Energia Pecém		MPX Itaqui		MPX Pecém II		Amapari	
	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09
<b>Gross Operating Revenues</b>												
Energy Supply	-	-	10,329	11,500	-	-	-	-	-	-	10,329	11,500
Energy commercialization	-	-	20,501	5,934	-	-	-	-	-	-	-	-
	-	-	30,831	17,434	-	-	-	-	-	-	10,329	11,500
<b>Deductions from Gross Revenue</b>												
Cofins	-	-	(2,343)	(796)	-	-	-	-	-	-	(785)	(345)
Pis	-	-	(510)	(173)	-	-	-	-	-	-	(172)	(75)
ICMS	-	-	-	(1,955)	-	-	-	-	-	-	-	(1,955)
ISS	-	-	(4)	(2)	-	-	-	-	-	-	-	-
R&D	-	-	(175)	(91)	-	-	-	-	-	-	(175)	(91)
<b>Net Operating Revenues</b>	-	-	27,798	14,417	-	-	-	-	-	-	9,197	9,034
<b>Operating Costs</b>												
Personnel and managers	-	-	(1,711)	(2,207)	(104)	494	(633)	(1,452)	(1)	(91)	(577)	(586)
Material	-	-	(809)	(1,452)	(8)	(4)	(23)	(23)	(1)	(2)	(774)	(326)
Fuel	-	-	(16,644)	5,584	-	-	-	-	-	-	(16,644)	(12,653)
Outsourced services	-	-	(3,432)	8,291	(52)	(592)	(554)	(1,080)	(576)	4,936	(2,037)	(509)
Depreciation and amortization	-	-	(1,949)	(1,315)	(129)	(1)	(17)	-	(3)	-	(1,791)	(1,313)
Leases and Rentals	-	-	(1,353)	(90)	(56)	(14)	(253)	(31)	(256)	(196)	41	(70)
Insurance	-	-	(815)	(718)	-	(154)	(445)	(59)	(305)	(98)	(65)	(196)
Taxes and Contributions	-	-	9	177	(5)	-	15	(80)	-	-	(1)	218
CCC Subsidy	-	-	12,641	12,957	-	-	-	-	-	-	12,641	12,957
Energy acquired for resale	-	-	(17,939)	7,136	-	-	-	-	-	-	-	-
Other costs	-	-	182	(171)	(1)	(37)	46	(244)	(15)	(5)	(22)	(7)
	-	-	(31,821)	28,192	(355)	(309)	(1,864)	(2,970)	(1,157)	4,544	(9,230)	(2,486)
<b>Operating Expenses</b>												
Personnel and managers	(45,634)	(31,634)	(45,384)	(46,141)	(470)	(699)	(1,864)	(2,694)	(1,111)	(1,652)	(635)	(830)
Material	(45)	(44)	(297)	308	(2)	(3)	(231)	(18)	(12)	(1)	(2)	(13)
Outsourced services	(10,027)	(12,254)	(17,448)	(26,285)	(266)	(243)	(1,456)	(2,121)	(571)	1,304	(650)	(291)
Depreciation and amortization	(203)	(148)	(782)	(8,228)	(15)	(13)	(51)	(24)	(9)	(4)	(8)	(6)
Leases and Rentals	(2,674)	(693)	(3,864)	(1,806)	(42)	(50)	(44)	(40)	(20)	(5)	(5)	(94)
Insurance	(83)	(198)	(616)	(337)	(435)	-	(17)	(128)	-	-	(1)	-
Taxes	(102)	(72)	(436)	339	(5)	(11)	(8)	(65)	-	-	-	(0)
Other expenses	(1,351)	(2,397)	(2,505)	2,529	(32)	(34)	(114)	(187)	(534)	(23)	(73)	(8)
	(60,119)	(47,439)	(71,332)	(79,620)	(1,268)	(1,052)	(3,784)	(5,276)	(2,258)	(381)	(1,375)	(1,242)
<b>Net financial income</b>	17,282	21,167	49,045	36,383	3,635	50,488	22,730	812	(17,357)	(16,165)	112	(1,135)
<b>Other revenues/ (expenses)</b>	25,870	(4,162)	(664)	(11,620)	-	2	(1)	-	-	-	167	-
<b>Equity Income</b>	(13,959)	37,682	2,566	-	-	-	-	-	-	-	-	-
<b>Earnings before taxes</b>	(30,926)	7,248	(24,407)	(12,248)	2,012	49,129	17,080	(7,434)	(20,772)	(12,002)	(1,129)	4,171
CSLL/IR	-	(946)	(273)	(1,395)	-	-	-	-	-	-	(230)	(417)
Deferred Taxes Provision (IR/CSLL)	6,171	12,382	(1,039)	26,141	(635)	140	(5,833)	2,527	6,905	4,081	-	-
<b>Minority Interest</b>	-	-	965	6,186	-	-	-	-	42	(83)	666	(3,362)
<b>Net Income</b>	(24,755)	18,685	(24,755)	18,685	1,377	49,269	11,247	(4,906)	(13,867)	(7,921)	(1,359)	3,754

Note 1: Figure presented above consider the full results of MPX's subsidiaries