

- ❄ **Net revenue: R\$193.3mn in 1Q11 (+7.0% vs. 1Q10)**
- ❄ **Raise of 57% in Europe net revenue**
- ❄ **Adjusted EBITDA: R\$17.2mn in 1Q11, with a margin of 9.0%**
- ❄ **Net Debt of R\$107.6mn in 1Q11 (1.12 times adjusted EBITDA)**
- ❄ **Operating Cash Flow<sup>1</sup> of R\$20.8mn in 1Q11 (consumption of R\$1.3mn in 1Q10)**

**São Paulo, Brazil, May 13, 2011** - Metalfrio Solutions S.A. (FRIO3) ("Metalfrio"), one of the world's largest manufacturers of plug-in commercial refrigeration equipment, announces its results for the first quarter of 2011 ("1Q11"). Financial and operational information given is in accord with international accounting standards (IFRS), in Reais (R\$). Comparisons are with the first quarter of 2010 ("1Q10") or as indicated.

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**Conference call in Portuguese**

Date: **May 16, 2011**  
Time: 10 a.m. São Paulo  
9 a.m. New York

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**Conference call in English**

Date: **May 16, 2011**  
Horário: 11 a.m. São Paulo  
10 a.m. New York

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**1Q11 Summary**

- ❄ **Net revenue: R\$193.3mn** in 1Q11 (+7.0% vs. 1Q10). **Americas: R\$118.7mn** (-10.8% vs. 1Q10). **Europe: R\$74.6mn** (+57.1% vs. 1Q10)
- ❄ **Gross Profit of R\$33.1mn** in 1Q11 (gross margin 17.1%), compared with gross profit of R\$33.8mn in 1Q10 (gross margin 18.7%)
- ❄ **Adjusted EBITDA of R\$17.2mn** in 1Q11 (-12.6% vs. 1Q10), margin of 9.0% (10.9% in 1Q10)
- ❄ **Operating cash flow<sup>1</sup> of R\$20.8mn** in 1Q11 (consumption of R\$1.3mn in 1Q10)
- ❄ **Net profit of R\$11.9mn** in 1Q11(-36.6% vs. 1Q10), net margin of 6.1% (10.4% in 1Q10)
- ❄ **Net debt of R\$107.6mn** in 1Q11, equivalent to 1.12 times the accumulated adjusted EBITDA of the last 12 months (Net Debt of R\$123.8mn in 1Q10)

<sup>1</sup> See the reconciliation of operational cash flow on Page 10.

## Message from management

Dear stockholder,

Total sales volume in this quarter was 7% higher than in first quarter of 2010, on an increase of 57% in sales volume in the European operations, and a reduction of 11% in the Americas. The increase in Europe shows the continuing recovery of that market, and expansion of sales in that region. In the Americas, the largest effect was in Brazil, with postponements of orders by clients in the beverage industry.

Metalrio's gross profit in 1Q11 was 2.2% lower than in 1Q10, with gross margin of 17.1%, compared to 18.7% a year ago, still reflecting temporary losses in productivity in the new horizontal freezers line in Brazil. As a result, adjusted EBITDA in 1Q11 was R\$17.2 million, with adjusted EBITDA margin of 9.0%, lower than the R\$19.7 million of 1Q10 (margin of 10.9%).

At the end of 1Q11 the Company's net debt was R\$107.6mn, which compares with R\$123.8mn at the end of 1Q10. The ratio of net debt to adjusted EBITDA was 1.12x at the end of 1Q11, an improvement from 1.55x at the end of 1Q10.

Due to inflationary pressure on costs in this quarter, the Company continued to purchase certain raw materials in advance for the first half of 2011, making good use of favorable terms negotiated for the purchase of these materials.

During 1Q11, the Company negotiated exercise of the call option to acquire the remaining 29% of the registered capital of Şenocak Holding A.S., completing a 100% ownership position in the controlling group of Klimasan A.S. Also, an employment contract was signed with Mr. A. Ahmet Şenocak, CEO of Şenocak Holding A.S., for an additional period of 1 year.

**Highlights of the consolidated result**

**Net revenue**

In 1Q11, our **net revenue** was **193.3mn**, compared with 180.6mn in 1Q10, with raise of 7.0%. From the net revenue of 1Q11, R\$12.3mn comes from the service segment (maintenance services, equipment repair and parts sales), compared with R\$10.7mn in 1Q10.

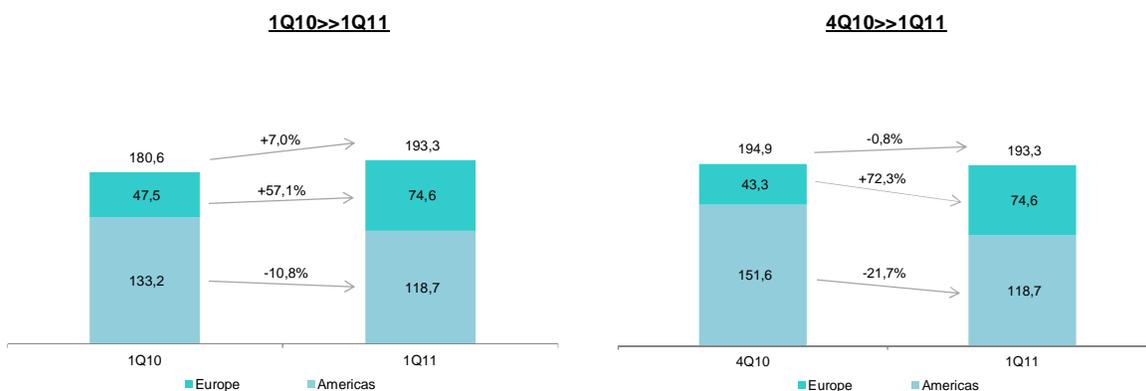
**Americas**

The net revenue of our **operation in the Americas** was **R\$118.7mn in 1Q11**, 10.8% lower compared with net revenue of 133.2mn of 1Q10.

**Europe**

Our **operation in Europe** has net revenue of **R\$74.6mn in 1Q11**, when comparing with sales of 47.5mn in 1Q10, a **raise of 57.1%**.

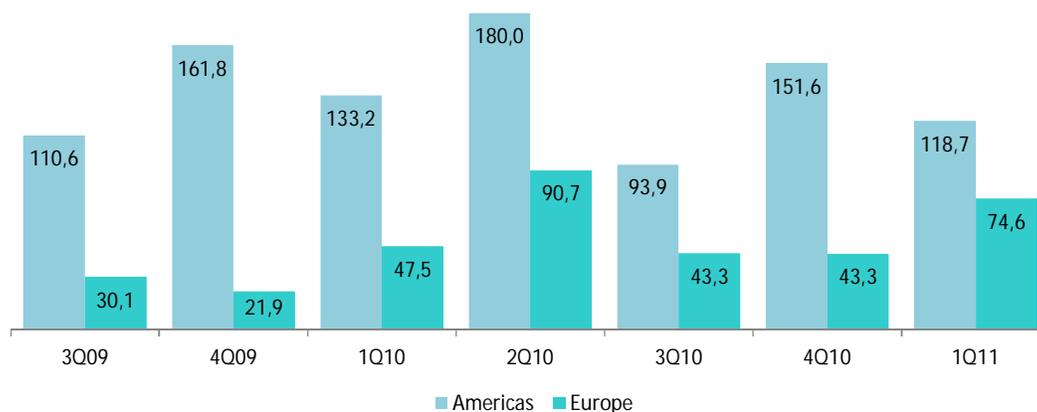
**Net revenue (R\$ mn)**



This table gives quarterly net revenue:

| NET REVENUES (R\$ Mn) | 1Q10         | 2Q10         | 3Q10         | 4Q10         | 1Q11         | Chg. 1Q11/<br>1Q10 | Chg. 1Q11/<br>4Q10 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------------|--------------------|
| <b>Total</b>          | <b>180.6</b> | <b>270.7</b> | <b>137.3</b> | <b>194.9</b> | <b>193.3</b> | <b>+7.0</b>        | <b>-0.8</b>        |
| Americas              | 133.2        | 180.0        | 93.9         | 151.6        | 118.7        | -10.8              | -21.7              |
| Europe                | 47.5         | 90.7         | 43.3         | 43.3         | 74.6         | +57.1              | +72.3              |

The chart below, of net revenue of the operations in the Americas and Europe, shows the seasonal effect, with the strongest sales in the quarters prior to the summer – principally the second quarter in the northern hemisphere and the fourth quarter in the southern hemisphere.

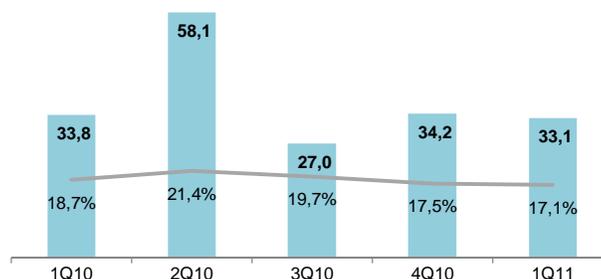


**Consolidated cost of goods sold, gross profit, gross margin**

**Gross profit in 1Q11, at R\$33.1mn**, was **2.2% lower** than the gross profit of R\$33.8mn in 1Q10.

**Gross margin in 1Q11, at 17.1%**, was 1.6 percentage points lower than the 1Q10 gross margin of 18.7%. The main factors in this reduction were: (i) temporary losses in the productivity of the horizontal freezers line in Brazil, associated with the transfer of this manufacturing activity from São Paulo to Três Lagoas; (ii) postponement of orders from beverage industry clients in Brazil, due to macroeconomic factors; and (iii) the client mix in Turkey and Mexico.

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



**Operational expenses (SG&A)**

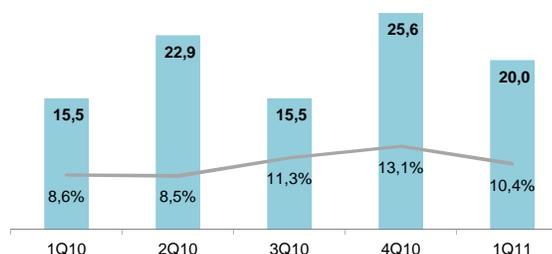
**Consolidated selling expenses**

Selling expenses in 1Q11 were **R\$20.0mn, 10.4% of net revenue**. In 1Q10, selling expenses were R\$15.5mn, or 8.6% of net revenue.

Although selling expenses as a percentage of net sales were 1.8 percentage points higher than in 1Q10, this ratio was 2.7 percentage points lower than in the fourth quarter of 2010 (4Q10). There was an increase in selling expenses in the second half of 2010, due to a normal seasonal effect in Europe, and also a temporary effect, which was expected, in which sales expenses were increased due to the greater distance between the manufacturing plant and the principal consumer centers in Brazil.

In 1Q11 selling expenses began to return to the expected level, due to actions put in place to reduce this additional cost.

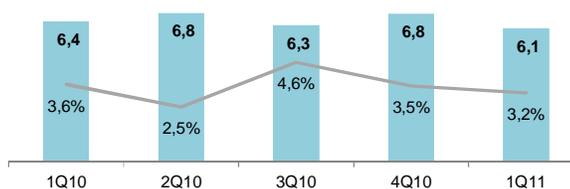
**Selling expenses (R\$ mn)**



**Consolidated general and administrative expenses**

General and administrative expenses in 1Q11 were **R\$6.1mn (3.2% of net revenue)** – and 4.8% lower than the G&A expenses of R\$6.4mn in 1Q10 (which were 3.6% of net revenue).

**G&A (R\$ mn)**



**Consolidated other operational revenues (expenses)**

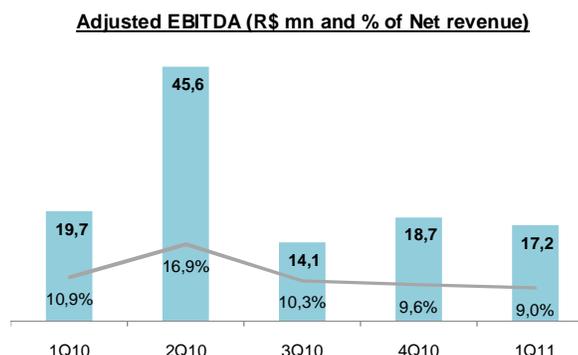
Other operational revenues, net, were **R\$5.8mn** in 1Q11, mainly made up of R\$6.1mn in gains under tax incentives. For comparison, in 1Q10 this line was R\$4.0mn, basically comprising R\$5.0mn in gains under tax incentives.

**Consolidated EBITDA and EBITDA margin**

Adjusted **EBITDA** in 1Q11 was R\$17.2mn, with adjusted **EBITDA margin** of **9.0%**.

In 1Q10 our adjusted EBITDA was R\$19.7mn, with adjusted EBITDA margin of 10.9%: hence adjusted EBITDA was 12.6% lower year-on-year in numerical terms, with adjusted EBITDA margin 1.9 percentage points lower year-on-year.

The main factors responsible for the lower adjusted EBITDA margin were: (i) temporary losses in productivity in the horizontal freezers line in Brazil; and (ii) temporary increase in selling expenses.



**Reconciliation of consolidated EBITDA and Adjusted EBITDA:**

| Consolidated EBITDA (in mn Reais)            | 1Q10         | 2Q10         | 3Q10         | 4Q10        | 1Q11        | L12M         |
|--|--------------|--------------|--------------|-------------|-------------|--------------|
| Operating result                             | 13.8         | 40.6         | 6.2          | 12.4        | 11.3        | 70.4         |
| Depreciation and amortization                | 5.0          | 5.0          | 5.1          | 5.6         | 5.5         | 21.3         |
| <b>EBITDA</b>                                | <b>18.8</b>  | <b>45.6</b>  | <b>11.3</b>  | <b>18.0</b> | <b>16.9</b> | <b>91.7</b>  |
| Stock option plan expenses (i)               | 0.9          | 0.0          | 0.0          | 0.5         | 0.4         | 0.9          |
| São Paulo line discontinuation expenses (ii) | 0.0          | 0.0          | 2.9          | 0.2         | 0.0         | 3.1          |
| <b>Adjusted EBITDA</b>                       | <b>19.7</b>  | <b>45.6</b>  | <b>14.1</b>  | <b>18.7</b> | <b>17.2</b> | <b>95.7</b>  |
| <b>Adjusted EBITDA margin (%)</b>            | <b>10.9%</b> | <b>16.9%</b> | <b>10.3%</b> | <b>9.6%</b> | <b>9.0%</b> | <b>12.0%</b> |

Adjustments to EBITDA:

- i. Stock option plan: recognized in the income statement for the period in which the right is acquired, calculated in accordance with Accounting Statement CPC 10, approved by CVM Decision 562/08.
- ii. Discontinuation of the São Paulo production line: This expense of R\$3.1mn is being applied as an adjustment to EBITDA to maintain the base for comparison with the other periods. It refers to discontinuation of the horizontal freezers line in São Paulo, basically consisting of employee dismissal expenses.

## Financial result

We report net financial *revenue* in 1Q11 of R\$1.7mn, on R\$16.8mn of financial revenues and financial expenses of R\$15.1mn.

We report net financial *revenue* in 1Q10 of R\$7.2mn, on R\$17.4mn of financial revenues and financial expenses of R\$10.2mn.

| Financial Result (R\$ mn)          | 1Q10        | 1Q11        | Chg. 1Q11/<br>1Q10 |
|------------------------------------|-------------|-------------|--------------------|
| Interest on cash investments       | 5.0         | 7.6         | +2.6               |
| Other financial income             | 0.1         | 0.3         | +0.3               |
| <b>Interest and Other Income</b>   | <b>5.1</b>  | <b>7.9</b>  | <b>+2.8</b>        |
| Interest on loans and financing    | -4.8        | -4.3        | +0.6               |
| Other financial expenses           | -1.2        | -2.8        | -1.6               |
| <b>Interest and Other Expenses</b> | <b>-6.0</b> | <b>-7.1</b> | <b>-1.0</b>        |
| Hedge operations gains             | 2.4         | 2.2         | -0.2               |
| Hedge operations losses            | -0.7        | -1.5        | -0.8               |
| <b>Hedge Operations Result</b>     | <b>1.8</b>  | <b>0.7</b>  | <b>-1.0</b>        |
| FX variation gains                 | 9.8         | 6.6         | -3.2               |
| FX variation losses                | -3.4        | -6.5        | -2.9               |
| <b>Net FX Variation</b>            | <b>6.4</b>  | <b>0.1</b>  | <b>-6.1</b>        |
| <b>Net Financial Result</b>        | <b>7.2</b>  | <b>1.7</b>  | <b>-5.4</b>        |

Interest on cash investments was R\$7.6mn in 1Q11, and R\$5.0mn in 1Q10. This raise happened basically due to the increase in cash and cash equivalents.

Financial expenses from loan interests totaled R\$4.3mn in 1Q11 and R\$4.8mn in 1Q10 – moving in the opposite direction to the increase in our gross debt, basically due to settlement of loans with higher interest rates, and their replacement with new loans raised with lower interest rates.

Transactions in derivatives produced a net gain of R\$0.7mn in 1Q11, comprising a gain of R\$2.2mn, and a loss of R\$1.5mn.

The balance of the effect of exchange rate variation in 1Q11 was R\$0.1mn. In 1Q10 the positive balance of FX variation was more expressive due to the weakening of the Euro in relation to functional currencies in the European operations that quarter.

## Net profit

In 1Q11 we reported net profit of R\$11.9mn (with net margin of 6.1%). In 1Q10, we reported net profit of R\$18.7mn (with net margin of 10.4%). The reduction in net profit, of R\$6.8mn (-36.6% vs 1Q10), is basically due to the reduction of R\$2.5mn in the Company's operational result, and the reduction of R\$5.5mn in the financial result.

## Working capital

At the end of 1Q11, working capital less financial assets and liabilities was R\$196.0mn, compared to R\$150.1mn at the end of 1Q10. The higher figure is mainly due to: (i) accounts receivable from clients R\$19.6mn higher, reflecting higher sales year-on-year; and (ii) inventories R\$19.4mn higher, still as a result of the strategy adopted in 4Q10 of bringing forward purchases of some raw materials. As a result the **operational cash cycle** at the end of 1Q11 was **85 days**, an increase of 12 days in relation to the end of 1Q10.

| WORKING CAPITAL (in mn Reais)                   | 1Q10         | 2Q10         | 3Q10         | 4Q10         | 1Q11         | Chg.<br>1Q11/<br>1Q10 | Chg.<br>1Q11/<br>4Q10 |
|---|--------------|--------------|--------------|--------------|--------------|-----------------------|-----------------------|
| <b>Current assets:</b>                          |              |              |              |              |              |                       |                       |
| Cash and equivalentes, bonds and securities     | 186.9        | 230.7        | 254.0        | 288.9        | 320.0        | +133.1                | +31.1                 |
| Accounts receivable                             | 160.7        | 229.7        | 142.2        | 196.2        | 180.2        | +19.6                 | -16.0                 |
| Inventory                                       | 118.7        | 105.7        | 104.0        | 115.5        | 138.2        | +19.4                 | +22.7                 |
| Other   | 27.4         | 25.4         | 23.3         | 24.4         | 28.9         | +1.5                  | +4.5                  |
| Receivables with derivatives                    | 7.6          | 0.0          | 0.0          | 0.0          | 0.5          | -7.1                  | +0.5                  |
| <b>A) Total</b>                                 | <b>501.3</b> | <b>591.6</b> | <b>523.6</b> | <b>625.0</b> | <b>667.8</b> | <b>+166.5</b>         | <b>+42.8</b>          |
| <b>B) Current assets (less fin. assets)</b>     | <b>306.8</b> | <b>360.9</b> | <b>269.5</b> | <b>336.1</b> | <b>347.3</b> | <b>+40.5</b>          | <b>+11.2</b>          |
| <b>Current liabilities:</b>                     |              |              |              |              |              |                       |                       |
| Accounts payable                                | 101.7        | 107.4        | 52.8         | 80.1         | 106.1        | +4.3                  | +26.0                 |
| ST debt   | 121.2        | 154.1        | 133.8        | 177.0        | 173.6        | +52.4                 | -3.4                  |
| Other   | 55.0         | 63.2         | 50.6         | 55.0         | 45.2         | -9.8                  | -9.8                  |
| Payables with derivatives                       | 0.2          | 2.6          | 7.7          | 2.1          | 0.0          | -0.2                  | -2.1                  |
| <b>C) Total</b>                                 | <b>278.1</b> | <b>327.3</b> | <b>244.8</b> | <b>314.2</b> | <b>324.8</b> | <b>+46.7</b>          | <b>+10.6</b>          |
| <b>D) Current liabilities (less fin. liab.)</b> | <b>156.7</b> | <b>170.6</b> | <b>103.3</b> | <b>135.1</b> | <b>151.2</b> | <b>-5.5</b>           | <b>+16.2</b>          |
| <b>Working capital (B-D)</b>                    | <b>150.1</b> | <b>190.3</b> | <b>166.2</b> | <b>201.0</b> | <b>196.0</b> | <b>+46.0</b>          | <b>-5.0</b>           |
| Days of receivables                             | 63           | 62           | 75           | 66           | 67           | +4                    | +1                    |
| Days of inventory                               | 73           | 45           | 85           | 65           | 78           | +5                    | +13                   |
| Days of suppliers                               | 62           | 45           | 43           | 45           | 60           | -3                    | +15                   |
| <b>Cash cycle</b>                               | <b>73</b>    | <b>61</b>    | <b>117</b>   | <b>85</b>    | <b>85</b>    | <b>+12</b>            | <b>-1</b>             |
| Current liquidity (A/C)                         | 1.8x         | 1.8x         | 2.1x         | 2.0x         | 2.1x         | n/a                   | n/a                   |

## Cash and cash equivalents, bonds and securities

In 1Q11 our balance of cash and cash equivalents (including bonds and securities) was R\$320.0mn, compared with R\$186.9mn in 1Q10 – an increase of R\$133.1mn.

## Accounts receivable from customers

There was an increase in accounts receivable from clients, of **R\$19.6mn**, in comparison to the last year: the total was R\$160.7mn at the end of 1Q10, vs. **R\$180.2mn in 1Q11**. The days of receivables increased from 63 at the end of 1Q10 to 67 in 1Q11. No change was made to the company's credit policy, but a greater concentration of sales happened in 2011 in the last month of the quarter.

## Inventories

Inventories were increased by approximately **R\$19.4mn** from the end of the previous quarter. – from R\$118.7mn at the end of 1Q10 to **R\$138.2mn at the end of 1Q11**. Days of inventory increased from 73 days at the end of 1Q10 to 78 days at the end of 1Q11. The Company adopted in end of 2010 a strategy of bringing forward purchases of some raw materials that will be used during the first semester of 2011, taking advantage of favorable conditions negotiated with suppliers for the purchase of these materials.

### Suppliers

The Suppliers account **increased** by **R\$4.3mn** from the end of the previous quarter – from R\$101.7mn at the end of 4Q10 to **R\$106.1mn at the end of 1Q11**. Days of payment to suppliers went from 62 days at the end 1Q10 to 60 at the end of 1Q11.

### Operating Cash Flow

The table below gives the reconciliation of operational cash flow, according to the CVM criterion, which includes revenues from cash investments, and variations in values of securities:

| OPERATING CASH FLOW RECONCILIATION<br>(in R\$ mn) | 1Q10          | 1Q11         |
|---|---------------|--------------|
| <b>Adjusted EBITDA</b>                            | <b>19.7</b>   | <b>17.2</b>  |
| <b>Current income tax</b>                         | <b>(4.3)</b>  | <b>(1.4)</b> |
| <b>Working capital</b>                            | <b>(16.7)</b> | <b>5.0</b>   |
| Accountsreceivable                                | (4.2)         | 16.0         |
| Stocks  | (34.8)        | (22.7)       |
| Suppliers   | 27.0          | 26.0         |
| Other   | (4.8)         | (14.3)       |
| <b>Operating cash flow</b>                        | <b>(1.3)</b>  | <b>20.8</b>  |
| Income from financial investments                 | 5.0           | 7.6          |
| Bond and securities                               | (0.7)         | 22.9         |
| Other   | (2.3)         | (0.5)        |
| <b>Operaint Cash Flow, CVM criterion</b>          | <b>0.8</b>    | <b>50.7</b>  |

### Investments

#### Fixed assets

Net fixed assets at the end of 1Q11 totaled **R\$143.9mn**, R\$2.2mn more than at the end of 1Q10. Capital expenditure in 1Q11 totaled R\$7.0mn, basically in modernization of machinery and facilities at the factories in Brazil and Turkey. There was also depreciation of R\$4.9mn.

#### Investments and intangibles

Our balance of intangible assets was reduced from R\$117.6mn at the end of 1Q10 to **R\$98.0mn at the end of 1Q11**, basically due to FX variation.

This table shows changes in the balance of fixed assets:

| FIXED ASSETS (in mn<br>Reais) | 1Q10         | 2Q10         | 3Q10         | 4Q10         | 1Q11         | Chg. 1Q11/<br>1Q10 | Chg.<br>1Q11/<br>4Q10 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|-----------------------|
| Net PP&E                      | 141.7        | 136.5        | 137.9        | 141.7        | 143.9        | +2.2               | +2.2                  |
| Intangibles                   | 117.6        | 115.9        | 106.4        | 100.2        | 98.0         | -19.7              | -2.2                  |
| <b>Total</b>                  | <b>259.3</b> | <b>252.4</b> | <b>244.2</b> | <b>241.9</b> | <b>241.9</b> | <b>-17.4</b>       | <b>-0.0</b>           |

## Capitalization and liquidity

### Debt

At the end of 1Q11 we held R\$320.0mn in cash (including bonds and securities), compared to R\$186.9mn at the end of 1Q10 (an increase of 71.2%), and R\$288.9mn at the end of 4Q10.

Our **total debt** at the end of 1Q11 was R\$427.5mn, compared to R\$310.7mn at the end of 1Q10 (an increase of 37.6%). Compared to the total debt at the end of 4Q10, of R\$412.4mn, the increase was R\$15.5mn, or 3.5%.

**Net debt at the end of 1Q11 was R\$107.6mn**, R\$16.0mn less than at the end

of 4Q10, basically reflecting: (i) operational cash flow of R\$20.8mn (see table on page 10) and (ii) investments of R\$7.0mn.

Consolidated debt breakdown (R\$ mn)



| LIQUIDITY INDICATORS (in mn Reais)                 | 1Q10          | 2Q10          | 3Q10         | 4Q10          | 1Q11          | Chg. 1Q11/<br>1Q10 | Chg. 1Q11/<br>4Q10 |
|--|---------------|---------------|--------------|---------------|---------------|--------------------|--------------------|
| <b>Cash and equivalentes, bonds and securities</b> | <b>186.9</b>  | <b>230.7</b>  | <b>254.0</b> | <b>288.9</b>  | <b>320.0</b>  | <b>+133.1</b>      | <b>+31.1</b>       |
| Short term debt (ST)                               | 121.2         | 154.1         | 133.8        | 177.0         | 173.6         | +52.4              | -3.4               |
| Long term debt (LT)                                | 189.5         | 225.6         | 213.3        | 235.4         | 254.0         | +64.5              | +18.5              |
| USD denominated debt                               | 206.5         | 271.7         | 240.3        | 312.9         | 342.3         | +135.8             | +29.4              |
| BRL denominated debt                               | 46.0          | 39.1          | 49.3         | 47.5          | 40.9          | -5.0               | -6.6               |
| Euro denominated debt                              | 54.9          | 52.4          | 57.0         | 51.7          | 43.8          | -11.1              | -7.9               |
| Other Currencies                                   | 3.4           | 16.5          | 0.4          | 0.4           | 0.6           | -2.8               | +0.2               |
| <b>Gross debt</b>                                  | <b>310.7</b>  | <b>379.7</b>  | <b>347.1</b> | <b>412.4</b>  | <b>427.5</b>  | <b>+116.8</b>      | <b>+15.1</b>       |
| <b>Net cash / (Net debt)</b>                       | <b>-123.8</b> | <b>-149.0</b> | <b>-93.0</b> | <b>-123.5</b> | <b>-107.6</b> | <b>+16.2</b>       | <b>+16.0</b>       |
| <b>Shareholders' equity (Equity)</b>               | <b>300.4</b>  | <b>301.6</b>  | <b>318.3</b> | <b>315.5</b>  | <b>328.6</b>  | <b>+28.2</b>       | <b>+13.0</b>       |
| Cash and equiv. / ST debt                          | 1.5x          | 1.5x          | 1.9x         | 1.6x          | 1.8x          | n/a                | n/a                |
| ST debt / (ST + LT)                                | 39.0%         | 40.6%         | 38.5%        | 42.9%         | 40.6%         | n/a                | n/a                |
| Net cash (Net debt) / Equity                       | -0.4x         | -0.5x         | -0.3x        | -0.4x         | -0.3x         | n/a                | n/a                |
| Net debt / (Net debt + Equity)                     | 29.2%         | 33.1%         | 22.6%        | 28.1%         | 24.7%         | n/a                | n/a                |

The net debt in the end of 1Q11 was equivalent 1.12 times the adjusted EBTIDA accumulated in the last 12 months, while in 1Q10 this rate was 1.55 times. In relation to stockholders' equity, net debt represents 0.3 times at the end of 1Q11 (0.4 at the end of 1Q10).

The **ST debt** at the end of 1Q11 was R\$173.6mn, representing 40.6% of total debt. The relation of cash and equivalents (including bonds and securities) over ST debt was 1.8 times.

### Stockholders' equity

Stockholders' equity at the end of 1Q11 was R\$328.6mn, compared to R\$315.5mn at the end of 4Q10. The increase of R\$13.0mn was made up principally of the positive net results of R\$11.9mn in 1Q11.

## Other Information

### Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's revision report about the quarterly information relative to the period ended 31 March 2010.

### Relationship with external auditors

In accordance with Instruction 381/2003 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), we report that in the 1Q10 we did not contract our Independent Auditors for services not related to external auditing.

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

### Disclaimer

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

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

### About Metalfrío

**Metalfrío Solutions S.A. (Bovespa: FRIO3)** is one of the world's largest manufacturers of plug-in commercial refrigeration equipment. Our product portfolio comprises hundreds of models of vertical and horizontal plug-in refrigerators and freezers, for refrigeration of beers, soft drinks, ice creams and frozen foods, and cooled products in general. Through direct distribution or through distributors and commercial representatives, we supply our products to clients that are among the world's largest manufacturers of cooled and frozen beverages and foods. We currently operate plants in Brazil, Mexico, Turkey, and Russia, and our own distribution center in the United States.

## Consolidated income statements (R\$ mn)

|  | 1Q10         | 1Q11         |
|--|--------------|--------------|
| <b>GROSS REVENUE</b>   |              |              |
| Domestic market product Sales                                    | 194.2        | 184.4        |
| Export Sales   | 35.8         | 53.0         |
| Service Sales  | 5.0          | 5.3          |
| <b>TOTAL GROSS REVENUE</b>                                       | <b>234.9</b> | <b>242.7</b> |
| <b>SALES DEDUCTIONS</b>  |              |              |
| Sales taxes  | (43.5)       | (41.7)       |
| Discounts and returns  | (10.8)       | (7.7)        |
| <b>NET REVENUE</b>   | <b>180.6</b> | <b>193.3</b> |
| Cost of goods sold   | (146.8)      | (160.2)      |
| <b>GROSS PROFIT</b>  | <b>33.8</b>  | <b>33.1</b>  |
| <b>OPERATING REVENUES (EXPENSES)</b>                             |              |              |
| Sales expenses   | (15.5)       | (20.0)       |
| General and administrative expenses                              | (6.4)        | (6.1)        |
| Management fees  | (2.1)        | (1.5)        |
| Equity income  | 0.0          | 0.0          |
| Other operating revenues (expenses)                              | 4.0          | 5.8          |
| <b>OPERATING PROFIT (LOSS) BEFORE FINANCIAL RESULTS</b>          | <b>13.8</b>  | <b>11.3</b>  |
| <b>NET FINANCIAL RESULT</b>                                      | <b>7.2</b>   | <b>1.7</b>   |
| Financial expenses   | (10.2)       | (15.1)       |
| Financial income   | 17.4         | 16.8         |
| <b>EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b> | <b>21.1</b>  | <b>13.0</b>  |
| <b>INCOME TAX AND SOCIAL CONTRIBUTION</b>                        |              |              |
| Current  | (4.3)        | (1.4)        |
| Deferred   | 2.0          | 0.3          |
| <b>NET EARNINGS (LOSS) BEFORE MINORITY</b>                       | <b>18.7</b>  | <b>11.9</b>  |
| PARTICIPATION OF CONTROLLING SHAREHOLDERS                        | 17.3         | 9.8          |
| MINORITY INTERESTS   | (1.4)        | (2.1)        |

## Consolidated balance sheets (R\$ mn)

|                                  | 4Q10         | 1Q11         | Var. (%)     |   | 4Q10         | 1Q11         | Var. (%)    |
|----------------------------------|--------------|--------------|--------------|---|--------------|--------------|-------------|
| <b>ASSETS</b>                    |              |              |              | <b>LIABILITIES</b>                                |              |              |             |
| <b>CURRENT</b>                   |              |              |              | <b>CURRENT</b>                                    |              |              |             |
| Cash and equivalents             | 161.7        | 215.7        | 33.4%        | Suppliers   | 80.1         | 106.1        | 32.5%       |
| Bonds and securities             | 127.3        | 104.3        | -18.1%       | Loans   | 177.0        | 173.6        | -1.9%       |
| Receivables from clients         | 196.2        | 180.2        | -8.1%        | Tax obligations                                   | 16.2         | 8.6          | -46.7%      |
| Inventory                        | 115.5        | 138.2        | 19.7%        | Payroll charges                                   | 16.4         | 17.6         | 7.5%        |
| Recoverable taxes                | 14.5         | 16.1         | 11.0%        | Sundry provisions                                 | 16.4         | 13.0         | -20.3%      |
| Deferred taxes                   | 0.0          | 0.0          | n/a          | Deferred taxes                                    | 0.0          | 0.0          | n/a         |
| Receivables with derivatives     | 0.0          | 0.5          | n/a          | Dividends payable                                 | 0.0          | 0.0          | n/a         |
| Other receivables                | 9.9          | 12.8         | 28.7%        | Payables with derivatives                         | 2.1          | 0.0          | -100.0%     |
| <b>Total do ativo circulante</b> | <b>625.0</b> | <b>667.8</b> | <b>6.8%</b>  | Other payables                                    | 6.0          | 5.8          | -2.9%       |
| <b>NON-CURRENT</b>               |              |              |              | <b>Total current</b>                              |              |              |             |
| Long term:                       |              |              |              | <b>314.2</b>                                      | <b>324.8</b> | <b>3.4%</b>  |             |
| Deferred taxes                   | 13.8         | 14.2         | 2.9%         | <b>NON-CURRENT</b>                                |              |              |             |
| Recoverable taxes                | 8.1          | 7.1          | -11.6%       | Loans   | 235.4        | 254.0        | 7.9%        |
| <b>Fixed:</b>                    |              |              |              | Tax obligations                                   | 0.0          | 0.0          | n/a         |
| Investments                      | (0.0)        | (0.0)        | 8.6%         | Deferred taxes                                    | 20.7         | 20.7         | 0.1%        |
| Net PP&E                         | 141.7        | 143.9        | 1.5%         | Contingency provisions                            | 1.0          | 1.1          | 7.7%        |
| Intangible                       | 100.2        | 98.0         | -2.2%        | Other payables                                    | 2.0          | 1.9          | -5.7%       |
| <b>Total non-current</b>         | <b>263.8</b> | <b>263.2</b> | <b>-0.2%</b> | <b>Total non-current</b>                          | <b>259.1</b> | <b>277.6</b> | <b>7.1%</b> |
| <b>TOTAL ASSETS</b>              | <b>888.8</b> | <b>931.0</b> | <b>4.7%</b>  | <b>SHAREHOLDER'S EQUITY</b>                       |              |              |             |
|                                  |              |              |              | Registered capital                                | 240.0        | 240.0        | 0.0%        |
|                                  |              |              |              | Capital reserve                                   | 10.8         | 11.2         | 3.4%        |
|                                  |              |              |              | Profit reserve                                    | 34.0         | 33.6         | -1.3%       |
|                                  |              |              |              | Shareholders' evaluation adjustments              | (1.7)        | (0.8)        | -53.0%      |
|                                  |              |              |              | Proposed additional dividends                     | 18.5         | 18.5         | 0.0%        |
|                                  |              |              |              | Retained profit                                   | (0.0)        | 10.1         | n/a         |
|                                  |              |              |              | Minority interest                                 | 13.9         | 16.0         | 15.2%       |
|                                  |              |              |              | <b>Total shareholders' equity</b>                 | <b>315.5</b> | <b>328.6</b> | <b>4.1%</b> |
|                                  |              |              |              | <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |              |              |             |
|                                  |              |              |              | <b>888.8</b>                                      | <b>931.0</b> | <b>4.7%</b>  |             |

## Consolidated cash flow - quarter (R\$ mn)

|  | 1Q10          | 1Q11         |
|--|---------------|--------------|
| <b>OPERATING CASH FLOW</b>                                   |               |              |
| <b>Net result</b>  | <b>18.7</b>   | <b>11.9</b>  |
| <b>Reconciliation of net result and operating cash flow</b>  |               |              |
| Depreciation and amortization                                | 5.0           | 5.5          |
| Contingency provisions                                       | (0.1)         | 0.1          |
| Sundry provisions  | (1.0)         | (3.3)        |
| Derivatives Gain & Loss Provisions                           | (4.3)         | (2.7)        |
| Stock option plan  | 1.0           | 0.4          |
| FX variation and interests                                   | (4.8)         | 0.9          |
| Interest on loans  | 0.0           | 3.9          |
| Residual value of fixed assets written off or sold           | 0.3           | 0.2          |
| Investment write-off   | 0.5           | 0.6          |
| Equity income  | 0.0           | 0.0          |
| FX variation on investments abroad                           | 0.0           | 0.8          |
| Income tax and social contribution                           | (2.0)         | (0.3)        |
| <b>Total</b>   | <b>13.2</b>   | <b>18.0</b>  |
| <b>(Increase) reduction of assets:</b>                       |               |              |
| <b>Current:</b>  |               |              |
| Bonds and securities   | (0.7)         | 22.9         |
| Receivables from clients <sup>2</sup>                        | (5.5)         | 15.6         |
| Inventory  | (34.8)        | (22.7)       |
| Recoverable taxes  | (1.1)         | (1.6)        |
| Other receivables  | (1.8)         | (2.9)        |
| <b>Non-current:</b>  |               |              |
| Recoverable taxes  | (0.1)         | 0.9          |
| <b>Total</b>   | <b>(44.0)</b> | <b>12.3</b>  |
| <b>Increase (reduction) of liabilities:</b>                  |               |              |
| <b>Current:</b>  |               |              |
| Suppliers <sup>3</sup>                                       | 32.6          | 27.1         |
| Taxes payable  | (3.5)         | (7.6)        |
| Payroll charges  | 1.6           | 1.2          |
| Other payables   | 0.7           | (0.2)        |
| <b>Non-current:</b>  |               |              |
| Other payables   | 0.2           | (0.1)        |
| <b>Total</b>   | <b>31.6</b>   | <b>20.4</b>  |
| <b>Net cash generated (consumed) by operating activities</b> | <b>0.8</b>    | <b>50.7</b>  |
| <b>INVESTMENT CASH FLOW</b>                                  |               |              |
| Addition to fixed assets                                     | (5.0)         | (6.9)        |
| Addition to intangible assets                                | (0.8)         | (1.1)        |
| <b>Net cash generated (consumed) by investing activities</b> | <b>0.8</b>    | <b>0.0</b>   |
| <b>Net cash generated (consumed) by operating activities</b> | <b>(5.0)</b>  | <b>(8.0)</b> |
| <b>FINANCING CASH FLOW</b>                                   |               |              |
| Draw down of loans <sup>3</sup>                              | 68.6          | 72.7         |
| Payment of loans <sup>3</sup>                                | (59.1)        | (54.5)       |
| Payment of interests <sup>3</sup>                            | 0.0           | (3.4)        |
| Capital increase   | 0.0           | 0.0          |
| Treasury held stock  | 0.0           | (0.2)        |
| Payment of dividends   | 0.0           | 0.0          |
| Other  | 0.0           | 0.0          |
| <b>Net cash generated (consumed) by financing activities</b> | <b>9.5</b>    | <b>14.6</b>  |
| FX VARIATION ON CASH AND CASH EQUIVALENTS                    | 0.5           | (3.4)        |
| <b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>       | <b>5.8</b>    | <b>54.0</b>  |
| <b>CASH AND EQUIVALENTS</b>                                  |               |              |
| Final balance  | 129.5         | 215.7        |
| Initial balance  | 123.7         | 161.7        |
| <b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>       | <b>5.8</b>    | <b>54.0</b>  |

<sup>2</sup> Group of accounts without FX effect