

(Convenience translation into English from the original previously issued in Portuguese)



BALANCE SHEET AS OF 30 SEPTEMBER
(In thousands of Brazilian reais - R\$)

ASSETS	COMPANY		CONSOLIDATED		LIABILITIES AND SHAREHOLDERS' EQUITY	COMPANY		CONSOLIDATED	
	2010	2009	2010	2009		2010	2009	2010	2009
CURRENT ASSETS	317.586	236.022	317.586	236.024	CURRENT LIABILITIES	87.699	64.550	87.010	63.821
Cash and cash equivalents	46.643	54.187	46.643	54.187	Trade payables	57.045	25.171	57.045	25.171
Trade receivables	159.220	80.672	159.220	80.673	Salaries, wages and other compensation	8.116	7.248	8.116	7.248
Inventories	76.176	60.836	76.176	60.836	Taxes payable	11.670	10.178	10.981	9.449
Other receivables	11.509	9.926	11.509	9.926	Loans and financing	5.382	21.768	5.382	21.768
Recoverable taxes	23.152	29.803	23.152	29.803	Dividends and profit sharing	5.486	185	5.486	185
Prepaid expenses	886	598	886	598					
NON-CURRENT ASSETS	303.746	349.752	302.647	348.593	NON-CURRENT LIABILITIES	66.641	88.570	66.231	88.140
Long-term assets:					Loans and financing	11.079	13.207	11.077	13.207
Deferred income and social contribution taxes	35.356	46.763	35.356	46.763	Provision for taxes	22.065	46.934	22.065	46.934
Recoverable taxes	26.911	39.239	26.911	39.239	Provision for contingencies	31.654	25.829	31.654	25.829
Escrow deposits and other	304	304	304	304	Intercompany loan	409	430	-	0
Other receivables	2.225	9.657	2.225	9.657	Deferred income and social contribution taxes	1.434	2.170	1.433	2.170
	64.796	95.962	64.796	95.962					
Investments	8.409	9.034	7.310	7.874	SHAREHOLDERS' EQUITY	466.992	432.655	466.992	432.655
Property, plant and equipment	211.740	225.624	211.740	225.624	Share capital	220.000	220.000	220.000	220.000
Intangible assets	18.801	19.133	18.801	19.133	Capital reserves	37.084	37.084	37.084	37.084
	238.950	253.790	237.851	252.630	Valuation adjustments to shareholders' equity	109	69	109	69
					Profit reserves	209.799	175.502	209.799	175.502
TOTAL ASSETS	621.332	585.775	620.233	584.616	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	621.332	585.775	620.233	584.616

The accompanying notes are an integral part of these financial statements.

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**STATEMENT OF OPERATIONS
FOR THE PERIODS ENDED 30 SEPTEMBER**

(In thousands of Brazilian reais - R\$)

	NOTES	COMPANY		CONSOLIDATED	
		2010	2009	2010	2009
Domestic market sales		661.568	455.111	661.568	455.111
Foreign market sales		129.185	64.912	129.185	64.912
GROSS SALES		790.753	520.023	790.753	520.023
Sales taxes and deductions		(147.969)	(103.695)	(147.969)	(103.695)
NET SALES		642.784	416.328	642.784	416.328
Cost of goods sold		(539.228)	(360.264)	(539.228)	(360.264)
GROSS INCOME		103.556	56.064	103.556	56.064
Selling expenses		(29.824)	(24.529)	(29.824)	(24.529)
General and administrative expenses		(28.869)	(27.089)	(28.871)	(27.093)
Other operating revenues (expenses)		(5.240)	1.765	(5.240)	1.765
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME AND NON-RECURRING INVENTORY LOSSES		39.623	6.210	39.621	6.206
Non-recurring inventory losses		-	(43.354)	-	(43.354)
Financial income	20	4.426	2.813	4.426	2.813
INCOME (LOSS) FROM OPERATIONS BEFORE EQUITY IN EARNINGS (LOSSES) OF CONTROLLED COMPANIES		44.050	(34.331)	44.048	(34.335)
Equity in earnings (losses) of controlled companies		(2)	468	-	472
INCOME (LOSS) BEFORE TAXES AND PROFIT SHARING		44.048	(33.864)	44.048	(33.864)
Income and social contribution taxes	9 a	(9.493)	26.198	(9.493)	26.198
Employee and management profit sharing		(4.694)	-	(4.694)	-
NET INCOME (LOSS)		29.860	(7.666)	29.860	(7.666)
Earnings per thousand shares - R\$		948	(243)	948	(243)
EBITDA	25	60.814	(19.326)	60.812	(19.330)

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of Brazilian reais - R\$)

	Share capital	Capital reserves		Valuation adjustments to shareholders' equity	Profit reserves			TOTAL	
	Share capital	Special goodwill reserve	Tax incentives	Valuation adjustments to shareholders' equity	Statutory reserve	Tax incentive	Elekeiroz special reserve		Retained earnings (accumulated losses)
BALANCES AS OF 31 DECEMBER 2008	220.000	28.757	8.327	383	14.273	7.034	162.616	-	441.390
Net income								3.830	3.830
Appropriations:									
Statutory reserve					191			(191)	0
Tax incentive						(263)			(263)
Interest on equity capital							(756)	(1.600)	(2.356)
Special reserve							2.039	(2.039)	0
Market value adjustments				448					448
Exchange rate losses on investments				(386)					(386)
BALANCES AS OF 31 DECEMBER 2009	220.000	28.757		445	14.464	6.771	163.899	-	442.663
Net income								29.860	29.860
Appropriations:									
Interest on equity capital								(5.195)	(5.195)
Market value adjustments				(375)					(375)
Exchange rate gains on investments				39					39
BALANCES AS OF 30 SEPTEMBER 2010	220.000	28.757	8.327	109	14.464	6.771	163.899	24.665	466.992

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Elekeiroz
STATEMENT OF VALUE ADDED
(In thousands of Brazilian reais - R\$)

	YEARS ENDED 30 SEPTEMBER			
	COMPANY		CONSOLIDATED	
	2010	2009	2010	2009
1 REVENUES	790.541	526.392	790.541	526.392
Sale of goods	790.753	520.023	790.753	520.023
Allowance for doubtful accounts	(212)	(214)	(212)	(214)
Other revenues	-	6.583	-	6.583
2 INPUTS ACQUIRED FROM THIRD PARTIES	696.939	508.620	696.941	508.625
Cost of goods sold	636.571	436.288	636.571	436.288
Materials, electricity, third-party services, and expenses	60.368	72.332	60.370	72.337
3 GROSS VALUE ADDED (1 - 2)	93.602	17.772	93.600	17.767
4 WITHHELD AMOUNTS	20.840	17.950	20.840	17.950
Depreciation, amortisation, and depletion	20.840	17.950	20.840	17.950
5 NET VALUE ADDED GENERATED BY THE COMPANY (3 - 4)	72.762	(178)	72.760	(183)
6 VALUE ADDED RECEIVED IN TRANSFER	24.938	15.834	24.940	15.839
Equity in earnings (losses) of controlled companies	(2)	467	-	472
Financial income	24.940	15.367	24.940	15.367
7 TOTAL VALUE ADDED AVAILABLE FOR DISTRIBUTION (5 + 6)	97.700	15.656	97.700	15.656
8 VALUE ADDED DISTRIBUTION	97.700	15.656	97.700	15.656
Personnel	40.178	34.974	40.178	34.974
Direct compensation	32.846	28.080	32.846	28.080
Benefits	5.245	4.849	5.245	4.849
Severance Pay Fund - FGTS	2.087	2.045	2.087	2.045
Taxes, fees and contributions	20.810	(10.359)	20.810	(10.359)
Federal	18.383	(13.844)	18.383	(13.844)
State	1.556	2.525	1.556	2.525
Municipal	871	960	871	960
Return on debt	6.852	(1.294)	6.852	(1.294)
Interest	6.852	(1.294)	6.852	(1.294)
Return on equity	29.860	(7.665)	29.860	(7.665)
Interest on equity capital	5.195	756	5.195	756
Retained earnings (accumulated losses) for the year	24.665	(8.421)	24.665	(8.421)

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STATEMENT OF CASH FLOWS

(In thousands of Brazilian reais - R\$)

	YEARS ENDED 30 SEPTEMBER			
	COMPANY		CONSOLIDATED	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Adjustments in net income				
Net income	29.860	(7.666)	29.860	(7.666)
Deferred income and social contribution taxes	4.395	(26.198)	4.395	(26.204)
Depreciation and amortisation	20.840	17.950	20.840	17.950
Equity in earnings (losses) of controlled companies	2	(467)	-	(472)
Losses (gains) on the disposal of property, plant and equipment and ir	209	272	209	272
Provision for contingencies	3.617	2.388	3.617	2.389
Decrease (increase) in assets				
Trade receivables	(79.240)	(10.335)	(79.240)	(10.335)
Inventories	9.849	65.115	9.849	65.115
Escrow deposits	342	(696)	342	(696)
Other receivables	8.951	4.858	8.951	4.864
Recoverable taxes, non-current	6.311	10.370	6.311	10.370
Other receivables, non-current	5.513	2.482	5.513	2.482
Increase (decrease) in liabilities				
Trade payables	9.858	8.465	9.858	8.465
Taxes, salaries, wages and other compensation	4.790	1.420	4.790	1.420
Other payables	4.224	(17.610)	4.243	(17.386)
Cash provided by operating activities	29.521	50.348	29.538	50.568
INVESTING ACTIVITIES				
Ownership interest	-	(443)	(24)	(796)
Acquisition of property, plant and equipment	(10.173)	(13.339)	(10.173)	(13.339)
Acquisition of intangible assets	(8)	(53)	(8)	(53)
Financial instruments and derivatives	(375)	25	(375)	25
Revenue from the disposal of assets	42	(260)	42	(260)
Cash used in financing activities	(10.514)	(14.070)	(10.538)	(14.423)
FINANCING ACTIVITIES				
Loans and financing - principal and interest	(10.630)	(59.132)	(10.623)	(59.002)
Distribution of dividends	(5.195)	(756)	(5.195)	(756)
Cash used in financing activities	(15.825)	(59.888)	(15.818)	(59.758)
Increase (decrease) in cash and cash equivalents	3.182	(23.610)	3.182	(23.613)
Cash and cash equivalents at beginning of year	43.461	77.797	43.461	77.800
Cash and cash equivalents at end of year	46.643	54.187	46.643	54.187

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