



Investor Relations

BM&FBOVESPA: MILS3 and OTC-US: MILTY

## **Notice to Shareholders**

### **Approval of Capital**

### **Commencement of period to Exercise Subscription Rights**

Mills Estrutura e Serviços de Engenharia S.A. (BM&FBOVESPA: MILS3) ("Company") hereby announces to its shareholders and the market in general that its Board of Directors approved, on a meeting held on February 5, 2016, the capital increase of the Company, by means of the private subscription of new shares, in accordance with the following terms and conditions:

#### **1. Capital Increase, Amount of Shares to be Issued and Potential Dilution**

The capital increase shall comprise issuance, for private subscription, of a minimum of 40,089,472 (forty million, eighty-nine thousand, four hundred and seventy-two) and a maximum of 47,528,517 (forty-seven million, five hundred twenty-eight thousand, five hundred seventeen) common, nominative shares, and without par value ("Shares") at an issue price of R\$2,63 (two Reais and sixty-three cents) per common share, resulting in an increase of, at least R\$105,435,311.36 (one hundred five million, four hundred thirty-five thousand three hundred eleven Reais and thirty-six cents) and a maximum of R\$ 124,999,999.71 (one hundred twenty-four million, nine hundred ninety nine thousand, nine hundred ninety-nine Reais and seventy one cents) of the share capital of the Company ("Capital Increase")

In the event the Capital Increase is fully subscribed and paid, the Company's share capital will increase from R\$ 563,318,463.20 (five hundred sixty-three million, three hundred eighteen thousand, four hundred sixty-three Reais and twenty cents) to R\$ 688,318.462,91 (six hundred eighty-eight million, three hundred eighteen thousand four hundred sixty-two Reais and ninety one cents) divided into 175,586,442 (one hundred seventy-five million, five hundred and eighty six thousand and four hundred and forty two) common, nominative shares, and without par value.

The Capital increase shall be homologated by the Board of Directors, following the completion of the procedures relating to the subscription of any unsubscribed shares. The Capital Increase may be partially homologated, provided that 40,089,472 (forty million, eighty-nine thousand, four hundred and seventy-two) shares are subscribed, sufficient to ensure the proceeds of at least R\$ 105,435,311.36 (one hundred and five million, four hundred thirty-five thousand three hundred eleven Reais and thirty-six cents) ("Minimum Subscription"), as further detailed in item 13 of this Notice to Shareholders.

The percentage of dilution for shareholders who do not subscribe to any share during the period for exercise of preemptive rights of the Capital Increase will be at least 24.17% if the capital increase is partially homologated with the subscription of shares equivalent the Minimum Subscription, up to 27.42%, if the Capital Increase is fully subscribed. The percentages above disregard the shares held in treasury.

#### **2. Issue Price**

The issue price of the shares to be issued under the Capital Increase is R\$2.63 (two Reais sixty-three cents) per share ("Issue Price").

The Issue Price was determined pursuant to Article 170, paragraph 1st, item III, of Law No. 6,404, of December 15th, 1976, as amended ("Corporations Law"), taking into account the average price (average of the daily closing prices weighted by the trading volume) of shares of the Company in BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros in the trading sessions held between November 27th, 2015 (including such date) and February 4th, 2016 (including such date).

### 3. Reasons for the Capital Increase – Use of Proceeds

The fundraising through the Capital Increase aims at (i) strengthening the capital structure of the Company, by reinforcing its cash to meet medium- and long-term needs for development of its activities; (ii) strengthening its liquidity levels, reducing the Company's debt margins, in order to avoid the risk of breaching covenants; and (iii) taking advantage of market consolidation opportunities that may arise in the medium term.

The Company's management believes that the purpose of the Capital Increase have been primarily achieved by means it proceeds corresponding to the Minimum Subscription are secured, with the already significant strengthening of its cash position . However, any funds that exceed the value of the Minimum Subscription will be used for the same purposes described above.

### 4. Investment Agreement and Subscription Obligation

On February 5, 2016, the Company's controlling shareholders, Andres Cristian Nacht, Jytte Kjellerup Nacht, Tomas Richard Nacht, Antonia Kjellerup Nacht Peter Kaj Kjellerup Nacht, Snow Petrel, SL and Francisca Kjellerup Nacht ("Controlling Shareholders") entered into an Investment Agreement with Fundo de Investimento em Participações Axxon Brazil Private Equity Fund II ("Axxon" and "Investment Agreement").

The Investment Agreement provides, among other obligations, for the commitment of the Controlling Shareholders (1) subscribe and pay in 15,209,125 (fifteen million, two hundred and nine thousand one hundred and twenty five) shares, in the total amount of R\$39,999,998.75 (thirty-nine million, nine hundred and ninety-nine thousand, nine hundred and ninety-eight Reais and seventy-five cents) ("Contribution of Controlling Shareholders") and (2) assign to Axxon preemptive rights corresponding to the remainder of their participation. Axxon, for its turn, has committed under the Investment Agreement to exercise the preemptive rights that were transferred to it, including the right to subscribe unsubscribed shares, so as to subscribe and pay for shares to be issued under the Capital Increase representing up to 15% (fifteen percent) of the share capital of the Company after the Capital Increase ("Commitment of Subscription of Axxon").

The Contribution of Controlling Shareholders and Commitment of Subscription of Axxon are sufficient to guarantee the subscription of shares corresponding to the Minimum Subscription.

Further information about the Investment Agreement may be obtained in the Material Fact disclosed by the Company on February 5, 2016 .

### 5. Direito das Ações a Serem Emitidas no Aumento de Capital

The shares to be issued under the Capital Increase will be entitled, on an equal basis with the existing shares, all rights granted to them, including dividends in relation to, interest on net equity and any remuneration capital that may be declared by Company after the date of homologation other Capital Increase.

### 6. Preemptive Rights

Subject to Compliance with of the procedures provided by Itaú Corretora de Valores S.A. ("Itaú Corretora"), custody agent of the shares issued by the Company, and by BM&FBovespa, the Company's shareholders shall be entitled to preemptive rights to subscribe the new Shares issued in the Capital Increase, in the proportion of the common shares held on February 11, 2016, (closing position). In such case, considering the maximum amount of the Capital Increase, each one (1) common share shall entitle its holder the right to subscribe 0,37787171889 new common Share. The shares held in treasury will not be entitled to subscription rights.

The preemptive right may be exercised within thirty (30) days pursuant to Article 171 §4º of Corporations Act, between (i) February 15, 2016 (including such date), the first business day following the date of the publication of this Notice to Shareholders in the Official Gazette of the State of Rio de Janeiro and in the newspaper Valor Econômico and (ii) March 15, 2016 (including such date). The shares purchased as of

February 12, 2016, including such date, shall not be entitled to the preemptive right to subscribe Shares issued in the Capital Increase.

7. Negotiation ex-rights of subscription

As of the trading day to be held on February 12, 2016 (including such date) the shares of the Company shall be negotiated ex of subscription rights.

8. Assignment of the Subscription Right

As set forth in item 7 above, the preemptive rights relating to the subscription of the Shares may be traded on stock exchanges and may be freely assigned to third parties or to other shareholders by the shareholder holding common shares that so wishes, pursuant to Article 171, paragraph 6<sup>o</sup> of the Law of Corporations .

The holder shares issued by the Company that wish to trade their subscription rights may do so within the term of their preemptive right provided for in item 6, and shall proceed within the time frame required to enable the subscription rights assigned to be exercised within said period.

The holders of shares issued by the Company recorded on Itaú Corretora's record books may assign their respective preemptive rights upon execution of the right assignment form, available at any specialized branches of Itaú Unibanco S.A. indicated at the end hereof.

The shareholders whose shares are held in custody at the Central Depository of Asset of the BM&FBovespa ("Central Depository") and wish to assign their subscription rights should make the request to their respective custodians.

Pursuant to the Investment Agreement, the Controlling Shareholders agreed to assign part of their preemptive rights as described in item 4 above, in order to permit Axxon to subscribe an amount of shares required to make a contribution of at least R\$5.047.677.47 (five million, forty-seven thousand, six hundred seventy-seven Reais and forty-seven cents).

Under item 4 above, Axxon has agreed to request the subscription of any shares that remain unsubscribed in order to subscribe under the Capital Increase, shares representing a total of up to 15% (fifteen percent) of the capital of the Company after the Capital Increase in compliance with the applicable procedures.

9. Form of the Payment of Shares

The payment in of the shares subscribed under Capital Increase should be made at sight, in cash, upon subscription, in Brazilian currency, and all relating procedures shall be subject to the rules and procedures of Itaú Corretora and Central Depository

10. Procedures for Exercising preemptive Rights

(i) Shares Held in Custody with Itaú Corretora

Holders of subscription rights in custody with the Itaú Corretora who wish to exercise their preemptive rights and subscribe shares should contact, within the term for the exercise of preemptive rights, one of branches of Itaú Unibanco SA, specialized in shareholder services, as indicated at the end of this Notice to Shareholders.

The preemptive right shall be exercised by execution of the subscription form, according to the model provided by Itaú Corretora and the delivery of the documentation described in item 11 below, to be presented by the shareholder or assignee of preemptive rights in order to exercise preemptive rights through Itaú Corretora.

The payment of the Issue Price shall be made as provided in the subscription bulletin available at any of the specialized branches of Itaú Unibanco SA, as indicated at the end of this Notice to Shareholders. The service will be made on weekdays, during banking hours, from February 15, 2016 (including such date) until March 15, 2016 (including such date).

(ii) Shares Held in Custody with Central Depository of BM&FBovespa

Holders of subscription rights held in custody with Central Depository shall exercise their preemptive rights through their custody agents and pursuant to the instructions stipulated by the Central Depository.

11. Documents Required for the Subscription of Shares and Assignment of Preemptive Rights

Holders of subscription rights held in custody with Central Depository that wish to exercise or assign their preemptive rights or assign their preemptive rights should consult their custody agents in connection with to the necessary documents.

Holders of preemptive rights held in custody with Itaú Corretora that wish to exercise or assign preemptive rights directly through Itaú Corretora should present the following documents:

Individuals: identity card, individual taxpayers' registry (CPF) and proof of address and income.

Legal Entities: original copy of the organizational and minutes of the meeting that approves the election of the current Board of Officers or articles of association, in force, certificate of enrollment with the Brazilian taxpayers' registry (CNPJ), corporate documents granting representation powers, and originals of their representatives' identity card, individual taxpayers' registry (CPF) and proof of address.

12. Procedure to the Subscription of Unsubscribed Shares

At the time of exercising preemptive rights, subscribers that wish to subscribe Shares that have not subscribed during the preemptive right period should declare, on the subscription bulletin, its intention to subscribe additional unsubscribed shares. Up to five (5) business days prior to the end of the term to exercise the preemptive rights, the Company shall release a new Notice to Shareholders, in which the apportionment of the unsubscribed shares shall be informed.

In case of an apportionment of the unsubscribed shares, the shareholders that have declared their interest in the unsubscribed shares reserve on the subscription form shall have the term of up to five (5) days, as from the date informed on the Notice to Shareholders regarding the verification of the unsubscribed shares, to inform the number of unsubscribed Shares they wish to subscribe, considering that in the first round of unsubscribed shares ("1st Round of Unsubscribed Shares"), such number shall not be the number of unsubscribed shares that each shareholder is entitled, in accordance with the declaration of interest included in the subscription of the unsubscribed shares. It is estimated that the 1st Round Unsubscribed Shares will begin on March 23, 2016, including such date, and will end on March 30, 2016, including such date.

The amount of unsubscribed shares that each shareholder or assignee of the preemptive rights to subscription shall be entitled to subscribe in the 1st Round of Unsubscribed Shares shall be calculated by multiplying the number of new Shares that remain unsubscribed after the term to exercise the preemptive right by the number of Shares subscribed by such shareholder or assignee of the preemptive rights to subscription during the term to exercise the preemptive right, dividing the result by the total number of Shares subscribed by all the shareholders and assignees of the preemptive rights to subscription that have declared their interest in the subscription of unsubscribed shares during such term.

In case there are still unsubscribed Shares after the 1<sup>st</sup> Round of Unsubscribed Shares, the shareholders that declared their interest in the unsubscribed shares reserve in the subscription form of the unsubscribed shares shall have a new term of up to five (5) business days, as from the release of the Notice to Shareholders in connection with the 2nd Round of Unsubscribed Shares, to inform the amount of unsubscribed Shares they wish to subscribe at the 2nd Round of Unsubscribed Shares, that, in this case, may exceed to the minimum number of unsubscribed shares which each shareholder shall be entitled at the 2nd Round of Unsubscribed Shares, in accordance with the declaration of interest to subscribe unsubscribed shares. It is estimated that the 2<sup>nd</sup> Round Unsubscribed Shares will begin on April 8, 2016, including such date, and will end on April 14, 2016, including such date.

The minimum number of unsubscribed Shares that each shareholder or assignee of the preemptive rights to subscription shall be entitled to subscribe at the 2nd Round of Unsubscribed Shares shall be calculated by multiplying the amount of new Shares that remain unsubscribed after the term of the 1st Round of Unsubscribed Shares by the amount of subscribed Shares by such shareholder or assignee of the preemptive rights to subscription during the term of the 1st Round of Unsubscribed Shares, dividing the result by the total amount of Shares subscribed at the 1st Round of Unsubscribed Shares by all the shareholders and assignee of the preemptive rights to subscription that have declared their interest in the subscription of unsubscribed shares at the 2nd Round of Unsubscribed Shares during such term.

In case the total number of Shares subject to the requests of reservation of the unsubscribed shares at the 2nd Round of Unsubscribed Shares is equal the amount of unsubscribed shares available, all of the requests of reservation of the unsubscribed shares shall be answered. In case the total number of Shares subject to the requests of unsubscribed shares at the 2nd Round of Unsubscribed Shares exceeds the number of unsubscribed shares available, a proportional apportionment among the shareholders that have requested the reservation of unsubscribed shares in a number that exceeds the total number of unsubscribed shares they were entitled to shall be calculated in the last round of unsubscribed shares, being right that the unsubscribed shares shall be apportioned proportionally to the number of Shares that such shareholders have subscribed at the exercise of their preemptive rights.

Previous to each round of subscription of shares, if necessary, the Company shall release a Notice to Shareholders regarding the unsubscribed shares, informing the amount of unsubscribed Shares that each shareholder shall be entitled to.

In case there are still unsubscribed Shares after the end of the rounds of unsubscribed shares, the remaining unsubscribed shares shall be cancelled.

More details regarding the exercise of the subscription of the potential unsubscribed shares shall be released after the end of the term to exercise the preemptive rights, by means of a Notice to Shareholders.

### 13. Partial Homologation of the Capital Increase and Possibility to Condition the Decision to Subscribe.

(I) The Capital Increase might be partially homologated, as long as the Minimum Subscription amount is reached.

(II) In view of the possibility of partial homologation of the Capital Increase, the subscribers may condition their investment decision on the final terms of the Capital Increase.

(III) Therefore, the subscribers may, upon signing the subscription bulletin (*boletim de subscrição*), condition their investment decision: (i) to the subscription of the maximum amount of the Capital Increase; or (ii) to the subscription of the Minimum Subscription amount. In the event the subscription of shares is conditioned to the subscription of the Minimum Subscription amount, the subscribers shall inform whether they will exercise their preemptive right with respect to (a) all the shares issued in the Capital Increase; or (b) the amount equivalent to the proportion among the number of shares actually subscribed and the maximum number of shares of the Capital Increase.

(IV) Subscriber's silence shall imply into his declaration that he intends to receive all the shares he has subscribed for.

(V) In the event the subscribers have conditioned their decision to subscribe the shares in accordance with item (III)(ii)(b), they shall inform the following data in the subscription bulletin (*boletim de subscrição*) in order for the Company to return the exceeding amounts (which shall be the total amount paid by the subscribers, reduced by the amount required so that they only maintain their proportional shareholding at the Company's share capital): bank, agency, account, name, CPF or CNPJ, address and telephone.

(VI) It shall not be possible to negotiate the subscription receipts of those who have exercised the conditioned subscription in a manner that may result future variations (any option other than item (III)(ii)(a)) until the Capital Increase is homologated. Accordingly, the Company shall not be liable for any loss derived from negotiation of subscription receipts, as they are subject to future and eventual conditions.

(VII) In addition, in the event the maximum amount of the Capital Increase is not reached after the end of the term to subscribe the unsubscribed shares, the Company will grant to the shareholders who have exercised their preemptive rights, or to any assignee of the preemptive rights (in both cases, provided they have elected option (III)(ii)(a)), five (5) days as of the date the notice to shareholders setting out such term is published, to withdraw the subscription of common shares subscribed by them in Capital Increase. Subscriber's silence shall imply into his declaration that he intends to receive all the shares he has subscribed for.

(VIII) The Company's shareholder(s) and/or assignee(s) of preemptive rights who have exercised their right to withdraw the subscription of shares subscribed by them in the Capital Increase due to the partial homologation of the Capital Increase will have the amounts they paid returned, without any interest or monetary correction, without reimbursement and with deduction, if any, of applicable taxes within five (5) business days from the date of expiration of the term granted for withdrawal in accordance to the item above.

14. Places Of Service

The shareholders whose shares are deposited at Itaú Corretora may exercise the rights mentioned herein at one of the specialized branches of Itaú Unibanco as follows::

*Brasília:* SCS Quadra 2 - Ed. Palácio do Comércio Bloco B - loja 9 - Térreo

*Belo Horizonte:* Av. João Pinheiro, 195 – Subsolo - Centro

*Curitiba:* R. João Negrão, 65 - Sobreloja – Centro

*Porto Alegre:* R. Sete de Setembro, 1.069 – 3º andar - Centro

*Rio de Janeiro:* Av. Almirante Barroso, 52- 2º andar - Centro

*São Paulo:* R. Boa Vista, 176 – 1º Subsolo - Centro

*Salvador:* Av. Estados Unidos, 50 - 2º andar – Comércio

For the purposes of this release "business day" shall mean any day, except for Saturday and Sunday, on which commercial banks are open for conducting its operations (including exchange transactions and foreign currency deposits) in the cities of São Paulo and Rio de Janeiro.

Rio de Janeiro, February 10, 2016.

Sergio Kariya  
Investors Relations Officer

For further information, please contact the Investors Relations Department of the Company:

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