Interim Financial Information (ITR)

LOG Commercial Properties e Participações S.A.

Individual and Consolidated Interim Financial Information for the Quarter Ended March 31, 2016 and Report on Review of Interim Financial Information

LOG Commercial Properties e Participações S.A.

Interim Financial Information (ITR)

March 31, 2016

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A free translation from Portuguese into English of report on review of interim financial information (ITR)

Auditors report on review of interim financial information (ITR)

The Shareholders and Officers
LOG Commercial Properties e Participações S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of LOG Commercial Properties e Participações S.A.("Company"), contained in the Quarterly Information Form - ITR for the quarter ended March 31, 2016, which comprise the balance sheet as at March 31, 2016 and the related statement of operations, statement of comprehensive income , statement of changes in equity and cash flow statement for the three-month period ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board - IASB, as well as for the fair presentation of this information consistently with standards issued by the CVM applicable to the preparation of Quarterly Information -ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of quarterly information (ITR) and presented consistently with the rules issued by the Brazilian Securities Exchange Commission.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA), for the three-month period ended March 31, 2016, prepared under the responsibility of Company's management. The presentation of interim financial information is required in accordance with CVM Standards applicable to the preparation of quarterly information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures described above and, based on our review nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, May 10, 2016

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/F-6

Flávio de Aquino Machado
Accountant CRC-1MG065899/O-2

Individual / Balance Sheets – Assets
(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2016	Previous year 12/31/2015
1	Total assets	2,259,692	2,211,213
1.01	Current assets	41,079	30,073
1.01.01	Cash and cash equivalents	22,034	13,858
1.01.03	Receivables	9,241	7,243
1.01.03.01	Trade receivables	9,241	7,243
1.01.06	Recoverable taxes	6,405	6,400
1.01.06.01	Recoverable current taxes	6,405	6,400
1.01.07	Prepaid expenses	3,399	2,386
1.01.08	Other current assets	-	186
1.01.08.03	Other	-	186
1.01.08.03.01	Derivative	-	186
1.02	Noncurrent assets	2,218,613	2,181,140
1.02.01	Long-term assets	77,465	78,033
1.02.01.03	Receivables	7,660	7,451
1.02.01.03.01	Trade receivables	7,660	7,451
1.02.01.06	Deferred taxes	51,448	51,052
1.02.01.06.01	Deferred income tax and social contribution	51,448	51,052
1.02.01.07	Prepaid expenses	3,194	4,214
1.02.01.09	Other noncurrent assets	15,163	15,316
1.02.01.09.03	Recoverable taxes	15,017	15,166
1.02.01.09.04	Other	146	150
1.02.02	Investments	2,139,536	2,101,483
1.02.02.01	Investments in subsidiaries and jointly controlled entities	1,708,325	1,671,313
1.02.02.01.02	Investments in subsidiaries	1,469,729	1,433,999
1.02.02.01.03	Investments in jointly controlled entities	238,596	237,314
1.02.02.02	Investment property	431,211	430,170
1.02.03	Property and equipment	1,612	1,624
1.02.03.01	Property and equipment in use	1,612	1,624

Individual / Balance Sheets – Liabilities and Shareholder's Equity

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2016	Previous year 12/31/2015
2	Total liabilities	2,259,692	2,211,213
2.01	Current Liabilities	183,299	118,356
2.01.01	Labor and social liabilities	2,606	2,223
2.01.01.01	Social liabilities	433	413
2.01.01.02	Labor liabilities	2,173	1,810
2.01.02	Suppliers	751	801
2.01.02.01	Domestic trade accounts payable	751	801
2.01.03	Tax liabilities	540	620
2.01.03.01	Federal taxes	483	517
2.01.03.01.01	Income taxes and social contribution	49	49
2.01.03.01.02	Other federal taxes	434	468
2.01.03.03	Municipal taxes	57	103
2.01.04	Loans and financing	177,249	112,772
2.01.04.01	Loans and financing	111,603	79,053
2.01.04.01.01	Loans and financing in domestic currency	111,603	79,053
2.01.04.02	Debentures	65,646	33,719
2.01.05	Others liabilities	2,153	1,940
2.01.05.02	Other	2,153	1,940
2.01.05.02.02	Mandatory minimum dividend payable	1,634	1,634
2.01.05.02.07	Other	311	306
2.01.05.02.08	Derivative	208	-
2.02	Noncurrent liabilities	570,218	597,092
2.02.01	Loans and financing	528,907	556,027
2.02.01.01	Loans and financing	134,977	140,000
2.02.01.01.01	Loans and financing in domestic currency	134,977	140,000
2.02.01.02	Debentures	393,930	416,027
2.02.02	Others liabilities	41,311	41,065
2.02.02.02	Other	41,311	41,065
2.02.02.02.04	Advances - barters	40,000	40,000
2.02.02.02.05	Provisions for labor, tax and civil contingencies	922	739
2.02.02.02.06	Other	389	326
2.03	Equity	1,506,175	1,495,765
2.03.01	Paid-in capital	729,043	729,043
2.03.02	Capital reserves	24,924	24,840
2.03.02.01	Share subscription premium	23,143	23,143
2.03.02.04	Recognized options granted	1,781	1,697
2.03.04	Earnings reserve	741,882	741,882
2.03.04.01	Legal reserve	-	16,848
2.03.04.05	Retained profit reserve	-	725,034
2.03.05	Retained earnings/accumulated losses	10,326	-

Individual / Income Statement
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
3.01	Revenue from sales and/or services	5,063	4,939
3.03	Gross profit	5,063	4,939
3.04	Operating income (expenses)	5,636	(19,093)
3.04.01	Selling expenses	(922)	(1,136)
3.04.02	General and administrative expenses	(2,317)	(2,062)
3.04.04	Other operating incomes	-	5,802
3.04.05	Other operating expenses	(187)	(5,992)
3.04.06	Results from equity participation	9,062	(15,705)
3.05	Income before financial income and taxes	10,699	(14,154)
3.06	Financial income (expenses)	(769)	(4,430)
3.06.01	Financial income	2,855	2,613
3.06.02	Financial expenses	(3,624)	(7,043)
3.07	Income before taxes	9,930	(18,584)
3.08	Income tax and social contribution	396	2,756
3.08.01	Current	-	(15)
3.08.02	Deferred	396	2,771
3.09	Net income (loss) from continuing operations	10,326	(15,828)
3.11	Net income (loss) for the period	10,326	(15,828)
3.99	Earnings per share (In Reais - R$):		
3.99.01	Basic		
3.99.01.01	ON	0.05916	(0.09211)
3.99.02	Diluted		
3.99.02.01	ON	0.05903	(0.09193)

Individual / Statements of Comprehensive Income
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
4.01	Net income for the period	10,326	(15,828)
4.03	Comprehensive income for the period	10,326	(15,828)

Individual / Statement of Cash Flows
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
6.01	Net cash used in operating activities	19,436	19,189
6.01.01	Cash provided by operating activities	4,551	3,277
6.01.01.01	Net income for the period	10,326	(15,828)
6.01.01.02	Depreciation	61	25
6.01.01.03	Results from equity participation	(9,062)	15,705
6.01.01.04	Incurred interest	3,176	6,851
6.01.01.05	Deferred taxes	(396)	(2,771)
6.01.01.06	Stock options	84	119
6.01.01.07	Amortization of prepaid expenses	154	149
6.01.01.08	Results from derivative financial instruments	208	(973)
6.01.02	Changes in assets and liabilities	14,885	15,912
6.01.02.01	(Increase) decrease in trade accounts receivable	(3,010)	(892)
6.01.02.02	(Increase) decrease in recoverable taxes	171	345
6.01.02.03	(Increase) decrease in prepaid expenses	(147)	(118)
6.01.02.04	(Increase) decrease in other assets	3	(17)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	383	268
6.01.02.06	Increase (decrease) in taxes, charges and contributions	(92)	(278)
6.01.02.07	Increase (decrease) in other liabilities	251	2,308
6.01.02.09	Dividends received from subsidiaries	16,523	14,296
6.01.02.10	Proceeds from land sales	803	-
6.02	Net cash provided (used) in investing activities	(23,696)	(11,533)
6.02.01	Increase in / acquisition of investments	(23,129)	(6,411)
6.02.02	Acquisition of investment properties	(518)	(4,394)
6.02.03	Other	(49)	(728)
6.03	Net cash provided (used in) by financing activities	12,436	(26,019)
6.03.01	Loans, financing and debentures	29,937	1,385
6.03.02	Interest paid	(12,339)	(23,089)
6.03.05	Payment of due to related parties	(12,333)	-
6.03.06	Increase in due to related parties	12,333	-
6.03.09	Amortization of loans, financing and debentures	(5,348)	(3,665)
6.03.10	(Contracted) redeemed derivative financial instruments	186	(650)
6.05	Increase (decrease) in cash and cash equivalents	8,176	(18,363)
6.05.01	Cash and cash equivalents at beginning of period	13,858	60,626
6.05.02	Cash and cash equivalents at end of period	22,034	42,263

Individual / Statement of Changes in Shareholder's Equity – 1/1/2016 to 3/31/2016

(In thousands of Brazilian reais – R$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Shareholders' equity
5.01	Opening balance	729,043	24,840	741,882	-	-	1,495,765
5.03	Adjusted opening balance	729,043	24,840	741,882	-	-	1,495,765
5.04	Shareholders capital transaction	-	84	-	-	-	84
5.04.03	Recognized options granted	-	84	-	-	-	84
5.05	Total comprehensive income	-	-	-	10,326	-	10,326
5.05.01	Net income (loss) for the period	-	-	-	10,326	-	10,326
5.07	Closing balance	729,043	24,924	741,882	10,326	-	1,506,175

Individual / Statement of Changes in Shareholder's Equity – 1/1/2015 to 3/31/2015

(In thousands of Brazilian reais – R$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Shareholders' equity
5.01	Opening balance	171,844	528,522	753,625	-	-	1,453,991
5.03	Adjusted opening balance	171,844	528,522	753,625	-	-	1,453,991
5.04	Shareholders capital transaction	-	119	-	-	-	119
5.04.03	Recognized options granted	-	119	-	-	-	119
5.05	Total comprehensive income	-	-	-	(15,828)	-	(15,828)
5.05.01	Net income (loss) for the period	-	-	-	(15,828)	-	(15,828)
5.07	Closing balance	171,844	528,641	753,625	(15,828)	-	1,438,282

Individual / Statement of Value Added
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
7.01	Revenue	28,093	15,693
7.01.01	Revenues from sales of goods, services and products	5,579	5,442
7.01.03	Revenue from construction of own assets	22,514	10,251
7.02	Inputs purchased from third parties	(3,504)	(7,308)
7.02.02	Supplies, power, outside services and other items	(3,504)	(7,308)
7.03	Gross value added	24,589	8,385
7.04	Retentions	(61)	(25)
7.04.01	Depreciation, amortization and depletion	(61)	(25)
7.05	Net value added generated	24,528	8,360
7.06	Value added received in transfer	12,045	(13,092)
7.06.01	Results from equity participation	9,062	(15,705)
7.06.02	Financial income	2,983	2,613
7.07	Total value added for distribution	36,573	(4,732)
7.08	Value added distributed	36,573	(4,732)
7.08.01	Personnel	1,205	1,638
7.08.01.01	Salaries and wages	1,036	1,375
7.08.01.02	Benefits	117	236
7.08.01.03	Severance Pay Fund (FGTS)	52	27
7.08.02	Taxes, charges and contributions	918	(1,043)
7.08.02.01	Federal	799	(1,053)
7.08.02.02	State	2	3
7.08.02.03	Municipal	117	7
7.08.03	Debt remuneration	24,124	10,501
7.08.03.01	Interest	24,022	10,149
7.08.03.02	Rentals	97	342
7.08.03.03	Others	5	10
7.08.04	Shareholders	10,326	(15,828)
7.08.04.03	Earnings retained in the period	10,326	(15,828)

Consolidated / Balance Sheets – Assets
(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2016	Previous year 12/31/2015
1	Total assets	2,618,121	2,575,518
1.01	Current assets	61,025	49,425
1.01.01	Cash and cash equivalents	25,545	17,258
1.01.03	Receivables	21,748	19,119
1.01.03.01	Trade receivables	21,748	19,119
1.01.06	Recoverable taxes	8,571	8,532
1.01.06.01	Recoverable current taxes	8,571	8,532
1.01.07	Prepaid expenses	5,161	4,329
1.01.08	Other current assets	-	187
1.01.08.03	Other	-	187
1.01.08.03.01	Derivative	-	186
1.01.08.03.02	Other	-	1
1.02	Noncurrent assets	2,557,096	2,526,093
1.02.01	Long-term assets	115,521	112,566
1.02.01.03	Receivables	15,111	14,641
1.02.01.03.01	Trade receivables	15,111	14,641
1.02.01.06	Deferred taxes	51,448	51,052
1.02.01.06.01	Deferred income tax and social contribution	51,448	51,052
1.02.01.07	Prepaid expenses	6,468	7,862
1.02.01.09	Other noncurrent assets	42,494	39,011
1.02.01.09.03	Recoverable taxes	41,887	38,403
1.02.01.09.04	Other	607	608
1.02.02	Investments	2,439,794	2,411,727
1.02.02.01	Investments in subsidiaries and jointly controlled entities	238,596	237,314
1.02.02.01.04	Investments in jointly controlled entities	238,596	237,314
1.02.02.02	Investment property	2,201,198	2,174,413
1.02.03	Property and equipment	1,781	1,800
1.02.03.01	Property and equipment in use	1,781	1,800

Consolidated / Balance Sheets – Liabilities and Shareholder's Equity
(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2016	Previous year 12/31/2015
2	Total liabilities	2,618,121	2,575,518
2.01	Current Liabilities	232,398	168,979
2.01.01	Labor and social liabilities	2,954	2,401
2.01.01.01	Social liabilities	564	484
2.01.01.02	Labor liabilities	2,390	1,917
2.01.02	Suppliers	4,072	6,601
2.01.02.01	Domestic trade accounts payable	4,072	6,601
2.01.03	Tax liabilities	2,263	2,559
2.01.03.01	Federal taxes	2,261	2,504
2.01.03.01.01	Income taxes and social contribution	1,157	1,372
2.01.03.01.02	Other federal taxes	1,104	1,132
2.01.03.03	Municipal taxes	2	55
2.01.04	Loans and financing	216,241	150,579
2.01.04.01	Loans and financing	150,595	116,860
2.01.04.01.01	Loans and financing in domestic currency	150,595	116,860
2.01.04.02	Debentures	65,646	33,719
2.01.05	Others liabilities	6,868	6,839
2.01.05.02	Other	6,868	6,839
2.01.05.02.02	Mandatory minimum dividend payable	1,634	1,634
2.01.05.02.05	Advances - barters	3,468	3,518
2.01.05.02.06	Deferred taxes	918	965
2.01.05.02.08	Other	640	722
2.01.05.02.09	Derivative	208	-
2.02	Noncurrent liabilities	879,437	910,666
2.02.01	Loans and financing	781,922	814,379
2.02.01.01	Loans and financing	387,992	398,352
2.02.01.01.01	Loans and financing in domestic currency	387,992	398,352
2.02.01.02	Debentures	393,930	416,027
2.02.02	Others liabilities	45,074	45,162
2.02.02.02	Other	45,074	45,162
2.02.02.02.04	Advances - barters	42,372	42,406
2.02.02.02.05	Provisions for labor, tax and civil contingencies	922	739
2.02.02.02.06	Other	1,780	2,017
2.02.03	Deferred taxes	52,441	51,125
2.02.03.01	Income taxes and social contribution deferred	52,441	51,125
2.03	Equity	1,506,286	1,495,873
2.03.01	Paid-in capital	729,043	729,043
2.03.02	Capital reserves	24,924	24,840
2.03.02.01	Share subscription premium	23,143	23,143
2.03.02.04	Recognized options granted	1,781	1,697
2.03.04	Earnings reserve	741,882	741,882
2.03.04.01	Legal reserve	-	16,848
2.03.04.05	Retained profit reserve	-	725,034
2.03.05	Retained earnings/accumulated losses	10,326	-
2.03.09	Shareholders non-controlling interest	111	108

Consolidated / Income Statement

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
3.01	Revenue from sales and/or services	24,064	22,487
3.03	Gross profit	24,064	22,487
3.04	Operating income (expenses)	(3,635)	(28,518)
3.04.01	Selling expenses	(2,340)	(2,697)
3.04.02	General and administrative expenses	(2,564)	(2,382)
3.04.04	Other operating incomes	380	5,825
3.04.05	Other operating expenses	497	(30,152)
3.04.05.01	Other operating expenses	(187)	(5,992)
3.04.05.02	Changes in the fair value of investment property	684	(24,160)
3.04.06	Results from equity participation	392	888
3.05	Income before financial income and taxes	20,429	(6,031)
3.06	Financial income (expenses)	(8,642)	(11,892)
3.06.01	Financial income	3,063	3,172
3.06.02	Financial expenses	(11,705)	(15,064)
3.07	Income before taxes	11,787	(17,923)
3.08	Income tax and social contribution	(1,458)	2,096
3.08.01	Current	(1,381)	(1,512)
3.08.02	Deferred	(77)	3,608
3.09	Net income (loss) from continuing operations	10,329	(15,827)
3.11	Net income (loss) for the period	10,329	(15,827)
3.11.01	Attributable to shareholders of the Company	10,326	(15,828)
3.11.02	Attributable to Non-controlling	3	1
3.99	Earnings per share (In Reais - R$):		
3.99.01	Basic		
3.99.01.01	ON	0.05916	(0.09211)
3.99.02	Diluted		
3.99.02.01	ON	0.05903	(0.09193)

Consolidated / Statements of Comprehensive Income
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
4.01	Net income for the period	10,329	(15,827)
4.03	Comprehensive income for the period	10,329	(15,827)
4.03.01	Attributable to shareholders of the company	10,326	(15,828)
4.03.02	Non-controlling interests	3	1

Consolidated / Statement of Cash Flows
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
6.01	Net cash used in operating activities	20,458	17,540
6.01.01	Cash provided by operating activities	23,034	18,658
6.01.01.01	Net income for the period	10,329	(15,827)
6.01.01.02	Depreciation	67	27
6.01.01.03	Results from equity participation	(392)	(888)
6.01.01.04	Incurred interest	11,160	14,833
6.01.01.05	Deferred taxes	873	(3,797)
6.01.01.06	Stock options	84	119
6.01.01.07	Amortization of prepaid expenses	705	633
6.01.01.09	Results from derivative financial instruments	208	(973)
6.01.01.10	Changes in the fair value of investment property	-	24,531
6.01.02	Changes in assets and liabilities	(2,576)	(1,118)
6.01.02.01	(Increase) decrease in trade accounts receivable	(3,902)	(3,593)
6.01.02.02	(Increase) decrease in recoverable taxes	555	293
6.01.02.03	(Increase) decrease in prepaid expenses	(142)	(960)
6.01.02.04	(Increase) decrease in other assets	1	(74)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	553	185
6.01.02.06	Increase (decrease) in taxes, charges and contributions	1,232	998
6.01.02.07	Increase (decrease) in other liabilities	(136)	383
6.01.02.08	Income tax and social contribution paid	(1,540)	(1,350)
6.01.02.10	Proceeds from land sales	803	3,000
6.02	Net cash provided (used) in investing activities	(11,898)	(14,555)
6.02.01	Increase in / acquisition of investments	(252)	(1,091)
6.02.02	Acquisition of investment properties	(11,598)	(12,742)
6.02.03	Other	(48)	(722)
6.03	Net cash provided (used in) by financing activities	(273)	(33,915)
6.03.01	Loans, financing and debentures	29,937	3,501
6.03.02	Interest paid	(18,791)	(26,849)
6.03.05	Payment of due to related parties	(12,333)	-
6.03.06	Increase in due to related parties	12,333	-
6.03.07	Contributions from (distributions to) noncontrolling shareholders	-	(87)
6.03.09	Amortization of loans, financing and debentures	(11,605)	(9,830)
6.03.10	(Contracted) redeemed derivative financial instruments	186	(650)
6.05	Increase (decrease) in cash and cash equivalents	8,287	(30,930)
6.05.01	Cash and cash equivalents at beginning of period	17,258	77,334
6.05.02	Cash and cash equivalents at end of period	25,545	46,404

Consolidated / Statement of Changes in Equity – 1/1/2016 to 3/31/2016

(In thousands of Brazilian reais – R$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Shareholders' equity	Non-controlling interest	Total
5.01	Opening balance	729,043	24,840	741,882	-	-	1,495,765	108	1,495,873
5.03	Adjusted opening balance	729,043	24,840	741,882	-	-	1,495,765	108	1,495,873
5.04	Shareholders capital transaction	-	84	-	-	-	84	-	84
5.04.03	Recognized options granted	-	84	-	-	-	84	-	84
5.05	Total comprehensive income	-	-	-	10,326	-	10,326	3	10,329
5.05.01	Net income (loss) for the period	-	-	-	10,326	-	10,326	3	10,329
5.07	Closing balance	729,043	24,924	741,882	10,326	-	1,506,175	111	1,506,286

Consolidated / Statement of Changes in Equity – 1/1/2015 to 3/31/2015

(In thousands of Brazilian reais – R$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Shareholders' equity	Non-controlling interest	Total
5.01	Opening balance	171,844	528,522	753,625	-	-	1,453,991	224	1,454,215
5.03	Adjusted opening balance	171,844	528,522	753,625	-	-	1,453,991	224	1,454,215
5.04	Shareholders capital transaction	-	119	-	-	-	119	(87)	32
5.04.03	Recognized options granted	-	119	-	-	-	119	-	119
5.04.08	Net contributions from (distribution to) noncontrolling shareholders	-	-	-	-	-	-	(87)	(87)
5.05	Total comprehensive income	-	-	-	(15,828)	-	(15,828)	1	(15,827)
5.05.01	Net income (loss) for the period	-	-	-	(15,828)	-	(15,828)	1	(15,827)
5.07	Closing balance	171,844	528,641	753,625	(15,828)	-	1,438,282	138	1,438,420

Consolidated / Statement of Value Added
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2016 to 3/31/2016	1/1/2015 to 3/31/2015
7.01	Revenue	56,672	28,769
7.01.01	Revenues from sales of goods, services and products	25,799	23,961
7.01.02	Other revenue	1,873	(24,509)
7.01.02.01	Fair Value	1,494	(24,531)
7.01.02.02	Other revenue	379	22
7.01.03	Revenue from construction of own assets	29,000	29,317
7.02	Inputs purchased from third parties	(8,557)	(15,176)
7.02.02	Supplies, power, outside services and other items	(8,557)	(15,176)
7.03	Gross value added	48,115	13,593
7.04	Retentions	(67)	(27)
7.04.01	Depreciation, amortization and depletion	(67)	(27)
7.05	Net value added generated	48,048	13,566
7.06	Value added received in transfer	3,593	4,060
7.06.01	Results from equity participation	392	888
7.06.02	Financial income	3,201	3,172
7.07	Total value added for distribution	51,641	17,626
7.08	Value added distributed	51,641	17,626
7.08.01	Personnel	2,842	1,932
7.08.01.01	Salaries and wages	2,401	1,514
7.08.01.02	Benefits	308	333
7.08.01.03	Severance Pay Fund (FGTS)	133	85
7.08.02	Taxes, charges and contributions	5,422	916
7.08.02.01	Federal	5,261	905
7.08.02.02	State	3	3
7.08.02.03	Municipal	158	8
7.08.03	Debt remuneration	33,048	30,605
7.08.03.01	Interest	32,276	29,739
7.08.03.02	Rentals	737	825
7.08.03.03	Others	35	41
7.08.04	Shareholders	10,329	(15,827)
7.08.04.03	Earnings retained in the period	10,326	(15,828)
7.08.04.04	Profit attributable to non-controlling interests	3	1

1. General Information

The general information did not change significantly in relation to the information disclosed in note 1 to the annual financial statements for the year ended December 31, 2015, published on March 15, 2016 in the newspapers *Diário Oficial da Estado de Minas Gerais* (Minas Gerais State Gazette) and *Hoje em Dia* (hereinafter referred to as "financial statements for the year ended December 31, 2015").

The Company, its subsidiaries, and its joint ventures are currently at a stage of cautious expansion of their project portfolio aimed at improving the allocation of available resources to maintain the growth of their cash flows and improve their capital structure. Within this context and aiming at maintaining an adequate level of liquidity and ensuring its investment capacity, the Group holds continual discussions with financial institutions regarding new operations for the purpose of improving the Group's debt profile and maintain the level of liquidity and the ability to make new investments. The Company may divest assets in its portfolio, depending on existing business and market conditions for such divestures, taking into account the future ability to add shareholder value from such assets. In addition, are also being considered new resources through capital increases to enhance capital structure and to meet its financial commitments.

2. Presentation of interim financial information, significant accounting policies, and new accounting standards

The Company's interim financial information comprise the condensed individual and consolidated financial statements prepared in accordance with CPC 21 (R1) - *Demonstração Intermediária* (Interim Financial Reporting) and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB), identified as Individual and Consolidated, respectively.

The other information on the basis of preparation, basis of presentation and significant accounting policies did not change significantly in relation to the information disclosed in note 2 to the financial statements for the year ended December 31, 2015.

New standards

The accounting standards IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers*, and IFRS 16 *Leases* were issued but have not yet become effective and, therefore, have not been early adopted by the Group for the three-month period ended March 31, 2016.

In light of the Company's and its subsidiaries' current operations, Management does not anticipate any material impacts on the financial statements from these changes after their adoption. There are no other issued standards and interpretations not yet adopted that could, according to Management, have a significant impact on the net income or the shareholders' equity disclosed by the Company.

3. Cash and Cash Equivalents

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Cash	**19**	21	**20**	22
Bank accounts	**70**	478	**465**	661
Short-term investments:				
Bank Certificates of Deposit (CDBs)	**10,496**	12,676	**10,496**	12,676
Certificates backed by debentures	**5,252**	-	**5,714**	700
Nonexclusive investment fund	**704**	683	**3,296**	3,199
Exclusive investment fund	**5,493**	-	**5,554**	-
Total	**22,034**	13,858	**25,545**	17,258

Short-term investments include income earned, equivalent to approximately 98.04% of the interbank deposit rate (CDI) in Individual and 97.07% of CDI on a consolidated basis as at March 31, 2016 (107.62% of CDI in Individual and 105.05% of CDI on a consolidated basis as at December 31, 2015).

Breakdown of the exclusive investment fund's portfolio, proportionately to the units held by the Company:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Bank Certificates of Deposit (CDBs)	**3,468**	-	**3,506**	-
Repurchase agreements	**1,592**	-	**1,610**	-
Government and private sector securities	**343**	-	**347**	-
Other	**90**	-	**91**	-
Total	**5,493**	-	**5,554**	-

The other information on cash and cash equivalents is not significantly different from the information disclosed in note 3 to the financial statements for the year ended December 31, 2015.

4. Trade receivables

Trade receivables are broken down as follows:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Rentals	**8,859**	7,666	**30,806**	27,720
Sale of subsidiary (note 5 (a))	**6,493**	5,062	**6,493**	5,062
Other	**1,549**	1,966	**2,596**	4,014
	16,901	14,694	**39,895**	36,796
Allowance for doubtful debts	**-**	-	**(3,036)**	(3,036)
Total	**16,901**	14,694	**36,859**	33,760
Current	**9,241**	7,243	**21,748**	19,119
Noncurrent	**7,660**	7,451	**15,111**	14,641
	16,901	14,694	**36,859**	33,760

The table below shows the aging list of trade receivables:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Undue:				
Up to 12 months	**8,685**	6,902	**19,722**	17,824
13 to 24 months	**7,660**	7,451	**15,111**	14,641
	16,345	14,353	**34,833**	32,465
Past due:				
Up to 30 days	**119**	159	**816**	545
31 to 90 days	**301**	92	**1,023**	627
More than 90 days	**136**	90	**3,223**	3,159
	556	341	**5,062**	4,331
Total	**16,901**	14,694	**39,895**	36,796

Changes in the allowance for doubtful debts for the quarters ended March 31, 2016 and 2015 are as follows:

	Consolidated	
	1st quarter of	
	2016	**2015**
Opening balance	**(3,036)**	(748)
Recognition	**-**	-
Closing balance	**(3,036)**	(748)

The aging list of future contractually guaranteed minimum receivables is as follows:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
12 months	**20,341**	22,811	**102,654**	103,156
13 to 24 months	**21,090**	22,312	**96,932**	89,132
25 to 36 months	**17,451**	18,494	**68,824**	63,023
37 to 48 months	**3,215**	4,976	**35,111**	31,182
More than 48 months	**6,996**	7,141	**74,776**	31,010
Total	**69,093**	75,734	**378,297**	317,503

The other information on trade receivables did not change significantly in relation to the information disclosed in note 4 to the financial statements for the year ended December 31, 2015.

5. Investments in subsidiaries and joint ventures

Refer to interest held in subsidiaries and joint ventures, basically represented by special purpose entities, as follows:

Project	Startup date	Location
Joint ventures in operation:		
Cabral Investimentos SPE Ltda. (“Cabral”)	November 2013	Contagem, MG
Parque Torino Imóveis S.A. (“Torino”)	Abril 2015	Betim MG
Joint ventures at start-up stage:		
Betim I Incorporações SPE Ltda. (“Betim subdivision”)	-	Betim, MG
Subsidiaries in operation:		
Contagem I SPE Ltda. (“LOG I”)	February 2009	Contagem, MG
Contagem II Incorporações SPE Ltda. (“LOG II”)	March 2011	Contagem, MG
Jundiaí Incorporações SPE Ltda. (“LOG Jundiaí”)	April 2011	Jundiaí, SP
Goiânia I Incorporações Imobiliárias SPE Ltda. (“LOG Goiânia”)	April 2012	Goiânia, GO
Hortolândia Incorporações SPE Ltda. (“LOG Hortolândia”)	September 2012	Hortolândia, SP
LOG São José dos Pinhais I SPE Ltda. (“LOG SJP”)	April 2013	São José dos Pinhais, PR
LOG Juiz de Fora I SPE Ltda. (“LOG Juiz de Fora”)	June 2013	Juiz de Fora, MG
LOG Feira de Santana I SPE Ltda. (“LOG Feira de Santana”)	June 2013	Feira de Santana, BA
LOG Maracanaú I SPE Ltda. (“LOG Fortaleza”)	August 2013	Maracanaú, CE
LOG Via Expressa SPE Ltda. (“LOG Via Expressa”)	November 2013	Betim, MG
LOG Viana I SPE Ltda. ("LOG Viana")	April 2014	Viana, ES
LOGCP Londrina I SPE Ltda. ("LOG Londrina")	June 2014	Londrina, PR

Project	Startup date	Location
LOG Itatiaia SPE Ltda. (“LOG Itatiaia”)	July 2014	Itatiaia, RJ
Subsidiaries at start-up stage:		
MRV LOG MDI SJC I Incorporações SPE Ltda. (“LOG SJC Sony”)	-	São José dos Campos SP
LOG Sumaré Deltalog I SPE Ltda. (“LOG Sumaré”)	-	Sumaré, SP
LOG SJRP I Incorporações SPE Ltda. ("LOG SJRP")	-	São José do Rio Preto, SP
LOG Macaé I SPE Ltda. (“LOG Macaé”)	-	Macaé, RJ
LOG RP I SPE Ltda. ("LOG RP")	-	Ribeirão Preto, SP
LOG Curitiba I SPE Ltda. ("LOG Curitiba")	-	Curitiba, PR
LOG Rio SPE Ltda. (“LOG Rio”)	-	Campo Grande, RJ
LOG Aracajú SPE Ltda. (“LOG Aracajú”)	-	Nossa Senhora do Socorro, SE
LOG Uberaba SPE Ltda. (“LOG Uberaba”)	-	Uberaba, MG
LDI LOG Desenvolvimento Imobiliário Ltda. (“LDI”)	-	Belo Horizonte, MG

a) The main information on each investment is summarized below:

	Information on investees		Company information				
	Issued capital		Equity interest				
	03/31/16		03/31/16			12/31/15	
	Amount	Number of shares	Number of shares	Contractual percentage		Contractual percentage	
Joint ventures:							
Cabral	39,247	78,494,000	39,247,000	50.00%		50.00%	
Torino	132,828	318,600	127,440	40.00%		40.00%	
Betim subdivision	39,126	84,325,968	42,162,984	50.00%	(*)	50.00%	(*)
Subsidiaries:							
LOG I	69,368	61,460,971	61,455,971	99.99%		99.99%	
LOG II	21,176	20,353,954	20,352,154	99.99%		99.99%	
LOG Jundiaí	42,293	35,874,919	35,873,675	99.99%		99.99%	
LOG Goiânia	60,502	46,930,180	46,930,170	99.90%		99.90%	
LOG Hortolândia	75,672	13,000,000	12,999,999	100.00%		100.00%	
LOG SJP	22,338	23,351,000	23,350,999	100.00%		100.00%	
LOG Juiz de Fora	40,468	10,000	9,999	99.99%		99.99%	
LOG Feira de Santana	15,304	29,541,000	29,540,999	99.99%		99.99%	
LOG Fortaleza	55,048	34,037,979	34,037,978	99.99%		99.99%	
LOG Via Expressa	60,565	47,000,000	46,999,999	99.99%		99.99%	
LOG Viana	106,017	10,000	9,999	99.99%		99.99%	
LOG Londrina	38,706	10,000	9,999	99.99%		99.99%	
LOG Itatiaia	26,664	27,410,838	27,410,837	99.99%		99.99%	
LOG SJC Sony	54,274	52,500,000	52,499,999	100.00%		100.00%	
LOG Sumaré	713	10,000	9,999	99.99%		99.99%	
LOG SJRP	9,485	10,000	9,999	99.99%		99.99%	
LOG Macaé	13,884	10,000	9,999	99.99%		99.99%	
LOG RP	20,497	10,000	9,999	99.99%		99.99%	
LOG Curitiba	26,691	10,000	9,999	99.99%		99.99%	
LOG Rio	34,922	10,000	9,999	99.99%		99.99%	
LOG Aracajú	14,516	10,000	9,999	99.99%		99.99%	
LOG Uberaba	5,699	10,000	9,900	99.00%		99.00%	
LDI	3,857	24,690,048	24,689,948	100.00%		100.00%	

(*) Actual equity interest percentage of 48.19% at March 31, 2016 (48.03% at December 31, 2015).

	Information on investees							
	Equity		Profit (loss) for the 1st quarter of		Investment		1st quarter equity in investees	
	03/31/16	12/31/15	2016	2015	03/31/16	12/31/15	2016	2015
Joint ventures:								
Cabral	**115,804**	115,145	**659**	1,379	**57,261**	56,932	**329**	689
Torino	**332,069**	331,910	**160**	508	**132,854**	132,790	**64**	203
Betim subdivision	**81,193**	80,943	**(2)**	(9)	**39,127**	38,876	**(1)**	(4)
Capitalized interest (*)	**-**	-	**-**	-	**9,354**	8,716	**-**	-
Total joint ventures - Consolidated	**529,066**	527,998	**817**	1,878	**238,596**	237,314	**392**	888
Subsidiaries:								
LOG I	**162,359**	161,303	**3,029**	2,333	**162,343**	161,286	**3,029**	2,333
LOG II	**44,041**	44,013	**681**	722	**44,037**	44,008	**681**	722
LOG Jundiaí	**73,909**	73,639	**339**	950	**73,902**	73,632	**339**	950
LOG Goiânia	**111,401**	107,779	**2,793**	1,667	**111,290**	107,672	**2,790**	1,665
LOG Hortolândia	**130,320**	129,653	**1,697**	1,704	**130,320**	129,653	**1,697**	1,704
LOG SJP	**29,276**	28,486	**(154)**	(142)	**29,276**	28,486	**(154)**	(142)
LOG Juiz de Fora	**64,601**	62,730	**1,238**	737	**64,595**	62,724	**1,238**	737
LOG Feira de Santana	**26,358**	25,968	**(51)**	176	**26,355**	25,965	**(51)**	176
LOG Fortaleza	**125,326**	122,759	**2,529**	1,688	**125,313**	122,747	**2,529**	1,688

	Information on investees							
	Equity		Profit (loss) for the 1st quarter of		Investment		1st quarter equity in investees	
	03/31/16	12/31/15	2016	2015	03/31/16	12/31/15	2016	2015
LOG Via Expressa	**101,567**	100,318	**888**	947	**101,557**	100,308	**888**	947
LOG Viana	**124,251**	123,054	**1,597**	1,042	**124,239**	123,042	**1,597**	1,042
LOG Londrina	**76,135**	73,774	**2,071**	1,316	**76,127**	73,767	**2,071**	1,316
LOG Itatiaia	**35,339**	35,872	**75**	(195)	**35,335**	35,869	**75**	(195)
LOG SJC Sony	**106,759**	102,776	**3,957**	2,932	**106,759**	102,776	**3,957**	2,932
Office Park Pirituba	**-**	-	**-**	(23,862)	**-**	-	**-**	(23,860)
LOG Sumaré	**8**	8	**-**	-	**8**	8	**-**	**-**
LOG SJRP	**23,270**	22,611	**671**	492	**23,268**	22,609	**671**	492
LOG Macaé	**39,470**	38,487	**954**	687	**39,466**	38,483	**954**	687
LOG RP	**53,939**	52,277	**1,473**	1,060	**53,934**	52,272	**1,473**	1,060
LOG Curitiba	**42,739**	40,762	**1,935**	1,416	**42,735**	40,758	**1,935**	1,416
LOG Rio	**70,820**	61,454	**2,206**	936	**70,813**	61,448	**2,206**	936
LOG Aracajú	**21,030**	19,936	**1,038**	752	**21,028**	19,934	**1,038**	752
LOG Uberaba	**6,658**	6,211	**415**	303	**6,591**	6,149	**411**	300
LDI	**438**	403	**2**	116	**438**	403	**2**	116
Capitalized interest (*)	**-**	-	**-**	-	**-**	-	**(20,706)**	(14,367)
Total subsidiaries	**1,470,014**	1,434,273	**29,383**	(2,223)	**1,469,729**	1,433,999	**8,670**	(16,593)
Total Individual	**1,999,080**	1,962,271	**30,200**	(345)	**1,708,325**	1,671,313	**9,062**	(15,705)

(*) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/ development of its investees' investment properties and industrial subdivision in investees.

In February 2015 the Company merged subsidiary Campos Sociedade em Conta de Participação ("LOG Campos"), and the R$83,184 investment in Individual was derecognized.

In March 2015, the Company and subsidiary LDI LOG Desenvolvimento Imobiliário Ltda. ("LDI") sold its equity interests in the company MRV LOG SP I Incorporações SPE Ltda. ("Office Park Pirituba") to MRV Engenharia e Participações S.A. The effects of the sale to MRV are broken down as follows:

	Divesture		Total impact on profit or loss
	LOG	LDI	
Amount	109,989	11	110,000
Discount to present value	(5,801)	(1)	(5,802)
	104,188	10	104,198
Investment write-off	(104,188)	(10)	(104,198)
Gain on divesture	-	-	-
Deferred Income tax and social contribution	1,000	-	1,000
	1,000	-	1,000

On November 25, 2015, the Company assigned receivables to HSBC Bank Brasil S.A. Since the Company no longer retains the risks and responsibilities of the assigned receivables, these amounts were derecognized from line item trade receivables.

Under the assignment agreement, the Company retains the right to receive the amounts related to the adjustment for the IPCA (National Broad Consumer Price Index) (since March 2015), which total R$6,493 as at March 31, 2016 (R$5,062 at December 31, 2015). These amounts will be received in monthly installments through September 2017.

b) Joint ventures:

The main financial information is as follows:

	Cabral		Torino		Betim subdivision	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**	**03/31/16**	**12/31/15**
Cash and cash equivalents	**21,676**	20,724	**2,387**	3,731	**2**	3
Trade receivables	**2,880**	5,076	**10**	10	**-**	-
Inventories	**-**	-	**-**	-	**19,336**	12,033
Other current assets	**850**	719	**193**	199	**-**	-
Total current	**25,406**	26,519	**2,590**	3,940	**19,338**	12,036
Inventories	**-**	-	**-**	-	**61,896**	68,962
Investment property	**97,844**	95,830	**340,724**	339,225	**-**	-
Other noncurrent assets	**-**	234	**6**	-	**1**	2
Total noncurrent assets	**97,844**	96,064	**340,730**	339,225	**61,897**	68,964
Total assets	**123,250**	122,583	**343,320**	343,165	**81,235**	81,000
Current liabilities	**3,205**	2,628	**106**	110	**42**	57
Noncurrent liabilities	**4,241**	4,810	**11,145**	11,145	**-**	-
Equity	**115,804**	115,145	**332,069**	331,910	**81,193**	80,943
Liabilities and shareholders' equity	**123,250**	122,583	**343,320**	343,165	**81,235**	81,000

	Cabral		Torino		Betim subdivision	
	1st quarter of		**1st quarter of**		**1st quarter of**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Operating revenue	**514**	865	**606**	807	-	-
Cost of services	**-**	(221)	**(22)**	(20)	-	-
Financial income (expenses)	**342**	1,303	**(330)**	(11)	(2)	(9)
Changes in the fair value of investment property	**66**	16	**-**	-	-	-
Income tax and social contribution	**(263)**	(584)	**(94)**	(268)	-	-
Net income (loss)	**659**	1,379	**160**	508	(2)	(9)

c) The movements in the balances of investments in subsidiaries and joint ventures for the quarters ended March 31, 2016 and 2015 were as follows:

	Opening balances	**Capital contributions (reversals)**	**Result from equity participation**	**Dividends received**	**Other**	**Closing balances**
Quarter ended March 31, 2016:						
Joint ventures:						
Cabral	56,932	-	329	-	-	57,261
Torino	132,790	-	64	-	-	132,854
Betim subdivision	38,876	252	(1)	-	-	39,127
Capitalized interest	8,716	-	-	-	638	9,354
Total joint ventures - Consolidated	**237,314**	**252**	**392**	**-**	**638**	**238,596**
Subsidiaries:						
LOG I	161,286	795	3,029	(2,767)	-	162,343
LOG II	44,008	151	681	(803)	-	44,037
LOG Jundiaí	73,632	1,035	339	(1,104)	-	73,902
LOG Goiânia	107,672	2,356	2,790	(1,528)	-	111,290
LOG Hortolândia	129,653	412	1,697	(1,442)	-	130,320
LOG SJP	28,486	944	(154)	-	-	29,276
LOG Juiz de Fora	62,724	1,007	1,238	(374)	-	64,595
LOG Feira de Santana	25,965	441	(51)	-	-	26,355
LOG Fortaleza	122,747	1,542	2,529	(1,505)	-	125,313
LOG Via Expressa	100,308	3,066	888	(2,705)	-	101,557
LOG Viana	123,042	3,205	1,597	(3,605)	-	124,239
LOG Londrina	73,767	749	2,071	(460)	-	76,127
LOG Itatiaia	35,869	(405)	75	(204)	-	35,335
LOG SJC Sony	102,776	26	3,957	-	-	106,759
LOG Sumaré	8	-	-	-	-	8
LOG SJRP	22,609	14	671	(26)	-	23,268
LOG Macaé	38,483	29	954	-	-	39,466
LOG RP	52,272	189	1,473	-	-	53,934
LOG Curitiba	40,758	42	1,935	-	-	42,735
LOG Rio	61,448	7,159	2,206	-	-	70,813

	Opening balances	Capital contributions (reversals)	Result from equity participation	Dividends received	Other		Closing balances
LOG Aracajú	19,934	56	1,038	-	-		21,028
LOG Uberaba	6,149	31	411	-	-		6,591
LDI	403	33	2	-	-		438
Capitalized interest (*)	-	-	(20,706)	-	20,706		-
Total subsidiaries	**1,433,999**	**22,877**	**8,670**	**(16,523)**	**20,706**		**1,469,729**
Total Individual	**1,671,313**	**23,129**	**9,062**	**(16,523)**	**21,344**		**1,708,325**
Quarter ended March 31, 2015:							
Total Consolidated	242,961	1,091	888	-	1,029		245,969
Total Individual	1,771,228	6,411	(15,705)	(14,296)	(171,976)	(**)	1,575,662

(*) Write-off of the capitalized interest as a result of the adoption of the fair value for investment property.
(**) Derecognition due to merger and sale, as described in note (a) above and of capitalized interest.

The other information on Interests in subsidiaries and joint ventures did not change significantly from the information disclosed in note 5 to the financial statements for the year ended December 31, 2015.

6. Investment property

Broken down as follows:

	Individual		Consolidated	
	03/31/16	12/31/15	03/31/16	12/31/15
Industrial warehouses	**370,514**	370,100	**2,140,501**	2,114,343
Strip mall	**60,697**	60,070	**60,697**	60,070
Total	**431,211**	430,170	**2,201,198**	2,174,413

The movements in investment property for the quarters ended March 31, 2016 and 2015 are as follows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Opening balance	**430,170**	357,548	**2,174,413**	2,190,831
Additions	**441**	5,647	**3,413**	11,745
Impact of upstream merger (*)	**-**	84,041	**-**	-
Capitalized interest (note 7)	**600**	2,080	**21,878**	16,954
Write-off of subsidiary divesture (*)	**-**	-	**-**	(104,071)
Changes in fair value	**-**	**-**	**1,494**	(24,531)
Closing balance	**431,211**	449,316	**2,201,198**	2,090,928

(*) See note 5 (a).

The effects of the changes in the fair value of investment property on profit or loss, net of deferred PIS and COFINS, were as follows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Changes in fair value of investment property	**-**	**-**	**1,494**	(24,531)
Deferred PIS/COFINS	**-**	**-**	**(810)**	371
Changes in fair value of investment property in net income	**-**	**-**	**684**	(24,160)

The fair values of the investment properties have been determined at December 31, 2015 and updated to the reporting date of this interim financial information, as follows:

- Projects under construction and completed by December 31, 2015: fair values at that date were maintained, except for cases of significant changes, for which new valuations are conducted.
- Land purchased through December 31, 2015: fair values determined as at that date were maintained, added of the construction costs incurred in the first quarter of 2016.
- Land purchased in 2016: stated at the purchase cost added of the construction costs incurred in the first quarter of 2016, when applicable.

As at March 31, 2016, out of the total amount in investment property, R$2,009,596 has been pledged as collateral of loans, financing and debentures entered into by the Company and its subsidiaries (R$2,030,985 at December 31, 2015).

The other information on investment property did not change significantly in relation to the information disclosed in note 6 to the financial statements for the year ended December 31, 2015.

7. Loans, financing and debentures

a) Loans and financing

The position of loans and financing was as follows:

			03/31/16			12/31/15
Type	**Maturity of principal**	**Effective financial charges p.a. (*)**	**Current**	**Noncurrent**	**Total**	**Total**
Individual:						
Working capital	Sep 13 to Sep 17	CDI + 1.83%	**8,785**	**4,417**	**13,202**	15,372
Working capital	Jun 16	CDI + 4.44%	**52,104**	**-**	**52,104**	50,212
Working capital	Sep 2016	CDI + 1.47% (**)	**29,808**	**-**	**29,808**	-
Construction financing	Dec 13 to Oct 24	CDI + 1.92%	**5,490**	**36,735**	**42,225**	42,835
Construction financing	Dec 13 to Nov 23	TR + 9.42%	**3,202**	**19,595**	**22,797**	23,204
Construction financing	Dec 13 to Nov 23	TR + 9.43%	**1,586**	**9,707**	**11,293**	11,495
Construction financing	Jul 14 to Jun 22	TR + 11.33%	**3,831**	**18,441**	**22,272**	22,790
Construction financing	Aug 14 to Jul 22	TR + 11.32%	**2,173**	**10,623**	**12,796**	13,088
Construction financing	Apr 15 to Sep 22	TR + 11.07%	**2,644**	**13,406**	**16,050**	16,404
Construction financing	Oct 15 to Sep 25	TR + 9.72%	**544**	**4,170**	**4,714**	4,769
Construction financing	Mar 15 to Jul 23	TR + 9.62%	**1,510**	**8,776**	**10,286**	10,619
Construction financing	Sep 16 to Aug 26	TR + 10.10%	**223**	**3,581**	**3,804**	3,697
Construction financing	Sep 16 to Aug 26	TR + 10.04%	**484**	**7,769**	**8,253**	8,022
(-) Funding cost			**(781)**	**(2,243)**	**(3,024)**	(3,454)
Total Individual			**111,603**	**134,977**	**246,580**	219,053
Subsidiaries:						
Construction financing	Dec 13 to Nov 23	TR + 9.37%	**1,707**	**10,395**	**12,102**	12,317
Construction financing	Feb 14 to Jan 22	TR + 11.62%	**2,942**	**13,059**	**16,001**	16,408
Construction financing	Aug 14 to Jul 22	TR + 11.05%	**1,354**	**6,632**	**7,986**	8,169
Construction financing	Nov 14 to Oct 22	TR + 10.74%	**720**	**3,691**	**4,411**	4,507
Construction financing	Feb 15 to Jan 25	TR + 10.05%	**1,760**	**12,452**	**14,212**	14,398
Construction financing	Apr 15 to Mar 25	TR + 9.99%	**1,496**	**10,836**	**12,332**	12,487
Construction financing	Feb 15 to Jan 25	TR + 9.99%	**2,492**	**17,630**	**20,122**	20,393
Construction financing	Apr 15 to Mar 25	TR + 9.99%	**3,258**	**23,566**	**26,824**	27,167
Construction financing	Apr 15 to Mar 25	TR + 10.00%	**1,451**	**10,473**	**11,924**	12,077
Construction financing	Apr 15 to Mar 25	TR + 10.02%	**1,693**	**12,241**	**13,934**	14,112
Construction financing	Oct 15 to Sep 25	TR + 9.71%	**2,537**	**19,413**	**21,950**	22,211
Construction financing	Aug 14 to Jul 25	TR + 9.78%	**2,189**	**16,438**	**18,627**	18,854
Construction financing	Jan 15 to Dec 22	TR + 10.14%	**3,315**	**17,503**	**20,818**	21,490
Construction financing	May 15 to Apr 23	TR + 10.05%	**2,068**	**11,521**	**13,589**	14,005
Construction financing	Aug 15 to Jul 23	TR + 10.07%	**1,407**	**8,151**	**9,558**	9,839

Type	Maturity of principal	Effective financial charges p.a. (*)	03/31/16 Current	03/31/16 Noncurrent	03/31/16 Total	12/31/15 Total
Construction financing	Jan 15 to Apr 23	TR + 9.59%	**3,501**	**19,588**	**23,089**	23,680
Construction financing	Jan 15 to Apr 23	TR + 9.61%	**2,124**	**11,887**	**14,011**	14,478
Construction financing	Apr 16 to Mar 26	TR + 10.14%	**2,724**	**24,220**	**26,944**	26,173
Construction financing	Feb 16 to Jan 26	TR + 9.75%	**912**	**7,254**	**8,166**	8,147
(-) Funding cost			**(658)**	**(3,935)**	**(4,593)**	(4,753)
Total subsidiaries			**38,994**	**253,015**	**292,007**	296,159
Total Consolidated			**150,595**	**387,992**	**538,587**	515,212

(*) Consider the contractual debt cost plus other funding and debt service costs.
(**) Working capital originally raised in foreign currency amounting to US$8,253 (R$30,000). As descried in note 17(a), the Company hired a derivative financial instrument to hedge its exposure to US dollar fluctuation, by pegging interest to CDI.

The table below shows the payment schedule of loans and financing:

	Individual		Consolidated	
	03/31/16	12/31/15	03/31/16	12/31/15
After the reporting period				
12 months	**111,603**	79,053	**150,595**	116,860
13 to 24 months	**24,319**	26,169	**60,031**	61,425
25 to 36 months	**19,936**	19,607	**55,647**	54,862
37 to 48 months	**19,934**	19,606	**55,642**	54,860
More than 48 months	**70,788**	74,618	**216,672**	227,205
Total	**246,580**	219,053	**538,587**	515,212

The movements in loans and financing are as follows:

	Individual 1st quarter of		Consolidated 1st quarter of	
	2016	2015	2016	2015
Opening balance	**219,053**	277,219	**515,212**	592,905
Funding	**30,000**	1,607	**30,000**	4,023
Accrued financial charges	**7,007**	8,456	**15,400**	16,551
Funding costs	**(7)**	(222)	**(7)**	(522)
Amortization of funding costs	**434**	896	**598**	1,290
Repayment of principal	**(5,348)**	(3,665)	**(11,605)**	(9,830)
Payment of financial charges	**(4,559)**	(7,234)	**(11,011)**	(10,994)
Impact of upstream merger (*)	**-**	4,290	**-**	-
Closing balance	**246,580**	281,347	**538,587**	593,423

(*) Merger of SCP Campos with and into the Company, as described in note 5 (a).

Funding during the quarter ended March 31, 2016 was as follows:

	Maturity of principal	Effective financial charges p.a.	Amount raised
Individual and Consolidated:			
Working capital	Sep 2016	CDI + 1.47% (**)	30,000
Total Individual and Consolidated:			30,000

(*) See explanation above on the position in loans and financing.

On March 30, 2016, the Company obtained a foreign currency-denominated working capital loan, amounting to US$8,253, which, if converted at the foreign exchange rate at the contract date, is equivalent to R$30,000, thus subject to US dollar fluctuation plus spread of 3.20% per annum. The Company issued a promissory note of R$36,000, guaranteed by its joint parent company MRV Engenharia e Participações S.A., and signed a collateral transfer paper on receivables generated by the swap transactions described in note 17 (a).

b) Debentures

The debenture position is as follows:

			Individual and Consolidated			
			03/31/16			12/31/15
Issue	Principal - maturity	Effective financial charges p.a. (*)	Current	Noncurrent	Total	Total
3rd issue	Jun 14 to Jun 20	CDI + 2.27%	**11,567**	**86,000**	**97,567**	94,066
4th issue	Aug 16 to Feb 19	CDI + 2.13%	**21,323**	**80,000**	**101,323**	105,209
6th issue	Dec 15 to Dec 19	CDI + 2.38%	**14,277**	**85,000**	**99,277**	95,690
7th issue	Jan 17 to Oct 18	118% CDI + 0.14%	**17,642**	**87,500**	**105,142**	101,246
8th issue	Nov 17 to Dec 19	119% CDI + 0.29%	**2,641**	**60,000**	**62,641**	60,301
(-) Funding cost			**(1,804)**	**(4,570)**	**(6,374)**	(6,766)
Total			**65,646**	**393,930**	**459,576**	449,746

(*) Consider the contractual debt cost plus other funding and debt service costs.

As at March 31, 2016, the debentures were simple, nonconvertible, registered, book-entry, and had the following other main features:

Issue	Type	Amount raised	Funding date	Contractual rate	Interest - maturity 1st installment	Charge payment	Repayment of principal
3rd	Collateral	100,000	Jun 13	CDI + 1.90% p.a.	Dec 13	Semiannual	Semiannual
4th	Unsecured (*)	100,000	Feb 14	CDI + 1.85% p.a.	Aug 14	Semiannual	Semiannual
6th	Collateral	100,000	Dec 14	CDI + 2.00% p.a.	Jun 15	Semiannual	Annual
7th	Unsecured (*)	100,000	Dec 15	118% CDI	May 16	Quarterly	Quarterly
8th	Unsecured (*)	60,000	Dec 15	119% CDI	May 16	Semiannual	Semiannual

(*) Includes additional collateral consisting of a mortgage and collateral transfer.

The table below shows the debentures payment schedule:

	Individual and Consolidated						
	03/31/16						12/31/15
After the reporting period	3rd issue	4th issue	6th issue	7th issue	8th issue	Total	Total
Amortization:							
12 months	**11,567**	**21,323**	**14,277**	**17,642**	**2,641**	**67,450**	35,512
13 to 24 months	**20,000**	**30,000**	**15,000**	**50,003**	**12,000**	**127,003**	122,004
25 to 36 months	**24,000**	**50,000**	**25,000**	**37,497**	**24,000**	**160,497**	152,996
37 to 48 months	**27,000**	**-**	**45,000**	**-**	**24,000**	**96,000**	131,000
After 48 months	**15,000**	**-**	**-**	**-**	**-**	**15,000**	15,000
Total	**97,567**	**101,323**	**99,277**	**105,142**	**62,641**	**465,950**	456,512
Costs:							
12 months	**(452)**	**(299)**	**(414)**	**(287)**	**(352)**	**(1,805)**	(1,793)
13 to 24 months	**(453)**	**(300)**	**(415)**	**(288)**	**(353)**	**(1,809)**	(1,793)
25 to 36 months	**(453)**	**(275)**	**(417)**	**(169)**	**(355)**	**(1,669)**	(1,750)
37 to 48 months	**(455)**	**-**	**(279)**	**-**	**(269)**	**(1,003)**	(1,228)
After 48 months	**(89)**	**-**	**-**	**-**	**-**	**(89)**	(202)
Total	**(1,902)**	**(874)**	**(1,525)**	**(744)**	**(1,329)**	**(6,374)**	(6,766)
Total, net	**95,665**	**100,449**	**97,752**	**104,398**	**61,312**	**459,576**	449,746

The movements in debentures are as follows:

	Individual and Consolidated	
	1st quarter of	
	2016	2015
Opening balance	**449,746**	441,524
Accrued financial charges	**17,126**	14,513
Funding costs	**(56)**	-
Amortization of funding costs	**449**	462
Payment of financial charges	**(7,689)**	(15,855)
Closing balance	**459,576**	440,644

c) Guarantees

The types of guarantee for loans, financing and debentures as at March 31, 2016 were as follows:

	Consolidated				
	Working capital	**Construction financing**	**Debentures**	**Total**	
Collateral/surety	95,114	451,090	-	546,204	
Collateral/receivables	-	-	465,950	465,950	
Total	95,114	451,090	465,950	1,012,154	(*)

(*) Amount of loans, financing and debentures, gross of funding costs.

Collaterals consist of the land, improvements, and properties of the financed projects (see note 6).

Receivables consist of future inflows generated by the financed projects, pledged as collateral in the event of nonpayment to the financial institutions.

Loans, financing and debentures do not contain any restrictive covenant related to financial ratios.

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	**2015**	**2016**	**2015**
Finance charges:				
Loans, financing and debentures	**(25,017)**	(24,329)	**(33,573)**	(32,818)
Charges due to related parties	**(103)**	-	**(103)**	-
Other financial charges	**(25,120)**	(24,329)	**(33,676)**	(32,818)
Interest capitalized on:				
Investment property (note 6)	**600**	2,080	**21,878**	16,954
Investment	**21,344**	15,396	**638**	1,029
Financial charges allocated to profit or loss (note 15)	**(3,176)**	(6,853)	**(11,160)**	(14,835)

In the quarter ended March 31, 2016, total capitalized loans, financing and debentures represented an average charge rate of 14.90% per annum (13.16% per annum in the quarter ended March 31, 2015).

The other information on loans, financing and debentures did not change significantly in relation to the information disclosed in note 7 to the financial statements for the year ended December 31, 2015.

8. Advances - barters

This balances refers to commitments arising from agreed upon barters under which the Company purchased land in exchange for industrial warehouses. The balances were recognized at fair value on transaction date, measured based on the sales price of the land obtained in technical reports. The commitments will be discharged by handing over the completed industrial warehouses.

9. Income tax and social contribution

(a) The income tax (IRPJ) and social contribution income (CSLL) income (expenses) at the statutory tax rate are reconciled as follows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	**2015**	**2016**	**2015**
Income (loss) before income tax and social contribution	**9,930**	(18,584)	**11,787**	(17,923)
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal (expense) credit	**(3,376)**	6,319	**(4,008)**	6,094
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed with written-off capitalized interest	**10,121**	(455)	**133**	302
Tax basis difference for companies taxes based on deemed income	**-**	-	**8,746**	(1,191)
Unrecognized tax credit	**(7,040)**	(4,885)	**(7,040)**	(4,885)
Write-off of fair value on divesture	**-**	1,000	**-**	1,000
Other	**691**	777	**711**	776
IRPJ and CSLL credit (expenses) in profit or loss	**396**	2,756	**(1,458)**	2,096

(b) Deferred tax balances

The breakdown of deferred tax assets (liabilities) disclosed in the balance sheets is as follows:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Noncurrent assets:				
Income tax and social contribution	**51,448**	51,052	**51,448**	51,052
Liabilities:				
Income tax and social contribution	**-**	-	**(23,007)**	(22,534)
PIS/COFINS	**-**	-	**(30,352)**	(29,556)
	-	-	**(53,359)**	(52,090)
Current	**-**	-	**(918)**	(965)
Noncurrent	**-**	-	**(52,441)**	(51,125)
Total	**-**	-	**(53,359)**	(52,090)

The breakdown of the deferred income tax and social contribution is as follows:

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**23,688**	23,160	**27,087**	26,391
Capitalized interest	**66,384**	66,384	**66,384**	66,384
Temporary differences	**2,206**	2,338	**2,217**	2,347
	92,278	91,882	**95,688**	95,122
Reclassified deferred liabilities	**(40,830)**	(40,830)	**(44,240)**	(44,070)
Deferred assets	**51,448**	51,052	**51,448**	51,052
Deferred liabilities:				
Fair value appreciation on investment property	**(40,830)**	(40,830)	**(66,121)**	(65,437)
Rents receivable	**-**	-	**(1,126)**	(1,167)
	(40,830)	(40,830)	**(67,247)**	(66,604)
Reclassified deferred liabilities	**40,830**	40,830	**44,240**	44,070
Deferred tax liabilities	**-**	-	**(23,007)**	(22,534)

The balances of the reclassified deferred taxes are related to taxes on income collected by the same tax authority and were individually made by entity.

As at March 31, 2016, the estimated realization of deferred tax assets, based on the projection of future taxable income, prepared by the Company's management, was as follows:

	Individual	Consolidated
	IRPJ and CSLL	
Expected realization:		
2016	576	599
2017	753	820
2018	5,522	5,822
2019	7,568	8,386
2020	6,908	8,108
After 2020	70,951	71,953
Total	92,278	95,688

As at March 31, 2016, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rents receivable for the remaining balance.

The movements in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the quarters ended March 31, 2016 and 2015 were as follows:

	Individual				Consolidated			
	2016			2015	2016			2015
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	**91,882**	**(40,830)**	**51,052**	28,535	**95,122**	**(66,604)**	**28,518**	6,280
Write-offs for:								
- divestures	**-**	**-**	**-**	-	**-**	**-**	**-**	(96)
- Upstream merger	**-**	**-**	**-**	(1,098)	**-**	**-**	**-**	-
Deferred effects recognized in:								
- Net income (loss) for the year	**396**	**-**	**396**	2,771	**566**	**(643)**	**(77)**	3,608
Closing balance	**92,278**	**(40,830)**	**51,448**	30,208	**95,688**	**(67,247)**	**28,441**	9,792

10. Provisions for labor, tax and civil contingencies

The movements in for the quarters ended March 31, 2016 and 2015 were as follows:

	Individual and Consolidated	
	1st quarter of	
	2016	2015
Opening balance	**739**	203
Additions	**223**	184
Payment	**(40)**	(8)
Reversal	**-**	(9)
Closing balance	**922**	370

The lawsuits assessed as possible losses by the legal counsel, related basically to labor lawsuits, amount to R$440 as at March 31, 2016 (R$552 at December 31, 2015).

Based on the legal counsel's assessment, there are no tax lawsuits classified with a risk of unfavorable outcome classified as probable or possible. Only one (1) civil lawsuit, totaling R$5, is classified with a possible likelihood of an unfavorable outcome and there are no lawsuits classified as with a probable likelihood of unfavorable outcomes.

The other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in note 10 to the financial statements for the year ended December 31, 2015.

11. Shareholder´s equity

(a) Common shares and issued capital

	Individual and Consolidated	
	03/31/16	**12/31/15**
Capital	**729,043**	729,043
Number of common shares, without par value (thousand)	**174,557**	174,557

The Company's authorized capital as at March 31, 2016 and December 31, 2015 was R$2,000,000.

(b) Mandatory minimum dividend payable to shareholders

The 2015 dividends, amounting to R$1,634, were approved at the Annual Shareholders' Meeting held on April 29, 2016 and will be paid on June 28, 2016.

The 2014 dividends, amounting to R$25,856, were approved at the Annual Shareholders' Meeting held on April 30, 2015 and paid on June 29, 2015.

The other information on shareholders' equity, including on the stock option plan, did not change significantly in relation to the information disclosed in note 11 to the financial statements for the year ended December 31, 2015.

12. Earnings per share

Net income (loss) and the weighted average number of common used to calculate basic and diluted earnings per share are as follows:

	Individual and Consolidated	
	1st quarter of	
	2016	**2015**
Basic earnings per share		
Net income (loss) for the period	**10,326**	(15,828)
Weighted average number of outstanding common shares (in thousands)	**174,558**	171,844
Basic earnings per share - in R$	**0.05916**	(0.09211)
Diluted earnings per share:		
Net income (loss) for the period	**10,326**	(15,828)
Weighted average number of outstanding common shares (in thousands)	**174,558**	171,844
Dilutive effect of stock options (in thousands)	**359**	339
Weighted average number of outstanding common shares (in thousands)	**174,917**	172,183
Diluted earnings per share - in R$	**0.05903**	(0.09193)

13. Net revenue

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Rental revenue	**5,579**	5,442	**25,799**	23,961
PIS/COFINS on revenue	**(516)**	(503)	**(1,735)**	(1,474)
Net revenue	**5,063**	4,939	**24,064**	22,487

14. Costs and expenses by nature

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Depreciation	**(61)**	(25)	**(67)**	(27)
Advertising	**(89)**	(287)	**(89)**	(287)
Salaries, charges and benefits	**(1,187)**	(1,191)	**(1,187)**	(1,191)
Management compensation	**(243)**	(269)	**(243)**	(269)
Outside services	**(593)**	(569)	**(1,389)**	(1,382)
General expenses	**(611)**	(339)	**(757)**	(376)
Stock options	**(84)**	(119)	**(84)**	(119)
Vacancy expenses	**(378)**	(398)	**(1,099)**	(1,427)
Other	**(180)**	(191)	**204**	(168)
	(3,426)	(3,388)	**(4,711)**	(5,246)
Classified as:				
Selling expenses	**(922)**	(1,136)	**(2,340)**	(2,697)
General and administrative expenses	**(2,074)**	(1,793)	**(2,321)**	(2,113)
Management compensation	**(243)**	(269)	**(243)**	(269)
Other operating income (expenses)	**(187)**	(190)	**193**	(167)
	(3,426)	(3,388)	**(4,711)**	(5,246)

15. Financial expenses and income

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Financial expenses				
Interest on loans, financing and debentures (note 7 (d))	**(3,176)**	(6,853)	**(11,160)**	(14,835)
Other financial expenses	**(448)**	(190)	**(545)**	(229)
	(3,624)	(7,043)	**(11,705)**	(15,064)
Financial income				
Income from short-term investment	**266**	1,481	**362**	1,850
Gain on derivative financial instruments	**-**	1,075	**-**	1,075
Inflation adjustments	**2,234**	-	**2,234**	-
Other financial income	**355**	57	**467**	247
	2,855	2,613	**3,063**	3,172
Financial income (expenses)	**(769)**	(4,430)	**(8,642)**	(11,892)

16. Related-party transactions

Related-party balances and transactions are as follows:

	Individual		Consolidated	
	03/31/16	12/31/15	03/31/16	12/31/15
Balance sheets:				
Short-term investments (a)	**10,496**	12,676	**10,496**	12,676
Rental receivables (b)	**21**	18	**288**	325
Receivables for sale of subsidiary (e)	**6,493**	5,062	**6,493**	5,062

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Transactions:				
Income from short-term investments (a)	**211**	1,099	**211**	1,889
Rental receivables (b)	**68**	-	**1,070**	854
Expenses on the provision of administrative services (c)	**136**	250	**348**	570
Financial expenses due to related parties (d)	**103**	-	**103**	-
Sale of subsidiary (e)	**-**	109,989	**-**	110,000

(a) Refers to short-term investments in CDBs with Intermedium Crédito Financiamento e Investimento S.A. ("Intermedium"), which is controlled by the controlling shareholder of MRV Engenharia e Participações S.A. As at March 31, 2016, short-term investments yielded approximately 108.00% of CDI in Individual and on a consolidated basis (108.00% of CDI in Individual on a consolidated basis at December 31, 2015).

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Banco Intermedium amounting to R$24,475 at March 31, 2016 (R$13,899 at December 31, 2015). The financial income arising on these short-term investments was R$664 for the first quarter of 2016 (R$925 for the first quarter of 2015).

(b) Refers to the rental agreement entered into by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by one of the Company's non-controlling shareholders.

(c) Amounts related to expenses incurred on the provision of administrative services by MRV Engenharia e Participações S.A. The agreement provides for the monthly payment of R$4.0 per project developed by the Company or its investees for the first quarter of 2016 (R$5.5 for the first quarter of 2015). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV Engenharia e Participações S.A. The agreement is effective for three years, beginning December 02, 2013, automatically extendable for an equal period, if not apposed by any of the parties. On December 1, 2015, the parties entered into an amendment that changed the monthly payment amount to R$4.0 per project.

(d) Refers to the expenses on loan between the Company and its joint parent company MRV Engenharia e Participações S.A. amounting to R$12,333, granted in February and March 2016. The loan was subject to CDI + spread of 2.36% per annum and the outstanding balance was fully repaid in March 2016.

(e) In 2015, the Company and subsidiary LDI LOG Desenvolvimento Imobiliário Ltda. ("LDI") sold their equity interests in the company MRV LOG SP I Incorporações SPE Ltda. ("Office Park Pirituba") to MRV Engenharia e Participações S.A., as described in note 5 (a).

On August 13, 2015, joint venture Cabral Investimentos SPE Ltda. sold a plot of land to MRV Engenharia e Participações S.A. for R$7,500, to be paid in a R$750 down payment and 12 monthly installments of R$563, adjusted using the INCC (National Construction Cost Index). The balance receivable as at March 31, 2016 is R$2,884 (R$4,568 at December 31, 2015). The financial income earned on this transaction, included in the amount above, was R$39 for the same period (nil for the quarter ended March 31, 2015).

The Group conducts transactions with Banco Bradesco, manager of the mutual fund Fundo de Investimento em Participações Multisetorial Plus, a Company shareholder. As at March 31, 2016, the transactions consist of loans, financing, and debentures totaling R$464,120 (R$468,076 at December 31, 2015). In the quarter ended March 31, 2016, these transactions, conducted at usual market rates, generated financial expenses of R$15,122 (R$13,954 at March 31, 2015).

Compensation of key management personnel

Pursuant to CPC 05, which addresses related party disclosures, and according to the Company's understanding, key management personnel consists of members of the Board of Directors and officers elected by the Board of Directors in conformity with the Company's bylaws, and their roles and responsibilities comprise decision-making powers and control of the Company's activities.

	Individual and Consolidated	
	1st quarter of	
	2016	**2015**
Short-term benefits granted to management:		
Management compensation	**243**	269
Profit sharing	**120**	142
Share-based compensation:		
Stock option plan	**65**	82
	428	493

On April 29, 2016, the Extraordinary Shareholders' Meeting approved overall management compensation of R$1,900.

Besides the benefits above, the Company does not grant any other benefits such as postemployment benefits, other long-term benefits, or severance pay.

17. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of: cash, banks, short-term investments, trade receivables, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at March 31, 2016.

On March 30, 2016, the Company hired a non-speculative derivative financial instrument to hedge its exposure to US dollar fluctuation in the working capital transaction described in note 7 (a). The sole purpose of this transaction is value hedging by minimizing the impacts of foreign exchange fluctuation by replacing the US dollar fluctuation for floating rate CDI, as broken down in the table below:

							Impact on profit or loss
Type of transaction	**Assets/ liabilities**	**Maturity**	**Notional dollar amount**	**Notional real amount**	**Long position**	**Short position**	**Loss on transaction**
Swap	US dollar fluctuation + 3.20% / CDI + 1.47% p.a.	09/30/2016	8,253	30,000	29,808	30,016	(208)
Total current liabilities							(208)

In the first quarter of 2015, the Company contracted non-speculative derivative financial instruments to hedge against the exposure to interest rates in financing and debentures, pegged to the CDI variance. The sole purpose of these transactions was value hedging by minimizing the impacts of changes in interest rate by replacing the floating rate (CDI) for fixed rates.

As at March 31, 2015, the outstanding swaps and DI call options (*) matured between January 2016 and January 2017, broken down as follows:

						3/31/2015	Impact on profit or loss		
Type of transaction	**Assets/ liabilities**	**Maturity**	**Notional amount**	**Long position**	**Short position**	**Derivative fair value**	**Gain or loss on transaction**	**Mark-to-market**	**Total**
Option (*)	-	01/04/2016	250,000	-	-	625	-	(25)	(25)
Swap	CDI / 12.93%	01/02/2017	100,000	100,989	101,018	616	(30)	646	616
Swap	CDI / 13.07%	01/02/2017	100,000	101,080	101,127	382	(47)	429	382
						1,623	(77)	1,050	973
Current						625			
Noncurrent						998			
Total						1,623			

On September 23, 2015, the Company redeemed the two swaps in advance for a total of R$6,723.

In January 2016, the DI call option, amounting to R$186 at December 31, 2015, was redeemed on due date.

The impacts on net income (loss) related to the derivatives above are recognized in line item financial charges and financial income, according to their nature.

(b) Category of financial instruments

	Individual		Consolidated	
	03/31/16	**12/31/15**	**03/31/16**	**12/31/15**
Financial assets:				
Cash and banks	**89**	499	**485**	683
Fair value through profit or loss held for trading (*)	**21,945**	13,545	**25,060**	16,761
Loans and receivables	**16,901**	14,694	**36,859**	33,760
Financial liabilities:				
Amortized cost	**706,907**	669,600	**1,002,235**	971,559
Fair value through profit or loss held for trading (*)	**208**	-	**208**	-

(*) Financial assets and financial liabilities recognized at fair value with level 2 measurement.

(c) Exposure to interest rates, inflation adjustment indices, and US dollar fluctuation

The analysis below was undertaken at March 31, 2016, as described in nota 17, (c), to the financial statements for the year ended December 31, 2015.

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 3/31/2016	Estimated annual rate for 2016 (*)		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	25,060	(603,290)	(578,230)	13.74%	13.89%	(i)	0.15%	(867)
TR	-	(408,862)	(408,862)	2.00%	1.41%	(i)	-0.59%	2,412
IPCA	62,700	-	62,700	9.39%	7.07%	(**)	-2.32%	(1,455)
								90
Scenario I:								
CDI	25,060	(603,290)	(578,230)	13.74%	17.36%		3.62%	(20,932)
TR	-	(408,862)	(408,862)	2.00%	1.76%		-0.24%	981
IPCA	62,700	-	62,700	9.39%	5.30%		-4.09%	(2,564)
								(22,515)
Scenario II:								
CDI	25,060	(603,290)	(578,230)	13.74%	20.84%		7.10%	(41,054)
TR	-	(408,862)	(408,862)	2.00%	2.12%		0.12%	(491)
IPCA	62,700	-	62,700	9.39%	3.54%		-5.85%	(3,668)
								(45,213)

(i) Data obtained on the BM&F Bovespa website.
(*) Effective change for the first three months of 2016 plus a projection for the next nine months of 2016.
(**) As described in note 5 (a), the Company holds the rights to receive the IPCA adjustment on the receivables assigned to HSBC.

In order to minimize the impacts of the changes in the interest rates on financing and debentures pegged to the CDI variance and foreign exchange fluctuations of the US dollar-pegged financing, the Company hired derivative financial instruments, as disclosed in (a) above.

(d) Capital risk management

As at March 31, 2016 and December 31, 2015, the consolidated debt-to-equity ratio is as follows:

	Individual		Consolidated	
	03/31/16	12/31/15	03/31/16	12/31/15
Loans, financing and debentures	**706,156**	668,799	**998,163**	964,958
Cash and Cash Equivalents	**(22,034)**	(13,858)	**(25,545)**	(17,258)
Net debt (cash)	**684,122**	654,941	**972,618**	947,700
Shareholders' equity	**1,506,175**	1,495,765	**1,506,280**	1,495,873
Net debt (cash) to equity	**45.4%**	43.8%	**64.6%**	63.4%

The Company, its subsidiaries, and its joint ventures are currently at a stage of cautious expansion of their project portfolio aimed at improving the allocation of available resources to maintain the growth of their cash flows and improve their capital structure.

(e) Liquidity and interest rate risk table

The undiscounted cash flows of the financial liabilities based on the closest date when the Group is expected to settle the related obligations, based on the projection of the indices at March 31, 2016 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Individual:					
Floating rates	244,209	219,199	227,916	278,965	970,289
Non-interest bearing securities	751	-	-	-	751
Total	244,960	219,199	227,916	278,965	971,040
Consolidated:					
Floating rates	300,923	276,183	285,141	578,094	1,440,341
Non-interest bearing securities	4,072	-	-	-	4,072
Total	304,995	276,183	285,141	578,094	1,444,413

(f) Fair value of financial instruments

The table below shows in detail the comparisons between the carrying amounts and fair values of loans, financing and debentures:

	0/31/2016			12/31/2015		
Individual	**Carrying amount**	**Fair value**	**Difference**	**Carrying amount**	**Fair value**	**Difference**
Financial instruments						
Debentures:						
CDI + 1.90% p.a.	**97,567**	**93,585**	**3,982**	94,066	90,373	3,693
CDI + 1.85% p.a.	**101,323**	**96,926**	**4,397**	105,209	101,492	3,717
CDI + 2.00% p.a.	**99,277**	**95,737**	**3,540**	95,690	91,448	4,242
118% of CDI p.a.	**105,142**	**103,339**	**1,803**	101,246	99,356	1,890
119% of CDI p.a.	**62,641**	**61,093**	**1,548**	60,301	58,695	1,606
Total	**465,950**	**450,680**	**15,270**	456,512	441,364	15,148
Working capital loans						
CDI + 1.60% p.a.	**13,202**	**13,173**	**29**	15,372	15,323	49
CDI + 2.00% p.a.	**52,104**	**52,114**	**(10)**	50,212	50,212	-
CDI+ 1.47% p.a. (*)	**29,808**	**29,808**	**-**	-	-	-
Total	**95,114**	**95,095**	**19**	65,584	65,535	49
Financing:						
Construction financing	**154,490**	**154,490**	**-**	156,923	156,923	-
Total	**154,490**	**154,490**	**-**	156,923	156,923	-
Grand total (w/o issuance costs)	**715,554**	**700,265**	**15,289**	679,019	663,822	15,197
Consolidated						
Financial instruments						
Debentures:						
CDI + 1.90% p.a.	**97,567**	**93,585**	**3,982**	94,066	90,373	3,693
CDI + 1.85% p.a.	**101,323**	**96,926**	**4,397**	105,209	101,492	3,717
CDI + 2.00% p.a.	**99,277**	**95,737**	**3,540**	95,690	91,448	4,242
118% of CDI p.a.	**105,142**	**103,339**	**1,803**	101,246	99,356	1,890
119% of CDI p.a.	**62,641**	**61,093**	**1,548**	60,301	58,695	1,606
Total	**465,950**	**450,680**	**15,270**	456,512	441,364	15,148
Working capital loans						
CDI + 1.60% p.a.	**13,202**	**13,173**	**29**	15,372	15,323	49
CDI + 2.00% p.a.	**52,104**	**52,114**	**(10)**	50,212	50,212	-
CDI+ 1.47% p.a. (*)	**29,808**	**29,808**	**-**	-	-	-
Total	**95,114**	**95,095**	**19**	65,584	65,535	49
Financing:						
Construction financing	**451,090**	**451,090**	**-**	457,835	457,835	-
Total	**451,090**	**451,090**	**-**	457,835	457,835	-
Grand total (w/o issuance costs)	**1,012,154**	**996,865**	**15,289**	979,931	964,734	15,197

(*) See explanation in note 7 (a).

The fair values of loans, financing, and debentures subject to CDI plus spread and TR, a managed prime rate, were estimated by the Company's management based on the future value of the loans on maturity at the contracted rate, discounted to present value at the market rate at March 31, 2016 and December 31, 2015.

The table below shows a comparative of the contracted and market rates, Individual and Consolidated, at March 31, 2016, is as follows:

	Current market rate	Maturity dates
Debentures:		
CDI + 1.90% p.a.	CDI + 3.95% p.a.	June 2020
CDI + 1.85% p.a.	CDI + 4.50% p.a.	February 2019
CDI + 2.00% p.a.	CDI + 3.69% p.a.	December 2019
118% of CDI p.a.	CDI + 3.64% p.a.	October 2018
119% of CDI p.a.	CDI + 3.70% p.a.	November 2019
Working capital loans		
CDI + 1.60% p.a.	CDI + 1.92% p.a.	September 2017
CDI + 2.00% p.a.	CDI + 1.92% p.a.	June 2016
CDI+ 1.47% p.a. (*)	CDI+ 1.47% p.a.	September 2016
Construction financing:		
CDI + 1.65% p.a.	CDI + 1.65% p.a.	October 2024
TR + 9.30% to 11.50% p.a.	TR + 9.30% to 11.50% p.a.	August 2026

(*) See explanation in note 7 (a).

Management believes that the other financial instruments such as cash, banks, short-term investments, trade receivables, and trade payables approximate their fair values because a significant portion of the balances matures on dates close to the end of reporting period.

The other information on financial instruments and risk management is not significantly different from the information disclosed in note 17 to the financial statements for the year ended December 31, 2015.

18. Guarantees

Except for the guarantees described in notes 6 and 7, the Group does not collateralize any of its assets and is not the guarantor of any other types of third-party transactions.

19. Commitments

The Company entered into a shareholders' agreement with Agropecuária Aroeiras Ltda. mainly aimed at establishing how the capital of Betim I Incorporações SPE Ltda. will be paid in, and other relationships between the shareholders. As Agropecuária Aroeiras Ltda. paid in the capital through the assignment of own land at the time the SPE was established and the Company is paying in capital basically in cash over time, the unpaid balance will be adjusted using a rate equivalent to 66% of the CDI variance, which will be the amount contributed by the Company as capital increase in SPE Betim. As at March 31, 2016, the amount to be paid by the Company is R$11,870 (R$11,986 at December 31, 2015).

20. Noncash transactions

During the quarters ended March 31, 2016 and 2015, the Company and its subsidiaries conducted the following investment and financing transactions that did not involve not affecting cash, which, therefore, are not reflected in the statement of cash flows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2016	2015	2016	2015
Interest capitalization	**21,944**	17,476	**22,516**	17,983
Upstream merger	**-**	84,041	**-**	-

21. Insurance

The Group has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at March 31, 2016, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightening, theft, and other specific coverage of facilities and assemblies on the insured site.	50,060
Civil liability (officers)	Insures the coverage of pain and suffering payable by Company officers (D&O).	5,000
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	8,827
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightening, windstorm, etc.	100,748
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	68

22. Approval of the financial statements

These financial statements were approved by the executive committee and authorized for issue on May 10, 2016.