Financial Statements

LOG Commercial Properties e Participações S.A.

Individual and Consolidated Financial Statements for the Year Ended December 31, 2013 and Independent Auditor's Report

LOG Commercial Properties e Participações S.A.

Financial Statements

December 31, 2013

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A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and on consolidated financial information in accordance with IFRS and also with accounting practices adopted in Brazil

Independent auditor's report on financial statements

The Board of Directors and Shareholders
LOG Commercial Properties e Participações S.A.
Belo Horizonte - MG

We have audited the accompanying individual and consolidated financial statements of LOG Commercial Properties e Participações S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2013, and the related statements of income statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Uma empresa-membro da Ernst & Young Global Limited

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of LOG Commercial Properties e Participações S.A. as of December 31, 2013, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LOG Commercial Properties e Participações S.A. as of December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis of a matter

Individual financial statements

As mentioned in Note 2.1.(I), the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of LOG Commercial Properties e Participações S.A., such practices are different to IFRS, applicable to separate financial statements, only regarding assessment of investments in subsidiaries, associates and joint ventures under the equity method, whereas, for IFRS purposes, it would be under the cost or fair value method. Our opinion is not qualified in respect of this matter.

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Restatement of corresponding figures

As mentioned in Note 2.3, due to changes in accounting practices adopted by the Company in 2013, the corresponding consolidated financial information as at December 31, 2012 and related consolidated statement of income, comprehensive income, cash flows and value added for the year then ended, presented for comparison purposes, were adjusted and are restated as required by CPC 23 (Accounting Practices, Changes in Accounting Estimates and Correction of Errors). Our opinion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added (SVA) for the year ended December 31, 2013, prepared under the responsibility of the Company's management, the presentation of which is required by Brazilian Corporation Law for publicly held companies but by a Management decision was presented as supplementary information under IFRS, whereby no SVA presentation is required. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Audit of figures corresponding to January 1, 2012

The figures corresponding to January 1, 2012 presented for comparison purposes, restated as a result of matters described in Note 2.3, were audited by other independent auditors, who issued unqualified audit report dated May 13, 2013.

Belo Horizonte, February 28, 2014.

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

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

Uma empresa-membro da Ernst & Young Global Limited

LOG Commercial Properties e Participações S.A.

Balance Sheets
December 31, 2013 and 2012, and January 1, 2012
(In thousands of Brazilian reais – R$)

		Individual		Consolidated		
	Notes	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**01/01/2012**
Assets						**(restated)**
Current assets						
Cash and cash equivalents	3	**79,138**	22,079	**151,200**	24,095	182,900
Trade receivables	4	**3,212**	1,725	**20,758**	4,601	1,620
Recoverable taxes		**4,341**	3,940	**5,144**	4,159	1,376
Prepaid expenses		**726**	868	**1,654**	1,517	444
Other		**3**	8	**3**	-	31
Total current assets		**87,420**	28,620	**178,759**	34,372	186,371
Noncurrent assets						
Trade receivables	4	**2,433**	2,311	**14,194**	2,917	-
Prepaid expenses		**854**	1,035	**2,842**	2,142	600
Recoverable taxes		**10,621**	8,410	**19,822**	11,313	-
Deferred income tax and social contribution	10	**6,386**	2,922	**6,505**	2,922	1,822
Other		**-**	1	**2**	2	13
Investments in subsidiaries and joint ventures	5	**1,099,410**	695,160	**156,929**	57,110	47,308
Investment property	6	**185,998**	258,200	**1,246,621**	974,409	560,700
Property and equipment		**376**	191	**613**	292	55
Total non-current assets		**1,306,078**	968,230	**1,447,528**	1,051,107	610,498
Total assets		**1,393,498**	996,850	**1,626,287**	1,085,479	796,869
Liabilities and equity						
Current liabilities						
Trade payables		**1,735**	3,308	**10,772**	14,483	10,654
Borrowings and financing	7	**117,380**	52,943	**121,414**	53,014	116,074
Debentures	7	**123,907**	9,463	**123,907**	9,463	1,268
Payroll, related taxes and benefits		**2,611**	921	**4,024**	1,702	1,549
Taxes payable		**714**	543	**4,196**	1,973	1,323
Land payables	8	**13,821**	73,322	**13,821**	73,322	61,413
Advances - barters		**-**	**-**	**6,647**	13,061	15,078
Deferred taxes	10	**-**	-	**1,625**	-	-
Dividends payable	12	**2,938**	816	**2,938**	816	624
Due to related parties	16	**6,832**	405	**201**	405	105
Payable for acquisition of investment	5	**65,950**	-	**65,950**	-	-
Other		**356**	336	**1,812**	776	313
Total current liabilities		**336,244**	142,057	**357,307**	169,015	208,401
Noncurrent liabilities						
Borrowings and financing	7	**166,153**	234,943	**370,455**	271,457	20,895
Debentures	7	**151,140**	174,812	**151,140**	174,812	107,441
Land payables	8	**-**	9,254	**-**	9,254	6,027
Advances - barters		**-**	-	**5,811**	23,766	26,282
Deferred taxes	10	**-**	-	**970**	433	235
Provision for labor, tax, and civil contingencies	11	**64**	17	**64**	17	5
Other		**-**	-	**555**	903	509
Total noncurrent liabilities		**317,357**	419,026	**528,995**	480,642	161,394
Total liabilities		**653,601**	561,083	**886,302**	649,657	369,795
Equity						
Capital	12	**171,453**	134,362	**171,453**	134,362	134,250
Capital reserves		**525,576**	286,521	**525,576**	286,521	285,661
Earnings reserves		**42,868**	14,884	**42,868**	14,884	7,112
Equity attributable to Company owners		**739,897**	435,767	**739,897**	435,767	427,023
Noncontrolling interests		**-**	-	**88**	55	51
Total equity		**739,897**	435,767	**739,985**	435,822	427,074
Total liabilities and equity		**1,393,498**	996,850	**1,626,287**	1,085,479	796,869

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

LOG Commercial Properties e Participações S.A.

Income Statements
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais – R$, except if otherwise stated)

	Notes	Individual		Consolidated	
		2013	2012	2013	2012
					(restated)
Net revenue	14	**12,520**	6,887	**89,255**	27,656
Costs	15	**(3,954)**	(1,775)	**(38,835)**	(6,640)
Gross profit		**8,566**	5,112	**50,420**	21,016
Operating income (expenses)					
Selling expenses	15	**(3,570)**	(1,766)	**(7,616)**	(2,756)
General and administrative expenses	15	**(9,380)**	(7,651)	**(9,565)**	(7,644)
Management compensation	15	**(990)**	(838)	**(990)**	(838)
Other operating expenses, net	15	**(742)**	(25)	**(1,364)**	(846)
Equity in subsidiaries and joint ventures	5	**36,939**	10,891	**8,445**	975
Income before finance income (expenses)		**30,823**	5,723	**39,330**	9,907
Finance income (expenses)					
Finance expenses	7	**(9,124)**	(6,055)	**(15,901)**	(8,425)
Financial income		**7,038**	7,820	**11,054**	8,297
Income before income tax and social contribution		**28,737**	7,488	**34,483**	9,779
Income tax and social contribution					
Current		**-**	-	**(4,610)**	(2,143)
Deferred		**2,185**	1,100	**1,049**	952
	10	**2,185**	1,100	**(3,561)**	(1,191)
Profit for the year		**30,922**	8,588	**30,922**	8,588
Profit attributable to:					
Company owners				**30,922**	8,588
Noncontrolling interests				**-**	-
				30,922	8,588
Earnings per share:					
Basic (centavos per share)	13	**0.20119**	0.06394	**0.20119**	0.06394
Diluted (centavos per share)	13	**0.20081**	0.06382	**0.20081**	0.06382

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

LOG Commercial Properties e Participações S.A.

Statements of Comprehensive Income
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais – R$)

	Individual		Consolidated	
	2013	2012	2013	2012
			Restated	
Profit for the year	**30,922**	**8,588**	**30,922**	**8,588**
Other components of comprehensive income	-	-	-	-
Total comprehensive income for the year	**30,922**	8,588	**30,922**	8,588
Comprehensive income attributable to:				
Company owners			**30,922**	8,588
Noncontrolling interests			**-**	-
			30,922	8,588

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

LOG Commercial Properties e Participações S.A.

Statements of Changes in Equity
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais – R$)

	Capital reserves			Earnings reserves					
	Share capital	Share premium	Recognized options granted	Legal	Earnings retention	Retained earnings	Equity attributable to owners of the Company	Noncontrolling interests	Total
Balance at december 31, 2011	134,250	285,418	243	404	6,708	-	427,023	51	427,074
Shareholders' contributions: ESM of 7/26/2012	112	512	-	-	-	-	624	-	624
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	4	4
Recognition of stock option reserve	-	-	348	-	-	-	348	-	348
Profit for the year	-	-	-	-	-	8,588	8,588	-	8,588
Allocation of profit for the year:									
Recognition of legal reserve	-	-	-	429	-	(429)	-	-	-
Dividends payable	-	-	-	-	-	(816)	(816)	-	(816)
Recognition of earnings retention reserve	-	-	-	-	7,343	(7,343)	-	-	-
Balance at december 31, 2012	**134,362**	**285,930**	**591**	**833**	**14,051**	**-**	**435,767**	**55**	**435,822**
Shareholders' contributions, ESMs of 4/18/13 and 6/25/13	**37,091**	**241,187**	**-**	**-**	**-**	**-**	**278,278**	**-**	**278,278**
Share issuance costs	**-**	**(2,483)**	**-**	**-**	**-**	**-**	**(2,483)**	**-**	**(2,483)**
Net contributions from noncontrolling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33**	**33**
Recognition of stock option reserve	**-**	**-**	**351**	**-**	**-**	**-**	**351**	**-**	**351**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**30,922**	**30,922**	**-**	**30,922**
Allocation of profit for the year:									
Recognition of legal reserve	**-**	**-**	**-**	**1,546**	**-**	**(1,546)**	**-**	**-**	**-**
Dividends payable	**-**	**-**	**-**	**-**	**-**	**(2,938)**	**(2,938)**	**-**	**(2,938)**
Recognition of earnings retention reserve	**-**	**-**	**-**	**-**	**26,438**	**(26,438)**	**-**	**-**	**-**
Balance at december 31, 2013	**171,453**	**524,634**	**942**	**2,379**	**40,489**	**-**	**739,897**	**88**	**739,985**

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

LOG Commercial Properties e Participações S.A.

Statements of Cash Flows
Years ended December 31, 2013 and 2012 – Indirect Method
(In thousands of Brazilian reais – R$)

	Notes	Individual		Consolidated	
		2013	2012	2013	2012
Cash flows from operating activities					(restated)
Profit for the year		**30,922**	8,588	**30,922**	8,588
Adjustments to reconcile profit for the year to net cash generated by (used in) operating activities:					
Depreciation		**3,974**	1,775	**13,356**	6.647
Equity in subsidiaries and joint ventures	5	**(36,939)**	(10,891)	**(8,445)**	(975)
Amortization of prepaid expenses		**481**	257	**909**	853
Gain on land sales	14	**-**	-	**(16,076)**	-
Allowance for doubtful debts	4	**-**	-	**176**	572
Charges incurred and not paid		**8,257**	5,786	**15,553**	7.960
Deferred taxes		**(2,185)**	(1,100)	**(3,336)**	(1.256)
Stock options	12	**351**	348	**351**	348
		4,861	4,763	**33,410**	22.737
(Increase) decrease in operating assets:					
Trade receivables		**(1,609)**	(4,036)	**(5,740)**	(6.470)
Recoverable taxes		**(1,280)**	(11,016)	**(1,839)**	(14.096)
Prepaid expenses		**(158)**	(2,054)	**(1,746)**	(3.468)
Other assets		**5**	(5)	**(3)**	(199)
Increase (decrease) in operating liabilities:					
Payroll, related taxes and benefits		**1,690**	(293)	**2,322**	153
Taxes payable		**(141)**	6	**5,872**	2,372
Other liabilities		**(254)**	447	**531**	1,522
Income tax and social contribution paid		**-**	-	**(3,744)**	(1,744)
Proceeds from the land sales		**-**	-	**24,363**	-
Dividends received from subsidiaries	5	**31,482**	11,376	**-**	-
Net cash generated by (used by) operating activities		**34,596**	(812)	**53,426**	807
Cash flows from investing activities					
Increase in/acquisition of investments		**(174,331)**	(195,743)	**(25,586)**	(3,789)
Acquisition of investment propriety		**(104,602)**	(151,852)	**(357,781)**	(377,785)
Other		**(205)**	(154)	**(344)**	-
Net cash used in investing activities		**(279,138)**	(347,749)	**(383,711)**	(381,574)
Cash flows from financing activities					
Borrowings, financing and debentures, net		**193,158**	295,487	**355,166**	329,564
Amortization of borrowings, financing and debentures		**(115,236)**	(70,965)	**(115,236)**	(70,965)
Interest payment		**(56,770)**	(36,640)	**(56,273)**	(36,641)
Contribution from shareholders		**278,278**	624	**278,278**	624
Share issuance costs		**(3,762)**	-	**(3,762)**	-
Payment of due to related parties		**(77,490)**	(33,246)	**(55,517)**	(33,246)
Increase in due to related parties		**84,239**	33,246	**55,517**	33,246
Contributions from noncontrolling shareholders		**-**	-	**33**	4
Dividend payments	12	**(816)**	(624)	**(816)**	(624)
Net cash generated by financing activities		**301,601**	187,882	**457,390**	221,962
Increase (decrease) in cash and cash equivalents		**57,059**	(160,679)	**127,105**	(158,805)
Cash and cash equivalents					
At the beginning of the year		**22,079**	182,758	**24,095**	182,900
At the end of the year		**79,138**	22,079	**151,200**	24,095
Increase (decrease) in cash and cash equivalents		**57,059**	(160,679)	**127,105**	(158,805)

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

LOG Commercial Properties e Participações S.A.

Statements of Value Added
Years ended December 31, 2013 and 2012 – Indirect Method
(In thousands of Brazilian reais – R$)

		Individual		Consolidated	
	Notes	2013	2012	2013	2012
Revenue					(restated)
Revenue for leases and land sales	14	**13,795**	7,591	**93,671**	29,190
Other income		**50**	15	**158**	92
Revenues related to construction of own assets		**39,327**	213,020	**285,545**	419,939
Allowance for doubtful debts - Reversal/(Recognition)	4	**-**	-	**(176)**	(572)
		53,172	220,626	**379,198**	448,649
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		**(32,638)**	(171,307)	**(216,121)**	(354,575)
		(32,638)	(171,307)	**(216,121)**	(354,575)
Gross value added		**20,534**	49,319	**163,077**	94,074
Depreciation		**(3,974)**	(1,780)	**(13,356)**	(6,647)
Net wealth created		**16,560**	47,539	**149,721**	87,427
Value added received in transfer					
Equity in subsidiaries and joint ventures	5	**36,939**	10,891	**8,445**	975
Financial income		**7,038**	7,820	**11,054**	8,297
		43,977	18,711	**19,499**	9,272
Total wealth for distribution		**60,537**	66,250	**169,220**	96,699
Wealth distributed					
Personnel:		**10,008**	8,354	**26,817**	14,256
Salaries and wages		**8,295**	6,988	**20,946**	11,143
Benefits		**1,067**	763	**3,999**	2,212
Severance Pay Fund (FGTS)		**646**	603	**1,872**	901
Taxes and fees:		**5,111**	3,308	**20,634**	18,799
Federal		**3,651**	2,278	**15,762**	6,559
State		**23**	8	**133**	52
Municipal		**1,437**	1,022	**4,739**	12,188
Lenders and lessors:		**14,496**	46,000	**90,847**	55,056
Interest		**10,486**	40,391	**70,559**	41,083
Rents		**3,960**	5,609	**20,186**	13,929
Leases		**50**	-	**82**	44
Other		**-**	-	**20**	-
Shareholders:		**30,922**	8,588	**30,922**	8,588
Dividends	12 (e)	**2,938**	816	**2,938**	816
Retained earnings		**27,984**	7,772	**27,984**	7,772
Noncontrolling interests in retained earnings		**-**	-	**-**	-
Wealth distributed		**60,537**	66,250	**169,220**	96,699

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

LOG Commercial Properties e Participações S.A.

Notes to the Financial Statements for the
Year Ended December 31, 2013.
(Amounts in thousands of Brazilian Reais - R$, except if otherwise stated)

1. General information

LOG Commercial Properties e Participações S.A. ("Company") is a corporation publicly trade in category "B" (granted by the Brazilian Securities and Exchange Commission on November 12, 2013), with its head office in Belo Horizonte, Minas Gerais, established on June 10, 2008, which is engaged in the: (i) management of own assets; (ii) rendering engineering and construction services for residential and/or commercial properties; (iii) development, construction and lease of own or third-party residential and/or office buildings; and (iv) holding interests in other entities, either as partner or shareholder.

The projects are developed by LOG Commercial Properties e Participações S.A., its subsidiaries and joint ventures ("Group"), which are primarily engaged in the construction and lease (under operating leases rules) of industrial warehouses, stores/offices, shopping malls, strip malls and development and sale of industrial lots. The projects are located in the States of Minas Gerais, São Paulo, Espírito Santo, Paraná, Rio de Janeiro, Goiás, Ceará, Sergipe and Bahia. See the list of and supplemental information on subsidiaries and joint ventures in note 5.

The Company and its subsidiaries are currently at a stage of significant expansion, purchasing land and building warehouses, as well as other projects to be leased and/or sold in the future. Aligned with its growth strategy, in June 2013, the Company's shareholders, together with the investment fund Fundo de Investimento em Participações Multisetorial Plus ("FIP MPlus"), made a capital contribution amounting to R$277,462 (note 12). Additionally, as at December 31, 2013, the Group has already approved credit facilities amounting to R$134,872 and is at the final stage of the negotiation to raise R$100,000 to revolve the 1st issue of debentures maturing in February 2014, and is currently negotiating with financial institutions the funding to finance its projects.

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

2.1 Presentation of financial statements

I. Statement of compliance

The Company's financial statements comprise:

- The consolidated financial statements presented in accordance with accounting practices adopted in Brazil (BR GAAP) and also in accordance with the International Financial Reporting Standards ("IFRSs"), issued by the

International Accounting Standards Board (“IASB”), identified as Consolidated; and

- The Company’s Individual financial statements presented in accordance with accounting practices adopted in Brazil (BR GAAP), identified as Individual.

The accounting practices adopted in Brazil comprise the policies set out in Brazilian Corporate Law and the pronouncements, guidance, and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

The Individual financial statements present the valuation of investments in subsidiaries and joint ventures by the equity method of accounting, pursuant to prevailing Brazilian statutes. The accounting practices adopted in Brazil, applied to the Individual financial statements, differ from IFRSs applicable to the separate financial statements only with respect to the measurement of investments in subsidiaries, which under IFRSs must be measured at cost or fair value.

II. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the balance of ‘Cash and cash equivalents’, which are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

III. Basis of consolidation and investments in joint ventures

a. Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled directly by the Company or indirectly through its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use this power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and statement of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Company presents in its consolidated financial statements its interests in subsidiaries under the full consolidation method. The Company's subsidiaries included in consolidation are listed in note 5. The interests in the assets, liabilities, and profit or loss of subsidiaries are combined with the related line items of the Company's consolidated financial statements, on a per line item basis. The Company's interests in equity, as well as all intragroup balances of assets and liabilities, income, costs and expenses have been eliminated in consolidation.

b. Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

When necessary, adjustments are made to the financial statements of subsidiaries and joint ventures to conform their accounting policies to those established by the Group.

2.2 Significant accounting policies

(a) Cash and cash equivalents

Include cash, positive bank account balances and short-term investments redeemable within three months from contract date and with an immaterial risk of changes in fair value. Cash and cash equivalents are classified as financial assets

measured at fair value, and the income thereon is recognized in profit or loss for the period.

(b) Trade receivables

Represented basically by rents receivables from leased assets and land sales, net of the allowance for doubtful debts, which is recognized based on management's assessment, taking into account the involved risks. The Company's management believes that this allowance is sufficient to cover identified losses. Lease receivables are not adjusted to present value since they have short-term maturities and/or have an immaterial impact on the financial statements. Short-term (if material) and long-term land receivables are adjusted to present value as explained in item 2.2 (o).

(c) Investments in subsidiaries and joint ventures

The financial information of subsidiaries and joint ventures is recognized in the Company's Individual financial statements by the equity method of accounting, based on the investees' financial statements for the same reporting periods and prepared using the same accounting criteria used in the Company's financial statements. In the consolidated financial statements, the information on joint ventures is recognized using the equity method, based on the related investees' financial statements for the same reporting periods and using the same accounting criteria of the Company's financial statements.

(d) Property and equipment

Carried at historic cost, less accumulated depreciation, and periodically tested for impairment.

(e) Investment property

Investment property consists of properties held to earn rentals or for capital appreciation (including construction in progress for such purpose) and is measured at cost, including transaction costs. Financial charges incurred on loans linked to the development of projects are capitalized and recognized in profit or loss through the realization of the underlying assets.

The fair value of the Group's investment properties, used only for disclosure purposes in note 6, was internally calculated and took into consideration the operating stage of each assets, as detailed below:

- Land: valuation conducted by in-house experts based on comparable property transactions (type of property, location, land use, and property quality) observed in the market.

- Projects under construction: projects' discounted cash flows taking into account estimated vacancy rates ranging from 7% to 10%. No inflation adjustment or rent increases were taken into account for the period. The rate used to discount cash flows was 9.26% per annum.

- Completed projects: direct capitalization rate. The rates used range from 8.50% to 9.00% per annum.

Depreciation is recognized based on the estimated useful life of each asset (other than land and constructions in progress) using the straight-line method, so that cost less its residual value after its useful life is fully written off. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Possible costs incurred on the maintenance and repair of investment property are capitalized in assets when, and only when, the economic benefits associated to these items are probable and the amounts can be reliably measured, while other costs are directly allocated to profit or loss when incurred.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal, where applicable. Any gain or loss arising on derecognition of the property is recognized in profit or loss in the period in which the property is derecognized.

(f) Impairment of tangible assets

Management reviews the carrying amounts of long-lived assets, especially investment property to be held and used in the Group's operations, to determine and assess possible impairment on a periodic basis or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets might be impaired.

Analyses are performed annually in order to identify circumstances that could require testing long-lived assets for impairment and measure potential impairment losses. Assets are grouped and tested for possible impairment based on expected future discounted cash flows over the estimated remaining useful lives of the assets. In this case, an impairment loss would be recognized based on the amount by which the carrying amount exceeds the probable recoverable amount of a long-lived asset.

The probable recoverable amount of an asset is determined as the higher of: (a) fair value of assets less estimated costs to sell, and (b) its value in use, which is equal to the present value of discounted cash flows derived from the asset or cash-generating unit. As at December 31, 2013, no events indicating the need to recognize an allowance for impairment losses were identified and, therefore, no allowance for losses was recognized in the financial statements for the year then ended.

(g) Provisions

Provisions, including provisions for legal contingencies, are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, a reliable estimate can be made of the amount of the obligation and it is probable that the Group will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, considering the risks and uncertainties inherent to such obligation. When a provision is measured based on the estimated cash flows to settle the obligation, its carrying amount corresponds to the present value of such cash flows.

When some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received and the amount can be reliably measured.

(h) Borrowings, financing and debentures

Initially recognized when funds are received, net of transaction costs. At the end of the reporting period there are carried at their initial recognition amounts, less repayments plus the relevant charges incurred. Transaction costs are presented as a reduction to current and noncurrent liabilities, and are allocated to profit or loss over the same repayment term of the financing from which they were originated based on the effective rate of each transaction.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Due to the fact that financing activities are centrally coordinated by the Company, interest incurred by the parent on the financing of its subsidiaries' and jointly controlled entities' qualifying assets are capitalized and presented in the investment line item (Individual financial statements), net of gains obtained on the temporary investment of funds obtained on specific borrowings that have not yet been spent on the qualifying assets. In the consolidated financial statements, the amounts related to subsidiaries are reclassified to cost of qualifying financed investment properties, and are recorded in profit or loss as the underlying assets are realized (note 7).

(j) Stock option plan

The Company has a share-based compensation plan under which it receives services from certain employees in exchange for equity instruments (stock options). The Company recognizes the cost of compensation in profit or loss on a straight-line basis over the vesting period, from grant date to the date an option becomes exercisable, with a corresponding increase in equity. Compensation costs are measured at fair value on the date the stock options are granted and were estimated based on the Black & Scholes pricing model (see note 12 (f)).

(k) Other assets and other liabilities

Assets and liabilities are classified as current when it is probable that they will be realized or settled over the next twelve months. Otherwise, there are carried as noncurrent.

(l) Taxes

Current and deferred income tax, social contribution and taxes on sales are recognized in profit or loss as expenses or income, except when they correspond to items recognized in 'Other comprehensive income', or are directly recognized in equity, in which case current and deferred taxes are also recognized in 'Other comprehensive income' or directly in equity, respectively.

Income tax and social contribution

The provision for income tax and social contribution is based on taxable income for the period. Taxable income differs from the profit reported in the income statement, since it excludes income or expenses that are taxable or deductible in other periods, as well as, permanently nontaxable or nondeductible items. The provision for income tax and social contribution is calculated separately for each Group company based on the tax rates prevailing at the end of the period.

The Company calculates income tax and social contribution based on actual taxable income. As permitted by the Brazilian tax law, almost all of its subsidiaries and joint ventures opted for taxation based on deemed income, whose income tax and social contribution taxable base is calculated at the rate of 32% of gross revenues from lease services and 100% of financial income.

The regular 15% income tax rate is levied on deemed taxable income, plus a 10% surtax on income exceeding R$240 per annum, and for social contribution the rate levied is 9%.

As permitted by the prevailing tax law, the subsidiaries and the joint ventures that elected the deemed income taxation regime calculate income from the provision of commercial property lease services and taxes thereon on a cash basis.

Deferred taxes

Deferred income tax and social contribution ("deferred taxes") are fully recognized as prescribed by CPC 32 and IAS 12 Income Tax on the differences between assets and liabilities recognized for tax purposes and related amounts recognized in the financial statements. Deferred income tax and social contribution are determined based on the tax rates and laws in effect at the date of the financial statements and applicable when the respective income tax and social contribution are paid. Deferred tax assets or liabilities are not recognized on temporary taxable differences resulting from goodwill (when applicable) or the initial recognition of other assets and liabilities in a transaction that affects neither taxable income nor book income.

Deferred taxes assets are recognized only to the extent that it is probable that there will be a positive tax base for which temporary differences can be used and tax loss carryforwards can be offset. The recovery of deferred tax assets is reviewed at the end of each reporting period and, when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets, these are adjusted to the expected recoverable amount.

Taxes on revenue

Revenue is carried net of taxes on sales (PIS and COFINS). The aggregate tax rate of the Social Integration Program Tax on Revenue (PIS) and the Social Security Funding Tax on Revenue (COFINS) is 9.25%, levied on actual income (noncumulative regime) or 3.65%, levied of deemed income.

(m) Income and expense recognition

Lease revenues are recognized on a straight-line basis over term of the underlying agreement and are being carried net, i.e., less the taxes levied thereon to the extent it is probable that economic benefits will flow to the Company and their amount can be reliably measured.

Revenue from land sales revenue is recognized when the land is delivered and ownership is transferred, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the land.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue and expenses are recorded on the accrual basis.

(n) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following categories: (i) financial assets at fair value through profit or loss; (ii) held-to-maturity' investments; (iii) loans and receivables; and (iv) available-for-sale. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Group discloses financial assets, which are classified into the categories described below:

Category	Financial assets
At fair value through profit or loss	- Cash and cash equivalents
Loans and receivables	- Trade receivables

- Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss when they are held for trading or on their initial recognition, designated at fair value through profit or loss, and any gains or losses thereon are recognized in profit or loss.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, measured at amortized cost using the effective interest method, less any impairment losses. Interest revenue, when applicable, is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest is immaterial.

- Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

- Impairment of financial assets

The Group assesses at the end of the reporting periods if there is objective evidence that a financial asset or group of financial assets has been impaired. A financial asset or a group of financial assets is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of

financial assets that can be reliably estimated. As at December 31, 2013, except for the allowance for doubtful debts (Note 4), there were no events that would indicate the need to recognize an allowance for impairment losses and, therefore, no allowance for losses was recognized.

Financial liabilities

The main financial liabilities held by the Group are: land payables, borrowings, financing, debentures, and trade payables. These liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost, using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- Derecognition

The Group derecognizes financial liabilities when, and only when, the Company's. Its subsidiaries, or its joint ventures' obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

- Net presentation

Financial assets and financial liabilities are stated at their net amounts in the balance sheet if, and only if, the Company has a legally enforceable right to set off the amounts recognized and if there is an intent to simultaneously realize the asset and settle the liability.

(o) Present value adjustment

Monetary assets and monetary liabilities are adjusted to their present value based on an effective interest rate resulting from short- (if material) and long-term transactions, without yield or subject to: (i) fixed interest; (ii) interest rates clearly below market rates for similar transactions; and (iii) inflation adjustment only, with no interest. The Group periodically assesses the effect of this policy and, for the reporting periods, this adjustment is restricted to land payables and land receivables.

(p) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, and revenues and expenses in the reporting periods. Assets and liabilities subject to these estimates and assumptions include the fair and residual values and the useful lives of investment property, deferred income tax and social

contribution assets, asset impairment testing, provisions for labor, tax, and civil contingencies, and the fair value of financial instruments. Since management's judgment involves estimates related to the probability of future events, actual results could differ from those estimates. The Company reviews estimates and assumptions at least annually. The effects of revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(q) Functional and reporting currency

The Individual and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's, its subsidiaries' and its jointly controlled entities' functional currency.

(r) Statement of value added

The purpose of this statement is to disclose the wealth created by the Group and its distribution during a certain reporting period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its Individual financial statements, and as additional disclosures to the consolidated financial statements, since this statement is not required by IFRSs.

The statement of value added was prepared using information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of CPC 09 - Statement of Value Added. The first part of this statement includes the wealth created, represented by revenues, inputs acquired from third parties, and the value added received from third parties. The second part of the statement of value added presents the distribution of value added among personnel, taxes, lenders and lessors, and shareholders.

(s) Leases

Determining whether an arrangement is or contains a lease is based on the arrangement's substance at its inception.

The Group as lessor

Leases where the group does not transfer substantially all the risks and rewards incidental to ownership are classified as an operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

The Group as lessee

The finance leases that transfer to the Group substantially all the risks and rewards incidental to ownership of the leased asset are capitalized at the beginning of the lease at the fair value of the leased property or, if lower, at the present value of the minimum leases payments. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve

a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized in the finance costs in the income statement. A leased asset is depreciated over its useful life.

Operating lease arrangements are recognized as operating expenses in the income statement on a straight-line basis over the lease term.

(t) Earnings per share

Basic

Basic earnings per share are calculated by dividing profit attributable to the owners of the Company by the weighted average number of common shares outstanding in the period, excluding the common shares bought back by the Company.

Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to presume the conversion of all potentially dilutive common shares. The Company only has a type of potentially dilutive common shares: stock options, for which a calculation is made to determine the number of shares that could have been acquired at their fair value (determined as the market price of Company stock), based on the monetary value of the subscription rights linked to the outstanding stock options.

(u) Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). All operating results are regularly reviewed by the Company's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment, assess its performance, and for which discrete financial information is available.

The Company has the following operating segments: industrial warehouses, retail (shopping malls and strip malls), office buildings and industrial subdivisions.

Up to December 31, 2013, only the industrial warehouses segment was in operation and the other do not meet the minimum quantitative parameters established by CPC 22 to be separately disclosed.

(v) New and revised standards and interpretations already issued and not yet adopted

The IASB's standards described below have been issued or revised, but are not yet effective; therefore, these new and revised standards have not been early adopted by the Group in its financial statements for the year ended December 31, 2013. The Group will implement such standards as they become effective, although it does not expect any material impacts on the financial statements.

Standard	Description	Effective date
Amendments to IAS 32	Clarifies that the income tax levied on distributions to shareholders are accounted for in accordance with IAS 12 *Income Taxes*.	Annual periods beginning on or after January 1, 2014.
IFRIC 21 *Levies*	The interpretation clarifies when an entity must recognize an obligation to pay levies according to legislation. The obligation should only be recognized when the event that generates the obligation occurs.	
IAS 39 - Novation of derivatives and continuation of hedge accounting	This revision provides relief on the discontinuation of hedge accounting when the novation of a derivative designated as hedging instrument meets certain criteria.	
IFRS 9 *Financial Instruments*	Addresses the classification, measurement, and recognition of financial assets and financial liabilities. Refers to the first stage of the project for replacement of IAS 39 *Financial Instruments: Recognition and Measurement.*	Annual periods beginning on or after January 1, 2015.

2.3 Adoption of new accounting pronouncements

The nature of the change and the main impacts arising from the new standards that became effective beginning January 1, 2013 and adopted by the Group are as follows:

- CPC 19 (R2) - *Negócios em Conjunto* (Joint Arrangements) (IFRS 11): removed the option to consolidate joint ventures using proportionate consolidation. As a result, beginning January 1, 2013, joint ventures started to be recognized in the consolidated balance by the equity method of accounting. There was no change in the Individual financial statements since joint ventures were already recognized using the equity method.

- CPC 45 – *Divulgação de Participação em Outras Entidades* (Disclosure of Interests in Other Entities) (IFRS 12): establishes the minimum disclosures for entities that hold investments in subsidiaries, jointly controlled entities, associates, or other unconsolidated entities.

Other new and revised standards, including CPC 36 – *Demonstrações Consolidadas* (Consolidated Financial Statements) (IFRS 10), are applicable for the first time in 2013. However, they have no impact on the Group's financial statements.

The application of CPC 19 (R2) resulted in the restatement of prior years' consolidated balances for purposes of comparison, as follows, as required by CPC 23:

	12/31/12			01/01/12		
	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated
Consolidated balance sheet:						
Assets						
Current assets						
Cash and cash equivalents	36,931	(12,836)	24,095	200,526	(17,626)	182,900
Inventories	1,477	(1,477)	-	4,780	(4,780)	-
Other current assets	10,877	(600)	10,277	3,476	(5)	3,471
Total current assets	49,285	(14,913)	34,372	208,782	(22,411)	186,371
Noncurrent assets						
Inventories	15,697	(15,697)	-	4,252	(4,252)	-
Investments in subsidiaries and joint ventures	-	57,110	57,110	-	47,308	47,308
Investment property	1,002,632	(28,223)	974,409	582,292	(21,592)	560,700
Other noncurrent assets	19,591	(3)	19,588	2,492	(2)	2,490
Total noncurrent assets	1,037,920	13,187	1,051,107	589,036	21,462	610,498
Total assets	1,087,205	(1,726)	1,085,479	797,818	(949)	796,869
Liabilities and equity						
Current liabilities	169,586	(571)	169,015	208,434	(33)	208,401
Noncurrent liabilities	481,797	(1,155)	480,642	162,310	(916)	161,394
Total equity	435,822	-	435,822	427,074	-	427,074
Total liabilities and equity	1,087,205	(1,726)	1,085,479	797,818	(949)	796,869

	2012		
	Originally stated	Adjustments	Restated
Consolidated Income statement:			
Net lease revenue	27,656	-	27,656
Cost of leases	(6,640)	-	(6,640)
Gross profit	21,016	-	21,016
Operating expenses, net	(12,093)	9	(12,084)
Equity in subsidiaries and join ventures	-	975	975
Finance income (expenses)	1,350	(1,478)	(128)
Income tax and social contribution	(1,685)	494	(1,191)
Profit for the year	8,588	-	8,588
Statement of cash flows:			
Cash flows from:			
Operating activities	(6,390)	7,197	807
Investing activities	(379,167)	(2,407)	(381,574)
Financing activities	221,962	-	221,962
Decrease in cash and cash equivalents	(163,595)	4,790	(158,805)
Cash and cash equivalents			
At the beginning of the year	200,526	(17,626)	182,900
At the end of the year	36,931	(12,836)	24,095
Decrease in cash and cash equivalents	(163,595)	4,790	(158,805)
Statement of value added:			
Revenue	453,833	(5,184)	448,649
Inputs acquired from third parties	(359,661)	5,086	(354,575)
Gross value added	94,172	(98)	94,074
Depreciation and amortization	(6,645)	(2)	(6,647)
Net wealth created	87,527	(100)	87,427
Wealth received in transfer:			
Income (loss) from equity participation	-	975	975
Financial income	9,777	(1,480)	8,297
Total value added to be distributed	97,304	(605)	96,699
Value added distributed:			
Personnel	17,894	(3,638)	14,256
Taxes, charges and contributions	15,352	3,447	18,799
Lenders and lessors	55,470	(414)	55,056
Shareholders:			
Dividends	816	-	816
Earnings retained in the year	7,772	-	7,772
Noncontrolling interests	-	-	-
Wealth distributed	97,304	(605)	96,699

3. Cash and cash equivalents

Broken down as follows:

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Cash	**19**	9	**21**	11	24
Bank accounts	**108**	109	**475**	786	318
Short-term investments:					
Bank Deposit Certificates (CDBs)	**69,495**	21,961	**83,054**	23,298	87,133
Certificates backed by debentures	**9,516**	-	**27,340**	-	95,425
Mutual funds	**-**	-	**40,310**	-	-
Total	**79,138**	22,079	**151,200**	24,095	182,900

Short-term investments, classified as held for trading, have daily liquidity, are immediately redeemable and subject to an immaterial risk of change in value, carried at cost plus income earned of, which at December 31, 2013 is approximately 105.76% of the interbank deposit rate (CDI) in Individual and 103.81% of CDI on a consolidated basis (105.7% of CDI in Individual and 105.4% of CDI on a consolidated basis at December 31, 2012 and 104.6% of CDI on a consolidated basis at January 1, 2012), and adjusted to fair value, when applicable.

Investment in certificates backed by debentures, which have its repurchase guaranteed by financial institutions, can be immediately redeemed according to Company needs and their yield is pegged to the CDI.

The investment fund is a highly liquid non-exclusive fund, the purpose of which is to follow the CDI variance by investing in funds that allocate at least 95% of their resources is securities or transactions pegged to this rate.

4. Trade receivables

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Leases	**4,409**	3,630	**11,959**	7,388	1,620
Land sales	**-**	-	**21,870**	-	-
Other	**1,236**	406	**1,871**	702	-
	5,645	4,036	**35,700**	8,090	1,620
Allowance for doubtful debts	**-**	-	**(748)**	(572)	-
Total	**5,645**	4,036	**34,952**	7,518	1,620
Current	**3,212**	1,725	**20,758**	4,601	1,620
Noncurrent	**2,433**	2,311	**14,194**	2,917	-
	5,645	4,036	**34,952**	7,518	1,620

The lease balance refers to the lease of industrial warehouses, under operating leases subject to Law 8.245/91 ("Lease Law") which includes, among others, procedures for cancellation of lease contracts and their termination fines, which are agreed commercially with each tenant. The lease agreements are adjusted on an annual basis using the General Market Price Index (IGPM).

The land sales were held by the Group in the third quarter, with receipts up to July 2015, in prefixed installments. The result of these transactions is shown in note 14. As at December 31, 2013, receipt flows are as follows:

	Consolidated
12 months	**13,290**
13 to 24 months	**10,000**
Total	**23,290**
Present value adjustment – 9.75% p.a. rate	**(1,420)**
Total	**21,870**

The table below shows the aging list of trade receivables:

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Undue	**5,300**	3,995	**33,928**	7,384	1,620
30 days past due	**84**	41	**760**	41	-
31 to 90 days past due	**226**	-	**226**	-	-
Past due for more than 90 days	**35**	-	**786**	665	-
Total	**5,645**	4,036	**35,700**	8,090	1,620

Changes in the allowance for doubtful debts in the years ended December 31, 2013 and 2012 are as follows:

	Consolidated	
	2013	**2012**
Opening balance	**(572)**	-
Recognition	**(176)**	(572)
Closing balance	**(748)**	(572)

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

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
12 months	**16,152**	11,777	**63,618**	40,719	13,477
13 to 24 months	**15,973**	12,905	**57,049**	39,505	12,696
25 to 36 months	**14,297**	12,348	**46,048**	33,359	8,150
37 to 48 months	**6,177**	10,769	**27,661**	24,092	4,751
More than 48 months	**5,854**	3,870	**36,447**	34,494	412
Total	**58,453**	51,669	**230,823**	172,169	39,486

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
Joint ventures at start-up stage:		
Betim I Incorporações SPE Ltda. (“Betim subdivision”)	-	Betim, MG
Parque Torino Imóveis S.A. (“Torino”)	-	Betim, MG
Subsidiaries in operation:		
Contagem I SPE Ltda. (“LOG I”)	February 2009	Contagem, MG

Project	Startup date	Location
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
Campos Sociedade em Conta de Participação (“LOG Campos”)	December 2013	Campo dos Goytacazes, RJ
Subsidiaries at start-up stage:		
MRV LOG MDI SJC I Incorporações SPE Ltda. (“LOG SJC Sony”)	-	São José dos Campos, SP
MRV LOG SP I Incorporações SPE Ltda. (“Office Park Pirituba”)	-	São Paulo, 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 Viana I SPE Ltda. ("LOG Viana")	-	Viana, ES
LOGCP Londrina I SPE Ltda. ("LOG Londrina")	-	Londrina, PR
LOG Curitiba I SPE Ltda. ("LOG Curitiba")	-	Curitiba, PR
LOG Rio SPE Ltda. (“LOG Rio”)	-	Campo Grande, RJ
LOG Itatiaia SPE Ltda. (“LOG Itatiaia”)	-	Itatiaia, RJ
LOG Aracajú SPE Ltda. (“LOG Aracajú”)	-	Nossa Senhora do Socorro, SE
LDI LOG Desenvolvimento Imobiliário Ltda. (“LDI”)	-	Belo Horizonte, MG

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

	Information on investees		Information on Company					
	Capital		Equity interest					
	12/31/13		12/31/13			12/31/12		01/01/12
	Amount	Number of shares	Number of shares	Contractual percentage		Contractual percentage		Contractual percentage
Joint ventures:								
Cabral	**39,247**	64,054,000	32,027,000	50.00%		50.00%		50.00%
Betim subdivision	**27,074**	84,325,968	42,162,984	50.00%	(*)	50.00%	(*)	50.00% (*)
Torino	**183,048**	318,600	127,440	40.00%		-		-
Subsidiaries:								
LOG I	**64,961**	50,000,000	49,995,000	99.99%		99.99%		100.00%
LOG II	**20,364**	18,000,000	17,998,200	99.99%		99.99%		100.00%
LOG Jundiaí	**35,856**	12,436,065	12,434,821	99.99%		99.99%		99.99%
LOG Goiânia	**46,923**	10,000	9,990	99.90%		99.90%		99.90%
LOG Hortolândia	**72,562**	13,000,000	12,999,999	100.00%		100.00%		100.00%
LOG SJP	**16,657**	42,851,000	42,850,999	100.00%		99.99%		-
LOG Juiz de Fora	**32,621**	10,000	9,999	99.99%		99.99%		-
LOG Feira de Santana	**24,008**	10,000	9,999	99.99%		99.99%		-
LOG Fortaleza	**33,852**	10,000	9,999	99.99%		99.99%		-
LOG Via Expressa	**63,928**	10,000	9,999	99.99%		99.99%		-
LOG Campos	**41,116**	10,000	9,990	99.90%		99.90%		99.90%
LOG SJC Sony	**53,955**	52,500,000	52,499,999	100.00%		100.00%		100.00%
Office Park Pirituba	**102,057**	10,000	9,999	99.99%		99.99%		99.99%
LOG Sumaré	**693**	10,000	9,999	99.99%		99.99%		-
LOG SJRP	**9,314**	10,000	9,999	99.99%		99.99%		-
LOG Macaé	**13,344**	10,000	9,999	99.99%		99.99%		-
LOG RP	**18,997**	10,000	9,999	99.99%		99.99%		-
LOG Viana	**60,319**	10,000	9,999	99.99%		99.99%		-
LOG Londrina	**25,702**	10,000	9,999	99.99%		99.99%		-
LOG Curitiba	**25,604**	10,000	9,999	99.99%		99.99%		-
LOG Rio	**16,606**	10,000	9,999	99.99%		99.99%		-
LOG Itatiaia	**25,620**	10,000	9,999	99.99%		-		-
LOG Aracajú	**10,321**	10,000	9,999	99.99%		-		-
LDI	**26,377**	24,690,048	24,659,948	100.00%		99.00%		-

(*) Actual equity interest percentage of 39.10% at December 31, 2013 (27.53% at December 31, 2012 and 17.67% at January 1, 2012).

	Information on investees									
	Equity			Profit (loss) for the year		Investment			Equity in investees	
	12/31/13	12/31/12	01/01/12	2013	2012	12/31/13	12/31/12	01/01/12	2013	2012
Joint ventures:										
Cabral (*)	**102,258**	70,911	68,942	**16,908**	1,968	**51,770**	36,096	35,111	**8,454**	984
Betim subdivision	**69,070**	58,034	51,100	**(19)**	(34)	**27,008**	15,977	9,030	**(7)**	(9)
Torino (***)	**183,126**	-	-	**(5)**	-	**73,276**	-	-	**(2)**	-
Capitalized interest (**)	**-**	-	-	**-**	-	**4,875**	5,037	3,167	**-**	-
Total joint ventures - Consolidated	**354,454**	128,945	120,042	**16,884**	1,934	**156,929**	57,110	47,308	**8,445**	975
Subsidiaries:										
LOG I	**65,755**	65,935	60,856	**8,124**	6,200	**65,748**	65,928	60,856	**8,123**	6,199
LOG II	**20,533**	20,128	20,425	**1,703**	1,760	**20,531**	20,126	20,425	**1,703**	1,760
LOG Jundiaí	**36,168**	36,399	42,935	**3,858**	2,759	**36,164**	36,395	42,931	**3,858**	2,759
LOG Goiânia	**45,576**	31,236	33,116	**(685)**	(621)	**45,530**	31,205	33,083	**(685)**	(620)
LOG Hortolândia	**74,331**	67,066	13,856	**2,242**	(122)	**74,331**	67,066	13,856	**2,242**	(122)
LOG SJP	**15,169**	20,501	-	**(1,484)**	(4)	**15,167**	20,499	-	**(1,484)**	(4)
LOG Juiz de Fora	**32,396**	24,602	-	**(126)**	(7)	**32,393**	24,600	-	**(126)**	(7)
LOG Feira de Santana	**23,416**	8,393	-	**(591)**	-	**23,414**	8,392	-	**(591)**	-
LOG Fortaleza	**33,602**	18,306	-	**(120)**	(25)	**33,597**	18,304	-	**(120)**	(25)
LOG Via Expressa	**64,053**	-	-	**125**	-	**64,047**	-	-	**125**	-
LOG Campos	**41,080**	29,009	5,041	**(14)**	(21)	**41,036**	28,980	5,036	**(14)**	(21)
LOG SJC Sony	**53,946**	53,871	53,844	**(7)**	(2)	**53,946**	53,871	53,844	**(7)**	(2)
Office Park Pirituba	**102,042**	98,046	90,067	**(6)**	(9)	**102,032**	98,036	90,058	**(6)**	(9)
LOG Sumaré	**(3)**	363	-	**(698)**	2	**(3)**	363	-	**(698)**	2
LOG SJRP	**9,308**	9,262	-	**(6)**	-	**9,307**	9,261	-	**(6)**	-
LOG Macaé	**13,348**	12,073	-	**4**	-	**13,347**	12,072	-	**4**	-
LOG RP	**18,991**	18,389	-	**(6)**	(1)	**18,989**	18,387	-	**(6)**	(1)
LOG Viana	**60,232**	30,118	-	**(86)**	-	**60,226**	30,115	-	**(86)**	-
LOG Londrina	**25,630**	17,292	-	**(72)**	-	**25,627**	17,290	-	**(72)**	-
LOG Curitiba	**25,598**	26,324	-	**(6)**	-	**25,595**	26,321	-	**(6)**	-
LOG Rio	**16,600**	-	-	**(6)**	-	**16,598**	-	-	**(6)**	-
LOG Itatiaia	**25,561**	-	-	**(59)**	-	**25,558**	-	-	**(59)**	-
LOG Aracajú	**10,315**	-	-	**(6)**	-	**10,314**	-	-	**(6)**	-
LDI	**27,093**	44	-	**16,417**	7	**27,093**	44	-	**16,417**	7
Capitalized interest (**)	**-**	-	-	**-**	-	**101,894**	50,795	26,073	-	-
Total subsidiaries	**840,740**	587,357	320,140	**28,495**	9,916	**942,481**	638,050	346,162	**28,494**	9,916
Total Individual	**1,195,194**	716,302	440,182	**45,379**	11,850	**1,099,410**	695,160	393,470	**36,939**	10,891

(*) The investment amount of R$641 refers to the goodwill paid by the Company upon the payment of capital of Cabral.

(**) Amount related to the capitalized financial charges on borrowings, financing, and debentures, realization of adjustment to present value and inflation adjustment of land payables taken by the Company for the acquisition/development of its investees' investment properties.

(***) The acquisition of 40% of Torino, in December 2013, generated goodwill based on expected future earnings amounting to R$26.

b) Joint ventures:

- Cabral Investimentos SPE Ltda. ("Cabral") is mainly engaged in building investment proprieties in shopping mall, store and office segments and other assets for lease.

- Betim I Incorporações SPE Ltda. ("Betim subdivision") is mainly engaged in the subdivision of industrial land for sale and development, building and lease of business assets, primarily, logistics warehouses.

Even though the main strategic decisions regarding the business to be developed and the definition of the jointly controlled entities' capital structure to be jointly decided, the Company has a major role in the financial, accounting and operating of the related entities.

- In December 2013 the Company acquired a 40% stake in Parque Torino Imóveis S.A. ("Torino"), which is engaged in the lease of own properties, construction, and development of real estate projects. The acquisition price was R$73,278 and will be settled in 10 equal, consecutive monthly installments amounting to R$7,328, beginning December 2013. As at December 31, 2013 the amount payable by the Company is R$65,950.

The risks and rewards arising on the net results generated by these entities are assumed by each shareholder, according to the percentage equity interest held.

The joint ventures do not entail contractual restrictions to the distributions or funds generated by their operating activities to their controlling shareholders.
The main financial information is as follows:

	Cabral			Betim subdivision			Torino		
	12/31/13	**12/31/12**	**01/01/12**	**12/31/13**	**12/31/12**	**01/01/12**	**12/31/13**	**12/31/12**	**01/01/12**
Cash and cash equivalents	**7,245**	25,669	35,250	**3**	3	6	**3,408**	-	-
Trade receivables	**20,710**	7	5	**-**	6	-	**88,511**	-	-
Inventories	**-**	-	-	**5,155**	5,105	27,049	**-**	-	-
Other current assets	**464**	-	1	**-**	-	23	**-**	-	-
Total current	**28,419**	25,676	35,256	**5,158**	5,114	27,078	**91,919**	-	-
Inventories	**-**	-	-	**64,040**	52,994	24,065	**-**	-	-
Investment property	**42,112**	40,299	35,568	**-**	-	-	**103,244**	-	-
Other noncurrent assets	**41,472**	6,732	-	**1**	2	-	**-**	-	-
Total noncurrent assets	**83,584**	47,031	35,568	**64,041**	52,996	24,065	**103,244**	-	-
Total assets	**112,003**	72,707	70,824	**69,199**	58,110	51,143	**195,163**	-	-
Current liabilities	**3,702**	673	50	**129**	76	43	**157**	-	-
Noncurrent liabilities	**6,043**	1,123	1,832	**-**	-	-	**11,880**	-	-
Equity	**102,258**	70,911	68,942	**69,070**	58,034	51,100	**183,126**	-	-
Liabilities and equity	**112,003**	72,707	70,824	**69,199**	58,110	51,143	**195,163**	-	-

	Cabral		Betim subdivision		Torino	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Net operating revenue	**56,007**	-	**-**	-	**-**	-
Cost	**(37,210)**	-	**-**	-	**-**	-
Finance income (costs)	**342**	2,954	**(19)**	(34)	**(5)**	-
Income tax and social contribution	**(2,231)**	(986)	**-**	-	**-**	-
Profit (loss) for the period	**16,908**	1,968	**(19)**	(34)	**(5)**	-

c) The changes in the balances of investments in subsidiaries and joint ventures in the years ended December 31, 2013 and 2012 are as follows:

	Opening balances	**Capital contributions (reversals)**	**Equity in investees**	**Dividends received**	**Other**	**Closing balances**
Year ended December 31, 2013:						
Joint ventures:						
Cabral	36,096	7,220	8,454	-	-	51,770
Betim subdivision	15,977	11,038	(7)	-	-	27,008
Torino	-	73,278	(2)	-	-	73,276
Capitalized interest	5,037	-	-	-	(162)	4,875
Total joint ventures - Consolidated	**57,110**	**91,536**	**8,445**	**-**	**(162)**	**156,929**

	Opening balances	Capital contributions (reversals)	Equity in investees	Dividends received	Other	Closing balances
Subsidiaries:						
LOG I	65,928	979	8,123	(9,282)	-	65,748
LOG II	20,126	542	1,703	(1,840)	-	20,531
LOG Jundiaí	36,395	19	3,858	(4,108)	-	36,164
LOG Goiânia	31,205	15,010	(685)	-	-	45,530
LOG Hortolândia	67,066	5,371	2,242	(348)	-	74,331
LOG SJP	20,499	(3,848)	(1,484)	-	-	15,167
LOG Juiz de Fora	24,600	8,011	(126)	(92)	-	32,393
LOG Feira de Santana	8,392	15,613	(591)	-	-	23,414
LOG Fortaleza	18,304	15,518	(120)	(105)	-	33,597
LOG Via Expressa	-	63,922	125	-	-	64,047
LOG Campos	28,980	12,070	(14)	-	-	41,036
LOG SJC Sony	53,871	82	(7)	-	-	53,946
Office Park Pirituba	98,036	4,002	(6)	-	-	102,032
LOG Sumaré	363	332	(698)	-	-	(3)
LOG SJRP	9,261	52	(6)	-	-	9,307
LOG Macaé	12,072	1,271	4	-	-	13,347
LOG RP	18,387	608	(6)	-	-	18,989
LOG Viana	30,115	30,197	(86)	-	-	60,226
LOG Londrina	17,290	8,409	(72)	-	-	25,627
LOG Curitiba	26,321	(720)	(6)	-	-	25,595
LOG Rio	-	16,604	(6)	-	-	16,598
LOG Itatiaia	-	25,617	(59)	-	-	25,558
LOG Aracajú	-	10,320	(6)	-	-	10,314
LDI	44	26,339	16,417	(15,707)	-	27,093
Capitalized interest	50,795	-	-	-	51,099	101,894
Total subsidiaries	638,050	256,320	28,494	(31,482)	51,099	942,481
Total Individual	**695,160**	**347,856**	**36,939**	**(31,482)**	**50,937**	**1,099,410**
Year ended December 31, 2012:						
Total Consolidated	47,308	6,957	975	-	1,870	57,110
Total Individual	393,470	275,583	10,891	(11,376)	26,592	695,160

6. Investment property

		Individual			
	Annual weighted depreciation rates	12/31/13			12/31/12
		Cost	Accumulated depreciation	Net	Net
Buildings	4%	**111,414**	**(5,869)**	**105,545**	84,328
Land	-	**43,908**	**-**	**43,908**	141,308
Construction in progress	-	**36,545**	**-**	**36,545**	32,564
Total		**191,867**	**(5,869)**	**185,998**	258,200

		Consolidated				
	Annual weighted depreciation rates	12/31/13			12/31/12	01/01/12
		Cost	Accumulated depreciation	Net	Net	Net
Buildings	4%	**456,083**	**(22,446)**	**433,637**	266,294	69,687
Land	-	**485,025**	**-**	**485,025**	519,955	355,832
Construction in progress	-	**327,959**	**-**	**327,959**	188,160	135,181
Total		**1,269,067**	**(22,446)**	**1,246,621**	974,409	560,700

Changes in investment property for the years ended December 31, 2013 and 2012 are as follows:

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
				Restated
Opening balance	**258,200**	210,292	**974,409**	560,700
Additions	**34,089**	202,797	**270,872**	385,846
Contributions to investees (*)	**(107,575)**	(121,200)	**-**	-
Transfer under barter (**)	**-**	(41,360)	**-**	-
Capitalized interest	**5,549**	9,446	**58,381**	34,503
Derecognition (***)	**(311)**	-	**(43,708)**	-
Depreciation	**(3,954)**	(1,775)	**(13,333)**	(6,640)
Closing balance	**185,998**	258,200	**1,246,621**	974,409

(*) Refers to land acquired that were contributed to subsidiaries.
(**) In 2012, the Company transferred the assets and liabilities related to barters to its subsidiaries.
(***) This amount incorporates R$17,058 related to a terminated barter (note 9) that, due to its nature, does not involve cash or the payment of any amounts and R$25,502 that refers to derecognition of the land sale transaction (note 14).

The table below shows the net balances as compared to the fair values of the investment properties as at December 31, 2013 and 2012, broken down into Individual and Consolidated:

	12/31/13					12/31/12	
	Land	**Buildings**	**Construction in progress**	**Total**	**Fair value**	**Total**	**Fair value**
Individual:							
Industrial warehouses	**35,665**	**105,545**	**15,361**	**156,571**	**258,433**	232,126	367,112
Shopping mall	**-**	**-**	**-**	**-**	**-**	13,478	22,999
Strip mall	**8,243**	**-**	**21,184**	**29,427**	**44,168**	12,596	29,371
Total Individual	**43,908**	**105,545**	**36,545**	**185,998**	**302,601**	258,200	419,482
Consolidated:							
Industrial warehouses	**392,428**	**433,637**	**264,688**	**1,090,753**	**1,547,384**	836,381	1,316,178
Offices	**84,354**	**-**	**63,271**	**147,625**	**157,395**	111,954	149,900
Shopping mall	**-**	**-**	**-**	**-**	**-**	13,478	22,999
Strip mall	**8,243**	**-**	**-**	**8,243**	**44,168**	12,596	29,371
Total Consolidated	**485,025**	**433,637**	**327,959**	**1,246,621**	**1,748,947**	974,409	1,518,448

The fair value of investment property has been estimated as described in note 2.2 (e) – Investment Propriety.

Based on the fair value of the investment properties, management concluded that there is no indication of impairment of the asset.

As at December 31, 2013, out of the total R$1,246,621 in investment properties, R$777,433 has been pledged as collateral of borrowings and financing entered into by the Company and its subsidiaries (R$358,451 at December 31, 2012 and R$125,862 at January 1, 2012).

7. Borrowings, financing and debentures

a) Borrowings and financing

The position of borrowings and financing at December 31, 2013, and December 31 and January 1, 2012 is as follows:

Type	Maturity of principal	Effective financial charges (p.a.)	12/31/13			12/31/12	01/01/12
			Current	Noncurrent	Total	Total	Total
Parent company:							
Working capital	Jul 13 to Jul 15	CDI + 3.50%	**10,180**	**10,000**	**20,180**	26,127	-
Working capital	Nov 14	CDI + 2.60%	**91,010**	**-**	**91,010**	90,765	-
Working capital	Oct 12 to Jun 13	CDI + 1.80%	**-**	**-**	**-**	40,013	47,517
Working capital	Jul 13 to Jun 16	CDI + 2.57%	**-**	**-**	**-**	23,547	21,288
Working capital	Apr 14 to Mar 17	CDI + 2.32%	**-**	**-**	**-**	13,207	-
Working capital	Jun 14 to May 17	CDI + 2.20%	**-**	**-**	**-**	9,507	-
Working capital	Sep 13 to Sep 17	CDI + 2.36%	**6,650**	**23,868**	**30,518**	-	-
Working capital	Apr 10 to Apr 12	CDI + 1.80%	**-**	**-**	**-**	-	69,135
Construction financing	Dec 13 to Oct 24	CDI + 1.88%	**4,434**	**42,945**	**47,379**	10,010	-
Construction financing	Dec 13 to Nov 23	TR + 9.38%	**2,678**	**23,515**	**26,193**	24,086	-
Construction financing	Dec 13 to Nov 23	TR + 9.43%	**1,327**	**11,651**	**12,978**	11,391	-
Construction financing	Jul 14 to Jun 22	TR + 11.16%	**1,539**	**22,681**	**24,220**	21,772	-
Construction financing	Oct 14 to Sep 22	TR + 10.96%	**479**	**14,694**	**15,173**	12,028	-
Construction financing	Aug 14 to Jul 22	TR + 11.21%	**721**	**12,947**	**13,668**	11,347	-
Construction financing	Mar 15 to Jul 23	TR + 9.40%	**-**	**6,863**	**6,863**	-	-
(-) Financing costs			**(1,638)**	**(3,011)**	**(4,649)**	(5,914)	(971)
Total Individual			**117,380**	**166,153**	**283,533**	287,886	136,969
Subsidiaries:							
Construction financing	Dec 13 to Nov 23	TR + 9.35%	**1,423**	**12,495**	**13,918**	12,256	-
Construction financing	Feb 14 to Jan 22	TR + 11.62%	**2,199**	**16,811**	**19,010**	16,261	-
Construction financing	Aug 14 to Jul 22	TR + 11.01%	**452**	**8,105**	**8,557**	7,707	-
Construction financing	Nov 14 to Oct 22	TR + 10.70%	**90**	**4,208**	**4,298**	1,040	-
Construction financing	Apr 15 to Mar 25	TR + 9.99%	**-**	**10,063**	**10,063**	-	-
Construction financing	Feb 15 to Jan 25	TR + 10.03%	**-**	**12,883**	**12,883**	-	-
Construction financing	Apr 15 to Mar 25	TR + 9.95%	**-**	**10,251**	**10,251**	-	-
Construction financing	Feb 15 to Jan 25	TR + 9.96%	**-**	**18,148**	**18,148**	-	-
Construction financing	Apr 15 to Mar 25	TR + 9.80%	**-**	**10,440**	**10,440**	-	-
Construction financing	Apr 15 to Mar 25	TR + 9.88%	**-**	**23,618**	**23,618**	-	-
Construction financing	Aug 14 to Jul 25	TR + 9.67%	**295**	**7,401**	**7,696**	-	-
Construction financing	Jan 15 to Apr 23	TR + 9.59%	**-**	**23,732**	**23,732**	-	-
Construction financing	Jan 15 to Apr 23	TR + 9.60%	**-**	**14,414**	**14,414**	-	-
Construction financing	Oct 15 to Sep 25	TR + 9.50%	**-**	**17,881**	**17,881**	-	-
Construction financing	Jan 15 to Dec 22	TR + 9.90%	**-**	**17,298**	**17,298**	-	-
(-) Financing costs			**(425)**	**(3,446)**	**(3,871)**	(679)	-
Total subsidiaries			**4,034**	**204,302**	**208,336**	36,585	-
Total Consolidated			**121,414**	**370,455**	**491,869**	324,471	136,969

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

	Individual		Consolidated		
	12/31/13	12/31/12	12/31/13	12/31/12	01/01/12
After the reporting period				Restated	
12 months	**117,380**	52,943	**121,414**	53,014	116,074
13 to 24 months	**33,747**	117,499	**56,472**	120,876	4,508
25 to 36 months	**24,018**	33,233	**46,738**	37,502	6,553
37 to 48 months	**21,953**	20,094	**44,675**	24,363	6,553
More than 48 months	**86,435**	64,117	**222,570**	88,716	3,281
Total	**283,533**	287,886	**491,869**	324,471	136,969

Changes in borrowings and financing:

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
Opening balance	**287,886**	136,969	**324,471**	136,969
Funding	**97,448**	222,797	**262,842**	257,600
Accrued financial charges	**30,499**	16,967	**40,549**	19,425
Borrowing costs	**(1,779)**	(5,863)	**(5,165)**	(6,590)
Amortization of borrowing costs	**3,044**	919	**3,240**	970
Repayment of principal	**(106,436)**	(67,765)	**(106,436)**	(67,765)
Payment of financial charges	**(27,129)**	(16,138)	**(27,632)**	(16,138)
Closing balance	**283,533**	287,886	**491,869**	324,471

Funding during the year ended December 31, 2013 was as follows:

Type	Maturity of principal	Effective financial charges	Amount raised
Parent company:			
Working capital	Sep 13 to Sep 17	CDI + 2.36%	50,000
Construction financing	Dec 13 to Oct 24	CDI + 1.88%	37,500
Construction financing	Dec 13 to Nov 23	TR + 9.43%	548
Construction financing	Oct 14 to Sep 22	TR + 10.96%	1,633
Construction financing	Aug 14 to Jul 22	TR + 11.21%	951
Construction financing	Mar 15 to Jul 23	TR + 9.40%	6,816
Total Individual			97,448
Subsidiaries:			
Construction financing	Dec 13 to Nov 23	TR + 9.35%	587
Construction financing	Feb 14 to Jan 22	TR + 11.62%	794
Construction financing	Nov 14 to Oct 22	TR + 10.70%	2,908
Construction financing	Feb 15 to Jan 25	TR + 10.03%	12,090
Construction financing	Apr 15 to Mar 25	TR + 9.95%	9,871
Construction financing	Feb 15 to Jan 25	TR + 9.96%	16,769
Construction financing	Apr 15 to Jan 25	TR + 9.80%	10,713
Construction financing	Apr 15 to Mar 25	TR + 9.88%	22,699
Construction financing	Aug 14 to Jul 25	TR + 9.67%	7,669
Construction financing	Jan 15 to Apr 23	TR + 9.59%	22,716
Construction financing	Jan 15 to Apr 23	TR + 9.60%	13,907
Construction financing	Apr 15 to Mar 25	TR + 9.99%	9,768
Construction financing	Oct 15 to Sep 25	TR + 9.50%	17,748
Construction financing	Jan 15 to Dec 22	TR + 9.90%	17,155
Total subsidiaries			165,394
Total Consolidated			262,842

b) Debentures

The position of debentures as at December 31, 2013, and December 31 and January 1, 2012 is as follows:

			12/31/13			12/31/12	01/01/12
Issue	**Maturity of principal**	**Effective financial charges (p.a.)**	**Current**	**Noncurrent**	**Total**	**Total**	**Total**
1st issue	Feb 14	CDI + 2.64%	**109,474**	**-**	**109,474**	109,155	109,748
2nd issue	Dec 12 to Jun 19	CDI + 2.17%	**10,242**	**58,000**	**68,242**	77,009	-
3rd issue	Jun 14 to Jun 20	CDI + 2.07%	**4,849**	**96,000**	**100,849**	-	-
(-) Funding cost			**(658)**	**(2,860)**	**(3,518)**	(1,889)	(1,039)
Total			**123,907**	**151,140**	**275,047**	184,275	108,709

The debentures issued are simple and nonconvertible. The 1st issue consists of unsecure debentures and the other issues are collateralized.

The table below shows the debentures payment schedule:

	Individual and Consolidated					
	12/31/13				12/31/12	01/01/12
After the reporting period	**1st issue**	**2nd issue**	**3rd issue**	**Total**	**Total**	**Total**
Amortization:					Restated	
12 months	**109,474**	**10,242**	**4,849**	**124,565**	10,163	1,748
13 to 24 months	**-**	**11,200**	**6,000**	**17,200**	117,999	-
25 to 36 months	**-**	**12,400**	**14,000**	**26,400**	11,200	108,000
37 to 48 months	**-**	**12,800**	**16,000**	**28,800**	12,400	-
After 48 months	**-**	**21,600**	**60,000**	**81,600**	34,402	-
Total	**109,474**	**68,242**	**100,849**	**278,565**	186,164	109,748
Costs:						
12 months	**(78)**	**(219)**	**(361)**	**(658)**	(700)	(480)
13 to 24 months	**-**	**(220)**	**(361)**	**(581)**	(297)	(481)
25 to 36 months	**-**	**(221)**	**(363)**	**(584)**	(220)	(78)
37 to 48 months	**-**	**(221)**	**(362)**	**(583)**	(221)	-
After 48 months	**-**	**(230)**	**(882)**	**(1,112)**	(451)	-
Total	**(78)**	**(1,111)**	**(2,329)**	**(3,518)**	(1,889)	(1,039)
Total net	**109,396**	**67,131**	**98,520**	**275,047**	184,275	108,709

Changes in debentures are as follows:

	Individual and Consolidated	
	2013	**2012**
Opening balance	**184,275**	108,709
Funding	**100,000**	80,000
Accrued financial charges	**24,484**	15,358
Borrowing costs	**(2,511)**	(1,447)
Amortization of borrowing costs	**882**	598
Repayment of principal	**(8,800)**	(3,200)
Payment of financial charges	**(23,283)**	(15,743)
Closing balance	**275,047**	184,275

Funding during the year ended December 31, 2013 was as follows:

Type	**Maturity of principal**	**Effective financial charges**	**Amount raised**
Parent company:			
3rd issue of debentures	Jun 14 to Jun 20	CDI + 2.07%	100,000
Total Consolidated			100,000

c) Guarantees

The table below shows the types of guarantee for borrowings, financing and debentures at December 31, 2013:

	Working capital	**Corporate plan**	**Debentures**	**Total**	
Collateral/surety	91,010	-	-	91,010	
Surety	30,518	-	-	30,518	
Collateral/receivables	-	358,681	169,091	527,772	
Unsecured	20,180	-	-	20,180	
Surety/bond	-	-	109,474	109,474	
Total	141,708	358,681	278,565	778,954	(*)

(*) Amount of borrowings, financing and debentures, net of borrowings 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.

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

d) Allocation of financial charges

Finance charges are capitalized as follows:

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
Finance charges:				Restated
Borrowings, financing and debentures	**(58,909)**	(33,842)	**(69,155)**	(36,351)
Charges due to related parties	**(701)**	(255)	**(701)**	(255)
Realization of PVA and adjustment of land payable	**(3,916)**	(7,727)	**(3,916)**	(7,727)
Total finance charges	**(63,526)**	(41,824)	**(73,772)**	(44,333)
Interest capitalized on:				
Investment property (note 6)	**5,549**	9,446	**58,381**	34,503
Investment	**51,501**	26,861	**(162)**	1,870
	(6,476)	(5,517)	**(15,553)**	(7,960)
Other finance costs	**(2,648)**	(538)	**(348)**	(465)
Finance charges allocated to profit or loss	**(9,124)**	(6,055)	**(15,901)**	(8,425)

Due to the fact that financing activities are centrally coordinated by the Company, interest incurred essentially on the financing of its qualifying assets (basically investment property) are capitalized as follows:

- Interest on financing of the Company's investment property is allocated directly to the cost of the relevant assets.
- Interest incurred on financing qualifying assets of Company investees is capitalized by the Company and realized together with the depreciation of the relevant assets. In the Consolidated financial statements, interest incurred by subsidiaries is classified as part of the cost of the relevant assets.

In the year ended December 31, 2013, total capitalized borrowings, financing and debentures represented an average charge rate of 10.63% per annum (11.10% per annum in the year ended December 31, 2012).

8. Land payables

	Individual and Consolidated		
	12/31/13	**12/31/12**	**01/01/12**
		Restated	
Land payables	**13,821**	82,648	68,899
Present value adjustment	**-**	(72)	(1,459)
Net	**13,821**	82,576	67,440
Current	**13,821**	73,322	61,413
Noncurrent	**-**	9,254	6,027
Total	**13,821**	82,576	67,440

As at December 31, 2013, land payable, by maturity and adjustment index, are broken down as follows:

Period	Savings (*)	IGP-M (**)	CDI (***)	Fixed rate	Total
12 months	1,056	10	9,999	2,756	13,821
Total	1,056	10	9,999	2,756	13,821

(*) Benchmark interest rate plus 0.50% per month
(**) General Market Price Index
(***) Interbank deposit rate

Present value adjustment:

The present value adjustment was calculated for the land payments according to the criteria described in note 2.2 (o). The adjustment was calculated as the difference between the contractual rates and the Company's weighted funding rate. The table below shows the breakdown and the realization of the present value adjustment ("PVA"):

	Individual and Consolidated	
	2013	**2012**
Opening balance of PVA on land payables	**72**	1,459
Present value adjustment to land payables	**-**	-
Realization in the period:		
- capitalized in investment property	**(72)**	(1,387)
- recognized in profit or loss	**-**	-
Closing balance of PVA	**-**	72

9. Advances - barters

This balances refers to commitments arising from agreed upon barters under which the Company purchased land in exchange for industrial sheds. 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. In the first quarter of 2012, the Company transferred the assets and liabilities related to barters to its subsidiaries due to the start of project construction.

In the fourth quarter of 2013, the Company terminated one of the barter agreements, amounting to R$17,058 (note 6). Due to its nature, this transaction does not involve cash or the payment of any amounts.

10. Income tax and social contribution

(a) Income tax (IRPJ) and social contribution (CSLL) recognized in the income statement

The income tax and social contribution income (expenses) at the statutory tax rate is reconciled with accounting profit as follows:

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
				Restated
Income before income tax and social contribution	**28,737**	7,488	**34,483**	9,779
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal expense	**(9,771)**	(2,546)	**(11,724)**	(3,325)
Effect of IRPJ and CSLL on permanent differences:				
Equity in subsidiaries and joint ventures	**12,559**	3,703	**2,871**	332
Tax basis difference for companies taxes based on deemed income	**-**	-	**5,895**	1,859
Other	**(603)**	(57)	**(603)**	(57)
IRPJ and CSLL credit (expenses) in profit or loss	**2,185**	1,100	**(3,561)**	(1,191)
Effective tax rate	**-7.60%**	-14.69%	**10.33%**	12.18%

(b) Deferred tax balances

Deferred tax assets arise basically from tax loss carryforwards, while deferred tax liabilities arise from temporary differences between the cash basis adopted for tax purposes and the accrual basis for accounting purposes.

The table below shows the breakdown of deferred tax assets (liabilities) disclosed in the balance sheets.

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Noncurrent assets:					
Income tax and social contribution	**6,386**	2,922	**6,505**	2,922	1,822
Liabilities:					
Income tax and social contribution	**-**	-	**(1,579)**	(324)	(176)
Taxes on revenue (PIS/COFINS)	**-**	-	**(1,016)**	(109)	(59)
	-	-	**(2,595)**	(433)	(235)
Current	**-**	-	**(1,625)**	-	-
Noncurrent	**-**	-	**(970)**	(433)	(235)
Total	**-**	-	**(2,595)**	(433)	(235)

As at December 31, 2013, the estimated realization of deferred tax assets, based on the projection of future taxable income, prepared by the Company's management, is as follows:

	Individual	Consolidated
	IRPJ & CSLL	
Expected realization:		
12 months	108	180
13 to 24 months	2,461	2,508
25 to 36 months	3,817	3,817
Total	6,386	6,505

The bases to recognize deferred tax assets (liabilities) are as follows:

	Individual		Consolidated		
	12/31/13	12/31/12	12/31/13	12/31/12	01/01/12
				Restated	
Tax effect on:					
Deferred assets:					
Tax loss carryforwards	**6,214**	2,900	**6,332**	2,900	1,767
Temporary differences	**172**	22	**173**	22	55
Deferred assets	**6,386**	2,922	**6,505**	2,922	1,822
Deferred liabilities:					
Rents receivable	**-**	-	**(648)**	(324)	(176)
Land sales receivable	**-**	-	**(675)**	-	-
Finance income taxed on a cash basis	**-**	-	**(256)**	-	-
Deferred tax liabilities – noncurrent	**-**	-	**(1,579)**	(324)	(176)

The table below shows the movement of deferred tax assets:

	Individual		Consolidated	
	2013	2012	2013	2012
Opening balance	**2,922**	1,822	**2,922**	1,822
Tax credit on share issuance costs (note 12 (b))	**1,279**	-	**1,279**	-
Tax credit recognized in profit	**2,185**	1,100	**2,304**	1,100
	6,386	2,922	**6,505**	2,922

(c) Transitional tax regime

On November 11, 2013 Provisional Act 627 was issued in Brazil to repeal the Transitional Tax Regime (RTT) and introduce other provisions, including the following: (i) it amends Decree Law 1598/77, which addresses the corporate income tax, and the social contribution on net income law; (ii) it establishes that any change in or the adoption of accounting methods and criteria under administrative measures issued based on the jurisdiction attributed by the Commercial Law, after the enactment of this Provisional Act, shall not have any impact on the calculation of federal taxes until a tax law addressing the matter is enacted; (iii) it provides for a specific treatment of the potential taxation of profits or dividends; (iv) it includes provisions on the calculation of interest on capital; and addresses investments accounted for by the equity method of accounting.

The provisions of this Provisional Act are effecting beginning 2015. It early adoption in 2014 could eliminate potential tax effects, especially those related to the taxation of dividends and interest on capital effectively paid by the date said Provisional Act was enacted, and the equity in gains of investees. The Company prepared a study on the possible effects of applying this new statute and concluded that its early adoption would have immaterial impacts on the Company's financial statements. Management awaits further developments and the approval of amendments to said Provisional Act before it decides on its early adoption within the deadlines set by the tax statute.

11. Provisions for labor, tax and civil contingencies

The Group set up provisions for contingencies related to the lawsuits subject to a probable possibility of an unfavorable outcome, based on the assessment of its legal counsel, which forecasts that a disbursement of funds will be required to discharge its obligations. These lawsuits consist only of labor claims. Changes in 2013, 2012 and 2011 are as follows:

	Individual and Consolidated		
	2013	**2012**	**2011**
Opening balance	**17**	5	-
Additions	**77**	32	6
Payment	**(4)**	(8)	-
Reversal	**(26)**	(12)	(1)
Closing balance	**64**	17	5

The lawsuits assessed as possible losses by the legal counsel, related basically to labor lawsuits, amount to R$300 as at December 31, 2013 (R$179 at December 31, 2012 and R$10 at January 1, 2012).

Based on the legal counsel's assessment, there are no tax or civil lawsuits classified with a risk of unfavorable outcome classified as probable or possible.

In light of the legal, tax, and regulatory systems' timing and dynamics, the Company's management believes that it is not practicable to provide useful information to the users of these financial statements about the time of potential cash disbursements or any possibility of reimbursements. Additionally, the Company's management believes that potential cash disbursements in excess of the amounts provided for, after a the final outcome of the related lawsuits will not have a material impact on the Company's profit or loss and financial position.

12. Equity

(a) Investment agreement

On May 17, 2013, the Company's shareholders, together with Fundo de Investimentos em Participações Multisetorial Plus ("FIP MPlus"), signed an investment agreement for the issue of 36,945,672 new common shares, amounting to R$277,462, of which R$127,462 was contributed by FIP MPlus e R$150,000 by the other shareholders ("Transaction").

On June 25, 2013, the Administrative Counsel of Economic Defense (CADE) approved the Transaction without restrictions, as published in the Official Gazette.

(b) Common shares and issued capital

	Individual and Consolidated	
	12/31/13	**12/31/12**
Share capital	**171,453**	134,362
Number of common shares, without par value (thousand)	**171,453**	134,362

The Company's authorized capital as at December 31, 2013 and December 31, 2012 is R$2,000,000.

Each common share entitles its holder to one vote in decisions at the shareholders' meeting and the shareholders' meeting can create new classes of shares, such as preferred shares, limited to fifty percent of total shares issued.

The holders of Company shares have preemptive rights, proportionally to their interests, in the subscription of new shares or their partial or total transfer to third parties. These rights can be exercised within the statutory period of thirty (30) days.

In the year ended December 31, 2013, the Company's Extraordinary Shareholders' Meeting approved, within the authorized capital ceiling, a capital increase, through the issue of registered, book-entry, common shares without par value:

Date of ESM approval	Description	Number of shares	Total outstanding shares after issuance	Unit price		Total capital increase	Capital after capital increase	Share issuance premium	Total contributions
		(thousand)	(thousand)	R$		R$'000	R$'000	R$'000	R$'000
2012:									
07/26/12	Issue of new shares	112	134,362	5.59	(*)	112	134,362	512	624
2013:									
04/18/13	Issue of new shares	146	134,508	5.59	(*)	146	134,508	670	816
06/25/13	Issue of new shares	36,945	171,453	7.51	(**)	36,945	171,453	240,517	277,462

(*) R$1.00 allocated to the capital increase and R$4.59 allocated to the premium reserve.
(**) R$1.00 allocated to the capital increase and R$6.51 allocated to the premium reserve.

The share issuance conducted on June 25, 2013 generated issue costs totaling R$3,762 (R$2,483 net of taxes) consisting of funding commission and legal advisory services, recognized in equity and absorbed by the share premium.

FIP MPlus subscribed 16,972,304 common shares, with the express and partial waiver of all other Company shareholders to their preemptive rights.

(c) Capital reserve – share subscription premium

It is the amount contributed by the shareholders that exceeds the amount allocated to the capital increase, net of costs incurred in the share issuances described in (b) above.

(d) Earnings reserves

Legal reserve

The legal reserve is recognized based on the allocation of 5% of profit for the year, up to a ceiling of 20% of share capital. The allocation of part of profit for the year to this line item is not mandatory in years where the balance of this reserve, plus the amount of capital reserves, exceeds 30% of shares capital. The objective

of the legal reserve is to ensure the integrity of capital and can only be utilized to offset losses or increase capital. The calculation schedules for the recognition of the 2013 and 2012 legal reserve are broken down in item (e) below.

Earnings retention

The earnings retention reserves refer to profits not distributed to shareholders basically because of the Company's need for funds to be used in investments. As at December 31, 2013 the Company recognized an earnings retention reserves amounting to R$26,438 (R$7,343 at December 31, 2012).

(e) Mandatory minimum dividend payable to shareholders

Under its bylaws the Company can, by decision of the Board of Directors (i) prepare semiannual, quarterly financial statements or for smaller periods, and declare dividends based on the profits disclosed in such financial statements; or (ii) declare interim dividends, charged to retained earnings or earnings reserves disclosed in the latest annual or semiannual financial statements. The distributed interim dividends can be deducted from the mandatory dividends. The Shareholders' Meeting can change the percentage of dividends to be paid to shareholders. Shareholders are entitled to an annual mandatory minimum dividend of no less than 10% of profit, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount to be allocated to the recognition of a provision for contingencies and reversal of the same provisions recognized in prior years; and (iii) amount derived from the reversal of prior years' unrealized earnings reserve, pursuant to Article 202, II, of Corporate Law. Under the law, the payment of the mandatory dividend can be limited to realized profit for the year.

According to management's proposal, to be approved at the Annual Shareholders' Meeting, 2013 dividends are as follows (2012 dividends are presented for comparative purposes):

	2013	2012
Profit for the year	**30,922**	8,588
Legal reserve – 5% of profit for the year	**(1,546)**	(429)
Profit available for distribution	**29,376**	8,159
Proposed dividends – 10% of profit available for distribution	**2,938**	816
Proposed dividends per share (cents per share)	**0.0171**	0.0061

The 2012 dividends, amounting to R$816, were approved at the Annual Shareholders' Meeting held on April 18, 2013 and paid in the second quarter of 2013.

(f) Stock option plan

The Stock Option Plan approved by the Company, pursuant to the related regulation, shall correspond to a ceiling of 3,568,596 shares, equivalent to 5% of total Company shares in November 2010. The plan's charter also establishes the exercise terms and conditions. Once an option is exercised by its beneficiary, the corresponding shares will be issued through an increase of the Company's capital. The strike price in the Stock Option Plan will be equivalent to the amount

of the share's net equity determined by the Board of Directors upon the definition on and approval of each program.

The Company's officers and employees, including of direct and indirect subsidiaries, may be eligible for the plan. Should the employment agreement or mandate of the employee or officer terminates due to (a) respectively, quitting or resignation; or (b) dismissal (with or without just cause) or removal from office (with or without fair reason), providing the definition of fair reason is provided for in corporate law or of cause is provided for in labor law, as applicable is observed, the options whose exercise right (i) had not been vested until such date will be cancelled; and (ii) had already been vested by such date, may be exercised within ninety day of the date of the termination of said employment agreement or mandate, by means of a written notice sent to the Chairman of the Company´s Board and, after this period, they will be cancelled.

In case of death or permanent disability of the beneficiary, his or her successors shall have the right to exercise any unexercised stock options, regardless of the share sale restrictions periods set out in the Plan and even if such stock options are unvested, immediately and during the exercise period set out in the related program, where the number of shares to which the beneficiary's successors are entitled will be calculated on a prorated basis, according to the Plan.

On June 8, 2011, the Company approved the first stock option plan, equivalent to 280,000 common shares, at the exercise price of R$1.00. The stock options granted correspond to 7.85% of total approved for the plan. The stock options' vesting period is up to four years and can be exercised in five installments. The exercise period started in August 2011 and ends in December 2018. As at December 31, 2013, 42,000 granted options were vested (28,000 at December 31, 2012).

On June 28, 2012, the Company approved the second stock option plan, equivalent to 89,774 common shares, at the exercise price of R$5.59. The stock options granted correspond to 2.52% of total approved for the plan. The stock options' vesting period is up to four years and can be exercised in five installments. The exercise period started in August 2012 and ends in August 2019. As at December 31, 2013, 8,978 granted options were vested (4,489 at December 31, 2012).

On October 22, 2013, the Company approved the third stock option plan, equivalent to 131,455 common shares, at the exercise price of R$7.51. The stock options granted correspond to 3.68% of total approved for the plan. The stock options' vesting period is up to four years and can be exercised in five installments. The exercise period started in December 2013 and ends in December 2020. As at December 31, 2013, 6,573 options granted were vested.

Program	Approval	No. (thou,)	Vesting	Option price	Participants	Exercise deadline
1	06/2011	280	Up to 4 year	R$1.00	Officers	December 2018
2	06/2012	90	Up to 4 year	R$5.59	Officers	August 2019
3	10/2013	132	Up to 4 year	R$7.51	Officers and managers	December 2020

None of the programs requires that the beneficiary pays any amount when the option is granted. The stock options granted correspond to 14.05% of total approved for the plan.

As at December 31, 2013, 57,551 granted options were vested (32,489 at December 31, 2012 and nil at January 1, 2012).

In the years ended December 31, 2013 and 2012 there were no cancelled, exercised or expired stock options.

Under Article 171, Par. 3, of the Brazilian Corporate Law, the Company's shareholders do not have preemptive rights on the exercise of stock options.

The Company records the employees' share-based compensation in the financial statements based on its fair value. The fair value of the stock option program was estimated based on the Black & Scholes stock option pricing model, considering the following weighed average assumptions:

	1st plan	2nd plan	3rd plan
Risk-free rate	12.08%	8.66%	10.86%
Vesting period in years (*)	7	7	7
Expected annualized volatility	45.73%	42.26%	36.56%
Expected dividends	5%	5%	5%
Stock options fair value on grant date per share	R$4.04	R$2.73	R$2.09

(*) Vesting period of up to 4 years.

The risk-free rate is based on an average of future CDI rates for the maximum exercise period of each tranche of the plans, using the projection of the São Paulo Mercantile and Stock Exchange (BM&FBOVESPA).

Due to the lack of historical data, the expected volatility was calculated based on the average historical volatility of companies operating in the same industry.

The compensation costs arising from the stock options granted totaled R$351 for the year ended December 31, 2013 (R$348 for the year ended December 31, 2012). As at December 31, 2013, compensation costs of the stock options granted to be recognized over the remaining average vesting period of 2.5 years, total approximately R$711 (R$787 at December 31, 2012).

As at December 31, 2013, based on the exercise prices (R$1.00, R$5.59, and R$7.51), if all options currently granted had been exercised, the Company would have issued 501,229 shares, which would represent a 0.29% dilution in relation to total Company shares of 171,453,285.

13. Earnings per share

Profit and the weighted average number of common used to calculate basic and diluted earnings per share are as follows:

	Individual and Consolidated	
	2013	**2012**
Basic earnings per share:		
Profit for the year	**30,922**	8,588
Weighted average number of outstanding common shares (in thousands)	**153,697**	134,306
Basic earnings per share - in R$	**0.20119**	0.06394
Diluted earnings per share:		
Profit for the year	**30,922**	8,588
Weighted average number of outstanding common shares (in thousands)	**153,697**	134,306
Dilutive effect of stock options (in thousands)	**293**	251
Weighted average number of outstanding common shares (in thousands)	**153,990**	134,557
Diluted earnings per share - in R$	**0.20081**	0.06382

14. Net sales revenue

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
				Restated
Revenue from land sales	**-**	-	**45,583**	-
Lease revenue	**13,795**	7,591	**48,088**	29,190
PIS/COFINS on revenue	**(1,275)**	(704)	**(4,416)**	(1,534)
Net sales revenue	**12,520**	6,887	**89,255**	27,656

In the third quarter of 2013, the Group closed the sale of two plots of land, until then recognized in 'Investment property', that generated a net gain of R$16,076, as shown below:

	Consolidated
Sales revenue	**47,653**
Present value adjustment ("PVA")	**(2,070)**
Sales revenue, net of PVA	**45,583**
Taxes on sales	**(1,695)**
Net operating revenue	**43,888**
Cost of land sold	**(25,502)**
Gross profit	**18,386**
Commissions	**(1,461)**
Realization of PVA	**650**
Income tax and social contribution	**(1,499)**
Profit	**16,076**

15. Costs and expenses by nature

	Individual		Consolidated	
	2013	**2012**	**2013**	**2012**
				Restated
Costs to sell land	**-**	-	**(25,502)**	-
Depreciation	**(3,974)**	(1,775)	**(13,356)**	(6,640)
Advertising	**(1,479)**	(467)	**(1,606)**	(467)
Salaries, charges and benefits	**(5,039)**	(4,099)	**(5,051)**	(4,099)
Management compensation	**(990)**	(838)	**(990)**	(838)
Outside services	**(3,821)**	(2,908)	**(6,282)**	(3,528)
General expenses	**(1,677)**	(1,374)	**(1,813)**	(1,394)
Stock options	**(351)**	(348)	**(351)**	(348)
Vacancy expenses	**(583)**	(221)	**(2,078)**	(564)
Other financial income	**(722)**	(25)	**(1,341)**	(846)
	(18,636)	(12,055)	**(58,370)**	(18,724)

	Individual		Consolidated	
	2013	2012	2013	2012
				Restated
Classified as:				
Costs	**(3,954)**	(1,775)	**(38,835)**	(6,640)
Selling expenses	**(3,570)**	(1,766)	**(7,616)**	(2,756)
General and administrative expenses	**(9,380)**	(7,651)	**(9,565)**	(7,644)
Management compensation	**(990)**	(838)	**(990)**	(838)
Other operating expenses	**(742)**	(25)	**(1,364)**	(846)
	(18,636)	(12,055)	**(58,370)**	(18,724)

16. Related-party transactions

Related-party balances and transactions are as follows:

	Individual		Consolidated		
	12/31/13	12/31/12	12/31/13	12/31/12	01/01/12
				Restated	
Balance sheets:					
Short-term investments:					
Banco Intermedium (a)	**42,834**	11,953	**52,886**	18,160	45,079
Banco BMG (b)	**-**	-	**175**	6,417	8,803
Lease receivables (c)	**-**	-	**180**	339	-
Due to related parties:					
MRV Engenharia e Participações S.A. (d)	**83**	405	**201**	405	105
Loan with controlled SPEs (e)	**6,749**	-	**-**	-	-
Land payables:					
MDI Desenvolvimento Imobiliário Ltda. (f)	**-**	10,934	**-**	10,934	26,828

	Individual		Consolidated	
	2013	2012	2013	2012
				Restated
Transactions:				
Income from short-term investments:				
Banco Intermedium (a)	**1,692**	2,552	**2,223**	3,296
Banco BMG (b)	**-**	-	**319**	734
Lease receivables (c)	**-**	-	**2,079**	339
Provision of administrative services (d)	**2,733**	2,252	**2,859**	2,252
Financial expenses - due to related parties:				
MRV Engenharia e Participações S.A. (g)	**701**	111	**701**	111
Loan with controlled SPEs (e)	**1,223**	-	**-**	-

(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 December 31, 2013, these investments yield approximately 110.00% of the CDI in Individual and 110.00% of CDI on a Consolidated basis (110.00% at December 31, 2012 in Individual and 108.60% at December 31, 2012 and 110.40% at January 1, 2012 on a Consolidated basis).

(b) Refers to an investment in CDBs with Banco BMG, which has the same controlling shareholders as Agrícola São Gabriel Ltda., which in turn is a shareholder of SPE Cabral. As at December 31, 2013, this investment yields approximately 106.0% of CDI (106.0% at December 31 and January 1, 2012).

(c) Refers to the lease agreement entered into by Hortolândia Incorporação SPE Ltda. and Patrus Transportes Urgentes Ltda., controlled by one of the Company's noncontrolling shareholders.

(d) Amounts payable related to expenses incurred on the provision of administrative services by MRV Engenharia e Participações S.A.. Up to November 2013, the amounts payable were calculated by applying a 7.5% rate of the Company's projected revenue. In December 2013, the parties entered into a new agreement that provides for the monthly payment of R$5.5 per project developed by the Company or its investees. 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 an indefinite period.

(e) Refers to intragroup loan between the Company and subsidiaries. The adjustment was made using CDI + a fixed rate of 2.05% per annum.

(f) Refers to payables for the land acquired in December 2010 from subsidiary MRV Engenharia e Participações S.A..

(g) Refers to financial expenses arising on the loan agreement entered into by these companies, which bears interest equivalent to CDI + a fixed rate of 2.33% per annum at December 31, 2013 (CDI + 3.30% per annum at December 31, 2012).

MRV Engenharia de Participações S.A. and some Company shareholders are the guarantors of R$109,474 in Company borrowings at December 31, 2013 (R$148,609 at December 31, 2012).

The Group conducts transactions with Banco Bradesco, manager of the investment fund Fundo de Investimento em Participações Multisetorial Plus that became a Company shareholder in the second quarter of 2013 (note 12). These transactions consist borrowings, financing and debentures, amounting to R$402,820, and short-term investments, amounting to R$12,103, at December 31, 2013. In the year ended December 31, 2013, these transactions, conducted at usual market rates, generate finance costs of R$59,181 and finance income of R$2,789, respectively.

Compensation of key personnel

Pursuant to CPC 05 (R1), which addresses related party disclosures, and according to the understanding of the Company, management's key 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 responsibilities comprise decision-making powers and control of the Company's activities.

	Individual and Consolidated	
	2013	**2012**
Short-term benefits granted to management:		
Management compensation	**990**	838
Profit sharing	**543**	-
Share-based compensation:		
Stock option plan	**346**	348
	1,879	1,186

On April 18, 2013, the Extraordinary Shareholders' Meeting approved the overall management compensation at R$2,000.

In addition to the benefits above, the Company does not grant any other benefits such as postemployment benefits, other long-term benefits or severance compensation.

17. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of: cash, banks, short-term investments, trade accounts receivable, due to related parties, trade accounts payable, financing, debentures, and land payables. All financial instruments held by the Group were recorded as at December 31, 2013.

The Group does not operate with derivatives or other speculative financial instruments and has the policy of investing funds in highly liquid short-term investments with low exposure to risk.

Category of financial instruments

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Financial assets:					
Cash and banks	**127**	118	**496**	797	342
Fair value through profit or loss held for trading (*)	**79,011**	21,961	**150,704**	23,298	182,558
Loans and receivables	**5,645**	4,036	**34,952**	7,518	1,620
Financial liabilities:					
Amortized cost	**574,136**	558,045	**791,509**	605,805	323,772

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

(b) Exposure to foreign exchange risks

The Group is not exposed to foreign exchange as its does not hold monetary assets or monetary liabilities denominated in a currency other than its functional currency, the Brazilian real.

(c) Exposure to interest rates and inflation adjustment indices

The Group is exposed to interest rates on its short-term investments, due to related parties, and borrowings and debentures, as described in notes 3, 7 and 16, and it is also exposed to inflation adjustment indices related to land payables (note 8).

Sensitivity analysis

The Group is exposed to usual market risks arising from changes in interest rates and inflation adjustment indices. The sensitivity analysis was developed considering the exposure to changes in CDI, IGP-M, the Extended Consumer Price Index (IPCA), and the savings accounts adjustment index ("TR") because the Group's main financial instruments are pegged to such indices, as detailed below.

- *Exposure to CDI*

CDI is the main index to which the Group's borrowings and debentures, and short-term investments are pegged.

Market expectations, based Central Bank of Brazil inputs at December 31, 2013, indicated an effective mean CDI rate estimated at 10.58% as the probable scenario for 2014, against an effective rate of 8.06% incurred in the twelve-month period ended December 31, 2013.

- *Exposure to IGPM and TR*

The main financial instruments pegged to IGPM and TR (a managed prime rate) fluctuations are land payables and "Corporate Plan" borrowings.

Market expectations, based on indicators released by the BM&F (Commodities and Futures Exchange) and the Central Bank of Brazil at December 31, 2013, pointed to an estimated IGPM and TR of 6.35% and 0.94%, respectively, as the probable scenario or 2014, against effective rates of 5.53% and 0.19% incurred in the twelve-month period ended December 31, 2013.

The change between the estimated rate for twelve-month period in 2014 ("probable scenario") and the effective rate for the last twelve-month period before the end of the reporting period, multiplied by the exposed net balance at December 31, 2013 was used to calculate the financial effect, should the probable scenario materialize in 2013. In conformity with the information required by CVM Instruction 475/08, we have also calculated scenarios I and II, considering a 25% and 50% increase in the rates estimated for 2014, respectively.

Accordingly, the financial effects for the scenarios and indices described above would be as follows in Consolidated:

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 12/31/2013	Estimated annual rate for 2014 (*)		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	150,704	(477,651)	(326,947)	8.06%	10.58%	(i)	2.52%	(8,239)
IGPM	-	(10)	(10)	5.53%	6.35%	(ii)	0.82%	-
TR	-	(312,358)	(312,358)	0.19%	0.94%	(iii)	0.75%	(2,343)
								(10,582)
Scenario I:								
CDI	150,704	(477,651)	(326,947)	8.06%	13.23%		5.17%	(16,903)
IGPM	-	(10)	(10)	5.53%	7.94%		2.41%	-
TR	-	(312,358)	(312,358)	0.19%	1.18%		0.99%	(3,092)
								(19,995)
Scenario II:								
CDI	150,704	(477,651)	(326,947)	8.06%	15.87%		7.81%	(25,535)
IGPM	-	(10)	(10)	5.53%	9.53%		4.00%	-
TR	-	(312,358)	(312,358)	0.19%	1.41%		1.22%	(3,811)
								(29,346)

(i) Data obtained on the Central Bank of Brazil website.
(ii) Data obtained on the Central Bank of Brazil website, Focus Bulletin.
(iii) Data obtained on the BM&F Bovespa website.
(*) Projection for the twelve months in 2014.

As required by IFRS 7, management believes that the estimated annual rates presented in the probable scenarios above reflect the reasonable possible scenario for 2014.

(d) Capital risk management

The Group manages its capital to ensure that all group companies can continue as going concerns, and at the same time maximizes the return of all their stakeholders by optimizing the balance debt and shareholders' equity.

The Group's equity structure consists of net debts (debt broken down in note 7, less cash and cash equivalents, broken down in notes 3) and the Group's equity.

The Directors periodically review the Company's equity structure. As part of this review, the Directors consider the cost of capital, asset liquidity, the risks associated to each class of equity, and the Group's debt-to-equity ratio. As at December 31, 2013, December 31, 2012, and January 1, 2012, the Consolidated debt-to-equity ratio is as follows:

	Individual		Consolidated		
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**	**01/01/12**
				Restated	
Borrowings, financing and debentures	**558,580**	472,161	**766,916**	508,746	245,678
Cash and cash equivalents	**(79,138)**	(22,079)	**(151,200)**	(24,095)	(182,900)
Net debt (cash)	**479,442**	450,082	**615,716**	484,651	62,778
Shareholders' equity	**739,897**	435,767	**739,985**	435,822	427,074
Net debt (cash) to shareholders' equity	**64.8%**	103.3%	**83.2%**	111.2%	14.7%

The Company is currently at a stage of significant expansion, purchasing land and building warehouses, as well as other projects to be leased and/or sold in the future. However, the continuity of its expansion plan will depend on obtaining third-party funds (either as capital contributions or borrowings), own capital and/or cash generated by our operations.

(e) Liquidity and interest rate risk table

The tables below detail the remaining contractual maturity of the Group's non-derivative financial liabilities and the contractual amortization periods. These tables have been prepared using the undiscounted cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations. The tables include interest and principal cash flows. As the interest flows refer to floating rates, the undiscounted was obtained based on the index projections from December 31, 2013 to the contractual maturity, which is based on the nearest date on which the Group should settle the related obligations.

	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Individual:					
Floating rates	302,691	92,535	85,487	346,808	827,521
Fixed rates	2,784	-	-	-	2,784
Non-interest bearing securities	1,735	-	-	-	1,735
Total	307,210	92,535	85,487	346,808	832,040
Consolidated:					
Floating rates	319,032	154,254	151,071	772,565	1,396,922
Fixed rates	2,784	-	-	-	2,784
Non-interest bearing securities	10,772	-	-	-	10,772
Total	332,588	154,254	151,071	772,565	1,410,478

(f) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contract obligations, which would result in financial losses for the Group. The Group has the policy of only negotiating with counterparties with creditworthiness and obtaining adequate guarantees, when appropriate, as a way to mitigate the risk of financial loss due to default.

(g) 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:

	Individual					
	12/31/2013			12/31/2012		
Financial instruments	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Debentures						
CDI + 2.07% p.a.	(100,849)	(99,712)	1,137	-	-	-
CDI + 2.17% p.a.	(68,242)	(67,818)	424	(77,008)	(77,008)	-
CDI + 2.64% p.a.	(109,474)	(109,373)	101	(109,155)	(109,155)	-
Total	(278,565)	(276,903)	1,662	(186,163)	(186,163)	-
Working capital loans						
CDI + 1.80% p.a.	-	-	-	(40,014)	(40,014)	-
CDI + 2.20% p.a.	-	-	-	(9,508)	(9,508)	-
CDI + 2.32% p.a.	-	-	-	(13,205)	(13,205)	-
CDI + 2.36% p.a.	(30,518)	(30,518)	-	-	-	-
CDI + 2.60% p.a.	(91,010)	(90,185)	825	(114,330)	(114,330)	-
CDI + 3.50% p.a.	(20,180)	(20,116)	64	(26,127)	(26,127)	-
Total	(141,708)	(140,819)	889	(203,184)	(203,184)	-
Financing						
Construction financing	(146,474)	(146,474)	-	(90,615)	(90,615)	-
Total	(146,474)	(146,474)	-	(90,615)	(90,615)	-
Total (w/o issuance costs)	(566,747)	(564,196)	2,551	(479,962)	(479,962)	-

	Consolidated								
	12/31/2013			12/31/2012			01/01/12		
Financial instruments	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Debentures									
CDI + 2.07% p.a.	(100,849)	(99,712)	1,137	-	-	-	-	-	-
CDI + 2.17% p.a.	(68,242)	(67,818)	424	(77,008)	(77,008)	-	-	-	-
CDI + 2.64% p.a.	(109,474)	(109,373)	101	(109,155)	(109,155)	-	(109,748)	(109,748)	-
Total	(278,565)	(276,903)	1,662	(186,163)	(186,163)	-	(109,748)	(109,748)	-
Working capital loans									
CDI + 1.80% p.a.	-	-	-	(40,014)	(40,014)	-	(116,652)	(116,652)	-
CDI + 2.20% p.a.	-	-	-	(9,508)	(9,508)	-	-	-	-
CDI + 2.32% p.a.	-	-	-	(13,205)	(13,205)	-	-	-	-
CDI + 2.36% p.a.	(30,518)	(30,518)	-	-	-	-	-	-	-
CDI + 2.60% p.a.	(91,010)	(90,185)	825	(114,330)	(114,330)	-	(21,288)	(21,304)	(16)
CDI + 3.50% p.a.	(20,180)	(20,116)	64	(26,127)	(26,127)	-	-	-	-
Total	(141,708)	(140,819)	889	(203,184)	(203,184)	-	(137,940)	(137,956)	(16)
Financing									
Construction financing	(358,681)	(358,681)	-	(127,879)	(127,879)	-	-	-	-
Total	(358,681)	(358,681)	-	(127,879)	(127,879)	-	-	-	-
Total (w/o issuance costs)	(778,954)	(776,403)	2,551	(517,226)	(517,226)	-	(247,688)	(247,704)	(16)

The fair values of borrowings, 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 December 31, 2013, December 31, 2012, and January 1, 2012.

The table below shows a comparative of the contracted and market rates, Company and Consolidated, at December 31, 2013:

	Current market rate	Maturity dates
Debentures		
CDI + 1.90% p.a.	2.25% p.a.	June 2020
CDI + 1.90% p.a.	2.15% p.a.	June 2019
CDI + 2.20% p.a.	2.92% p.a.	February 2014
Working capital loan		
CDI + 1.60% p.a.	1.60% p.a.	September 2017
CDI + 2.00% p.a.	3.08% p.a.	November 2014
CDI + 2.70% p.a.	3.13% p.a.	July 2015
Financing		
Construction CDI+1.65% p.a.	1.65% p.a.	October 2024
Construction TR + 9.30% to 11.50% p.a.	9.30% to 11.50% p.a.	September 2025

Management believes that the other financial instruments such as cash, banks, short-term investments, trade receivables, payables to related parties, trade payables, and land payables approximate their fair values because a significant portion of the balances matures on dates close to the end of reporting period. As for the balance of land payables, management believes that as they are discounted to present value (note 8), where applicable, there are no significant differences between their carrying amount and the fair values.

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 this Betim I Incorporações SPE Ltda.'s capital will be paid in, and other relationships between the shareholders. As Agropecuária Aroeiras Ltda. paid in the capital through the assignment of own land on the establishment of the SPE 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 CDI fluctuation, which will be the amount contributed by the Company as capital increase in SPE Betim. As at December 31, 2013, the capital amount payable by the Company is R$21,354 (R$31,061 at December 31 2012).

20. Noncash transactions

During the years ended December 31, 2013 and 2012, the Company and its subsidiaries conducted the following investment and financing transactions that did not involve cash, which, therefore, are not reflected in the statement of cash flows:

	Individual		Consolidated	
	Year ended		Year ended	
	2013	2012	2013	2012
				Restated
Capital contribution to investee with investment properties	**107,575**	79,840	**-**	-
Capital contribution to investee with investment properties – barter – and realization	**-**	41,360	**24,369**	4,533
Interest capitalization	**57,050**	36,307	**58,219**	36,373
Purchase of equity interest	**65,950**	-	**65,950**	-

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 December 31, 2013, insurance coverage is as follows:

Items	Type of coverage	Insured amount
- Construction insurance (engineering risk)	- Coverage during construction for involuntary damages caused during construction, installation and assembling work on the insured sites.	245,548
- Real property delivery insurance	- Guarantees delivery of the works to committed buyers and barterers.	30,000
- Civil liability	- Directors and officers liability insurance (D&O).	5,000
- Builder civil liability	- Builder civil liability (construction works).	14,300
- Group life and personal injury insurance	- Bodily injury involuntarily caused to employees, contractors, interns and engineers.	48,921
- Corporate	- Fire, lightening, explosion, windstorm, hail, car crash, RC transactions, and rental loss/payment.	60,000

22. Events after the reporting period

On February 28, 2014, the Company completed the 4th issue of simple debentures, not convertible into shares, nominative and unsecured, totaling, on the issue date R$100,000, at a cost of variation of 100 % of CDI plus spread of 1.85% per annum. Interest will be paid semiannually, the first maturing installment in August 2014 and the principal is payable in six semi-annual installments, the first maturing in August 2016.

23. Approval of the financial statements

These financial statements were approved by the Board of Directors on February 28, 2014 and authorized for issuance by the Board of Officers.