Interim Financial Information (ITR)

LOG Commercial Properties e Participações S.A.

Individual and Consolidated Interim Financial Information for the Quarter Ended March 31, 2014 and Report on Review of Interim Financial Information

LOG Commercial Properties e Participações S.A.

Interim Financial Information (ITR)

March 31, 2014

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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly review information prepared in accordance with accounting practices adopted in Brazil and on consolidated interim financial information prepared in accordance with IFRS and also with accounting practices adopted in Brazil

Review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of LOG Commercial Properties e Participações S.A. ("Company"), contained in the Quarterly Information Form – ITR for the quarter ended March 21, 2014, comprising the balance sheet as at March 31, 2014 and the related statements of income, comprehensive income statement, statements of changes in equity and cash flow statement for the three-months ended on that date including the explanatory notes.

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

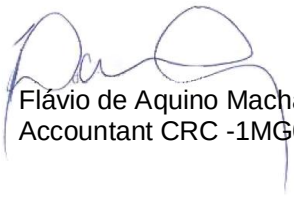
Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added (SVA) for the quarter ended March 31, 2014, prepared under Company management's responsibility, whose presentation in the interim financial information is required in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information – ITR and considered as supplementary information under IFRS, which do not require SVA presentation. These statements were subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

Belo Horizonte, May 12, 2014

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



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

Individual / Balance Sheets – Assets

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2014	Previous year 12/31/2013
1	Total assets	1,390,676	1,393,498
1.01	Current assets	49,974	87,420
1.01.01	Cash and cash equivalents	40,203	79,138
1.01.03	Receivables	3,938	3,212
1.01.03.01	Trade accounts receivable	3,938	3,212
1.01.06	Recoverable taxes	4,939	4,341
1.01.06.01	Recoverable current taxes	4,939	4,341
1.01.07	Prepaid expenses	891	726
1.01.08	Other current assets	3	3
1.01.08.03	Other	3	3
1.02	Noncurrent assets	1,340,702	1,306,078
1.02.01	Long-term assets	21,029	20,294
1.02.01.03	Receivables	2,344	2,433
1.02.01.03.01	Trade accounts receivable	2,344	2,433
1.02.01.06	Deferred taxes	6,827	6,386
1.02.01.06.01	Deferred income tax and social contribution	6,827	6,386
1.02.01.07	Prepaid expenses	892	854
1.02.01.09	Other noncurrent assets	10,966	10,621
1.02.01.09.03	Recoverable taxes	10,966	10,621
1.02.02	Investments	1,319,271	1,285,408
1.02.02.01	Investments in subsidiaries and jointly controlled entities	1,126,982	1,099,410
1.02.02.01.02	Investments in subsidiaries	967,841	942,481
1.02.02.01.03	Investments in jointly controlled entities	159,141	156,929
1.02.02.02	Investment property	192,289	185,998
1.02.03	Property and equipment	402	376
1.02.03.01	Property and equipment in use	402	376

Individual / Balance Sheets – Assets

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2014	Previous year 12/31/2013
2	Total liabilities	1,390,676	1,393,498
2.01	Current Liabilities	232,179	336,244
2.01.01	Labor and social liabilities	2,882	2,611
2.01.01.01	Social liabilities	519	530
2.01.01.02	Labor liabilities	2,363	2,081
2.01.02	Suppliers	1,976	1,735
2.01.02.01	Domestic trade accounts payable	1,976	1,735
2.01.03	Tax liabilities	703	714
2.01.03.01	Federal taxes	464	581
2.01.03.01.02	Other federal taxes	464	581
2.01.03.03	Municipal taxes	239	133
2.01.04	Borrowings and financing	146,617	241,287
2.01.04.01	Borrowings and financing	126,641	117,380
2.01.04.01.01	Borrowings and financing in domestic currency	126,641	117,380
2.01.04.02	Debentures	19,976	123,907
2.01.05	Others liabilities	80,001	89,897
2.01.05.01	Due to related parties	26,004	6,832
2.01.05.01.04	Due to other related parties	26,004	6,832
2.01.05.02	Other	53,997	83,065
2.01.05.02.02	Mandatory minimum dividend payable	2,938	2,938
2.01.05.02.04	Land payables	6,504	13,821
2.01.05.02.06	Payable for acquisition of investment	43,966	65,950
2.01.05.02.07	Other	589	356
2.02	Noncurrent liabilities	413,413	317,357
2.02.01	Borrowings and financing	413,292	317,293
2.02.01.01	Borrowings and financing	163,113	166,153
2.02.01.01.01	Borrowings and financing in domestic currency	163,113	166,153
2.02.01.02	Debentures	250,179	151,140
2.02.02	Others liabilities	121	64
2.02.02.02	Other	121	64
2.02.02.02.05	Other payables	121	64
2.03	Equity	745,084	739,897
2.03.01	Paid-in capital	171,453	171,453
2.03.02	Capital reserves	525,671	525,576
2.03.02.01	Share subscription premium	524,634	524,634
2.03.02.04	Recognized options granted	1,037	942
2.03.04	Earnings reserve	42,868	42,868
2.03.04.01	Legal reserve	2,379	2,379
2.03.04.05	Retained profit reserve	40,489	40,489
2.03.05	Retained earnings/accumulated losses	5,092	-

Individual / Income Statement

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
3.01	Revenue from sales and/or services	3,577	2,890
3.02	Cost of sales and/or services	(313)	(802)
3.03	Gross profit	3,264	2,088
3.04	Operating income (expenses)	3,109	37
3.04.01	Selling expenses	(941)	(630)
3.04.02	General and administrative expenses	(2,130)	(2,006)
3.04.04	Other operating incomes	(57)	15
3.04.05	Other operating expenses	(12)	(21)
3.04.06	Results from equity participation	6,249	2,679
3.05	Income before financial income and taxes	6,373	2,125
3.06	Financial income (expenses)	(1,722)	(1,751)
3.06.01	Financial income	1,410	316
3.06.02	Financial expenses	(3,132)	(2,067)
3.07	Income before taxes	4,651	374
3.08	Income tax and social contribution	441	753
3.08.02	Deferred	441	753
3.09	Net income (loss) from continuing operations	5,092	1,127
3.11	Net income (loss) for the period	5,092	1,127
3.99	Earnings per share - (R$/share)		
3.99.01	Basic Earnings for Share		
3.99.01.01	ON	0.02970	0.00839
3.99.02	Diluted Earnings per share - (R$/share)		
3.99.02.01	ON	0.02966	0.00837

Individual / Income Statement

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
4.01	Consolidated net income for the period	5,092	1,127
4.03	Consolidated comprehensive income for the period	5,092	1,127

Individual / Statement of Cash Flows

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
6.01	Net cash used in operating activities	5,419	3,238
6.01.01	Cash provided by operating activities	2,038	592
6.01.01.01	Net income for the period	5,092	1,127
6.01.01.02	Depreciation	473	805
6.01.01.03	Income (loss) from equity participation	(6,249)	(2,679)
6.01.01.04	Charges incurred	2,930	1,907
6.01.01.05	Deferred taxes	(441)	(753)
6.01.01.06	Stock options	95	87
6.01.01.07	Amortization of prepaid expenses	138	98
6.01.02	Changes in assets and liabilities	3,381	2,646
6.01.02.01	(Increase) decrease in trade accounts receivable	(637)	(412)
6.01.02.02	(Increase) decrease in recoverable taxes	(507)	(620)
6.01.02.03	(Increase) decrease in prepaid expenses	(341)	(223)
6.01.02.04	(Increase) decrease in other assets	-	6
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	271	217
6.01.02.06	Increase (decrease) in taxes, charges and contributions	(151)	(64)
6.01.02.07	Increase (decrease) in other liabilities	290	(42)
6.01.02.09	Dividends received from subsidiaries	4,456	3,784
6.02	Net cash provided (used) in investing activities	(46,831)	(88,021)
6.02.01	Increase in / aquisition of investments	(34,144)	(53,948)
6.02.02	Aquisition of investment properties	(12,653)	(33,990)
6.02.03	Other	(34)	(83)
6.03	Net cash provided (used in) by financing activities	2,477	85,871
6.03.01	Borrowings, financing and debentures, net	115,029	89,492
6.03.02	Interest payment	(8,724)	(3,621)
6.03.03	Shareholders' contributions	-	-
6.03.04	Share issuance costs	-	-
6.03.05	Payment of due to related parties	(38,339)	(15,824)
6.03.06	Increase in due to related parties	57,511	15,824
6.03.08	Dividend payment	-	-
6.03.09	Amortization of borrowings, financing and debentures	(123,000)	-
6.05	Increase (decrease) in cash and cash equivalents	(38,935)	1,088
6.05.01	Cash and cash equivalents at beginning of period	79,138	22,079
6.05.02	Cash and cash equivalents at end of period	40,203	23,167

Individual / Statement of Changes in Shareholder's Equity – 1/1/2014 to 3/31/2014

(In thousands of Brazilian reais – R$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREASURY SHARES	EARNINGS RESERVES	EARNINGS / LOSSES ACCUMULATED	OTHER COMPREHENSIVE INCOME	SHAREHOLDERS' EQUITY
5.01	Opening balance	171,453	525,576	42,868	-	-	739,897
5.03	Adjusted opening balance	171,453	525,576	42,868	-	-	739,897
5.04	Shareholders capital transaction	-	95	-	-	-	95
5.04.03	Recognized options granted	-	95	-	-	-	95
5.05	Total comprehensive income	-	-	-	5,092	-	5,092
5.05.01	Net income (loss) for the period	-	-	-	5,092	-	5,092
5.07	Closing balance	171,453	525,671	42,868	5,092	-	745,084

Individual / Statement of Changes in Shareholder's Equity – 1/1/2013 to 3/31/2013

(In thousands of Brazilian reais – R$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREASURY SHARES	EARNINGS RESERVES	EARNINGS / LOSSES ACCUMULATED	OTHER COMPREHENSIVE INCOME	SHAREHOLDERS' EQUITY
5.01	Opening balance	134,362	286,521	14,884	-	-	435,767
5.03	Adjusted opening balance	134,362	286,521	14,884	-	-	435,767
5.04	Shareholders capital transaction	-	87	-	-	-	87
5.04.03	Recognized options granted	-	87	-	-	-	87
5.05	Total comprehensive income	-	-	-	1,127	-	1,127
5.05.01	Net income (loss) for the period	-	-	-	1,127	-	1,127
5.07	Closing balance	134,362	286,608	14,884	1,127	-	436,981

Individual / Statement of Value Added

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
7.01	Revenue	11,252	17,308
7.01.01	Revenues from sales of goods, services and products	3,941	3,186
7.01.02	Other revenue	-	16
7.01.03	Revenue from construction of own assets	7,311	14,106
7.02	Inputs purchased from third parties	(6,001)	(10,171)
7.02.02	Supplies, power, outside services and other items	(6,001)	(10,171)
7.03	Gross value added	5,251	7,137
7.04	Retentions	(321)	(805)
7.04.01	Depreciation, amortization and depletion	(321)	(805)
7.05	Net value added generated	4,930	6,332
7.06	Value added received in transfer	7,660	2,995
7.06.01	Results from equity participation	6,249	2,679
7.06.02	Financial income	1,411	316
7.07	Total value added for distribution	12,590	9,327
7.08	Value added distributed	12,590	9,327
7.08.01	Personnel	2,739	1,396
7.08.01.01	Salaries and wages	2,287	1,079
7.08.01.02	Benefits	255	240
7.08.01.03	Severance Pay Fund (FGTS)	197	77
7.08.02	Taxes, charges and contributions	1,231	1,105
7.08.02.01	Federal	1,180	237
7.08.02.02	State	-	1
7.08.02.03	Municipal	51	867
7.08.03	Debt remuneration	3,528	5,699
7.08.03.01	Interest	2,857	4,521
7.08.03.02	Rentals	656	1,167
7.08.03.03	Others	15	11
7.08.04	Shareholders	5,092	1,127
7.08.04.03	Earnings retained in the period	5,092	1,127

Consolidated / Balance Sheets – Assets

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2014	Previous year 12/31/2013
1	Total assets	1,629,647	1,626,287
1.01	Current assets	106,394	178,759
1.01.01	Cash and cash equivalents	75,846	151,200
1.01.03	Receivables	21,622	20,758
1.01.03.01	Trade accounts receivable	21,622	20,758
1.01.06	Recoverable taxes	7,020	5,144
1.01.06.01	Recoverable current taxes	7,020	5,144
1.01.07	Prepaid expenses	1,906	1,654
1.01.08	Other current assets	-	3
1.01.08.03	Other	-	3
1.02	Noncurrent assets	1,523,253	1,447,528
1.02.01	Long-term assets	58,643	43,365
1.02.01.03	Receivables	13,250	14,194
1.02.01.03.01	Trade accounts receivable	13,250	14,194
1.02.01.06	Deferred taxes	7,598	6,505
1.02.01.06.01	Deferred income tax and social contribution	7,598	6,505
1.02.01.07	Prepaid expenses	3,448	2,842
1.02.01.09	Other noncurrent assets	34,347	19,824
1.02.01.09.03	Recoverable taxes	34,345	19,822
1.02.01.09.04	Others	2	2
1.02.02	Investments	1,463,968	1,403,550
1.02.02.01	Investments in subsidiaries and jointly controlled entities	159,141	156,929
1.02.02.01.04	Investments in jointly controlled entities	159,141	156,929
1.02.02.02	Investment property	1,304,827	1,246,621
1.02.03	Property and equipment	642	613
1.02.03.01	Property and equipment in use	642	613

Consolidated / Balance Sheets – Liabilities and Shareholder's Equity

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 3/31/2014	Previous year 12/31/2013
2	Total liabilities	1,629,647	1,626,287
2.01	Current Liabilities	233,292	357,307
2.01.01	Labor and social liabilities	4,521	4,024
2.01.01.01	Social liabilities	810	885
2.01.01.02	Labor liabilities	3,711	3,139
2.01.02	Suppliers	9,333	10,772
2.01.02.01	Domestic trade accounts payable	-	10,772
2.01.03	Tax liabilities	3,748	4,196
2.01.03.01	Federal taxes	2,964	3,236
2.01.03.01.01	Income taxes and social contribution	1,244	1,695
2.01.03.01.02	Other federal taxes	1,720	1,541
2.01.03.03	Municipal taxes	784	960
2.01.04	Borrowings and financing	156,237	245,321
2.01.04.01	Borrowings and financing	136,261	121,414
2.01.04.01.01	Borrowings and financing in domestic currency	136,261	121,414
2.01.04.02	Debentures	19,976	123,907
2.01.05	Others liabilities	59,453	92,994
2.01.05.01	Due to related parties	190	201
2.01.05.01.04	Due to other related parties	190	201
2.01.05.02	Other	59,263	92,793
2.01.05.02.02	Mandatory minimum dividend payable	2,938	2,938
2.01.05.02.04	Land payables	6,504	13,821
2.01.05.02.05	Advances - barters	2,135	6,647
2.01.05.02.06	Deferred taxes	1,385	1,625
2.01.05.02.07	Payable for acquisition for investment	43,966	65,950
2.01.05.02.08	Other	2,335	1,812
2.02	Noncurrent liabilities	651,202	528,995
2.02.01	Borrowings and financing	640,240	521,595
2.02.01.01	Borrowings and financing	390,061	370,455
2.02.01.01.01	Borrowings and financing in domestic currency	390,061	370,455
2.02.01.02	Debentures	250,179	151,140
2.02.02	Others liabilities	10,072	6,430
2.02.02.02	Other	10,072	6,430
2.02.02.02.04	Advances - barters	8,887	5,811
2.02.02.02.05	Provision for labor, tax, and civil contingencies	121	64
2.02.02.02.06	Other	1,064	555
2.02.03	Deferred taxes	890	970
2.02.03.01	Deferred taxes	890	970
2.03	Equity	745,153	739,985
2.03.01	Paid-in capital	171,453	171,453
2.03.02	Capital reserves	525,671	525,576
2.03.02.01	Share subscription premium	-	524,634
2.03.02.04	Recognized options granted	-	942
2.03.04	Earnings reserve	42,868	42,868
2.03.04.01	Legal reserve	2,379	2,379
2.03.04.05	Retained profit reserve	40,489	40,489
2.03.05	Retained earnings/accumulated losses	5,092	-
2.03.09	Noncontrolling interest	69	88

Consolidated / Income Statement

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
3.01	Revenue from sales and/or services	13,946	9,240
3.02	Cost of sales and/or services	(1,816)	(2,755)
3.03	Gross profit	12,130	6,485
3.04	Operating income (expenses)	(3,125)	(3,000)
3.04.01	Selling expenses	(2,253)	(1,098)
3.04.02	General and administrative expenses	(2,509)	(2,021)
3.04.04	Other operating incomes	406	62
3.04.05	Other operating expenses	(67)	(74)
3.04.06	Results from equity participation	1,298	131
3.05	Income before financial income and taxes	9,005	3,485
3.06	Financial income (expenses)	(3,602)	(2,390)
3.06.01	Financial income	3,064	514
3.06.02	Financial expenses	(6,666)	(2,904)
3.07	Income before taxes	5,403	1,095
3.08	Income tax and social contribution	(311)	32
3.08.01	Current	(1,639)	(711)
3.08.02	Deferred	1,328	743
3.09	Net income (loss) from continuing operations	5,092	1,127
3.11	Net income (loss) for the period	5,092	1,127
3.11.01	Attributable to shareholders of the Company	5,092	1,127
3.99	Earnings per share - (R$/share)		
3.99.01	Basic Earnings for Share		
3.99.01.01	ON	0.02970	0.00839
3.99.02	Diluted Earnings per share - (R$/share)		
3.99.02.01	ON	0.02966	0.00837

Consolidated / Statement of Comprehensive Income

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
4.01	Consolidated net income for the period	5,092	1,127
4.03	Consolidated comprehensive income for the period	5,092	1,127
4.03.01	Attributable to shareholders of the company	5,092	1,127

Consolidated / Statement of Cash Flows

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
6.01	Net cash used in operating activities	9,120	2,031
6.01.01	Cash provided by operating activities	10,989	6,121
6.01.01.01	Net income for the period	5,092	1,127
6.01.01.02	Depreciation	1,825	2,758
6.01.01.03	Income (loss) from equity participation	(1,298)	(131)
6.01.01.04	Charges incurred	6,145	2,745
6.01.01.05	Deferred taxes	(1,413)	(741)
6.01.01.06	Stock options	95	87
6.01.01.07	Amortization of prepaid expenses	543	268
6.01.01.08	Allowance for doubtful debts	-	8
6.01.02	Changes in assets and liabilities	(1,869)	(4,090)
6.01.02.01	(Increase) decrease in trade accounts receivable	(3,403)	(545)
6.01.02.02	(Increase) decrease in recoverable taxes	(1,678)	(3,411)
6.01.02.03	(Increase) decrease in prepaid expenses	(1,401)	(342)
6.01.02.04	(Increase) decrease in other assets	3	(165)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	497	844
6.01.02.06	Increase (decrease) in taxes, charges and contributions	837	863
6.01.02.07	Increase (decrease) in other liabilities	1,078	(490)
6.01.02.08	Income tax and social contribution paid	(1,285)	(844)
6.01.02.10	Recebimento pela Venda de Terrenos	3,483	-
6.02	Net cash provided (used) in investing activities	(91,016)	(88,938)
6.02.01	Increase in / aquisition of investments	(22,653)	(2,080)
6.02.02	Aquisition of investment properties	(68,325)	(86,858)
6.02.03	Other	(38)	-
6.03	Net cash provided (used in) by financing activities	6,542	87,401
6.03.01	Borrowings, financing and debentures, net	139,341	91,004
6.03.02	Interest payment	(9,780)	(3,621)
6.03.05	Payment of due to related parties	-	(15,824)
6.03.06	Increase in due to related parties	-	15,824
6.03.07	Contributions from (distributions to) noncontrolling shareholders	(19)	18
6.03.09	Amortization of borrowings, financing and debentures	(123,000)	-
6.05	Increase (decrease) in cash and cash equivalents	(75,354)	494
6.05.01	Cash and cash equivalents at beginning of period	151,200	24,095
6.05.02	Cash and cash equivalents at end of period	75,846	24,589

Consolidated / Statement of Changes in Shareholder's Equity – 1/1/2014 to 3/31/2014

(In thousands of Brazilian reais – R$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREASURY SHARES	INCOME RESERVES	INCOME/ LOSSES ACCUMULATED	OTHER COMPREHENSIVE INCOME	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL
5.01	Opening balance	171,453	525,576	42,868	-	-	739,897	88	739,985
5.03	Adjusted opening balance	171,453	525,576	42,868	-	-	739,897	88	739,985
5.04	Shareholders capital transaction	-	95	-	-	-	95	(19)	76
5.04.03	Recognized options granted	-	95	-	-	-	95	-	95
5.04.08	Share subscription premium	-	-	-	-	-	-	(19)	(19)
5.05	Total comprehensive income	-	-	-	5,092	-	5,092	-	5,092
5.05.01	Net income (loss) for the period	-	-	-	5,092	-	5,092	-	5,092
5.07	Closing balance	171,453	525,671	42,868	5,092	-	745,084	69	745,153

Consolidated / Statement of Changes in Shareholder's Equity – 1/1/2013 to 3/31/2013

(In thousands of Brazilian reais – R$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREASURY SHARES	INCOME RESERVES	INCOME/ LOSSES ACCUMULATED	OTHER COMPREHENSIVE INCOME	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL
5.01	Opening balance	134,362	286,521	14,884	-	-	435,767	55	435,822
5.03	Adjusted opening balance	134,362	286,521	14,884	-	-	435,767	55	435,822
5.04	Shareholders capital transaction	-	87	-	-	-	87	18	105
5.04.01	Capital increase	-	-	-	-	-	-	18	18
5.04.03	Recognized options granted	-	87	-	-	-	87	-	87
5.05	Total comprehensive income	-	-	-	1,127	-	1,127	-	1,127
5.05.01	Net income (loss) for the period	-	-	-	1,127	-	1,127	-	1,127
5.07	Closing balance	134,362	286,608	14,884	1,127	-	436,981	73	437,054

Consolidated / Statement of Value Added

(In thousands of Brazilian reais – R$)

Code	Description	1/1/2014 to 3/31/2014	1/1/2013 to 3/31/2013
7.01	Revenue	75,271	83,694
7.01.01	Revenues from sales of goods, services and products	14,842	9,809
7.01.02	Other revenue	407	61
7.01.03	Revenue from construction of own assets	60,022	73,824
7.02	Inputs purchased from third parties	(37,783)	(55,748)
7.02.02	Supplies, power, outside services and other items	(37,783)	(55,748)
7.03	Gross value added	37,488	27,946
7.04	Retentions	(1,825)	(2,758)
7.04.01	Depreciation, amortization and depletion	(1,825)	(2,758)
7.05	Net value added generated	35,663	25,188
7.06	Value added received in transfer	4,362	645
7.06.01	Results from equity participation	1,298	131
7.06.02	Financial income	3,064	514
7.07	Total value added for distribution	40,025	25,833
7.08	Value added distributed	40,025	25,833
7.08.01	Personnel	6,972	2,022
7.08.01.01	Salaries and wages	5,391	1,114
7.08.01.02	Benefits	972	830
7.08.01.03	Severance Pay Fund (FGTS)	609	78
7.08.02	Taxes, charges and contributions	3,879	2,645
7.08.02.01	Federal	3,085	1,252
7.08.02.02	State	1	8
7.08.02.03	Municipal	793	1,385
7.08.03	Debt remuneration	24,082	20,039
7.08.03.01	Interest	19,090	15,599
7.08.03.02	Rentals	4,974	4,425
7.08.03.03	Others	18	15
7.08.04	Shareholders	5,092	1,127
7.08.04.03	Earnings retained in the period	5,092	1,127

1. General information

The general information did not change significantly in relation to the information disclosed in note 1 to the annual financial statements for the year ended December 31, 2013, published on March 28, 2014 in the newspapers Diário Oficial da Estado de Minas Gerais (Minas Gerais State Gazette) and Hoje em Dia (hereinafter referred to as "financial statements for the year ended December 31, 2013").

The Company and its subsidiaries continue to be at a stage of significant expansion, purchasing and building warehouses, and other projects to be leased and/or sold in the future. Currently the Group has approved credit facilities amounting to R$187,099, in addition to the currently in progress negotiations with financial institutions to raise funds to finance its projects and/or working capital, amounting to R$50,000, totaling approximately R$237,099 in funds to be obtained for 2014.

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

(a) Presentation of interim financial information

The Company's interim financial information comprises:

- The condensed consolidated interim financial information prepared in accordance with CPC 21 (R1) - *Demonstração Intermediária* (Interim Financial Reporting) and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB), identified as Consolidated; and

- The condensed individual interim financial information prepared in accordance with CPC21 (R1) - *Demonstração Intermediária* (Interim Financial Reporting), identified as Individual.

(b) Significant accounting policies

The policies accounting adopted in preparing this interim financial information are consistent with those adopted in preparing the financial statements for the year ended December 31, 2013.

(c) New accounting standards issued and not yet adopted

The IASB standard described below was published but the adoption of which is not yet mandatory, was not early adopted by the Group for the quarter ended March 31, 2014. The Group will implement this standard as their application becomes mandatory, although no material impact is expected on the interim financial information and the financial statements.

Standard	Description	Effective date
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.

The other information related to this note did not change significantly in relation to the information disclosed in note 2 to the financial statements for the year ended December 31, 2013.

3. Cash and cash equivalents

Broken down as follows:

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
Cash	**19**	19	**21**	21
Bank checking accounts	**26**	108	**343**	475
Short-term investments:				
Bank Deposit Certificates (CDBs)	**30,587**	69,495	**31,595**	83,054
Certificates backed by debentures	**9,571**	9,516	**17,647**	27,340
Mutual funds	**-**	-	**26,240**	40,310
Total	**40,203**	79,138	**75,846**	151,200

The other information on cash and cash equivalents did not change significantly in relation to the information disclosed in note 3 to the financial statements for the year ended December 31, 2013.

4. Trade receivables

Trade receivables are broken down as follows:

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
Leases	**4,768**	4,409	**14,191**	11,959
Land sales	**-**	-	**18,792**	21,870
Other	**1,514**	1,236	**2,637**	1,871
	6,282	5,645	**35,620**	35,700
Allowance for doubtful accounts	**-**	-	**(748)**	(748)
Total	**6,282**	5,645	**34,872**	34,952
Current	**3,938**	3,212	**21,622**	20,758
Noncurrent	**2,344**	2,433	**13,250**	14,194
	6,282	5,645	**34,872**	34,952

The table below shows the aging list of trade receivables:

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
Undue:				
Up to 12 months	**3,691**	2,867	**20,975**	19,734
More than 12 months	**2,344**	2,433	**13,250**	14,194
	6,035	5,300	**34,225**	33,928
Past due:				
Up to 30 days	**19**	84	**600**	760
31 to 90 days	**23**	226	**57**	226
More than 90 days	**205**	35	**738**	786
	247	345	**1,395**	1,772
Total	**6,282**	5,645	**35,620**	35,700

Movements in the allowance for doubtful accounts in the quarters ended March 31, 2014 and 2013:

	Consolidated	
	1st quarter of	
	2014	**2013**
Opening balance	**(748)**	(572)
Recognition	**-**	(8)
Closing balance	**(748)**	(580)

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

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
12 months	**16,276**	16,152	**73,482**	63,618
13 to 24 months	**16,164**	15,973	**67,389**	57,049
25 to 36 months	**14,360**	14,297	**58,664**	46,048
37 to 48 months	**3,408**	6,177	**36,143**	27,661
More than 48 months	**5,211**	5,854	**49,547**	36,447
Total	**55,419**	58,453	**285,225**	230,823

The other information on trade receivables did not change significantly in relation to the information disclosed in note 4 to the financial statements for the year ended December 31, 2013.

5. Investments in subsidiaries and joint ventures

Refer to interests 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
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
LOG Uberaba SPE Ltda. (“LOG Uberaba”)	-	Uberaba, MG
LDI LOG Desenvolvimento Imobiliário Ltda. (“LDI”)	-	Belo Horizonte, MG

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

	Information on investees		Information on Company				
	Share capital		Equity interest				
	03/31/14		03/31/14			12/31/13	
	Amount	Number of shares	Number of shares	Contractual percentage		Contractual percentage	
Joint ventures:							
Cabral	39,247	64,054,000	32,027,000	50.00%		50.00%	
Betim subdivision	27,744	84,325,968	42,162,984	50.00%	(*)	50.00%	(*)
Torino	183,048	318,600	127,440	40.00%		40.00%	
Subsidiaries:							
LOG I	64,961	50,000,000	49,995,000	99.99%		99.99%	
LOG II	20,364	18,000,000	17,998,200	99.99%		99.99%	
LOG Jundiaí	35,875	12,436,065	12,434,821	99.99%		99.99%	
LOG Goiânia	46,940	10,000	9,990	99.90%		99.90%	
LOG Hortolândia	72,602	13,000,000	12,999,999	100.00%		100.00%	
LOG SJP	16,659	42,851,000	42,850,999	100.00%		100.00%	
LOG Juiz de Fora	32,645	10,000	9,999	99.99%		99.99%	
LOG Feira de Santana	13,508	10,000	9,999	99.99%		99.99%	
LOG Fortaleza	34,038	10,000	9,999	99.99%		99.99%	
LOG Via Expressa	63,965	10,000	9,999	99.99%		99.99%	
LOG Campos	43,836	10,000	9,990	99.90%		99.90%	
LOG SJC Sony	54,039	52,500,000	52,499,999	100.00%		100.00%	
Office Park Pirituba	103,642	10,000	9,999	99.99%		99.99%	
LOG Sumaré	704	10,000	9,999	99.99%		99.99%	
LOG SJRP	9,331	10,000	9,999	99.99%		99.99%	
LOG Macaé	13,324	10,000	9,999	99.99%		99.99%	
LOG RP	19,112	10,000	9,999	99.99%		99.99%	
LOG Viana	60,922	10,000	9,999	99.99%		99.99%	
LOG Londrina	27,340	10,000	9,999	99.99%		99.99%	
LOG Curitiba	25,707	10,000	9,999	99.99%		99.99%	
LOG Rio	16,671	10,000	9,999	99.99%		99.99%	
LOG Itatiaia	37,990	10,000	9,999	99.99%		99.99%	
LOG Aracajú	12,605	10,000	9,999	99.99%		99.99%	
LOG Uberaba	658	10,000	9,900	99.00%		-	
LDI	26,377	24,690,048	24,659,948	100.00%		100.00%	

(*) Actual equity interest percentage of 39.69% at March 31, 2014 (39.10% at December 31, 2013).

	Information on investees							
	Equity		Profit (loss) for the 1st quarter of		Investment		Equity in investees for the 1st quarter of	
	03/31/14	12/31/13	2014	2013	03/31/14	12/31/13	2014	2013
Joint ventures:								
Cabral (*)	**104,729**	102,258	**2,472**	262	**53,006**	51,770	**1,236**	131
Betim subdivision	**69,741**	69,070	**-**	(1)	**27,677**	27,008	**-**	-
Torino (**)	**183,280**	183,126	**155**	-	**73,338**	73,276	**62**	-
Capitalized interest (***)	**-**	-	**-**	-	**5,120**	4,875	**-**	-
Total joint ventures - Consolidated	**357,750**	354,454	**2,627**	261	**159,141**	156,929	**1,298**	131
Subsidiaries:								
LOG I	**66,676**	65,755	**2,530**	1,592	**66,669**	65,748	**2,530**	1,592
LOG II	**20,788**	20,533	**594**	499	**20,786**	20,531	**594**	499
LOG Jundiaí	**36,772**	36,168	**1,197**	855	**36,768**	36,164	**1,197**	855
LOG Goiânia	**45,559**	45,576	**(35)**	(355)	**45,513**	45,530	**(35)**	(355)
LOG Hortolândia	**73,902**	74,331	**1,300**	(6)	**73,902**	74,331	**1,300**	(6)
LOG SJP	**14,785**	15,169	**(386)**	(5)	**14,785**	15,167	**(386)**	(5)
LOG Juiz de Fora	**32,424**	32,396	**3**	(7)	**32,421**	32,393	**3**	(7)
LOG Feira de Santana	**12,809**	23,416	**(108)**	(3)	**12,808**	23,414	**(108)**	(3)
LOG Fortaleza	**33,839**	33,602	**51**	(4)	**33,836**	33,597	**51**	(4)
LOG Via Expressa	**63,580**	64,053	**(385)**	(5)	**63,574**	64,047	**(385)**	(5)
LOG Campos	**43,771**	41,080	**(20)**	(2)	**43,727**	41,036	**(20)**	(2)
LOG SJC Sony	**54,014**	53,946	**(17)**	-	**54,014**	53,946	**(17)**	-
Office Park Pirituba	**103,610**	102,042	**(17)**	-	**103,600**	102,032	**(17)**	-
LOG Sumaré	**2**	(3)	**(6)**	(1)	**2**	(3)	**(6)**	(1)
LOG SJRP	**9,308**	9,308	**(17)**	-	**9,307**	9,307	**(17)**	-
LOG Macaé	**13,326**	13,348	**2**	-	**13,325**	13,347	**2**	-
LOG RP	**19,088**	18,991	**(17)**	-	**19,086**	18,989	**(17)**	-

	Information on investees						Equity in investees for the 1st quarter of	
	Equity		Profit (loss) for the 1st quarter of		Investment			
	03/31/14	12/31/13	2014	2013	03/31/14	12/31/13	2014	2013
LOG Viana	**60,667**	60,232	**(168)**	(10)	**60,661**	60,226	**(168)**	(10)
LOG Londrina	**27,249**	25,630	**(19)**	-	**27,246**	25,627	**(19)**	-
LOG Curitiba	**25,684**	25,598	**(17)**	-	**25,681**	25,595	**(17)**	-
LOG Rio	**16,643**	16,600	**(22)**	-	**16,641**	16,598	**(22)**	-
LOG Itatiaia	**37,910**	25,561	**(21)**	-	**37,906**	25,558	**(21)**	-
LOG Aracajú	**12,582**	10,315	**(17)**	-	**12,581**	10,314	**(17)**	-
LOG Uberaba	**658**	-	**-**	-	**651**	-	**-**	-
LDI	**27,638**	27,093	**546**	-	**27,638**	27,093	**546**	-
Capitalized interest (***)	**-**	-	**-**	-	**114,713**	101,894	**-**	-
Total subsidiaries	**853,284**	840,740	**4,951**	2,548	**967,841**	942,481	**4,951**	2,548
Total Individual	**1,211,034**	1,195,194	**7,578**	2,809	**1,126,982**	1,099,410	**6,249**	2,679

(*) The investment amount of R$641 refers to the goodwill paid by the Company upon the payment of capital of Cabral.
(**) The acquisition of 40% of Torino, in December 2013, generated goodwill based on expected future earnings amounting to R$26.
(***) 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.

b) Joint ventures:

At the end of 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 is being settled in 10 equal, consecutive monthly installments amounting to R$7,328. As at March 31, 2014, the amount payable by the Company is R$43,966 (R$65,950 at December 31, 2013).

The main financial information is as follows:

	Cabral		Betim subdivision		Torino	
	03/31/14	12/31/13	03/31/14	12/31/13	03/31/14	12/31/13
Cash and cash equivalents	**6,029**	7,245	**3**	3	**20,279**	3,408
Trade receivables	**49,775**	20,710	**-**	-	**56,358**	88,511
Inventories	**-**	-	**3,119**	5,155	**-**	-
Other current assets	**423**	464	**-**	-	**-**	-
Total current assets	**56,227**	28,419	**3,122**	5,158	**76,637**	91,919
Inventories	**-**	-	**66,654**	64,040	**-**	-
Investment property	**43,929**	42,112	**-**	-	**114,879**	103,244
Other noncurrent assets	**14,426**	41,472	**2**	1	**-**	-
Total noncurrent assets	**58,305**	83,584	**66,656**	64,041	**114,879**	103,244
Total assets	**114,582**	112,003	**69,778**	69,199	**191,516**	195,163
Current liabilities	**3,706**	3,702	**37**	129	**471**	157
Noncurrent liabilities	**6,147**	6,043	**-**	-	**7,795**	11,880
Shareholders' equity	**104,729**	102,258	**69,741**	69,070	**183,280**	183,126
Liabilities and shareholders' equity	**114,582**	112,003	**69,778**	69,199	**191,516**	195,163

	Cabral		Betim subdivision		Torino	
	1st quarter of		1st quarter of		1st quarter of	
	2014	2013	2014	2013	2014	2013
Net operating revenue	**5,674**	(2)	**-**	-	**-**	**-**
Costs	**(2,791)**	-	**-**	(1)	**-**	**-**
Financial income (expenses)	**(168)**	404	**-**	**-**	**160**	**-**
Income tax and social contribution	**(243)**	(140)	**-**	**-**	**(5)**	**-**
Profit (loss) for the period	**2,472**	262	**-**	(1)	**155**	-

c) The changes in the balances of investments in subsidiaries and jointly controlled entities for the quarters ended March 31, 2014 and 2013 are as follows:

	Opening balances	Capital contributions (reversals)	Equity in investees	Dividends received	Other	Closing balances
Quarter ended March 31, 2014:						
Joint ventures:						
Cabral	51,770	-	1,236	-	-	53,006
Betim subdivision	27,008	669	-	-	-	27,677
Torino	73,276	-	62	-	-	73,338
Capitalized interest (*)	4,875	-	-	-	245	5,120
Total joint ventures – Consolidated	**156,929**	**669**	**1,298**	-	**245**	**159,141**
Subsidiaries:						
LOG I	65,748	(1)	2,530	(1,608)	-	66,669
LOG II	20,531	-	594	(339)	-	20,786
LOG Jundiaí	36,164	19	1,197	(612)	-	36,768
LOG Goiânia	45,530	18	(35)	-	-	45,513
LOG Hortolândia	74,331	40	1,300	(1,769)	-	73,902
LOG SJP	15,167	4	(386)	-	-	14,785
LOG Juiz de Fora	32,393	25	3	-	-	32,421
LOG Feira de Santana	23,414	(10,498)	(108)	-	-	12,808
LOG Fortaleza	33,597	188	51	-	-	33,836
LOG Via Expressa	64,047	37	(385)	(125)	-	63,574
LOG Campos	41,036	2,711	(20)	-	-	43,727
LOG SJC Sony	53,946	85	(17)	-	-	54,014
Office Park Pirituba	102,032	1,585	(17)	-	-	103,600
LOG Sumaré	(3)	11	(6)	-	-	2
LOG SJRP	9,307	17	(17)	-	-	9,307
LOG Macaé	13,347	(21)	2	(3)	-	13,325
LOG RP	18,989	114	(17)	-	-	19,086
LOG Viana	60,226	603	(168)	-	-	60,661
LOG Londrina	25,627	1,638	(19)	-	-	27,246
LOG Curitiba	25,595	103	(17)	-	-	25,681
LOG Rio	16,598	65	(22)	-	-	16,641
LOG Itatiaia	25,558	12,369	(21)	-	-	37,906
LOG Aracajú	10,314	2,284	(17)	-	-	12,581
LOG Uberaba	-	651	-	-	-	651
LDI	27,093	(1)	546	-	-	27,638
Capitalized interest (*)	101,894	-	-	-	12,819	114,713
Total subsidiaries	942,481	12,046	4,951	(4,456)	12,819	967,841
Total Individual	**1,099,410**	**12,715**	**6,249**	**(4,456)**	**13,064**	**1,126,982**
Quarter ended March 31, 2013:						
Total Consolidated	57,110	2,080	131	-	592	59,913
Total Individual	695,160	107,331	2,679	(3,784)	9,859	811,245

(*) 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 other information on Interests in subsidiaries and joint ventures did not change significantly from the information disclosed in note 5 to the financial statements for the year ended December 31, 2013.

6. Investment property

	Annual weighted depreciation rates	Individual 03/31/14 Cost	Individual 03/31/14 Accumulated depreciation	Individual 03/31/14 Net	12/31/13 Net
Individual					
Buildings	2%	**116,922**	**(6,335)**	**110,587**	105,545
Land	-	**43,996**	**-**	**43,996**	43,908
Construction in progress	-	**37,706**	**-**	**37,706**	36,545
Total		**198,624**	**(6,335)**	**192,289**	185,998
Consolidated					
Buildings	2%	**476,361**	**(24,309)**	**452,052**	433,637
Land	-	**485,113**	**-**	**485,113**	485,025
Construction in progress	-	**367,662**	**-**	**367,662**	327,959
Total		**1,329,136**	**(24,309)**	**1,304,827**	1,246,621

In the first quarter of 2014 the Company reviewed the useful lives and the residual value of its investment properties and made the following changes: (i) the remaining useful life increased from 20 to 25 years to 45 to 50 years; (ii) the residual value went from nil to 20% of the depreciable components of investment property. This valuation was conducted by in-house specialists, with professional experience and technical know-how, both on the analyzed investment properties and the market of investment properties comparable with those owned by the Group. Due to these changes, in the first quarter of 2014, the depreciation cost was R$1,816 (R$2,755 in the first quarter of 2013).

The movements in investment property for the quarters ended March 31, 2014 and 2013 are as follows:

	Individual 1st quarter of		Consolidated 1st quarter of	
	2014	2013	**2014**	2013
Opening balance	**185,998**	258,200	**1,246,621**	974,409
Additions	**6,098**	10,467	**44,369**	57,539
Contributions to investees (*)	**(555)**	(55,143)	**-**	-
Capitalized interest	**1,213**	1,719	**15,653**	11,166
Depreciation	**(465)**	(802)	**(1,816)**	(2,755)
Closing balance	**192,289**	214,441	**1,304,827**	1,040,359

(*) Refers to land acquired that were contributed to subsidiaries.

The table below shows the net balances as compared to the fair values of the investment properties as at March 31, 2014 and December 31, 2013, broken down into Individual and Consolidated:

	03/31/2014 Land	Buildings	Construction in progress	Total	Fair value	12/31/2013 Total	Fair value
Individual:							
Industrial warehouses	**35,017**	**110,587**	**9,424**	**155,029**	**256,538**	156,571	258,433
Strip mall	**8,979**	**-**	**28,282**	**37,260**	**46,153**	29,427	44,168
Total Individual	**43,996**	**110,587**	**37,706**	**192,289**	**302,691**	185,998	302,601
Consolidated:							
Industrial warehouses	**391,780**	**452,052**	**293,947**	**1,137,779**	**1,551,613**	1,090,753	1,547,384
Offices	**84,354**	**-**	**45,433**	**129,787**	**160,741**	147,625	157,395
Strip mall	**8,979**	**-**	**28,282**	**37,261**	**46,153**	8,243	44,168
Total Consolidated	**485,113**	**452,052**	**367,662**	**1,304,827**	**1,758,507**	1,246,621	1,748,947

The fair values of the investment properties have been determined at December 31, 2013 and updated to the reporting date of this interim financial information, as follows:

- Projects under construction and completed by December 31, 2013: maintained the fair values at that date.

- Land purchased through December 31, 2013: maintained the fair values at that date, added of the construction costs incurred in the first three months of 2014.

- Land purchased in 2014: carried at the purchase cost added of the construction costs incurred in the first three months of 2014, when applicable.

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

As at March 31, 2014, out of the total R$1,304,827 in investment properties, R$914,459 has been pledged as collateral of borrowings and financing entered into by the Company and its subsidiaries (R$777,433 at December 31, 2013).

The other information on investment property did not change significantly in relation to the information disclosed in note 6 to the financial statements for the year ended December 31, 2013.

7. Loans, financing and debentures

a) Loans and financing

The position of loans and financing as at March 31, 2014 and December 31, 2013 is as follows:

			03/31/14			12/31/13
Type	**Maturity of principal**	**Effective financial charges p.a.(*)**	**Current**	**Noncurrent**	**Total**	**Total**
Individual:						
Working capital	Jul 13 to Jul 15	CDI + 3.50%	**10,349**	**5,000**	**15,349**	20,180
Working capital	Nov 14	CDI + 2.60%	**93,641**	**-**	**93,641**	91,010
Working capital	Sep 13 to Sep 17	CDI + 2.36%	**9,633**	**21,742**	**31,375**	30,518
Construction financing	Dec 13 to Oct 24	CDI + 1.88%	**4,869**	**41,952**	**46,821**	47,379
Construction financing	Dec 13 to Nov 23	TR + 9.38%	**2,903**	**22,925**	**25,828**	26,193
Construction financing	Dec 13 to Nov 23	TR + 9.43%	**1,426**	**11,358**	**12,784**	12,978
Construction financing	Jul 14 to Jun 22	TR + 11.16%	**2,576**	**22,337**	**24,913**	24,220
Construction financing	Oct 14 to Sep 22	TR + 10.96%	**1,120**	**14,479**	**15,599**	15,173
Construction financing	Aug 14 to Jul 22	TR + 11.21%	**1,304**	**12,743**	**14,047**	13,668
Construction financing	Mar 15 to Jul 23	TR + 9.40%	**175**	**9,635**	**9,810**	6,863
Construction financing	Oct 15 to Sep 25	TR + 9.50%	**32**	**3,904**	**3,936**	-
(-) Financing cost			**(1,387)**	**(2,962)**	**(4,349)**	(4,649)
Total Individual			**126,641**	**163,113**	**289,754**	283,533
Subsidiaries:						
Construction financing	**Dec 13 to Nov 23**	TR + 9.35%	**1,538**	**12,180**	**13,718**	13,918
Construction financing	**Feb 14 to Jan 22**	TR + 11.62%	**2,621**	**16,340**	**18,961**	19,010
Construction financing	**Aug 14 to Jul 22**	TR + 11.01%	**814**	**7,978**	**8,792**	8,557
Construction financing	**Nov 14 to Oct 22**	TR + 10.70%	**269**	**4,146**	**4,415**	4,298
Construction financing	**Apr 15 to Mar 25**	TR + 9.99%	**88**	**10,235**	**10,323**	10,063
Construction financing	**Feb 15 to Jan 25**	TR + 10.03%	**326**	**12,886**	**13,212**	12,883
Construction financing	**Apr 15 to Mar 25**	TR + 9.95%	**98**	**11,069**	**11,167**	10,251
Construction financing	**Feb 15 to Jan 25**	TR + 9.96%	**477**	**19,060**	**19,537**	18,148
Construction financing	**Apr 15 to Mar 25**	TR + 9.80%	**100**	**12,038**	**12,138**	10,440
Construction financing	**Apr 15 to Mar 25**	TR + 9.88%	**206**	**24,011**	**24,217**	23,618
Construction financing	**Aug 14 to Jul 25**	TR + 9.67%	**1,331**	**18,249**	**19,580**	7,696
Construction financing	**Jan 15 to Apr 23**	TR + 9.59%	**912**	**23,424**	**24,336**	23.732
Construction financing	**Jan 15 to Apr 23**	TR + 9.60%	**554**	**14,214**	**14,768**	14,414
Construction financing	**Oct 15 to Sep 25**	TR + 9.50%	**150**	**18,170**	**18,320**	17,881
Construction financing	**Jan 15 to Dec 22**	TR + 9.90%	**599**	**19,821**	**20,420**	17,298

Type	Maturity of principal	Effective financial charges p.a.(*)	03/31/14 Current	03/31/14 Noncurrent	03/31/14 Total	12/31/13 Total
Construction financing	**May 15 to Apr 23**	TR + 9.90%	**10**	**5,013**	**5,023**	-
Construction financing	**Aug 15 to Jul 23**	TR + 9.90%	**4**	**1,875**	**1,879**	-
(-) Financing cost			**(477)**	**(3.761)**	**(4.238)**	(3.871)
Total subsidiaries			**9,620**	**226,948**	**236,568**	208,336
Total Consolidated			**136,261**	**390,061**	**526,322**	491,869

(*) Effective financial charges: consider the cost of contractual debt + other funding costs and debt service.

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

	Individual		Consolidado	
	03/31/14	12/31/13	03/31/14	12/31/13
After the reporting period				
12 months	**126,641**	117,380	**136,261**	121,414
13 to 24 months	**29,693**	33,747	**55,259**	56,472
25 to 36 months	**24,916**	24,018	**50,481**	46,738
37 to 48 months	**20,637**	21,953	**46,202**	44,675
More than 48 months	**87,867**	86,435	**238,119**	222,570
Total	**289,754**	283,533	**526,322**	491,869

Changes in borrowings and financing:

	Individual 1st quarter of		Consolidated 1st quarter of	
	2014	2013	2014	2013
Opening balance	**283,533**	287,886	**491,869**	324,471
Funding	**16,612**	90,632	**41,399**	92,173
Accrued financial charges	**8,065**	7,278	**13,710**	8,275
Borrowing costs	**(175)**	(1,140)	**(650)**	(1,169)
Amortization of borrowing costs	**473**	481	**583**	502
Repayment of principal	**(15,000)**	-	**(15,000)**	-
Payment of financial charges	**(3,754)**	(1,964)	**(5,589)**	(1,964)
Closing balance	**289,754**	383,173	**526,322**	422,288

Funding during the quarter ended March 31, 2014 was as follows:

	Maturity of principal	Effective financial charges(*)	Amount raised
Individual:			
Working capital	Mar 14	CDI + 1.60%	10,000
Construction financing	Mar 15 to Jul 23	TR + 9.40%	2,729
Construction financing	Oct 15 to Sep 25	TR + 9.50%	3,883
Total Individual			16,612
Subsidiaries:			
Construction financing	Apr 15 to Mar 25	TR + 9.95%	640
Construction financing	Feb 15 to Jan 25	TR + 9.96%	909
Construction financing	Apr 15 to Mar 25	TR + 9.80%	1,418
Construction financing	Aug 14 to Jul 25	TR + 9.67%	11,847
Construction financing	Jan 15 to Apr 23	TR + 9.59%	23
Construction financing	Jan 15 to Apr 23	TR + 9.60%	1
Construction financing	Jan 15 to Dec 22	TR + 9.90%	3,061
Construction financing	May 15 to Apr 23	TR + 9.90%	5,013
Construction financing	Aug 15 to Jul 23	TR + 9.90%	1,875
Total subsidiaries			24,787
Total Consolidated			41,399

(*) Effective financial charges: consider the cost of contractual debt + other funding costs and debt service.

b) Debentures

The position of debentures at March 31, 2014 and December 31, 2013 is as follows:

Issue	Maturity of principal	Effective financial charges p.a.(*)	Individual and Consolidated 03/31/14 Current	Noncurrent	Total	12/31/13 Total
1st issue of debentures	Feb 14	CDI + 2.64%	**-**	**-**	**-**	109,474
2nd issue of debentures	Dec 12 to Jun 19	CDI + 2.17%	**12,198**	**58,000**	**70,198**	68,242
3rd issue of debentures	Jun 14 to Jun 20	CDI + 2.07%	**7,739**	**96,000**	**103,739**	100,849
4th issue of debentures	Aug 16 to Feb 19	CDI + 2.13%	**899**	**100,000**	**100,899**	-
(-) Financing cost			**(860)**	**(3,821)**	**(4,681)**	(3,518)
Total			**19,976**	**250,179**	**270,155**	**275,047**

(*) Effective financial charges: consider the cost of contractual debt + other funding costs and debt service.

In the first quarter of 2014, the Company settled the 1st issue of debentures and conducted the 4th issue if unsecured, nonconvertible, registered, book-entry debentures, totaling R$100,000 at the issue date, which bear interest equivalent to 100% of CDI plus spread of 1.85% per annum (contractual interest). Interest will be paid in semiannually, commencing in August 2014, and principal will be repaid in six semiannual installments, commencing August 2016.

The debentures issued are simple and nonconvertible. The 4th issue consists of unsecure debentures and the other issues are collateralized.

The table below shows the debentures payment schedule:

After the reporting period	Individual and Consolidated 03/31/14 2nd issue	3rd issue	4th issue	Total	12/31/13 Total
Amortization:					
12 months	**12,198**	**7,739**	**899**	**20,836**	124,565
13 to 24 months	**11,200**	**6,000**	**-**	**17,200**	17,200
25 to 36 months	**12,400**	**14,000**	**20,000**	**46,400**	26,400
37 to 48 months	**12,800**	**16,000**	**30,000**	**58,800**	28,800
After 48 months	**21,600**	**60,000**	**50,000**	**131,600**	81,600
Total	**70,198**	**103,739**	**100,899**	**274,836**	278,565
Costs:					
12 months	**(219)**	**(361)**	**(280)**	**(860)**	(658)
13 to 24 months	**(221)**	**(362)**	**(282)**	**(865)**	(581)
25 to 36 months	**(221)**	**(362)**	**(282)**	**(865)**	(584)
37 to 48 months	**(221)**	**(363)**	**(282)**	**(866)**	(583)
After 48 months	**(175)**	**(792)**	**(258)**	**(1,225)**	(1,112)
Total	**(1,057)**	**(2,240)**	**(1,384)**	**(4,681)**	(3,518)
Total net	**69,141**	**101,499**	**99,515**	**270,155**	275,047

Changes in debentures are as follows:

	Individual and Consolidated 1st quarter of 2014	2013
Opening balance	**275,047**	184,275
Funding	**100,000**	-
Accrued financial charges	**7,451**	3,932
Borrowing costs	**(1,408)**	-
Amortization of borrowing costs	**245**	174
Repayment of principal	**(108,000)**	-
Payment of financial charges	**(3,180)**	-
Closing balance	**270,155**	188,381

Funding during the quarter ended March 31, 2014 was as follows:

Type	Maturity of principal	Effective financial charges(*)	Amount raised
Individual and Consolidated:			
4th issue of debentures	Aug 16 to Feb 19	CDI + 2.13%	**100,000**
Total			**100,000**

(*) Effective financial charges: consider the cost of contractual debt + other funding costs and debt service.

c) Guarantees

The table below shows the types of guarantee for borrowings, financing and debentures at March 31, 2014:

	Working capital	Corporate plan	Debentures	Total	
Collateral/surety	93,641	394,544	-	488,185	
Surety	31,375	-	-	31,375	
Collateral/receivables	-	-	274,836	274,836	
Unsecured	15,349	-	-	15,349	
Total	140,365	394,544	274,836	809,745	(*)

(*) Amount of loans, 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.

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

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2014	2013	2014	2013
Finance charges:				
Loans, financing and debentures	**(16,234)**	(11,865)	**(21,989)**	(12,883)
Charges due to related parties	**(620)**	(83)	**-**	(83)
Realization of PVA and adjustment of land payable	**(54)**	(1,537)	**(54)**	(1,537)
Total financial charges	**(16,908)**	(13,485)	**(22,043)**	(14,503)
Interest capitalized on:				
Investment property (note 6)	**1,213**	1,719	**15,653**	11,166
Investment	**13,104**	9,977	**246**	592
	(2,591)	(1,789)	**(6,144)**	(2,745)
Other financial expenses	**(541)**	(278)	**(522)**	(159)
Financial charges allocated to profit or loss	**(3,132)**	(2,067)	**(6,666)**	(2,904)

In the quarter ended March 31, 2014, total capitalized loans, financing and debentures represented an average charge rate of 12.05% per annum (9.73% per annum in the quarter ended March 31, 2013).

The other information on loans, financing and debentures did not change significantly in relation to the information disclosed in note 7 to the financial statements for the year ended December 31, 2013.

8. Land payables

	Individual and Consolidated	
	03/31/14	**12/31/13**
Land payables	**6,504**	13,821
Discount to present value	**-**	-
Net	**6,504**	13,821
Current	**6,504**	13,821
Noncurrent	**-**	-
Total	**6,504**	13,821

As at March 31, 2014, land payables, by maturity and adjustment index, are broken down as follows:

Period	CDI (*)
12 months	6,504
Total	6,504

(*) Interbank deposit rate

The other information on land payables did not change significantly in relation to the information disclosed in note 8 to the financial statements for the year ended December 31, 2013.

9. Advances - barters

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

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**	
	1st quarter of		**1st quarter of**	
	2014	2013	**2014**	2013
Income before income tax and social contribution	**4,651**	374	**5,403**	1,095
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal expense	**(1.581)**	(127)	**(1,837)**	(372)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation	**2,125**	911	**441**	45
Tax basis difference for companies taxes based on deemed income	**-**	-	**941**	390
Other	**(103)**	(31)	**144**	(31)
IRPJ and CSLL credit (expenses) in profit or loss	**441**	753	**(311)**	32

(b) Deferred tax balances

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

	Individual		Consolidated	
	03/31/14	12/31/13	**03/31/14**	12/31/13
Noncurrent assets:				
Income tax and social contribution	**6,827**	6,386	**7,598**	6,505
Liabilities:				
Income tax and social contribution	**-**	-	**(1,344)**	(1,579)
Taxes on revenue (PIS/COFINS)	**-**	-	**(931)**	(1,016)
	-	-	**(2,275)**	(2,595)
Current	**-**	-	**(1,385)**	(1,625)
Noncurrent	**-**	-	**(890)**	(970)
Total	**-**	-	**(2,275)**	(2,595)

As at March 31, 2014, 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	**81**	**153**
13 to 24 months	**1,873**	**1,924**
25 to 36 months	**4,320**	**4,320**
More than 36 months	**553**	**1,201**
Total	**6,827**	**7,598**

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

	Individual		Consolidated	
	03/31/14	12/31/13	**03/31/14**	12/31/13
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**6,652**	6,214	**7,423**	6,332
Temporary differences	**175**	172	**175**	173
Deferred assets	**6,827**	6,386	**7,598**	6,505
Deferred liabilities:				
Rents receivable	**-**	-	**(730)**	(648)
Land sales receivable	**-**	-	**(579)**	(675)
Finance income taxed on a cash basis	**-**	-	**(35)**	(256)
Deferred tax liabilities – noncurrent	**-**	-	**(1,344)**	(1,579)

The table below shows the movement of deferred tax assets:

	Individual		Consolidated	
	1st quarter of		**1st quarter of**	
	2014	2013	**2014**	2013
Opening balance	**6,386**	2,922	**6,505**	2,922
Tax credit recognized in profit	**441**	753	**1,093**	753
Closing balance	**6,827**	3,675	**7,598**	3,675

The other information on income tax and social contribution, including the "transitional tax regime", did not change significantly in relation to the information disclosed in note 10 to the financial statements for the year ended December 31, 2013.

11. Provisions for labor, tax and civil contingencies

The movements in the provisions for the quarter ended March 31, 2014 and the year ended December 31, 2013 were as follows:

	Individual and Consolidated	
	03/31/14	**12/31/13**
Opening balance	**64**	17
Additions	**103**	77
Payment	**(42)**	(4)
Reversal	**(4)**	(26)
Closing balance	**121**	64

The lawsuits assessed as possible losses by the legal counsel, related basically to labor lawsuits, amount to R$376 as at March 31, 2014 (R$300 at December 31, 2013).

The other information on the provisions for civil, labor and tax contingencies is not significantly different from the information disclosed in note 11 to the financial statements for the year ended December 31, 2013.

12. Equity

a) Common shares and issued capital

	Individual and Consolidated	
	03/31/14	**12/31/13**
Share capital	**171,453**	171,453
Number of common shares, without par value (thousand)	**171,453**	171,453

b) Mandatory minimum dividends

The 2013 dividends, amounting to R$2,938, were approved at the Annual Shareholders' Meeting (ASM) held on April 30, 2014 and will be paid on May 30, 2014. The 2012 dividends, amounting to R$816, were approved at the ASM held on April 18, 2013 and paid in the second quarter of 2013.

The other information on equity, including stock option plan, did not change significantly in relation to the information disclosed in note 12 to the financial statements for the year ended December 31, 2013.

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	
	1st quarter	
	2014	**2013**
Basic earnings per share:		
Profit for the period	**5,092**	1,127
Weighted average number of outstanding common shares (in thousands)	**171,453**	134,362
Basic earnings per share - in R$	**0.02970**	0,00839
Diluted earnings per share:		
Profit for the period	**5,092**	1,127
Weighted average number of outstanding common shares (in thousands)	**171,453**	134,362
Dilutive effect of stock options (in thousands)	**251**	251

	Individual and Consolidated	
	1st quarter	
	2014	**2013**
Weighted average number of outstanding common shares (in thousands)	**171,704**	134,613
Diluted earnings per share - in R$	**0.02966**	0.00837

14. Net revenue

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2014	2013	**2014**	2013
Lease revenue	**3,941**	3,186	**14,842**	9,809
PIS/COFINS on revenue	**(364)**	(296)	**(896)**	(569)
Net revenue	**3,577**	2,890	**13,946**	9,240

The other information on net revenue did not change significantly in relation to the information disclosed in note 14 to the financial statements for the year ended December 31, 2013.

15. Costs and expenses by nature

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2014	2013	**2014**	2013
Depreciation	**(321)**	(805)	**(1,825)**	(2,758)
Advertising	**(299)**	(227)	**(299)**	(227)
Salaries, charges and benefits	**(1,088)**	(789)	**(1,088)**	(795)
Management compensation	**(229)**	(229)	**(229)**	(229)
Outside services	**(765)**	(896)	**(1,565)**	(1,077)
General expenses	**(363)**	(365)	**(393)**	(377)
Stock options	**(95)**	(87)	**(95)**	(87)
Vacancy expenses	**(224)**	(43)	**(1,084)**	(327)
Other	**(69)**	(3)	**339**	(9)
	(3,453)	(3,444)	**(6,239)**	(5,886)
Classified as:				
Costs	**(313)**	(802)	**(1,816)**	(2,755)
Selling expenses	**(941)**	(630)	**(2,253)**	(1,098)
General and administrative expenses	**(1,901)**	(1,777)	**(2,280)**	(1,792)
Management compensation	**(229)**	(229)	**(229)**	(229)
Other operating income (expenses)	**(69)**	(6)	**339**	(12)
	(3,453)	(3,444)	**(6,239)**	(5,886)

16. Related-party transactions

Related-party balances and transactions are as follows:

	Individual		Consolidated	
	03/31/14	12/31/13	**03/31/14**	12/31/13
Balance sheets:				
Short-term investments:				
Banco Intermedium (a)	**30,587**	42,834	**33,994**	52,886
Banco BMG (b)	**-**	-	**176**	175
Lease receivables (c)	**-**	-	**180**	180
Due to related parties:				
MRV Engenharia e Participações S.A. (d)	**83**	83	**190**	201
Loan with controlled SPEs (e)	**25,921**	6,749	**-**	-

	Individual		Consolidated	
	1st quarter of		1st quarter of	
	2014	2013	2014	2013
Transactions:				
Income from short-term investments:				
Banco Intermedium (a)	**833**	113	**1,018**	214
Banco BMG (b)	**-**	-	**12**	102
Lease receivables (c)	**-**	-	**541**	509
Expenses on the provision of administrative services (d)	**149**	697	**633**	697
Financial expenses - due to related parties:				
MRV Engenharia e Participações S.A.	**-**	20	**-**	20
Loan with controlled SPEs (e)	**919**	-	**-**	-

(a) Refers to short-term investments in CDBs with Intermedium Crédito Financiamento e Investimento S.A. ("Intermedium"), which is controlled by the controlling shareholder of MRV Engenharia e Participações S.A.. As at March 31, 2014, short-term investments yielded approximately 110.99% of CDI in Individual and 110.95% of CDI on a consolidated basis (110.00% of CDI in Individual and on a consolidated basis at December 31, 2013).

(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 March 31, 2014, this investment yields approximately 100.00% of CDI (106.0% of CDI at December 31, 2013).

(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.. The agreement 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.

As at December 31, 2013, MRV Engenharia de Participações S.A. and some Company shareholders are the guarantors of R$109,474 in Company debentures (nil at March 31, 2014).

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. As at March 31, 2014, the transactions consist of loans, financing and debentures, amounting to R$418,414 (R$402,820 at December 31, 2013) and short-term investments, amounting to R$12,231 (R$12,103 at December 31, 2013). In the quarter ended March 31, 2014, these transactions, conducted at usual market rates, generated finance costs of R$14,803 and finance income of R$233.

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	
	1st quarter of	
	2014	**2013**
Short-term benefits granted to management:		
Management compensation	**229**	229
Profit sharing	**117**	-
Share-based compensation:		
Stock option plan	**92**	87
	438	316

On April 30, 2014, the Extraordinary and Annual Shareholders' Meeting approved the change in the overall management compensation threshold to 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) Category of financial instruments

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
Financial assets:				
Cash and banks	**45**	127	**364**	496
Fair value through profit or loss held for trading (*)	**40,158**	79,011	**75,482**	150,704
Loans and receivables	**6,282**	5,645	**34,872**	34,952
Financial liabilities:				
Amortized cost	**568,389**	574,136	**812,314**	791,509

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

(b) Exposure to interest rates and inflation adjustment indices

The analysis below was undertaken as described in note 17 (c) to the financial statements for the year ended December 31, 2013.

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 3/31/2014	Estimated annual rate for 2014 (*)		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	75,482	(468,527)	(393,045)	8.90%	11.12%	(i)	2.22%	(8,726)
TR	-	(347,723)	(347,723)	0.38%	0.88%	(ii)	0.50%	(1,739)
								(10,465)
Scenario I:								
CDI	75,482	(468,527)	(393,045)	8.90%	13.90%		5.00%	(19,652)
TR	-	(347,723)	(347,723)	0.38%	1.10%		0.72%	(2,504)
								(22,156)
Scenario II:								
CDI	75,482	(468,527)	(393,045)	8.90%	16.68%		7.78%	(30,579)
TR	-	(347,723)	(347,723)	0.38%	1.32%		0.94%	(3,269)
								(33,848)

(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.
(*) Effective change for the first three months of 2014 plus a projection for the next nine months of 2014.

(c) Capital risk management

As at March 31, 2014 and December 31, 2013, the consolidated debt-to-equity ratio is as follows:

	Individual		Consolidated	
	03/31/14	**12/31/13**	**03/31/14**	**12/31/13**
Loans, financing and debentures	**559,909**	558,580	**796,477**	766,916
Cash and cash equivalents	**(40,203)**	(79,138)	**(75,846)**	(151,200)
Net debt (cash)	**519,706**	479,442	**720,631**	615,716
Shareholders' equity	**745,084**	739,897	**745,153**	739,985
Net debt (cash) to shareholders' equity	**69.8%**	64.8%	**96.7%**	83.2%

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.

(d) 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 March 31, 2014 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	199,919	91,004	115,197	422,054	828,174
Non-interest bearing securities	1,976	-	-	-	1,976
Total	201,895	91,004	115,197	422,054	830,150
Consolidated:					
Floating rates	216,003	129,824	158,897	717,022	1,221,746
Non-interest bearing securities	9,333	-	-	-	9,333
Total	225,336	129,824	158,897	717,022	1,231,079

(e) 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					
	03/31/2014			**12/31/2013**		
Financial instruments	**Carrying amount**	**Fair value**	**Difference**	**Carrying amount**	**Fair value**	**Difference**
Debentures						
CDI+1.85% p.a.	(100,899)	(100,899)	-	-	-	-
CDI+1.90% p.a.	(70,198)	(70,056)	142	(68,242)	(67,818)	424
CDI+1.90% p.a.	(103,739)	(102,748)	991	(100,849)	(99,712)	1,137
CDI+2.20% p.a.	-	-	-	(109,474)	(109,373)	101
Total	(274,836)	(273,703)	1,133	(278,565)	(276,903)	1,662
Working capital loan						
CDI+1.60% p.a.	(31,375)	(31,375)	-	(30,518)	(30,518)	-
CDI+2.00% p.a.	(93,641)	(92,850)	791	(91,010)	(90,185)	825

CDI+2.70% p.a.	(15,349)	(15,259)	90	(20,180)	(20,116)	64
Total	(140,365)	(139,484)	881	(141,708)	(140,819)	889
Financing						
Construction financing	(153,738)	(153,738)	-	(146,474)	(146,474)	-
Total	(153,738)	(153,738)	-	(146,474)	(146,474)	-
Grand total (w/o issuance costs)	(568,939)	(566,925)	2,014	(566,747)	(564,196)	2,551

	Consolidated					
	03/31/2014			12/31/2013		
Financial instruments	**Carrying amount**	**Fair value**	**Difference**	**Carrying amount**	**Fair value**	**Difference**
Debentures						
CDI+1.85% p.a.	(100,899)	(100,899)	-	-	-	-
CDI+1.90% p.a.	(70,198)	(70,056)	142	(68,242)	(67,818)	424
CDI+1.90% p.a.	(103,739)	(102,748)	991	(100,849)	(99,712)	1,137
CDI+2.20% p.a.	-	-	-	(109,474)	(109,373)	101
Total	(274,836)	(273,703)	1,133	(278,565)	(276,903)	1,662
Working capital loans						
CDI+1.60% p.a.	(31,375)	(31,375)	-	(30,518)	(30,518)	-
CDI+2.00% p.a.	(93,641)	(92,850)	791	(91,010)	(90,185)	825
CDI+2.70% p.a.	(15,349)	(15,259)	90	(20,180)	(20,116)	64
Total	140,365	(139,484)	881	(141,708)	(140,819)	889
Financing						
Construction financing	(394,544)	(394,544)	-	(358,681)	(358,681)	-
Total	(394,544)	(394,544)	-	(358,681)	(358,681)	-
Grand total (w/o issuance costs)	(809,745)	(807,731)	2,014	(778,954)	(776,403)	2,551

The fair values of loans, financing, and debentures subject to CDI plus spread and TR, a managed prime rate, were estimated by the Company's management based on the future value of the loans on maturity at the contracted rate, discounted to present value at the market rate at March 31, 2014 and December 31, 2013.

The table below shows a comparative of the contracted and market rates, Individual and Consolidated, at March 31, 2014:

	Current market rate	**Maturity dates**
Debentures		
CDI + 1.85% p.a.	1.85% p.a.	February 2019
CDI + 1.90% p.a.	1.99% p.a.	June 2019
CDI + 1.90% p.a.	2.22% p.a.	June 2020
Working capital loan		
CDI + 1.60% p.a.	1.60% p.a.	September 2017
CDI + 2.00% p.a.	3.40% p.a.	November 2014
CDI + 2.70% p.a.	3.50% 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.

The other information on financial instruments and risk management is not significantly different from the information disclosed in note 17 to the financial statements for the year ended December 31, 2013.

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 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 March 31, 2014, the amount to be paid by the Company is R$21,016 (R$21,354 at December 31, 2013).

20. Noncash transactions

During the quarters ended March 31, 2014 and 2013, 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	
	1st quarter of		1st quarter of	
	2014	**2013**	**2014**	**2013**
Capital contribution to investee with investment properties	**555**	55,143	**-**	-
Interest capitalization	**14,317**	11,696	**15,899**	11,758

21. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at March 31, 2014, 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.	222,198
- 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)	13,200
- Group life and personal injury insurance	- Bodily injury involuntarily caused to employees, contractors, interns and engineers.	30,746
- Corporate	- Fire, lightening, explosion, windstorm, hail, car crash, RC transactions, and rental loss/payment.	75,431

22. Approval of the interim financial information

This interim financial information was approved by the Company's Directors on May 12, 2014.