("A free translation from Portuguese into English")

Financial Statements

LOG Commercial Properties e Participações S.A.

Individual and Consolidated Interim Financial Information for the Quarter Ended June 30, 2013 and Report on Review of Interim Financial Information

LOG Commercial Properties e Participações S.A.

Financial Statements

June 30, 2013

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Edifício Phelps
Rua Antônio de Albuquerque, 156
10º andar - Savassi
30112-010 – Belo Horizonte, MG, Brasil

Tel: (5531) 3232-2100
Fax: (5531) 3232-2100
www.ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly review information 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

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 three-month and six-month period ended June 30, 2013, comprising the balance sheet as at June 30, 2013 and the related statements of income, comprehensive income for the three and six-month period then ended and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management's responsibility for the interim financial information

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) , as approved by the Brazilian FASB (CPC), by the Brazilian Securities and Exchange Commission (CVM) and by the Brazil's National Association of State Boards of Accountancy (CFC), and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board – IASB as well as for the fair presentation of this information consistently with standards issued by the CVM applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

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Conclusion on the individual 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), as approved by the Brazilian FASB (CPC), by the Brazilian Securities and Exchange Commission (CVM) and by the Brazil's National Association of State Boards of Accountancy (CFC) 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.

Emphasis of a matter

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 statement of income, comprehensive income and the related statements of cash flows and value added (supplementary information) for the six-month period ended June 30, 2012, presented for comparison purposes, were adjusted and are restated as required by CPC 23 (Accounting Practices, Changes in Accounting Estimates and Correction of Errors) and CPC 26(R1) – Presentation of Financial Statements. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2013, prepared under Company management's responsibility, whose presentation in the interim financial information is required to listed companies only, however, as an option of the Company management's, is presented 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.

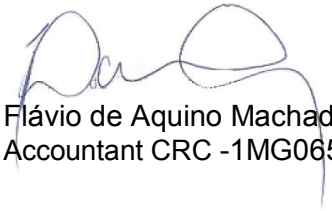
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Audit of figures corresponding to January 1, 2012

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

Belo Horizonte (MG), August 14, 2013

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



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

INDIVIDUAL / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands of Brazilian reais - R$)

Code	Description	Current Quarter 6/30/2013	Previous year 12/31/2012
1	Total assets	1,367,283	996,850
1.01	Current assets	241,649	28,620
1.01.01	Cash and cash equivalents	235,480	22,079
1.01.03	Receivables	2,148	1,725
1.01.03.01	Trade accounts receivable	2,148	1,725
1.01.06	Recoverable taxes	3,619	3,940
1.01.06.01	Recoverable current taxes	3,619	3,940
1.01.07	Prepaid expenses	398	868
1.01.08	Other current assets	4	8
1.01.08.03	Other	4	8
1.02	Noncurrent assets	1,125,634	968,230
1.02.01	Long-term assets	18,774	14,679
1.02.01.03	Receivables	2,671	2,311
1.02.01.03.01	Trade accounts receivable	2,671	2,311
1.02.01.06	Deferred taxes	5,681	2,922
1.02.01.06.01	Deferred income tax and social contribution	5,681	2,922
1.02.01.07	Prepaid expenses	839	1,035
1.02.01.09	Other noncurrent assets	9,583	8,411
1.02.01.09.03	Recoverable taxes	9,583	8,410
1.02.01.09.04	Others	0	1
1.02.02	Investments	1,106,517	953,360
1.02.02.01	Investments in subsidiaries and jointly controlled entities	923,988	695,160
1.02.02.01.02	Investments in subsidiaries	858,251	638,050
1.02.02.01.03	Investments in jointly controlled entities	65,737	57,110
1.02.02.02	Investment property	182,529	258,200
1.02.03	Property and equipment	343	191
1.02.03.01	Property and equipment in use	343	191

INDIVIDUAL / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands of Brazilian reais - R$)

Code	Description	Current Quarter 6/30/2013	Previous year 12/31/2012
2	Total liabilities	1,367,283	996,850
2.01	Current Liabilities	256,696	142,057
2.01.01	Labor and social liabilities	1,470	921
2.01.01.01	Social liabilities	456	320
2.01.01.02	Labor liabilities	1,014	601
2.01.02	Suppliers	1,409	3,308
2.01.02.01	Domestic trade accounts payable	1,409	3,308
2.01.03	Tax liabilities	530	543
2.01.03.01	Federal taxes	438	389
2.01.03.01.01	Income taxes and social contribution	1	1
2.01.03.01.02	Other federal taxes	437	388
2.01.03.03	Municipal taxes	92	154
2.01.04	Borrowings and financing	185,700	62,406
2.01.04.01	Borrowings and financing	65,232	52,943
2.01.04.01.01	Borrowings and financing in domestic currency	65,232	52,943
2.01.04.02	Debentures	120,468	9,463
2.01.05	Others liabilities	67,587	74,879
2.01.05.01	Due to related parties	24,781	405
2.01.05.01.02	Due to subsidiaries	24,622	0
2.01.05.01.04	Due to other related parties	159	405
2.01.05.02	Other	42,806	74,474
2.01.05.02.02	Mandatory minimum dividend payable	0	816
2.01.05.02.04	Land payables	39,495	73,322
2.01.05.02.06	Other payables	3,311	336
2.02	Noncurrent liabilities	393,119	419,026
2.02.01	Borrowings and financing	390,561	409,755
2.02.01.01	Borrowings and financing	232,353	234,943
2.02.01.01.01	Borrowings and financing in domestic currency	232,353	234,943
2.02.01.02	Debentures	158,208	174,812
2.02.02	Others liabilities	2,558	9,271
2.02.02.02	Other	2,558	9,271
2.02.02.02.03	Land payables	2,504	9,254
2.02.02.02.05	Other payables	54	17
2.03	Equity	717,468	435,767
2.03.01	Paid-in capital	171,453	134,362
2.03.02	Capital reserves	525,491	286,521
2.03.02.01	Share subscription premium	524,730	285,930
2.03.02.04	Recognized options granted	761	591
2.03.04	Earnings reserve	14,884	14,884
2.03.04.01	Legal reserve	833	833
2.03.04.05	Retained profit reserve	14,051	14,051
2.03.05	Retained earnings/accumulated losses	5,640	0

INDIVIDUAL / INCOME STATEMENT
(In thousands of Brazilian reais - R$)

Code	Description	4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
3.01	Revenue from sales and/or services	2,966	5,856	1,678	1,678
3.02	Cost of sales and/or services	-802	-1,604	-471	-471
3.03	Gross profit	2,164	4,252	1,207	1,207
3.04	Operating income (expenses)	3,280	3,317	475	1,050
3.04.01	Selling expenses	-822	-1,452	-571	-875
3.04.02	General and administrative expenses	-2,659	-4,665	-1,927	-3,616
3.04.04	Other operating incomes	31	46	0	0
3.04.05	Other operating expenses	-101	-122	-13	-19
3.04.06	Results from equity participation	6,831	9,510	2,986	5,560
3.05	Income before financial income and taxes	5,444	7,569	1,682	2,257
3.06	Financial income (expenses)	-1,708	-3,459	21	3,991
3.06.01	Financial income	152	468	1,829	5,980
3.06.02	Financial expenses	-1,860	-3,927	-1,808	-1,989
3.07	Income before taxes	3,736	4,110	1,703	6,248
3.08	Income tax and social contribution	777	1,530	477	-213
3.08.01	Current	0	0	373	-107
3.08.02	Deferred	777	1,530	104	-106
3.09	Net income (loss) from continuing operations	4,513	5,640	2,180	6,035
3.11	Net income (loss) for the period	4,513	5,640	2,180	6,035
3.99	Earnings per share - (R$/share)	0	0	0	0
3.99.01	Basic Earnings for Share	0	0	0	0
3.99.01.01	ON	0.03300	0.04160	0.01620	0.04500
3.99.02	Diluted Earnings per share	0	0	0	0
3.99.02.01	ON	0.03290	0.04150	0.01620	0.04490

INDIVIDUAL /STATEMENT OF COMPREHENSIVE INCOME
(In thousands of Brazilian reais - R$)

Code	Description	4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
4.01	Net income for the period	4,513	5,640	2,180	6,035
4.03	Comprehensive income for the period	4,513	5,640	2,180	6,035

INDIVIDUAL /STATEMENT OF CASH FLOWS

(In thousands of Brazilian reais - R$)

Code	Description	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
6.01	Net cash used in operating activities	9,903	-3,754
6.01.01	Cash provided by operating activities	192	3,142
6.01.01.01	Net income for the period	5,640	6,035
6.01.01.02	Depreciation	1,611	471
6.01.01.03	Income (loss) from equity participation	-9,510	-5,560
6.01.01.04	Charges incurred	3,617	1,929
6.01.01.05	Deferred taxes	-1,530	106
6.01.01.06	Stock options	170	161
6.01.01.07	Amortization of prepaid expenses	194	0
6.01.02	Changes in assets and liabilities	9,711	-6,896
6.01.02.01	(Increase) decrease in trade accounts receivable	-783	-1,858
6.01.02.02	(Increase) decrease in recoverable taxes	-264	-6,871
6.01.02.03	(Increase) decrease in prepaid expenses	471	-1,497
6.01.02.04	(Increase) decrease in other assets	5	-201
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	549	-265
6.01.02.06	Increase (decrease) in taxes, charges and contributions	-141	236
6.01.02.07	Increase (decrease) in other liabilities	2,766	16
6.01.02.09	Dividends received from subsidiaries	7,108	3,544
6.02	Net cash provided by (used in) investing activities	-169,415	-138,749
6.02.01	Increase in / acquisition of investments	-107,689	-34,863
6.02.02	Acquisition of investment properties	-61,567	-103,805
6.02.03	Other	-159	-81
6.03	Net cash provided by (used in) financing activities	372,913	50,166
6.03.01	Borrowings, financing and debentures, net	187,803	189,851
6.03.02	Interest payment	-27,505	-12,685
6.03.03	Shareholders' contributions	278,278	0
6.03.04	Share issuance costs	-3,616	0
6.03.05	Payment of due to related parties	-59,818	0
6.03.06	Increase in due to related parties	84,239	0
6.03.08	Dividend payment	-816	0
6.03.09	Amortization of borrowings, financing and debentures	-85,652	-127,000
6.05	Increase (decrease) in cash and cash equivalents	213,401	-92,337
6.05.01	Cash and cash equivalents at beginning of period	22,079	182,758
6.05.02	Cash and cash equivalents at end of period	235,480	90,421

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

INTERIM FINANCIAL STATEMENTS (ITR) 06/30/2013 – LOG Commercial Properties e Participações S.A.

INDIVIDUAL / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 1/1/2013 to 6/30/2013
(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	0	0	435,767
5.03	Adjusted opening balance	134,362	286,521	14,884	0	0	435,767
5.04	Shareholders capital transaction	37,091	238,970	0	0	0	276,061
5.04.01	Capital increase	37,091	0	0	0	0	37,091
5.04.02	Share issuance cost	0	-2,387	0	0	0	-2,387
5.04.03	Recognized options granted	0	170	0	0	0	170
5.04.08	Share subscription premium	0	241,187	0	0	0	241,187
5.05	Total comprehensive income	0	0	0	5,640	0	5,640
5.05.01	Net income (loss) for the period	0	0	0	5,640	0	5,640
5.07	Closing balance	171,453	525,491	14,884	5,640	0	717,468

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

INTERIM FINANCIAL STATEMENTS (ITR) 06/30/2013 – LOG Commercial Properties e Participações S.A.

INDIVIDUAL /STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 1/1/2012 to 6/30/2012
(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	134,250	285,661	7,112	0	0	427,023
5.03	Adjusted opening balance	134,250	285,661	7,112	0	0	427,023
5.04	Shareholders capital transaction	0	161	0	0	0	161
5.04.03	Recognized options granted	0	161	0	0	0	161
5.05	Total comprehensive income	0	0	0	6,035	0	6,035
5.05.01	Net income (loss) for the period	0	0	0	6,035	0	6,035
5.07	Closing balance	134,250	285,822	7,112	6,035	0	433,219

INDIVIDUAL / STATEMENT OF VALUE ADDED
(In thousands of Brazilian reais - R$)

Code	Description	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
7.01	Revenue	29,408	106,225
7.01.01	Revenues from sales of goods, services and products	6,467	1,849
7.01.02	Other revenue	43	0
7.01.03	Revenue from construction of own assets	22,898	104,376
7.02	Inputs purchased from third parties	-17,444	-93,750
7.02.02	Supplies, power, outside services and other items	-17,444	-93,750
7.03	Gross value added	11,964	12,475
7.04	Retentions	-1,611	-471
7.04.01	Depreciation, amortization and depletion	-1,611	-471
7.05	Net value added generated	10,353	12,004
7.06	Value added received in transfer	9,978	11,540
7.06.01	Results from equity participation	9,510	5,560
7.06.02	Financial income	468	5,980
7.07	Total value added for distribution	20,331	23,544
7.08	Value added distributed	20,331	23,544
7.08.01	Personnel	4,257	3,259
7.08.01.01	Salaries and wages	3,564	2,652
7.08.01.02	Benefits	424	390
7.08.01.03	Severance Pay Fund (FGTS)	269	217
7.08.02	Taxes, charges and contributions	2,725	2,195
7.08.02.01	Federal	1,424	1,522
7.08.02.02	State	20	8
7.08.02.03	Municipal	1,281	665
7.08.03	Debt remuneration	7,709	12,055
7.08.03.01	Interest	5,384	8,711
7.08.03.02	Rentals	2,302	3,336
7.08.03.03	Others	23	8
7.08.04	Shareholders	5,640	6,035
7.08.04.03	Earnings retained in the period	5,640	6,035

CONSOLIDATED / BALANCE SHEETS - ASSETS
(In thousands of Brazilian reais - R$)

Code	Description	Current Quarter 6/30/2013	Previous year 12/31/2012
1	Total assets	1,467,207	1,085,479
1.01	Current assets	247,581	34,372
1.01.01	Cash and cash equivalents	237,729	24,095
1.01.03	Receivables	4,972	4,601
1.01.03.01	Trade accounts receivable	4,972	4,601
1.01.06	Recoverable taxes	3,766	4,159
1.01.06.01	Recoverable current taxes	3,766	4,159
1.01.07	Prepaid expenses	1,042	1,517
1.01.08	Other current assets	72	0
1.01.08.03	Other	72	0
1.02	Noncurrent assets	1,219,626	1,051,107
1.02.01	Long-term assets	28,916	19,296
1.02.01.03	Receivables	4,208	2,917
1.02.01.03.01	Trade accounts receivable	4,208	2,917
1.02.01.06	Deferred taxes	5,681	2,922
1.02.01.06.01	Deferred income tax and social contribution	5,681	2,922
1.02.01.07	Prepaid expenses	1,904	2,142
1.02.01.09	Other noncurrent assets	17,123	11,315
1.02.01.09.03	Recoverable taxes	16,656	11,313
1.02.01.09.04	Others	467	2
1.02.02	Investments	1,190,168	1,031,519
1.02.02.01	Investments in subsidiaries and jointly controlled entities	65,737	57,110
1.02.02.01.04	Investments in jointly controlled entities	65,737	57,110
1.02.02.02	Investment property	1,124,431	974,409
1.02.03	Property and equipment	542	292
1.02.03.01	Property and equipment in use	542	292

CONSOLIDATED / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands of Brazilian reais - R$)

Code	Description	Current Quarter 6/30/2013	Previous year 12/31/2012
2	Total liabilities	1,467,207	1,085,479
2.01	Current Liabilities	262,758	169,015
2.01.01	Labor and social liabilities	3,544	1,702
2.01.01.01	Social liabilities	1,083	604
2.01.01.02	Labor liabilities	2,461	1,098
2.01.02	Suppliers	14,922	14,483
2.01.02.01	Domestic trade accounts payable	14,922	14,483
2.01.03	Tax liabilities	2,569	1,973
2.01.03.01	Federal taxes	1,808	1,539
2.01.03.01.01	Income taxes and social contribution	757	636
2.01.03.01.02	Other federal taxes	1,051	903
2.01.03.03	Municipal taxes	761	434
2.01.04	Borrowings and financing	187,295	62,477
2.01.04.01	Borrowings and financing	66,827	53,014
2.01.04.01.01	Borrowings and financing in domestic currency	66,827	53,014
2.01.04.02	Debentures	120,468	9,463
2.01.05	Others liabilities	54,428	88,380
2.01.05.01	Due to related parties	159	405
2.01.05.01.04	Due to other related parties	159	405
2.01.05.02	Other	54,269	87,975
2.01.05.02.02	Mandatory minimum dividend payable	0	816
2.01.05.02.04	Land payables	39,495	73,322
2.01.05.02.05	Advances - barters	11,163	13,061
2.01.05.02.06	Other payables	3,611	776
2.02	Noncurrent liabilities	486,899	480,642
2.02.01	Borrowings and financing	461,222	446,269
2.02.01.01	Borrowings and financing	303,014	271,457
2.02.01.01.01	Borrowings and financing in domestic currency	303,014	271,457
2.02.01.02	Debentures	158,208	174,812
2.02.02	Others liabilities	25,141	33,940
2.02.02.02	Other	25,141	33,940
2.02.02.02.03	Land payables	2,504	9,254
2.02.02.02.04	Advances - barters	22,045	23,766
2.02.02.02.05	Other payables	592	920
2.02.03	Deferred taxes	536	433
2.03	Equity	717,550	435,822
2.03.01	Paid-in capital	171,453	134,362
2.03.02	Capital reserves	525,491	286,521
2.03.02.01	Share subscription premium	524,730	285,930
2.03.02.04	Recognized options granted	761	591
2.03.04	Earnings reserve	14,884	14,884
2.03.04.01	Legal reserve	833	833
2.03.04.05	Retained profit reserve	14,051	14,051
2.03.05	Retained earnings/accumulated losses	5,640	0
2.03.09	Noncontrolling interest	82	55

CONSOLIDATED / INCOME STATEMENT
(In thousands of Brazilian reais - R$)

Code	Description	4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
3.01	Revenue from sales and/or services	10.780	20.020	7.104	10.690
3.02	Cost of sales and/or services	-2.936	-5.691	-1.691	-2.451
3.03	Gross profit	7.844	14.329	5.413	8.239
3.04	Operating income (expenses)	-1.095	-4.095	-2.439	-4.280
3.04.01	Selling expenses	-1.337	-2.435	-780	-1.269
3.04.02	General and administrative expenses	-2.662	-4.683	-1.904	-3.605
3.04.04	Other operating incomes	29	91	0	51
3.04.05	Other operating expenses	-275	-349	-19	-25
3.04.06	Results from equity participation	3.150	3.281	264	568
3.05	Income before financial income and taxes	6.749	10.234	2.974	3.959
3.06	Financial income (expenses)	-2.176	-4.566	-632	3.346
3.06.01	Financial income	380	894	1.886	6.168
3.06.02	Financial expenses	-2.556	-5.460	-2.518	-2.822
3.07	Income before taxes	4.573	5.668	2.342	7.305
3.08	Income tax and social contribution	-60	-28	-162	-1.270
3.08.01	Current	-770	-1.481	-201	-1.045
3.08.02	Deferred	710	1.453	39	-225
3.09	Net income (loss) from continuing operations	4.513	5.640	2.180	6.035
3.11	Net income (loss) for the period	4.513	5.640	2.180	6.035
3.11.01	Attributable to shareholders of the Company	4.513	5.640	2.180	6.035
3.11.02	Noncontrolling interests	0	0	0	0
3.99	Earnings per share - (R$/share)	0	0	0	0

CONSOLIDATED / STATEMENT OFCOMPREHENSIVE INCOME
(In thousands of Brazilian reais - R$)

Code	Description	4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
4.01	Consolidated net income for the period	4,513	5,640	2,180	6,035
4.03	Consolidated comprehensive income for the period	4,513	5,640	2,180	6,035
4.03.01	Attributable to shareholders of the company	4,513	5,640	2,180	6,035

CONSOLIDATED / STATEMENT OF CASH FLOWS
(In thousands of Brazilian reais – R$)

Code	Description	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
6.01	Net cash used in operating activities	14,717	-2,961
6.01.01	Cash provided by operating activities	12,715	10,987
6.01.01.01	Net income for the period	5,640	6,035
6.01.01.02	Depreciation	5,698	2,453
6.01.01.03	Income (loss) from equity participation	-3,281	-568
6.01.01.04	Charges incurred	5,221	2,681
6.01.01.05	Deferred taxes	-1,453	225
6.01.01.06	Stock options	170	161
6.01.01.07	Amortization of prepaid expenses	544	0
6.01.01.08	Allowance for doubtful debts	176	0
6.01.02	Changes in assets and liabilities	2,002	-13,948
6.01.02.01	(Increase) decrease in trade accounts receivable	-1,838	-2,984
6.01.02.02	(Increase) decrease in recoverable taxes	-164	-8,829
6.01.02.03	(Increase) decrease in prepaid expenses	168	-2,146
6.01.02.04	(Increase) decrease in other assets	-793	-279
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	1,842	-61
6.01.02.06	Increase (decrease) in taxes, charges and contributions	2,254	1,432
6.01.02.07	Increase (decrease) in other liabilities	2,286	-358
6.01.02.08	Income tax and social contribution paid	-1,753	-723
6.02	Net cash provided by (used in) investing activities	-182,952	-165,238
6.02.01	Increase in / acquisition of investments	-3,827	-275
6.02.02	Acquisition of investment properties	-179,125	-164,963
6.03	Net cash provided by (used in) financing activities	381,869	75,827
6.03.01	Borrowings, financing and debentures, net	221,153	215,521
6.03.02	Interest payment	-27,505	-12,685
6.03.03	Shareholders' contributions	278,278	0
6.03.04	Share issuance costs	-3,616	0
6.03.05	Payment of due to related parties	-55,517	0
6.03.06	Increase in due to related parties	55,517	0
6.03.07	Contributions from (distributions to) non-controlling shareholders	27	-9
6.03.08	Dividend payment	-816	0
6.03.09	Amortization of borrowings, financing and debentures	-85,652	-127,000
6.05	Increase (decrease) in cash and cash equivalents	213,634	-92,372
6.05.01	Cash and cash equivalents at beginning of period	24,095	182,900
6.05.02	Cash and cash equivalents at end of period	237,729	90,528

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

INTERIM FINANCIAL STATEMENTS (ITR) 06/30/2013 – LOG Commercial Properties e Participações S.A.

CONSOLIDATED / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 1/1/2013 to 6/30/2013
(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	0	0	435,767	55	435,822
5.03	Adjusted opening balance	134,362	286,521	14,884	0	0	435,767	55	435,822
5.04	Shareholders capital transaction	37,091	238,970	0	0	0	276,061	27	276,088
5.04.01	Capital increase	37,091	0	0	0	0	37,091	27	37,118
5.04.02	Share issuance costs	0	-2,387	0	0	0	-2,387	0	-2,387
5.04.03	Recognized options granted	0	170	0	0	0	170	0	170
5.04.08	Share subscription premium	0	241,187	0	0	0	241,187	0	241,187
5.05	Total comprehensive income	0	0	0	5,640	0	5,640	0	5,640
5.05.01	Net income (loss) for the period	0	0	0	5,640	0	5,640	0	5,640
5.07	Closing balance	171,453	525,491	14,884	5,640	0	717,468	82	717,550

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

INTERIM FINANCIAL STATEMENTS (ITR) 06/30/2013 – LOG Commercial Properties e Participações S.A.

CONSOLIDATED / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 1/1/2012 to 6/30/2012
(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	134,250	285,661	7,112	0	0	427,023	51	427,074
5.03	Adjusted opening balance	134,250	285,661	7,112	0	0	427,023	51	427,074
5.04	Shareholders capital transaction	0	161	0	0	0	161	-9	152
5.04.03	Recognized options granted	0	161	0	0	0	161	0	161
5.04.09	Net reduction of noncontrolling shareholders	0	0	0	0	0	0	-9	-9
5.05	Total comprehensive income	0	0	0	6,035	0	6,035	0	6,035
5.05.01	Net income (loss) for the period	0	0	0	6,035	0	6,035	0	6,035
5.07	Closing balance	134,250	285,822	7,112	6,035	0	433,219	42	433,261

INTERIM FINANCIAL STATEMENTS (ITR) 06/30/2013 – LOG Commercial Properties e Participações S.A.
CONSOLIDATED / STATEMENT OF VALUE ADDED
(In thousands of Brazilian reais - R$)

Code	Description	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
7.01	Revenue	177,052	187,681
7.01.01	Revenues from sales of goods, services and products	21,248	11,203
7.01.02	Other revenue	267	35
7.01.03	Revenue from construction of own assets	155,713	176,443
7.01.04	Allowance for doubtful debts	-176	0
7.02	Inputs purchased from third parties	-112,706	-150,936
7.02.02	Supplies, power, outside services and other items	-112,706	-150,936
7.03	Gross value added	64,346	36,745
7.04	Retentions	-5,698	-2,453
7.04.01	Depreciation, amortization and depletion	-5,698	-2,453
7.05	Net value added generated	58,648	34,292
7.06	Value added received in transfer	4,175	6,736
7.06.01	Results from equity participation	3,281	568
7.06.02	Financial income	894	6,168
7.07	Total value added for distribution	62,823	41,028
7.08	Value added distributed	62,823	41,028
7.08.01	Personnel	11,815	5,432
7.08.01.01	Salaries and wages	9,467	4,257
7.08.01.02	Benefits	1,500	812
7.08.01.03	Severance Pay Fund (FGTS)	848	363
7.08.02	Taxes, charges and contributions	6,386	5,640
7.08.02.01	Federal	5,138	3,294
7.08.02.02	State	62	17
7.08.02.03	Municipal	1,186	2,329
7.08.03	Debt remuneration	38,982	23,921
7.08.03.01	Interest	29,669	18,027
7.08.03.02	Rentals	9,278	5,879
7.08.03.03	Others	35	15
7.08.04	Shareholders	5,640	6,035
7.08.04.03	Earnings retained in the period	5,640	6,035

1. General information

LOG Commercial Properties e Participações S.A. ("Company") is a private corporation 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 jointly controlled entities ("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 jointly controlled entities 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).

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

2.1 Presentation of the interim financial information

I. Statement of compliance

The Company's interim financial information comprises:

- The consolidated interim financial information prepared and presented in accordance with accounting practices adopted in Brazil (BR GAAP) and in accordance with International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board ("IASB"), identified as Consolidated; and

- The Company's individual financial information prepared in accordance accounting practices adopted in Brazil, 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 Br

azilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

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

As there is no difference between the consolidated equity and the consolidated profit attributable to the owners of the Company, disclosed in the consolidated interim financial information prepared in accordance with the IFRSs and accounting practices adopted in Brazil and the Company's equity and profit disclosed in the individual interim financial information prepared in accordance with accounting practices adopted in Brazil, the Company elected to present these individual and consolidated financial statements in a single set, side by side.

Additionally, the Company's management elected to present the full set of noted to the financial statements in the interim financial information, where both the format and content of such information are in accordance with the requirements of CPC 26 (R1) - Presentation of Financial Statements and IAS 1 for a full set of financial statements.

II. Basis of preparation

The interim financial information has been prepared based on the historical cost, except for the balance of "cash and cash equivalents", measured at fair value, as described in the accounting policies below. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

III. Basis of consolidation and investments in subsidiaries and jointly controlled entities

The consolidated interim financial information has been prepared in accordance with the accounting policies described in note 2.2 and comprises the interim financial information of the parent company and its subsidiaries and jointly controlled entities, including special purpose entities ("SPEs") and silent partnerships ("SCPs"), headquarter in Brazil, whose interim financial information has been prepared for the same reporting period of the parent company, and recognized in the Company's individual interim financial information under the equity method of accounting.

- Subsidiaries: the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities;

- Jointly controlled entities (shared control): the decisions on strategic financial and operating policies related to activities require the approval of all the parties that share the control.

The Company presents in its consolidated interim financial information 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 interim financial information, 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. The jointly controlled entities are recognized in the consolidated balance using the equity method (see note 2.3 for further details).

When necessary, adjustments are made to the interim financial information of the jointly controlled entities to conform their accounting policies to those established by the Group. All intragroup balances, transaction, income and expenses are fully eliminated from the consolidated interim financial information.

In the consolidated interim financial information, the changes in equity interests in subsidiaries that do not result in loss of control of the subsidiaries by the Company are recognized as capital transactions. The carrying amounts of the Company interests and noncontrolling interests are adjusted to reflect the changes in their interests in the subsidiaries. The difference between the amount based on which noncontrolling interests are adjusted and the fair values of considerations paid or received are recognized directly in shareholders' equity and attributed to the shareholders of the Company.

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 change 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 accounts receivable

Represented basically by rents receivables from leased assets, 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. Trade accounts receivable are not adjusted to present value because they have a short-term maturity and/or an immaterial impact on the interim financial information.

(c) Investments in subsidiaries and jointly controlled entities

The financial information of subsidiaries and jointly controlled entities is recognized in the Company's individual interim financial information by the equity method of accounting, based on the investees' interim financial information for the same reporting periods and prepared using the same accounting criteria used in the Company's interim financial information. The financial information of jointly controlled entities is recognized in the Company's consolidated interim financial

information by the equity method of accounting, based on the investees' interim financial information for the same reporting periods and prepared using the same accounting criteria used in the Company's interim financial information.

(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 3% to 5%. No inflation adjustment or rent increases were taken into account for the period. The rate used to discount cash flows was 7.03% per annum.

- Completed projects: direct capitalization. The discount rates used ranged from 8.50% tp 9.00% per annum.

Depreciation is recognized based on the estimated useful life of each asset on a straight-line basis, so that cost less its residual value after its useful life is fully written off (except land and constructions in progress). The estimated useful lives, the residual values and the depreciation methods are reviewed at the end of the reporting period, and the effects from any change in estimates are recorded prospectively. 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. Gains or losses on the disposal of a property are recognized in profit or loss when 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 June 30, 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 six-month period 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 the qualifying assets, which take a substantial amount of time to be ready for use or sale, are added to the cost of such assets until the date they are ready for the intended use or sale. Because of 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, 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 jointly controlled entities 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 jointly controlled entities 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 interim financial information. Deferred income tax and social contribution are determined based on the tax rates and laws in effect at the date of the interim financial information 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) Surplus or deficit 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 and expenses are recorded on the accrual basis.

(n) Financial instruments

Financial assets and financial liabilities are recognized when the Group is a party to the underlying contract.

Financial assets and financial liabilities are initially measured at fair values. The fair value of financial assets and financial liabilities is added to or deducted from the transaction costs directly attributable to the purchase or issue of such financial assets and financial liabilities (except for financial assets and financial liabilities recognized at fair value in profit or loss) after initial recognition, when applicable. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets

Financial assets are classified in the following categories: at fair value through profit or loss; (ii) held to maturity; (iii) loans and receivables; and (iv) available for sale. Classification is made according to the nature and purpose of the financial assets and is determined upon initial recognition. All regular way purchases or sales of financial assets are recognized or derecognized on the trade date. Regular way purchases or sales of financial assets correspond to those requiring the delivery of assets within a period established by standard or market practices.

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

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

- 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, and only when, the contractual rights to the cash flows from such asset expire or the asset transfers substantially

all its risks and rewards from property to another company. When a financial asset is derecognized, the difference between its carrying amount and the sum of the consideration received or receivable is recognized in profit or loss.

- Impairment of financial assets

The Group assesses at the end of the reporting periods whether there is any 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.

Financial liabilities

The main financial liabilities held by the Group are as follows: payable for the purchase of land, borrowings, financing, debentures, and trade accounts payable. 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 rate method is a method of calculating the amortized cost of a financial liability and of allocating its interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or 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 financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- Derecognition

The Company derecognizes financial liabilities when, and only when, its obligations are discharged and cancelled, or when they expire. The difference between the carrying amount of the derecognized financial liability and the consideration paid or 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, 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) Discount to present value

Monetary assets and monetary liabilities are adjusted to their present value based on an effective interest rate resulting from short-term transactions, 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 payable (note 8).

(p) Use of estimates

The preparation of interim financial information requires the Company's management to make estimates that affect 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 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 presentation currency

The individual and consolidated interim financial information 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, as required by the Brazilian corporate law, as an integral part of its individual interim financial information, and as supplemental information of the consolidated financial information, 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 interim financial information 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) Statement of cash flows

The statements of cash flows have been prepared and are presented under the indirect method pursuant to CPC 03 - Statements of Cash Flows, issued by Accounting Pronouncements Committee (CPC).

The terms are used in the statement of cash flows with the following meanings:

- The operating activities are the main activities that generate revenue and other activities other than investing and financing activities.

- Investing activities refer to the acquisition and sale of long-term assets and other investments not included in cash equivalents.
- Financing activities are the activities that result in changes in the size and composition of own capital and debt.

(t) Leases

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

The Group as the lessor

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership are classified as an operating leases.
The receipts related to operating leases are credited to the income statement on a straight-line basis over the lease period.

The Group as the lessee

In the finance lease 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 divided into financial charges and decrease in lease liabilities to reach a constant interest rate on the remaining balance of liabilities. Financial charges are recognized in the financing costs in the income statement. A leased asset is depreciated over its useful life.

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

(u) 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 a the average annual market price of Company stock), based on the monetary value of the subscription rights linked to the outstanding stock options.

(v) 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 June 30, 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.

(w) New and revised standards and interpretations issued and not yet adopted

The IASB pronouncements below were published and/or revised but not yet have mandatory adoption and have not been subject to regulation by the CPC and CFC and, therefore, the Group did not early adopt such standards in its interim financial information for the six month-period ended June 30, 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 IAS 1 - Presentation of Financial Statements	Enable to report profit or loss and other comprehensive income in either a single statement or in two separate, consecutive statements, and require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.	Annual periods beginning on or after July 1, 2012.
IFRS 9 *Financial Instruments*	Refers to the first stage of the project for the replacement of IAS 39 *Financial Instruments - Recognition and Measurement*.	Annual periods beginning on or after January 1, 2015.
Amendments to IFRS 7	Addresses the disclosures of transfers of financial assets.	Annual periods beginning on or after January 1, 2013. .
IFRS 13 *Fair Value Measurement*	Defines a single fair value measurement model when required by other pronouncements.	
IAS 16 *Property, Plant and Equipment*	Clarifies that the main spare parts and service equipment that meet the definition of property, plant and equipment are not part of inventories.	
IAS 19 (revised in 2011) *Employees' Benefits*	Changes the recognition of defined benefit plans and termination benefits.	
IAS 27 (R) *Separate Financial Statements*	The IAS 27 requirements relating to the consolidated financial statements were replaced by IFRS 10. Requirements related to separate financial statements are maintained.	
Amendments to IAS 32	Clarifies that the income tax levied on distributions to shareholders is accounted for in accordance with IAS 12 Income Taxes.	Annual periods beginning on or after January 1, 2014.

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 is as follows:

- CPC 19 (R2) *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 interim financial information since joint ventures were already recognized by the equity method of accounting.

- CPC 45 *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 are applicable for the first time in 2013. However, they have no impact on the Group's annual financial statements or interim financial information.

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

	12/31/2012			1/1/2012		
	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 jointly controlled entities	-	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

	2nd quarter of 2012			1st half of 2012		
	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated
Consolidated income statements:						
Net lease revenue	7,104	-	7,104	10,690	-	10,690
Cost of leases	(1,691)	-	(1,691)	(2,451)	-	(2,451)
Gross profit	5,413	-	5,413	8,239	-	8,239
Operating expenses, net	(2,702)	(1)	(2,703)	(4,847)	(1)	(4,848)
Equity in subsidiaries and jointly controlled entities	-	264	264	-	568	568
Finance income (costs)	(233)	(399)	(632)	4,203	(857)	3,346
Income tax and social contribution	(298)	136	(162)	(1,560)	290	(1,270)
Profit for the period	2,180	-	2,180	6,035	-	6,035

	1st half of 2012		
	Originally stated	Adjustments	Restated
Consolidated statement of cash flows:			
Cash flows from:			
Operating activities	(3,077)	116	(2,961)
Investment	(164,477)	(761)	(165,238)
Financing activities	75,827	-	75,827
Decrease in cash and cash equivalents	(91,727)	(645)	(92,372)
Cash and cash equivalents			
At the beginning of the year	200,526	(17,626)	182,900
At the end of the six-month period	108,799	(18,271)	90,528
DECREASE IN CASH AND CASH EQUIVALENTS	(91,727)	(645)	(92,372)

For the six month-period ended 30 de June de 2012 the Company opted not to present the statement of value added in the interim financial information for the period then ended. Accordingly, the statement of value added for the first half of 2012, presented for purposes of comparison in this interim financial information, are already prepared in accordance with the new accounting policies.

3. Cash and cash equivalents

Broken down as follows:

	Individual			Consolidated		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
					Restated	
Cash	**14**	9	17	**16**	11	24
Bank accounts	**113**	109	183	**207**	786	318
Short-term investments:						
Bank certificates of deposit (CDBs)	**58,353**	21,961	87,133	**59,415**	23,298	87,133
Certificates backed by debentures	**177,000**	-	95,425	**178,091**	-	95,425
Total	**235,480**	22,079	182,758	**237,729**	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 June 30, 2013 is approximately 101.45% of the interbank deposit rate (CDI) in Individual and 101.36% 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 104.5% of CDI in Individual 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.

4. Trade receivables

	Individual			Consolidated		
	6/30/13	**12/31/12**	**01/01/12**	**6/30/13**	**12/31/12**	**01/01/12**
					Restated	
Leases	**3,876**	3,630	-	**8,821**	7,388	1,620
Other	**943**	406	-	**1,107**	702	-
	4,819	4,036	-	**9,928**	8,090	1,620
Allowance for doubtful debts	**-**	-	-	**(748)**	(572)	-
Total	**4,819**	4,036	-	**9,180**	7,518	1,620
Current	**2,148**	1,725	-	**4,972**	4,601	1,620
Noncurrent	**2,671**	2,311	-	**4,208**	2,917	-
	4,819	4,036	-	**9,180**	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 using the General Market Price Index (IGPM).

The table below shows the aging list of trade accounts receivable:

	Individual			Consolidated		
	6/30/13	**12/31/12**	**01/01/12**	**6/30/13**	**12/31/12**	**01/01/12**
					Restated	
Undue	**4,804**	3,995	-	**8,135**	7,384	1,620
30 days past due	**15**	41	-	**557**	41	-
31 to 90 days past due	**-**	-	-	**46**	-	-
Past due for more than 90 days	**-**	-	-	**1,190**	665	-
Total	**4,819**	4,036	-	**9,928**	8,090	1,620

Changes in allowance for doubtful debts for the six-month periods ended June 30, 2013 and 2012 are as follows:

	Consolidated	
	1st half of	
	2013	**2012**
Opening balance	(572)	-
Recognition	(176)	-
Closing balance	(748)	-

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

	Individual			Consolidated		
	6/30/13	**12/31/12**	**01/01/12**	**6/30/13**	**12/31/12**	**01/01/12**
					Restated	
12 months	**13,222**	11,777	-	**47,922**	40,719	13,477
13 to 24 months	**14,843**	12,905	-	**46,864**	39,505	12,696
25 to 36 months	**12,111**	12,348	-	**35,613**	33,359	8,150
37 to 48 months	**10,066**	10,769	-	**26,328**	24,092	4,751
More than 48 months	**576**	3,870	-	**29,792**	34,494	412
Total	**50,818**	51,669	-	**186,519**	172,169	39,486

5. Investments in subsidiaries and jointly controlled entities

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

Project	Incorporation date	Startup date	Location
Jointly controlled entities at start-up stage:			
Cabral Investimentos SPE Ltda. (“Cabral”)	4/22/2010	-	Contagem/MG
Betim I Incorporações SPE Ltda. (“Loteamento Betim”)	11/8/2010	-	Betim/MG
Subsidiaries in operation:			
Contagem I SPE Ltda. (“LOG I”)	6/13/2008	February/2009	Contagem/MG
Contagem II Incorporações SPE Ltda. (“LOG II”)	8/27/2008	March/2011	Contagem/MG
Jundiaí Incorporações SPE Ltda. (“LOG Jundiaí”)	9/1/2009	April/2011	Jundiaí/SP
Goiânia I Incorporações Imobiliárias SPE Ltda. (“LOG Goiânia”)	3/10/2011	April/2012	Goiânia/GO
Hortolândia Incorporações SPE Ltda. (“LOG Hortolândia”)	4/22/2010	September/2012	Hortolândia/SP
LOG Juiz de Fora I SPE Ltda. (“LOG Juiz de Fora”)	1/13/2012	June/2013	Juiz de Fora/MG
Subsidiaries at start-up stage:			
MRV LOG MDI SJC I Incorporações SPE Ltda. (“LOG SJC Sony”)	9/28/2010	-	São José dos Campos, SP
Campos Sociedade em Conta de Participação (“LOG Campos”)	4/25/2011	-	Campo dos Goytacazes, RJ
MRV LOG SP I Incorporações SPE Ltda. (“Office Park Pirituba”)	5/20/2011	-	São Paulo, SP
LOG Maracanaú I SPE Ltda. (“LOG Fortaleza”)	11/30/2011	-	Maracanaú, CE
LOG Sumaré Deltalog I SPE Ltda. (“LOG Sumaré”)	11/30/2011	-	Sumaré, SP
LOG SJRP I Incorporações SPE Ltda. ("LOG SJRP")	1/18/2012	-	São José do Rio Preto, SP
LOG Feira de Santana I SPE Ltda. (“LOG Feira de Santana”)	11/30/2011	-	Feira de Santana, BA
LOG Macaé I SPE Ltda. (“LOG Macaé”)	11/29/2011	-	Macaé, RJ
LOG RP I SPE Ltda. ("LOG RP")	12/5/2011	-	Ribeirão Preto, SP
LOG São José dos Pinhais I SPE Ltda. (“LOG SJP”)	3/5/2012	-	São José dos Pinhais, PR
LOG Viana I SPE Ltda. ("LOG Viana")	3/7/2012	-	Viana, ES
LOGCP Londrina I SPE Ltda. ("LOG Londrina")	3/5/2012	-	Londrina, PR
LOG Curitiba I SPE Ltda. ("LOG Curitiba")	3/5/2012	-	Curitiba, PR
LOG Via Expressa SPE Ltda. (“LOG Via Expressa”)	11/13/2012	-	Betim, MG
LOG Rio SPE Ltda. (“LOG Rio”)	10/30/2012	-	Campo Grande, RJ
LOG Itatiaia SPE Ltda (“LOG Itatiaia”)	10/30/2012	-	Itatiaia, RJ
LDI LOG Desenvolvimento Imobiliário Ltda. (“LDI”)	10/18/2011	-	Belo Horizonte, MG

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

	Information on investees		Information on Company					
	Share capital		Equity interest					
	6/30/13		6/30/13			12/31/12		01/01/12
	Amount	Number of shares	Number of shares	Contractual percentage		Contractual percentage		Contractual percentage
Jointly controlled entities:								
Cabral	32,027	64,054,000	32,027,000	50.00%		50.00%		50.00%
Betim subdivision	26,994	84,325,968	42,162,984	50.00%	(*)	50.00%	(*)	50.00% (*)
Subsidiaries:								
LOG I	64,961	50,000,000	49,995,000	99.99%		99.99%		100.00%
LOG II	20,354	18,000,000	17,998,200	99.99%		99.99%		100.00%
LOG Jundiaí	35,837	12,436,065	12,434,821	99.99%		99.99%		99.99%
LOG Goiânia	41,300	10,000	9,990	99.90%		99.90%		99.90%
LOG Hortolândia	72,341	13,000,000	12,999,999	100.00%		100.00%		100.00%
LOG Juiz de Fora	32,429	10,000	9,999	99.99%		99.99%		-
LOG SJC Sony	53,955	52,500,000	52,499,999	100.00%		100.00%		100.00%
LOG Campos	36,805	10,000	9,990	99.90%		99.90%		99.90%
Office Park Pirituba	99,661	10,000	9,999	99.99%		99.99%		99.99%
LOG Fortaleza	33,537	10,000	9,999	99.99%		99.99%		-
LOG Sumaré	643	10,000	9,999	99.99%		99.99%		-
LOG SJRP	9,303	10,000	9,999	99.99%		99.99%		-
LOG Feira de Santana	22,361	10,000	9,999	99.99%		99.99%		-
LOG Macaé	13,116	10,000	9,999	99.99%		99.99%		-
LOG RP	18,772	10,000	9,999	99.99%		99.99%		-
LOG SJP	35,834	10,000	9,999	99.99%		99.99%		-
LOG Viana	41,877	10,000	9,999	99.99%		99.99%		-
LOG Londrina	18,358	10,000	9,999	99.99%		99.99%		-
LOG Curitiba	24,774	10,000	9,999	99.99%		99.99%		-
LOG Via Expressa	54,623	10,000	9,999	99.99%		99.99%		-
LOG Rio	16,079	10,000	9,999	99.99%		99.99%		-
LOG Itatiaia	13,810	10,000	9,999	99.99%		-		-
LDI	24,736	24,690,048	24,689,948	100.00%		99.00%		-

(*) Actual equity interest percentage of 32.01% at June 30, 2013 (27.53% at December 31, 2012 and 17.67% at January 1, 2012).

	Information on investees					
	Equity			Investment		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
Jointly controlled entities:						
Cabral (*)	**77,475**	70,911	68,942	**39,378**	36,096	35,111
Betim subdivision	**61,864**	58,034	51,100	**19,803**	15,977	9,030
Capitalized interest (**)	**-**	-	-	**6,556**	5,037	3,167
Total jointly controlled entities – Consolidated	**139,339**	128,945	120,042	**65,737**	57,110	47,308
Subsidiaries:						
LOG I	**66,331**	65,935	60,856	**66,323**	65,928	60,856
LOG II	**20,418**	20,128	20,425	**20,416**	20,126	20,425
LOG Jundiaí	**36,425**	36,399	42,935	**36,421**	36,395	42,931
LOG Goiânia	**40,236**	31,236	33,116	**40,195**	31,205	33,083
LOG Hortolândia	**72,669**	67,066	13,856	**72,662**	67,066	13,856
LOG Juiz de Fora	**32,520**	24,602	-	**32,517**	24,600	-
LOG SJC Sony	**53,952**	53,871	53,844	**53,953**	53,871	53,844
LOG Campos	**36,780**	29,009	5,041	**36,743**	28,980	5,036
Office Park Pirituba	**99,651**	98,046	90,067	**99,641**	98,036	90,058
LOG Fortaleza	**33,513**	18,306	-	**33,509**	18,304	-
LOG Sumaré	**645**	363	-	**645**	363	-

	Information on investees					
	Equity			Investment		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
LOG SJRP	**9,303**	9,262	-	**9,302**	9,261	-
LOG Feira de Santana	**22,353**	8,393	-	**22,351**	8,392	-
LOG Macaé	**13,116**	12,073	-	**13,115**	12,072	-
LOG RP	**18,771**	18,389	-	**18,769**	18,387	-
LOG SJP	**35,650**	20,501	-	**35,646**	20,499	-
LOG Viana	**41,864**	30,118	-	**41,860**	30,115	-
LOG Londrina	**18,358**	17,292	-	**18,356**	17,290	-
LOG Curitiba	**24,774**	26,324	-	**24,771**	26,321	-
LOG Via Expressa	**54,612**	-	-	**54,606**	-	-
LOG Rio	**16,079**	-	-	**16,077**	-	-
LOG Itatiaia	**13,810**	-	-	**13,809**	-	-
LDI	**24,732**	44	-	**24,485**	44	-
Capitalized interest (**)	**-**	-	-	**72,079**	50,795	26,073
Total subsidiaries	**786,562**	587,357	320,140	**858,251**	638,050	346,162
Total Individual	**925,901**	716,302	440,182	**923,988**	695,160	393,470

	Information on investees							
	Profit for the				Equity in the			
	2nd quarter of		1st half of		2nd quarter of		1st half of	
	2013	2012	2013	2012	2013	2012	2013	2012
Jointly controlled entities:								
Cabral (*)	**6,302**	528	**6,564**	1,136	**3,151**	264	**3,282**	568
Betim subdivision	**(3)**	-	**(4)**	-	**(1)**	-	**(1)**	-
Total jointly controlled entities – Consolidated	**6,299**	528	**6,560**	1,136	**3,150**	264	**3,281**	568
Subsidiaries:								
LOG I	**2,034**	1,898	**3,626**	3,372	**2,034**	1,896	**3,626**	3,372
LOG II	**320**	476	**819**	876	**320**	476	**819**	876
LOG Jundiaí	**1,009**	717	**1,864**	1,130	**1,009**	717	**1,864**	1,130
LOG Goiânia	**(49)**	(346)	**(404)**	(360)	**(49)**	(345)	**(404)**	(360)
LOG Hortolândia	**459**	(14)	**453**	(17)	**459**	(13)	**453**	(17)
LOG Juiz de Fora	**105**	-	**98**	-	**105**	-	**98**	-
LOG SJC Sony	**(1)**	(1)	**(1)**	(1)	**(1)**	(1)	**(1)**	(1)
LOG Campos	**(2)**	(4)	**(4)**	(4)	**(2)**	(4)	**(4)**	(4)
Office Park Pirituba	**(1)**	(5)	**(1)**	(5)	**(1)**	(5)	**(1)**	(5)
LOG Fortaleza	**5**	-	**1**	-	**5**	-	**1**	-
LOG Sumaré	**-**	-	**(1)**	-	**-**	-	**(1)**	-
LOG Feira de Santana	**(5)**	-	**(8)**	-	**(5)**	-	**(8)**	-
LOG SJP	**(175)**	-	**(180)**	-	**(175)**	-	**(180)**	-
LOG Viana	**(2)**	-	**(12)**	-	**(2)**	-	**(12)**	-
LOG Via Expressa	**(6)**	-	**(11)**	-	**(6)**	-	**(11)**	-
LDI	**(10)**	1	**(10)**	1	**(10)**	1	**(10)**	1
Total subsidiaries	**3,681**	2,722	**6,229**	4,992	**3,681**	2,722	**6,229**	4,992
Total Individual	**9,980**	3,250	**12,789**	6,128	**6,831**	2,986	**9,510**	5,560

(*) The investment amount of R$640 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.

b) Jointly controlled entities:

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. ("Loteamento Betim") 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. 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 jointly controlled entities do not entail contractual restrictions to the distributions or funds generated by their operating activities to their controlling shareholders.

The main financial information are as follows:

	Cabral			Betim subdivision		
	6/30/13	**12/31/12**	**01/01/12**	**6/30/13**	**12/31/12**	**01/01/12**
Cash and cash equivalents	**9,106**	25,669	35,250	**3**	3	6
Trade accounts receivable	**33,974**	7	5	**-**	6	-
Inventories	**-**	-	-	**6,469**	5,105	27,049
Other current assets	**8**	-	1	**12**	-	23
Total current	**43,088**	25,676	35,256	**6,484**	5,114	27,078
Inventories	**-**	-	-	**55,558**	52,994	24,065
Investment property	**37,809**	40,299	35,568	**-**	-	-
Other noncurrent assets	**2,012**	6,732	-	**2**	2	-
Total noncurrent	**39,821**	47,031	35,568	**55,560**	52,996	24,065
Total assets	**82,909**	72,707	70,824	**62,044**	58,110	51,143
Current liabilities	**787**	673	50	**180**	76	43
Noncurrent liabilities	**4,648**	1,123	1,832	**-**	-	-
Equity	**77,475**	70,911	68,942	**61,863**	58,034	51,100
Liabilities and equity	**82,909**	72,707	70,824	**62,044**	58,110	51,143

	Cabral				**Betim subdivision**			
	2nd quarter of		**1st half of**		**2nd quarter of**		**1st half of**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Net operating revenue	**29,470**	-	**29,473**	-	**-**	-	**-**	-
Cost	**(22,352)**	-	**(22,352)**	-	**-**	-	**-**	-
Financial income (expenses)	**271**	794	**675**	1,711	**(3)**	-	**(4)**	-
Income tax and social contribution	**(1,092)**	(266)	**(1,232)**	(575)	**-**	-	**-**	-
Profit (loss) for the period	**6,302**	528	**6,564**	1,136	**(3)**	-	**(4)**	-

c) The changes in the balances of investments in subsidiaries and jointly controlled entities for the six-month periods ended June 30, 2013 and 2012 are as follows:

	Opening balances	Capital contributions (reversals)	Equity in investees	Dividends received	Other	Closing balances
Six-month period ended June 30, 2013:						
Jointly controlled entities:						
Cabral	36,096	-	3,282	-	-	39,378
Betim subdivision	15,977	3,827	(1)	-	-	19,803
Capitalized interest	5,037	-	-	-	1,519	6,556
Total jointly controlled entities – Consolidated	57,110	3,827	3,281	-	1,519	65,737
Subsidiaries:						
LOG I	65,928	978	3,626	(4,209)	-	66,323
LOG II	20,126	532	819	(1,061)	-	20,416
LOG Jundiaí	36,395	-	1,864	(1,838)	-	36,421
LOG Goiânia	31,205	9,394	(404)	-	-	40,195
LOG Hortolândia	67,066	5,143	453	-	-	72,662
LOG Juiz de Fora	24,600	7,819	98	-	-	32,517
LOG SJC Sony	53,871	83	(1)	-	-	53,953
LOG Campos	28,980	7,767	(4)	-	-	36,743
Office Park Pirituba	98,036	1,606	(1)	-	-	99,641
LOG Fortaleza	18,304	15,204	1	-	-	33,509
LOG Sumaré	363	283	(1)	-	-	645
LOG SJRP	9,261	41	-	-	-	9,302
LOG Feira de Santana	8,392	13,967	(8)	-	-	22,351
LOG Macaé	12,072	1,043	-	-	-	13,115
LOG RP	18,387	382	-	-	-	18,769
LOG SJP	20,499	15,327	(180)	-	-	35,646
LOG Viana	30,115	11,757	(12)	-	-	41,860
LOG Londrina	17,290	1,066	-	-	-	18,356
LOG Curitiba	26,321	(1,550)	-	-	-	24,771
LOG Via Expressa	-	54,617	(11)	-	-	54,606
LOG Rio	-	16,077	-	-	-	16,077
LOG Itatiaia	-	13,809	-	-	-	13,809
LDI	44	24,451	(10)	-	-	24,485
Capitalized interest	50,795	-	-	-	21,284	72,079
Total subsidiaries	638,050	199,796	6,229	(7,108)	21,284	858,251
Total Individual	695,160	203,623	9,510	(7,108)	22,803	923,988
Six-month period ended June 30, 2012:						
Total Consolidated	47,308	8,226	568	-	1,318	57,420
Total Individual	393,470	69,011	5,560	(3,544)	10,575	475,072

6. Investment property

	Annual weighted depreciation rates	6/30/13			12/31/12	01/01/12
		Cost	Accumulated depreciation	Net	Net	Net
Individual:						
Buildings	4%	**109,377**	**(1,604)**	**107,773**	84,328	-
Land	-	**53,576**	**-**	**53,576**	141,308	155,906
Works in progress	-	**21,180**	**-**	**21,180**	32,564	54,386
Total		**184,133**	**(1,604)**	**182,529**	258,200	210,292
Consolidated:					Restated	
Buildings	4%	**353,762**	**(5,691)**	**348,071**	266,294	69,687
Land	-	**520,797**	**-**	**520,797**	519,955	355,832
Works in progress	-	**255,563**	**-**	**255,563**	188,160	135,181
Total		**1,130,122**	**(5,691)**	**1,124,431**	974,409	560,700

Changes in investment property for the six-month periods ended June 30, 2013 and 2012 are as follows:

	Individual		Consolidated	
	1st half of		1st half of	
	2013	2012	2013	2012
				Restated
Opening balance	**258,200**	210,292	**974,409**	560,700
Additions	**19,123**	96,885	**129,345**	159,757
Contributions to investees (*)	**(96,965)**	(75,508)	**-**	-
Capitalized interest	**3,775**	7,491	**26,368**	17,108
Depreciation	**(1,604)**	(471)	**(5,691)**	(2,451)
Closing balance	**182,529**	238,689	**1,124,431**	735,114

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

The table below shows the net balances as compared to the fair value of the investment properties as at June 30, 2013 and December 31, 2012, broken down into Individual and Consolidated:

	6/30/13					12/31/12	
	Land	Buildings	Works in progress	Total	Fair value	Total	Fair value
Individual:							
Industrial warehouses	45,333	107,773	9,303	162,409	259,316	232,126	367,112
Shopping malls	-	-	-	-	-	13,478	22,999
Strip malls	8,243	-	11,877	20,120	36,782	12,596	29,371
Total Individual	53,576	107,773	21,180	182,529	296,098	258,200	419,482
Consolidated:							
Industrial warehouses	417,201	348,071	206,503	971,775	1,471,177	836,381	1,316,178
Offices	84,354	-	34,339	118,693	149,900	111,954	149,900
Shopping malls	10,999	-	2,844	13,843	22,040	13,478	22,999
Strip malls	8,243	-	11,877	20,120	36,782	12,596	29,371
Total Consolidated	520,797	348,071	255,563	1,124,431	1,679,899	974,409	1,518,448

The fair value of investment property was 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 June 30, 2013, out of the total R$1,124,431 in investment properties, R$587,439 has been pledged as collateral of borrowings, financing and debentures 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 June 30, 2013, and December 31 and January 1, 2012 is as follows:

Type	Maturity of principal	Effective financial charges (p.a.)	6/30/13			12/31/12	1/1//12
			Current	Noncurrent	Total	Total	Total
Parent company:							
Working capital	Jul 12 to Jul 15	CDI + 3.50%	**11,079**	**15,000**	**26,079**	26,127	-
Working capital	Nov 12 to Nov 14	CDI + 2.60%	**836**	**90,000**	**90,836**	90,765	-
Working capital	Oct 10 to Oct 12	CDI + 1.80%	**-**	**-**	**-**	40,013	47,517
Working capital	Jul 11 to Jun 16	CDI + 2.57%	**-**	**-**	**-**	23,547	21,288
Working capital	Mar 12 to Mar 17	CDI + 2.32%	**-**	**-**	**-**	13,207	-
Working capital	Jun 12 to May 17	CDI + 2.20%	**-**	**-**	**-**	9,507	-
Working capital	Mar 13 to Jul 13	CDI + 1.61%	**50,123**	**-**	**50,123**	-	-
Working capital	Apr 10 to Apr 12	CDI + 1.80%	**-**	**-**	**-**	-	69,135
Construction financing	Dec 13 to Oct 24	CDI + 1.88%	**2,590**	**44,962**	**47,552**	10,010	-
Construction financing	Dec 13 to Nov 23	TR + 9.42%	**1,490**	**23,809**	**25,299**	24,086	-
Construction financing	Dec 13 to Nov 23	TR + 9.43%	**738**	**11,794**	**12,532**	11,391	-
Construction financing	Jul 14 to Jun 22	TR + 11.16%	**-**	**22,921**	**22,921**	21,772	-
Construction financing	Oct 14 to Sep 22	TR + 10.96%	**-**	**14,370**	**14,370**	12,028	-
Construction financing	Aug 14 to Jul 22	TR + 11.29%	**-**	**12,934**	**12,934**	11,348	-
(-) Borrowing costs			**(1,624)**	**(3,437)**	**(5,061)**	(5,914)	(971)
Total Company			**65,232**	**232,353**	**297,585**	287,887	136,969
Subsidiaries:							
Construction financing	Dec 13 to Nov 23	TR + 9.36%	**792**	**12,654**	**13,446**	12,256	-
Construction financing	Feb 14 to Jan 22	TR + 11.62%	**935**	**17,017**	**17,952**	16,261	-
Construction financing	Aug 14 to Jul 22	TR + 11.01%	**-**	**8,106**	**8,106**	7,707	-
Construction financing	Nov 14 to Oct 22	TR + 10.70%	**-**	**4,079**	**4,079**	1,040	-
Construction financing	Feb 15 to Jan 25	TR + 10.03%	**-**	**12,262**	**12,262**	-	-
Construction financing	Abr 15 to Mar 25	TR + 9.89%	**-**	**4,143**	**4,143**	-	-
Construction financing	Feb 15 to Jan 25	TR + 9.93%	**-**	**13,480**	**13,480**	-	-
(-) Borrowing costs			**(132)**	**(1,080)**	**(1,212)**	(679)	-
Total subsidiaries			**1,595**	**70,661**	**72,256**	36,585	-
Total Consolidated			**66,827**	**303,014**	**369,841**	324,472	136,969

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

	Individual			Consolidated		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
After the reporting period					Restated	
12 months	**65,232**	52,943	116,074	**66,827**	53,014	116,074
13 to 24 months	**112,804**	117,499	4,508	**118,690**	120,876	4,508
25 to 36 months	**19,030**	33,233	6,553	**26,979**	37,502	6,553
37 to 48 months	**14,064**	20,094	6,553	**22,014**	24,363	6,553
More than 48 months	**86,455**	64,117	3,281	**135,331**	88,716	3,281
Total	**297,585**	287,886	136,969	**369,841**	324,471	136,969

Changes in borrowings and financing:

	Individual		Consolidated	
	1st half of		1st half of	
	2013	2012	2013	2012
Opening balance	**287,886**	136,969	**324,471**	136,969
Funds raised	**90,632**	112,561	**124,562**	138,803
Accrued financial charges	**15,631**	8,096	**17,903**	8,976
Borrowing costs	**(487)**	(1,276)	**(1,067)**	(1,848)
Amortization of borrowing costs	**1,338**	462	**1,387**	474
Repayment of principal	**(81,252)**	(127,000)	**(81,252)**	(127,000)
Payment of financial charges	**(16,163)**	(4,695)	**(16,163)**	(4,695)
Closing balance	**297,585**	125,117	**369,841**	151,679

Funding during the six month-period ended June 30, 2013 were as follows:

	Maturity of principal	Effective financial charges	Amount raised
Parent company:			
Working capital	Mar 13 to Jul 13	CDI + 1.61%	50,000
Construction financing	Dec 13 to Oct 24	CDI + 1.88%	37,500
Construction financing	Dec 13 to Nov 23	TR + 9.42%	548
Construction financing	Oct 14 to Sep 22	TR + 10.96%	1,633
Construction financing	Aug 14 to Jul 22	TR + 11.29%	951
Total Company			90,632
Subsidiaries:			
Construction financing	Dec 13 to Nov 23	TR + 9.36%	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	Abr 15 to Mar 25	TR + 9.89%	4,138
Construction financing	Feb 15 to Jan 25	TR + 9.93%	13,413
Total subsidiaries			33,930
Total Consolidated			124,562

b) Debentures

The position of debentures at June 30, 2013, and December 31, 2012 and January 1, 2012 is as follows:

			Individual and Consolidated				
			6/30/13			12/31/12	01/01/12
Issue	Maturity of principal	Effective financial charges (p.a.)	Current	Noncurrent	Total	Total	Total
Parent company:							
1st issue of debentures	May 11 to Feb 14	CDI + 2.64%	**109,223**	**-**	**109,223**	109,155	109,748
2nd issue of debentures	Jun 12 to Jun 19	CDI + 2.17%	**9,415**	**63,200**	**72,615**	77,009	-
3rd issue of debentures	Jun 14 to Jun 20	CDI + 2.07%	**2,705**	**98,000**	**100,705**	-	-
(-) Borrowing costs			**(875)**	**(2,992)**	**(3,867)**	(1,889)	(1,039)
Total			**120,468**	**158,208**	**278,676**	**184,275**	**108,709**

The issued debentures are simple, nonconvertible, unsecure debentures.

The table below shows the debentures payment schedule:

	Individual and Consolidated					
After the	**6/30/13**				**12/31/12**	**01/01/12**
reporting period	**1st issue**	**2nd issue**	**3rd issue**	**Total**	**Total**	**Total**
Amortization:						Restated
12 months	**109,223**	**9,415**	**2,705**	**121,343**	10,163	1,748
13 to 24 months	**-**	**10,400**	**5,000**	**15,400**	117,999	-
25 to 36 months	**-**	**12,000**	**10,000**	**22,000**	11,200	108,000
37 to 48 months	**-**	**12,800**	**15,000**	**27,800**	12,400	-
After 48 months	**-**	**28,000**	**68,000**	**96,000**	34,401	-
Total	**109,223**	**72,615**	**100,705**	**282,543**	186,163	109,748
Costs:						
12 months	**(321)**	**(219)**	**(335)**	**(875)**	(700)	(480)
13 to 24 months	**-**	**(219)**	**(334)**	**(553)**	(297)	(481)
25 to 36 months	**-**	**(221)**	**(335)**	**(556)**	(220)	(78)
37 to 48 months	**-**	**(221)**	**(335)**	**(556)**	(221)	-
After 48 months	**-**	**(341)**	**(986)**	**(1,327)**	(451)	-
Total	**(321)**	**(1,221)**	**(2,325)**	**(3,867)**	(1,889)	(1,039)
Total net	**108,902**	**71,394**	**98,380**	**278,676**	184,274	108,709

Changes in debentures are as follows:

	Individual and Consolidated	
	1st half of	
	2013	**2012**
Opening balance	**184,274**	108,709
Funding	**100,000**	80,000
Accrued financial charges	**8,951**	6,495
Borrowing costs	**(2,342)**	(1,434)
Amortization of borrowing costs	**364**	245
Repayment of principal	**(4,400)**	-
Payment of financial charges	**(8,171)**	(6,578)
Closing balance	**278,676**	187,437

Funding during the six month-period ended June 30, 2013 were as follows:

Type	Maturity of principal	Effective financial charges	Amount raised
Parent company:			
3rd issue of debentures	Jun 13 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 June 30, 2013:

	Working capital	Corporate plan	Debentures	Total	
Collateral/surety	90,836	-	-	90,836	
Surety	50,123	-	-	50,123	
Collateral/receivables	-	209,076	173,320	382,396	
Unsecured	26,079	-	-	26,079	
Surety/bond	-	-	109,223	109,223	
Total	167,038	209,076	282,543	658,657	(*)

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

Collaterals consist of the land, improvements, and properties of the financed projects.

Receivables consist of future inflows generated by the financed projects, pledged as collateral in the event of a 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			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Finance charges:				
Borrowings, financing and debentures	(14,418)	(26,283)	(7,090)	(15,298)
Charges due to related parties	(618)	(701)	-	-
Realization of DPV and adjustment of land payable	(2,265)	(3,802)	(2,050)	(3,882)
Total finance charges	(17,301)	(30,786)	(9,140)	(19,180)
Interest capitalized on:				
Investment property	2,056	3,775	2,273	6,676
Investment	13,896	23,873	5,183	10,715
	(1,349)	(3,138)	(1,684)	(1,789)
Other finance costs	(511)	(789)	(124)	(200)
Finance charges allocated to profit or loss	(1,860)	(3,927)	(1,808)	(1,989)

	Consolidated			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Finance charges:			Restated	
Borrowings, financing and debentures	(15,721)	(28,604)	(7,882)	(16,190)
Charges due to related parties	(618)	(701)	-	-
Realization of DPV and adjustment of land payable	(2,265)	(3,802)	(2,050)	(3,882)
Total finance charges	(18,604)	(33,107)	(9,932)	(20,072)
Interest capitalized on:				
Investment property	15,202	26,368	6,635	16,025
Investment	926	1,518	821	1,366
	(2,476)	(5,221)	(2,476)	(2,681)
Other finance costs	(80)	(239)	(42)	(141)
Finance charges allocated to profit or loss	(2,556)	(5,460)	(2,518)	(2,822)

Because of 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 the financing of qualifying assets of subsidiaries and jointly controlled entities is capitalized by the Company and realized together with the depreciation of the relevant assets. In the consolidated interim financial information the interest related to its subsidiaries is classified as part of the cost of the said assets.

In the six-month period ended June 30, 2013, total capitalized borrowings, financing and debentures represented an average charge rate of 9.82% per annum (11.98% per annum in the six-month period ended June 30, 2012).

8. Land payables

	Individual and Consolidated		
	6/30/13	12/31/12	01/01/12
		Restated	
Land payables	**41,999**	82,648	68,899
Discount to present value	**-**	(72)	(1,459)
Net	**41,999**	82,576	67,440
Current	**39,495**	73,322	61,413
Noncurrent	**2,504**	9,254	6,027
Total	**41,999**	82,576	67,440

As at June 30, 2013, land payables, by maturity and adjustment index, are broken down as follows:

Period	Savings (*)	IGP-M (**)	CDI (***)	Fixed rate	Total
12 months	12,019	10,512	14,404	2,560	39,495
13 to 24 months	-	-	2,504	-	2,504
Total	12,019	10,512	16,908	2,560	41,999

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

Discount to present value:

The discount to present value was calculated for the land payments according to the criteria described in note 2.2 (o). The discount 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 discount to present value ("DPV"):

	Individual and Consolidated	
	1st half of	
	2013	2012
Opening balance of DPV on land payables	**72**	1.459
Discount to present value of land payables	**-**	-
Realization in the period:		
- capitalized in investment property	**(72)**	(972)
- recognized in profit or loss	**-**	-
Closing balance of DPV	**-**	487

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. 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.

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) for the quarters and six months periods ended June 30, 2013 and 2012 is reconciled with accounting profit as follows:

	Individual			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Income before income tax and social contribution	**3,736**	**4,110**	1,703	6,248
Statutory rate - income tax and social contribution	**34%**	**34%**	34%	34%
Nominal expense	**(1,270)**	**(1,397)**	(579)	(2,124)
Effect of IRPJ and CSLL on permanent differences:				
Equity in subsidiaries and jointly controlled entities	**2,322**	**3,233**	1,015	1,890
Other	**(275)**	**(306)**	41	21
IRPJ and CSLL (expenses) credits in Company's profit or loss	**777**	**1,530**	477	(213)

	Consolidated			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
			Restated	
Lease revenue – subsidiaries	**8,158**	**14,781**	5,643	9,354
Tax rate on deemed income	**32%**	**32%**	32%	32%
Deemed income – subsidiaries	**2,611**	**4,730**	1,806	2,993
Financial income – subsidiaries	**374**	**572**	57	188
Other	**3**	**(5)**	123	46
Taxable basis – subsidiaries	**2,988**	**5,597**	1,986	3,227
IRPJ and CSLL tax rate	**34%**	**34%**	34%	34%
IRPJ and CSLL expenses – subsidiaries	**(1,016)**	**(1,801)**	(675)	(1,097)
Effect of portions not taxed by the IRPJ surtax and subsidiaries subject to actual taxable income	**179**	**243**	36	40
Effective IRPJ and CSLL expenses – subsidiaries	**(837)**	**(1,558)**	(639)	(1,057)
Individual	**777**	**1,530**	477	(213)
Consolidated	**(60)**	**(28)**	(162)	(1,270)

(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		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
					Restated	
Assets:						
Income tax and social contribution	**5,681**	2,922	1,822	**5,681**	2,922	1,822
Liabilities:						
Income tax and social contribution	**-**	-	-	**(401)**	(324)	(176)
Taxes on revenue (pis/cofins)	**-**	-	-	**(135)**	(109)	(59)
	-	-	-	**(536)**	(433)	(235)

As at June 30, 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 and Consolidated
	IRPJ & CSLL
Expected realization:	
12 months	617
13 to 24 months	1.686
25 to 36 months	3.378
Total	5.681

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

	Individual			Consolidated		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
					Restated	
Tax loss carryforwards	**13,578**	8,528	5,197	**13,578**	8,528	5,197
Other (*)	**3,130**	65	161	**3,130**	65	161
	16,708	8,593	5,358	**16,708**	8,593	5,358
Tax rate	**34%**	34%	34%	**34%**	34%	34%
Income tax and social contribution - noncurrent assets	**5,681**	2,922	1,822	**5,681**	2,922	1,822
Rents not received - subsidiaries, except subsidiaries subject to actual taxable income	-	-	-	**(3,802)**	(2,981)	(1,620)
Tax rate on deemed income	32%	32%	32%	**32%**	32%	32%
Deemed taxable base	-	-	-	**(1,217)**	(954)	(518)
Finance income taxed on an accrual basis	-	-	-	**38**	-	-
Total taxable base	-	-	-	**(1,179)**	(954)	(518)
Tax rate	34%	34%	34%	**34%**	34%	34%
Income tax and social contribution - noncurrent liabilities	-	-	-	**(401)**	(324)	(176)

(*) The amount at June 30, 2013 is essentially represented by the provision for amounts payable to legal advisors during the new share issue process, as detailed in note 12.

The table below shows a movement in deferred tax assets:

	Individual and Consolidated	
	1st half of	
	2013	2012
Opening balance	**2.922**	1.822
Tax credit on share issuance costs (note 12 (b))	**1.229**	**-**
Tax credit recognized in profit	**1.530**	(106)
	5.681	1.716

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 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 are restricted to labor claims, classified in line item 'Other', in noncurrent liabilities. The change in the first half of 2013 is as follows:

	Individual and Consolidated	
	1st half of	
	2013	2012
Opening balance	**17**	5
Additions	**63**	-
Payment	**-**	(1)
Reversals	**(26)**	-
Closing balance	**54**	4

The lawsuits assessed as possible losses by the legal counsel, related exclusively to labor lawsuits, amount to R$204 at June 30, 2013 (R$179 at December 31, 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.

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	
	6/30/13	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 at June 30, 2013 and December 31, 2012 is R$2,000,000.

Each common share is entitled 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 50 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 six month-period ended June 30, 2013, the Company's Extraordinary Shareholders' Meeting (ESM) 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
		(thousand)	(thousand)	R$		R$'000	R$'000	R$'000
Year of 2012:								
7/26/2012	Issue of new shares	112	134,362	5.59	(*)	112	134,362	512
1st half of 2013:								
4/18/2013	Issue of new shares	146	134,508	5.59	(*)	146	134,508	670
6/25/2013	Issue of new shares	36,945	171,453	7.51	(**)	36,945	171,453	240,517

(*) R$1.00 allocated to the capital increase and R$4.59 allocated to the goodwill 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$3,616 (R$2,387 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.

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, 2012, an earnings retention reserve was recognized in the amount of R$7,343, approved at the Annual Shareholders' Meeting held on April 18, 2013 (R$5,618 at December 31, 2011). As at June 30, 2013, because it is an interim date, the profit generated for the period was kept in line item retained earnings, and its allocation will be made at the end of the current year.

(e) Mandatory minimum dividend payable to shareholders

Under the Company's bylaws, the executive committee can decide to prepare interim financial statements for six-month periods, quarters or shorter periods of time and declare dividends based on net income recorded in such financial statements. The shareholders' meeting can suspend or 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.

The 2012 dividends, amounting to R$816, were approved at the Annual Shareholders' Meeting ("ASN") held on April 18, 2013 and paid in the second quarter of 2013, equivalent to R$0.0061 per share, without inflation adjustment, according to the share position on December 31, 2012. The 2011 dividends, amounting to R$624, were approved at the Annual Shareholders' Meeting held on April 27, 2012 and paid in the third quarter of 2012.

(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.

In 2011 and 2012, stock option grants were approved according to the terms and conditions detailed in the table below:

Program	Approval	No. (thou,)	Vesting	Option price	Participants	Exercise deadline
1	03/2011	280.0	4 years	R$1.00	Officers	3 years after vesting
2	06/2012	89.8	4 years	R$5.59	Officers	3 years after vesting

No amount is paid by the beneficiary when the option is granted. The stock options granted correspond to 10.4% of total approved for the plan.

As at June 30, 2013, 46,489 granted options were vested (32,489 at December 31, 2012).

There were no expired, exercised or forfeited stock options during the six month-period ended June 30, 2013 and the year ended December 31, 2012.

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
Risk-free rate	12.08%	8.66%
Vesting period in years	4	4
Expected annualized volatility	45.73%	42.26%
Expected dividends	5%	5%
Stock options fair value on grant date per share	R$4.04	R$2.73

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$170 for the six month-period ended June 30, 2013 (R$161 for the six month-period ended June 30, 2012). As at June 30, 2013, compensation costs of the stock options granted to be recognized over the remaining average vesting period of 2.2 years, total approximately R$616 (R$787 at December 31, 2012 and R$955 in June 2012).

As at June 30, 2013, based on the strike prices (R$1.00 and R$5.59), if all options currently granted had been exercised, the Company would have issued 370,000 shares, which would represent a 0.46% dilution in relation to total Company shares of 171,454,000.

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	
	2nd quarter	1st half	2nd quarter	1st half
			Restated	
Basic earnings per share:				
Profit for the six-month period	**4,513**	**5,640**	2,180	6,035
Weighted average number of outstanding common shares (in thousands)	**136,916**	**135,646**	134,250	134,250
Basic earnings per share - in R$	**0.0330**	**0.0416**	0.0162	0.0450
Diluted earnings per share:				
Profit for the six-month period	**4,513**	**5,640**	2,180	6,035
Weighted average number of outstanding common shares (in thousands)	**136,916**	**135,646**	134,250	134,250
Dilutive effect of stock options (in thousands)	**251**	**251**	230	230
Weighted average number of outstanding common shares (in thousands)	**137,168**	**135,898**	134,480	134,480
Diluted earnings per share - in R$	**0.0329**	**0.0415**	0.0162	0.0449

14. Net lease revenue

	Individual			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Lease revenue	**3,281**	**6,467**	1,849	1,849
PIS/COFINS on lease revenue	**(315)**	**(611)**	(171)	(171)
Net lease revenue	**2,966**	**5,856**	1,678	1,678

	Consolidated			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
			Restated	
Lease revenue	**11,439**	**21,248**	7,492	**11,203**
PIS/COFINS on lease revenue	**(659)**	**(1,228)**	(388)	**(513)**
Net lease revenue	**10,780**	**20,020**	7,104	**10,690**

15. Costs and expenses by nature

	Individual			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Depreciation	**(806)**	**(1,611)**	(471)	(471)
Advertising	**(471)**	**(698)**	(199)	(270)
Salaries, charges and benefits	**(1,257)**	**(2,046)**	(858)	(1,727)
Management compensation	**(228)**	**(457)**	(206)	(407)
Outside services	**(844)**	**(1,740)**	(755)	(1,313)
General expenses	**(553)**	**(918)**	(311)	(522)
Stock options	**(84)**	**(170)**	(78)	(161)
Vacancy expenses	**(44)**	**(87)**	(88)	(88)
Other	**(66)**	**(70)**	(16)	(22)
	(4,353)	**(7,797)**	(2,982)	(4,981)
Classified as:				
Cost of leases	**(802)**	**(1,604)**	(471)	(471)
Selling expenses	**(822)**	**(1,452)**	(571)	(875)
General and administrative expenses	**(2,431)**	**(4,208)**	(1,721)	(3,209)
Management compensation	**(228)**	**(457)**	(206)	(407)
Other operating expenses, net	**(70)**	**(76)**	(13)	(19)
	(4,353)	**(7,797)**	(2,982)	(4,981)

	Consolidated			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
			Restated	
Depreciation	**(2,940)**	**(5,698)**	(1,692)	(2,453)
Advertising	**(478)**	**(705)**	(200)	(271)
Salaries, charges and benefits	**(1,257)**	**(2,052)**	(858)	(1,727)
Management compensation	**(228)**	**(457)**	(206)	(407)
Outside services	**(1,025)**	**(2,102)**	(887)	(1,533)
General expenses	**(560)**	**(937)**	(217)	(537)
Stock options	**(84)**	**(170)**	(79)	(162)
Vacancy expenses	**(367)**	**(694)**	(238)	(238)
Other	**(242)**	**(252)**	(17)	29
	(7,181)	**(13,067)**	(4,394)	(7,299)
Classified as:				
Cost of leases	**(2,936)**	**(5,691)**	(1,691)	(2,451)
Selling expenses	**(1,337)**	**(2,435)**	(780)	(1,269)
General and administrative expenses	**(2,434)**	**(4,226)**	(1,698)	(3,198)
Management compensation	**(228)**	**(457)**	(206)	(407)
Other operating income (expenses), net	**(246)**	**(258)**	(19)	26
	(7,181)	**(13,067)**	(4,394)	(7,299)

16. Related-party transactions

Related-party balances and transactions are as follows:

	Individual			Consolidated		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
Balance sheets:					Restated	
Short-term investments:						
Banco Intermedium (a)	**25,000**	11,953	36,259	**28,181**	18,160	45,079
Banco BMG (b)	**-**	-	-	**-**	6,417	8,803
Lease receivables (c)	**-**	-	-	**180**	339	-
Due to related parties:						
MRV Engenharia e Participações S.A. (d)	**159**	405	105	**159**	405	105
Loan with controlled SPEs (e)	**24,622**	-	-	**-**	-	-
Land payables:						
MDI Desenvolvimento Imobiliário Ltda. (f)	**7,748**	10,934	26,828	**7,748**	10,934	26,828

	Individual			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Transactions:				
Income from short-term investments:				
Banco Intermedium (a)	**41**	**154**	755	1,750
Provision of administrative services (d)	**629**	**1,326**	600	1,052
Financial expenses - due to related parties:				
MRV Engenharia e Participações S.A. (g)	**681**	**701**	-	-
Loan with controlled SPEs (e)	**233**	**233**	-	-

	Consolidated			
	2013		2012	
	2nd quarter	1st half	2nd quarter	1st half
Transactions:			Restated	
Income from short-term investments:				
Banco Intermedium (a)	**131**	**345**	954	2,178
Banco BMG (b)	**45**	**147**	199	429
Lease receivables (c)	**520**	**1,029**	-	-
Provision of administrative services (d)	**629**	**1,326**	600	1,052
Financial expenses - due to related parties:				
MRV Engenharia e Participações S.A. (g)	**681**	**701**	-	-

(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 June 30, 2013, these investments yield approximately 110.00% of the CDI in Individual and 108.60% of CDI on a consolidated basis (110.00% at December 31, 2012 and 111.40% at January 1, 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 June 30, 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 a company related to one of the Company’s noncontrolling shareholders.

(d) Amounts payable consisting of expenses on administrative services provided by MRV Engenharia e Participações S.A., which are calculated by applying a 7.5% rate on the Company’s projected revenue. 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 June 30, 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$159,346 in Company borrowings at June 30, 2013 (R$148,609 at December 31, 2012).

PSO Engenharia de Infraestrutura Ltda., a company related to the shareholders of Betim I Incorporações SPE Ltda. (SPE Betim) provided by earthmoving, pavement, and draining services to jointly controlled entity SPE Betim. The outstanding amount in liabilities at June 30, 2013 is nil (R$209 at December 31, 2012). The expenses recognized amount to R$378 for the second quarter of 2013 and R$610 for the first half of 2013 (nil for the same periods of 2012).

The Group conducts transactions with Banco Bradesco, manager of the investmet 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$331,919, and short-term investments, amounting to R$61,091, at June 30, 2013. In the first half of 2013, these transactions, conducted at usual market rates, generate finance costs of R$2,449 and finance income of R$7, 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	
	2nd quarter	1st half	2nd quarter	1st half
Short-term benefits granted to management:				
Management compensation	**228**	**457**	206	407
Profit sharing	**438**	**438**	-	-
Share-based compensation:				
Stock option plan	**83**	**170**	78	161
	749	**1,065**	284	568

On April 18, 2013, the Extraordinary and Ordinary 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) 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, borrowings, financing, debentures, and land payables. All financial instruments held by the Group were recorded as at June 30, 2013. Management believes that the amounts of these financial instruments do not differ significantly from their market values as a significant portion of the balances matures on dates close to the end of the reporting periods. Specifically for borrowings, financing and debentures, management believes that there are no significant differences between their carrying amount and the fair values, and the funding terms and conditions for similar instruments are not materially different from does effectively agreed by the Company. 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.

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		
	6/30/13	12/31/12	01/01/12	6/30/13	12/31/12	01/01/12
Financial assets:						
Cash and banks	127	118	200	223	797	342
Fair value through profit or loss held for trading (*)	235,353	21,961	182,558	237,506	23,298	182,558
Loans and receivables	4,819	4,036	-	9,180	7,518	1,620
Financial liabilities:						
Amortized cost	619,669	558,045	318,774	705,438	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, financing 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 normal 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 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, financing, debentures and short-term investments are pegged.

Market expectations, based Central Bank of Brazil inputs at June 30, 2013, indicated an effective mean CDI rate estimated at 7.23% as the probable scenario for 2013, against an effective rate of 8.93% incurred in the twelve-month period ended June 30, 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 June 30, 2013, pointed to an estimated IGP-M and TR of 6.31% and 0.03%, respectively, as the probable scenario for 2013, against effective rates of 4.42% and 0.25% incurred in the twelve-month period ended June 30, 2013.

The change between the estimated rate for twelve-month period in 2013 ("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 June 30, 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 2013, 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 6/30/13	Estimated annual rate for 2013 (*)		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	237,506	(514,041)	(276,535)	7.23%	8.93%	(i)	1.70%	(4,701)
IGPM	-	(10,621)	(10,621)	6.31%	4.42%	(ii)	-1.89%	201
TR	-	(173,544)	(173,544)	0.03%	0.25%	(iii)	0.22%	(388)
								(4,888)
Scenario I:								
CDI	237,506	(514,041)	(276,535)	7.23%	11.16%		3.93%	(10,868)
IGPM	-	(10,621)	(10,621)	6.31%	5.53%		-0.78%	83
TR	-	(173,544)	(173,544)	0.03%	0.31%		0.28%	(492)
								(11,277)
Scenario II:								
CDI	237,506	(514,041)	(276,535)	7.23%	13.40%		6.17%	(17,062)
IGPM	-	(10,621)	(10,621)	6.31%	6.63%		0.32%	(34)
TR	-	(173,544)	(173,544)	0.03%	0.38%		0.35%	(613)
								(17,709)

(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 2013 plus a projection for the next six months of 2013.

As required by IFRS 7, management believes that the estimated annual rates presented in the probable scenarios above reflect the reasonable possible scenario for 2013.

(d) Capital risk management

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 June 30, 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	265,691	163,320	64,580	343,334	836,925
Fixed rates	2,587	-	-	-	2,587
Non-interest bearing securities	1,409	-	-	-	1,409
Total	269,687	163,320	64,580	343,334	840,921

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates	267,557	170,432	74,126	458,485	970,600
Fixed rates	2,587	-	-	-	2,587
Non-interest bearing securities	14,922	-	-	-	14,922
Total	285,066	170,432	74,126	458,485	988,109

(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.

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 June 30, 2013, the amount to be paid-in by the Company is R$27,886.

20. Noncash transactions

During the six-month periods ended June 30, 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	
	Six-month period ended		Six-month period ended	
	6/30/13	6/30/12	6/30/13	6/30/12
Capital contribution to investee with investment properties	**96,965**	34,148	**-**	-
Capital contribution to investee with investment properties – barter – and realization	**588**	41,360	**4,768**	-
Interest capitalization	**27,648**	17,391	**27,886**	17,391

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 June 30, 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.	211,988
- 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).	10,100
- Group life and personal injury insurance	- Bodily injury involuntarily caused to employees, contractors, interns and engineers.	47,135
- Corporate	- Fire, lightening, explosion, windstorm, hail, car crash, RC transactions, and rental loss/payment.	56,050

22. Events after the reporting period

In July 2013 the Group raised construction financing totaling R$24,482.

Additionally, in July 2013, the Company extended the maturity of the principal of working capital loans, amounting to R$50,000, from July 19, 2013 to September 2, 2013.

23. Approval of the financial statements

This financial information was approved by the Company's Directors on August 14, 2013.