

**Interim Financial Information (ITR)**  
**MRV Engenharia e Participações S.A.**  
**Individual and Consolidated Interim Financial**  
**Information for the Quarter Ended June 30, 2014**  
**and Report on Review of Interim Financial Report**

# MRV Engenharia e Participações S.A.

## Interim Financial Information (ITR)

For the Quarter Ended June 30, 2014

### Contents

Report on Review Interim Financial Information.....	1
Reviewed Interim Financial Information	
Individual Financial Statements	
Balance sheets.....	4
Statement of Income .....	7
Statement of Comprehensive Income .....	8
Statement of Cash Flows.....	9
Statement of Changes in Shareholders' Equity .....	10
Statement of Value Added .....	12
Consolidated Financial Statements	
Balance sheets.....	13
Statement of Income .....	16
Statement of Comprehensive Income .....	17
Statement of Cash Flows.....	18
Statement of Changes in Shareholders' Equity .....	19
Statement of Value Added .....	21
Notes to the Interim Financial Information .....	22

**INDIVIDUAL / BALANCE SHEET – ASSETS**  
 (In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2014</b>	<b>Previous year 12/31/2013</b>
1	Total assets	8,429,953	8,520,616
1.01	Current assets	3,487,732	3,905,980
1.01.01	Cash and cash equivalents	569,113	1,014,842
1.01.01.01	Cash and banks	222,443	241,469
1.01.01.02	Short-term investments	346,670	773,373
1.01.03	Receivables	1,337,459	1,388,134
1.01.03.01	Trade accounts receivable	1,337,459	1,388,134
1.01.03.01.01	Receivables from real estate development	1,336,406	1,386,889
1.01.03.01.02	Receivables from services provided	1,053	1,245
1.01.04	Inventories	1,228,757	1,114,444
1.01.04.01	Real estate under construction	812,121	786,752
1.01.04.02	Completed units	31,985	32,167
1.01.04.03	Land bank	359,895	261,906
1.01.04.04	Advances to suppliers	17,839	29,701
1.01.04.05	Material inventories	6,917	3,918
1.01.06	Recoverable taxes	129,764	94,515
1.01.06.01	Recoverable current taxes	129,764	94,515
1.01.08	Other current assets	222,639	294,045
1.01.08.03	Others	222,639	294,045
1.01.08.03.02	Other assets	42,930	35,324
1.01.08.03.03	Investments securities	179,709	258,721
1.02	Noncurrent assets	4,942,221	4,614,636
1.02.01	Long-term assets	2,320,621	2,300,956
1.02.01.03	Receivables	1,128,704	1,144,975
1.02.01.03.01	Receivables from real estate development	1,128,704	1,144,975
1.02.01.04	Inventories	1,058,360	1,038,611
1.02.01.04.01	Real estate for sale	1,058,360	1,038,611
1.02.01.08	Intercompany receivables	56,814	50,514
1.02.01.08.04	Other related parties	56,814	50,514
1.02.01.09	Other noncurrent assets	76,743	66,856
1.02.01.09.04	Judicial deposits and other	76,743	66,856
1.02.02	Investments	2,511,975	2,201,024
1.02.02.01	Investments	2,511,975	2,201,024
1.02.02.01.02	Investments in Subsidiaries	1,580,197	1,505,404
1.02.02.01.03	Interests in Jointly Controlled	931,778	695,620
1.02.03	Property and equipment	61,444	65,157
1.02.03.01	Operating property and equipment	54,551	61,069
1.02.03.03	Property and equipment under construction	6,893	4,088
1.02.04	Intangible assets	48,181	47,499
1.02.04.01	Intangible assets	48,181	47,499
1.02.04.01.02	Intangible assets	32,841	30,389
1.02.04.01.03	Intangible assets under development	15,340	17,110

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2014</b>	<b>Previous year 12/31/2013</b>
2	Total liabilities	8,429,953	8,520,616
2.01	Current Liabilities	1,454,588	1,916,086
2.01.01	Labor and social liabilities	50,374	73,617
2.01.01.01	Related taxes and benefits liabilities	6,684	11,643
2.01.01.02	Payroll liabilities	43,690	61,974
2.01.02	Suppliers	160,678	109,660
2.01.02.01	National suppliers	160,678	109,660
2.01.03	Tax liabilities	26,400	28,112
2.01.03.01	Federal taxes	24,561	26,744
2.01.03.01.01	Income taxes and social contribution	6,200	6,016
2.01.03.01.02	Other federal taxes	18,361	20,728
2.01.03.03	Municipal taxes	1,839	1,368
2.01.04	Loans and financing	449,239	659,464
2.01.04.01	Loans and financing	288,907	230,866
2.01.04.01.01	Loans and financing in national currency	288,907	230,866
2.01.04.02	Debentures	156,996	423,788
2.01.04.03	Leasing	3,336	4,810
2.01.05	Others liabilities	748,011	1,026,389
2.01.05.02	Others	748,011	1,026,389
2.01.05.02.02	Mandatory minimum dividend payable to shareholders	0	100,483
2.01.05.02.04	Payables for purchase of land	169,495	224,741
2.01.05.02.05	Advances from customers	527,633	642,919
2.01.05.02.06	Other payables	7,970	11,055
2.01.05.02.07	Deferred taxes	42,913	47,191
2.01.06	Accruals	19,886	18,844
2.01.06.02	Other accruals	19,886	18,844
2.01.06.02.04	Accrual for maintenance of real estate	19,886	18,844
2.02	Noncurrent liabilities	2,590,913	2,503,347
2.02.01	Loans and financing	1,851,836	1,975,793
2.02.01.01	Loans and financing	793,634	857,651
2.02.01.01.01	Loans and financing in national currency	793,634	857,651
2.02.01.02	Debentures	1,057,869	1,116,972
2.02.01.03	Leasing	333	1,170
2.02.02	Others liabilities	625,108	417,522
2.02.02.02	Others	625,108	417,522
2.02.02.02.03	Payables for purchase of land	323,180	154,477
2.02.02.02.04	Advances from customers	301,911	262,613
2.02.02.02.05	Other liabilities	17	432
2.02.03	Deferred taxes liabilities	30,669	33,108
2.02.04	Accruals	83,300	76,924
2.02.04.01	Accrual for civil, labor, and tax risks	34,112	23,403
2.02.04.01.01	Tax	64	96
2.02.04.01.02	Labor	14,156	9,913
2.02.04.01.04	Civil	19,892	13,394
2.02.04.02	Other accruals	49,188	53,521
2.02.04.02.04	Accrual for maintenance of real estate	49,188	53,521
2.03	Shareholders' equity	4,384,452	4,101,183
2.03.01	Paid in capital	3,507,206	3,197,819
2.03.02	Capital reserves	34,202	31,911
2.03.02.02	Special goodwill	0	18,554
2.03.02.04	Recognized options granted	0	39,666
2.03.02.07	Expenses on share issuance	0	(26,309)
2.03.04	Earnings reserves	360,916	871,453
2.03.04.01	Legal	0	148,970
2.03.04.05	Retained earnings reserve	426,979	774,348
2.03.04.08	Proposed additional dividends	0	40,193
2.03.04.09	Treasury shares	(66,063)	(92,058)
2.03.05	Earnings/losses accumulated	482,128	0

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

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

Code	Description	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013
3.01	Revenue from sales and services	592,909	1,128,936	640,419	1,133,974
3.01.01	Net operating revenue	592,909	1,128,936	640,419	1,133,974
3.02	Cost of sales and services	(418,943)	(814,324)	(461,413)	(830,628)
3.02.01	Cost of real estate sales and services	(418,943)	(814,324)	(461,413)	(830,628)
3.03	Gross profit	173,966	314,612	179,006	303,346
3.04	Operating income (expenses)	217,144	162,504	(39,451)	(90,755)
3.04.01	Selling expenses	(53,026)	(97,816)	(48,476)	(90,355)
3.04.02	General and administrative expenses	(54,728)	(114,686)	(59,165)	(115,738)
3.04.04	Other operating incomes	11,864	25,060	34,070	44,215
3.04.05	Other operating expenses	(23,962)	(51,887)	(24,930)	(45,384)
3.04.06	Results from equity participation	336,996	401,833	59,050	116,507
3.05	Income before financial income and taxes	391,110	477,116	139,555	212,591
3.06	Financial income (expenses), net	16,465	17,698	120	2,325
3.06.01	Financial income	40,275	72,792	26,769	53,440
3.06.01.01	Financial income	24,713	50,949	16,895	40,435
3.06.01.02	Financial income from receivables from real estate development	15,562	21,843	9,874	13,005
3.06.02	Financial expenses	(23,810)	(55,094)	(26,649)	(51,115)
3.07	Income before taxes	407,575	494,814	139,675	214,916
3.08	Income tax and social contribution	(6,383)	(12,638)	1,300	4,932
3.08.01	Current	(9,701)	(17,978)	(8,025)	(11,341)
3.08.02	Deferred	3,318	5,340	9,325	16,273
3.09	Net income (loss) from continuing operations	401,192	482,176	140,975	219,848
3.11	Net income (loss) for the period	401,192	482,176	140,975	219,848
3.99.01	Basic Earnings per Share				
3.99.01.01		0.86466	1.02916	0.29557	0.46087
3.99.02	Diluted Earnings per Shar				
3.99.02.01		0.86419	1.02848	0.29503	0.45874

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**INDIVIDUAL / STATEMENTS OF COMPREHENSIVE INCOME**  
(In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>04/01/2014 to 06/30/2014</b>	<b>01/01/2014 to 06/30/2014</b>	<b>04/01/2013 to 06/30/2013</b>	<b>01/01/2013 to 06/30/2013</b>
4.01	Net income	401,192	482,176	140,975	219,848
4.03	Comprehensive income for the period	401,192	482,176	140,975	219,848

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**INDIVIDUAL / STATEMENTS OF CASH FLOWS**  
 (In thousands of Brazilian reais - R\$)

Code	Description	01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
6.01	Net cash used in operating activities	23,161	44,019
6.01.01	Cash provided by operating activities	193,172	89,959
6.01.01.01	Net income for the quarter	482,176	219,848
6.01.01.02	Depreciation and amortization	15,590	13,351
6.01.01.03	Recognized options granted	2,224	2,587
6.01.01.04	Result from sale of property and equipment	3,255	1,653
6.01.01.05	Financial income (expenses)	53,302	26,534
6.01.01.06	Results from equity participation	(401,833)	(116,507)
6.01.01.07	Accrual for property maintenance	14,228	0
6.01.01.08	Provision for civil, labor and tax risks	17,534	22,030
6.01.01.09	Deferred taxes on income	(5,340)	(16,273)
6.01.01.10	Deferred taxes on revenue (PIS and COFINS)	(1,377)	(48,884)
6.01.01.11	(Gain) Loss on entry of new shareholder in subsidiary	0	(22,718)
6.01.01.12	Amortization of prepaid expenses	13,413	8,338
6.01.02	Increase (decrease) in assets and liabilities	(170,011)	(45,940)
6.01.02.01	Increase in receivables from real estate development	50,026	138,089
6.01.02.02	(Increase) decrease in real estate for sale	58,027	110,534
6.01.02.03	Increase in other assets	(69,734)	(16,933)
6.01.02.04	Increase (decrease) in trade payables	48,422	(14,506)
6.01.02.05	Increase (decrease) in payroll and related taxes	(23,243)	11,377
6.01.02.06	Increase (decrease) in taxes, fees and contributions	14,872	2,536
6.01.02.07	Increase (decrease) in advances from customers	(69,816)	(121,855)
6.01.02.08	Increase (decrease) in other liabilities	(3,500)	(5,333)
6.01.02.09	Interest paid	(128,835)	(122,938)
6.01.02.10	Income tax and social contribution paid	(17,107)	(8,222)
6.01.02.11	Realization of accrual for maintenance of real estate	(22,889)	(15,124)
6.01.02.12	Amounts paid for civil, labor and tax risks	(6,234)	(3,565)
6.02	Net cash provided in investing activities	161,327	(157,872)
6.02.01	(Increase) decrease in investment securities	90,102	(68,478)
6.02.02	Advances to related parties	(53,258)	(79,783)
6.02.03	Receipts from related companies	49,348	78,142
6.02.04	(Increase) decrease in investments	90,789	(68,167)
6.02.05	Purchase of property and equipment and intangible assets	(15,654)	(19,586)
6.03	Net cash provided by (used in) financing activities	(630,217)	(252,676)
6.03.01	Net proceeds from shares issuance	417	205
6.03.04	Proceeds from loans, financing	317,744	635,161
6.03.05	Repayment of borrowings, financing and debentures	(648,876)	(743,489)
6.03.07	Dividends	(140,676)	(125,297)
6.03.09	Treasury Shares	(159,814)	(19,256)
6.03.10	Receipts for Exercise Stock Options	1,036	0
6.03.11	Transaction Capital	(48)	0
6.05	Net decrease in cash and cash equivalents	(445,729)	(366,529)
6.05.01	Cash and cash equivalents at beginning of period	1,014,842	1,017,664
6.05.02	Cash and cash equivalents at end of period	569,113	651,135

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**INDIVIDUAL / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 01/1/2014 to 06/30/2014**  
 (In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>PAID IN CAPITAL</b>	<b>CAPITAL RE- SERVES, RECOGNIZED OPTIONS GRANTED AND TREAS- URY SHARES</b>	<b>EARNINGS RESERVES</b>	<b>EARNINGS / LOSSES ACCUMULATED</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>SHAREHOLDERS' EQUITY</b>
5.01	Opening balance	3,197,819	31,911	831,260	0	40,193	4,101,183
5.03	Adjusted opening balance	3,197,819	31,911	831,260	0	40,193	4,101,183
5.04	Shareholders capital transaction	309,387	2,291	(470,344)	(48)	(40,193)	(198,907)
5.04.01	Capital increase	417	0	0	0	0	417
5.04.03	Recognized options granted	0	0	1,036	0	0	1,036
5.04.04	Treasury shares purchased	0	0	(162,410)	0	0	(162,410)
5.04.06	Dividends	0	0	0	0	(40,193)	(40,193)
5.04.09	capitalization of reserves	308,970	0	(308,907)	0	0	0
5.04.10	Stock Options	0	2,291	0	0	0	2,291
5.04.11	Transaction Capital	0	0	0	(48)	0	(48)
5.05	Comprehensive income	0	0	0	482,176	0	482,176
5.05.01	Net income (loss)	0	0	0	482,176	0	482,176
5.07	Closing balance	3,507,206	34,202	360,916	482,128	0	4,384,452

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**INDIVIDUAL / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 01/01/2013 to 06/30/2013**  
 (In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>PAID IN CAPITAL</b>	<b>CAPITAL RE- SERVES, RECOGNIZED OPTIONS GRANTED AND TREAS- URY SHARES</b>	<b>EARNINGS RESER- VES</b>	<b>EARNINGS / LOSSES ACCUMULATED</b>	<b>OTHER COMPREHENS- VE INCOME</b>	<b>SHAREHOLDERS' EQUITY</b>
5.01	Opening balance	2,650,615	26,202	1,124,816	0	0	3,801,633
5.03	Adjusted opening balance	2,650,615	26,202	1,124,816	0	0	3,801,633
5.04	Shareholders capital transaction	547,204	2,587	(569,983)	(1,248)	0	(21,440)
5.04.01	Capital increase	547,204	0	(546,999)	0	0	205
5.04.03	Recognized options granted	0	2,587	0	0	0	2,587
5.04.04	Treasury shares purchased	0	0	(22,984)	0	0	(22,984)
5.04.08	Capital transactio	0	0	0	(1,248)	0	(1,248)
5.05	Comprehensive income	0	0	0	219,848	0	219,848
5.05.01	Net income (loss)	0	0	0	219,848	0	219,848
5.07	Closing balance	3,197,819	28,789	554,833	218,600	0	4,000,041

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

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

<b>Code</b>	<b>Description</b>	<b>01/01/2014 to 06/30/2014</b>	<b>01/01/2013 to 06/30/2013</b>
7.01	Revenue	1,185,246	1,189,626
7.01.01	Revenues from sales of goods, services and products	1,155,861	1,141,255
7.01.02	Other revenue	23,364	42,531
7.01.03	Revenue from construction of own assets	6,021	5,840
7.02	Inputs purchased from third parties	(685,579)	(752,711)
7.02.01	Inputs purchased from third parties	(685,579)	(752,711)
7.03	Gross value added	499,667	436,915
7.04	Retentions	(15,590)	(13,351)
7.04.01	Depreciation, amortization and depletion	(15,590)	(13,351)
7.05	Net value added generated	484,077	423,564
7.06	Value added received in transfer	474,625	169,947
7.06.01	Results from equity participation	401,833	116,507
7.06.02	Financial income	72,792	53,440
7.07	Total value added for distribution	958,702	593,511
7.08	Value added distributed	958,702	593,511
7.08.01	Personnel	223,885	174,628
7.08.01.01	Salaries and wages	176,305	133,957
7.08.01.02	Benefits	32,029	29,544
7.08.01.03	Severance Pay Fund (FGTS)	15,551	11,127
7.08.02	Taxes, charges and contributions	104,430	59,428
7.08.02.01	Federal	82,457	38,001
7.08.02.02	State	710	761
7.08.02.03	Municipal	21,263	20,666
7.08.03	Debt remuneration	148,211	139,607
7.08.03.01	Interest	114,289	101,290
7.08.03.02	Rentals	32,558	36,649
7.08.03.03	Others	1,364	1,668
7.08.04	Shareholders	482,176	219,848
7.08.04.03	Earnings retained in the period	482,176	219,848

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2014</b>	<b>Previous year 12/31/2013</b>
1	Total assets	10,047,603	10,198,449
1.01	Current assets	5,514,086	5,870,596
1.01.01	Cash and cash equivalents	1,039,164	1,422,595
1.01.01.01	Cash and banks	388,760	396,425
1.01.01.02	Short-term investments	650,404	1,026,170
1.01.03	Receivables	2,262,490	2,295,682
1.01.03.01	Trade accounts receivable	2,262,490	2,295,682
1.01.03.01.01	Receivables from real estate development	2,261,345	2,294,413
1.01.03.01.02	Receivables from services provided	1,145	1,269
1.01.04	Inventories	1,830,920	1,735,429
1.01.04.01	Real estate under construction	1,175,011	1,192,978
1.01.04.02	Completed units	51,936	54,878
1.01.04.03	Land bank	560,572	436,034
1.01.04.04	Advances to suppliers	33,402	44,880
1.01.04.05	Material inventories	9,999	6,659
1.01.06	Recoverable taxes	151,050	111,715
1.01.06.01	Recoverable current taxes	151,050	111,715
1.01.08	Other current assets	230,462	305,175
1.01.08.03	Others	230,462	305,175
1.01.08.03.02	Other assets	46,667	39,116
1.01.08.03.03	Investments securities	183,795	266,059
1.02	Noncurrent assets	4,533,517	4,327,853
1.02.01	Long-term assets	3,548,309	3,568,245
1.02.01.03	Receivables	1,932,850	1,952,088
1.02.01.03.01	Receivables from real estate development	1,932,850	1,952,088
1.02.01.04	Inventories	1,465,778	1,489,988
1.02.01.04.01	Real estate for sale	1,465,778	1,489,988
1.02.01.08	Intercompany receivables	56,814	50,514
1.02.01.08.04	Other related parties	56,814	50,514
1.02.01.09	Other noncurrent assets	92,867	75,655
1.02.01.09.03	Other noncurrent assets	92,867	75,655
1.02.02	Investments	859,028	632,285
1.02.03	Property and equipment	77,960	79,823
1.02.03.01	Operating property and equipment	69,052	75,012
1.02.03.03	Property and equipment under construction	8,908	4,811
1.02.04	Intangible assets	48,220	47,500
1.02.04.01	Intangible assets	48,220	47,500
1.02.04.01.02	Intangible assets	32,841	30,390
1.02.04.01.03	Intangible assets under development	15,379	17,110

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY**

(In thousands of Brazilian reais - R\$)

Code	Description	Current Quarter 06/30/2014	Previous year 12/31/2013
2	Total liabilities	10,047,603	10,198,449
2.01	Current Liabilities	2,090,024	2,560,666
2.01.01	Labor and social liabilities	95,122	91,912
2.01.01.01	Related taxes and benefits liabilities	15,075	14,064
2.01.01.02	Payroll liabilities	80,047	77,848
2.01.02	Suppliers	236,866	187,781
2.01.02.01	National suppliers	236,866	187,781
2.01.03	Tax liabilities	53,371	48,445
2.01.03.01	Federal taxes	48,028	46,558
2.01.03.01.01	Income taxes and social contribution	12,854	12,459
2.01.03.01.02	Other federal taxes	35,174	34,099
2.01.03.03	Municipal taxes	5,343	1,887
2.01.04	Loans and financing	568,145	774,692
2.01.04.01	Loans and financing	407,813	346,094
2.01.04.01.01	Loans and financing in national currency	407,813	346,094
2.01.04.02	Debentures	156,996	423,788
2.01.04.03	Leasing	3,336	4,810
2.01.05	Others liabilities	1,102,660	1,424,983
2.01.05.02	Others	1,102,660	1,424,983
2.01.05.02.02	Mandatory minimum dividend payable to shareholders	0	100,483
2.01.05.02.04	Payables for purchase of land	227,501	292,495
2.01.05.02.05	Advances from customers	783,973	933,464
2.01.05.02.06	Other payables	14,777	17,318
2.01.05.02.07	Deferred taxes	76,409	81,223
2.01.06	Accruals	33,860	32,853
2.01.06.02	Other accruals	33,860	32,853
2.01.06.02.04	Accrual for maintenance of real estate	33,860	32,853
2.02	Noncurrent liabilities	3,304,850	3,272,383
2.02.01	Loans and financing	2,089,442	2,243,031
2.02.01.01	Loans and financing	1,031,240	1,124,889
2.02.01.01.01	Loans and financing in national currency	1,031,240	1,124,889
2.02.01.02	Debentures	1,057,869	1,116,972
2.02.01.03	Leasing	333	1,170
2.02.02	Others liabilities	1,033,236	854,290
2.02.02.02	Others	1,033,236	854,290
2.02.02.02.03	Payables for purchase of land	461,399	264,361
2.02.02.02.04	Advances from customers	558,709	576,386
2.02.02.02.05	Other liabilities	13,128	13,543
2.02.03	Deferred taxes liabilities	62,286	61,671
2.02.04	Accruals	119,886	113,391
2.02.04.01	Accrual for civil, labor, and tax risks	34,112	23,403
2.02.04.01.01	Tax	64	96
2.02.04.01.02	Labor	14,156	9,913
2.02.04.01.04	Civil	19,892	13,394
2.02.04.02	Other accruals	85,774	89,988
2.02.04.02.04	Accrual for maintenance of real estate	85,774	89,988
2.03	Shareholders' equity	4,652,729	4,365,400
2.03.01	Paid in capital	3,507,206	3,197,819
2.03.02	Capital reserves	34,202	31,911
2.03.02.02	Special goodwill	18,554	18,554
2.03.02.04	Recognized options granted	41,957	39,666
2.03.02.07	Expenses on share issuance	(26,309)	(26,309)
2.03.04	Earnings reserves	360,916	871,453
2.03.04.01	Legal	0	148,970
2.03.04.05	Retained earnings reserve	0	774,348
2.03.04.08	Proposed additional dividends	0	40,193
2.03.04.09	Treasury shares	0	(92,058)
2.03.05	Earnings/losses accumulated	482,128	0
2.03.09	Noncontrolling interests	268,277	264,217

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENTS OF INCOME**  
 (In thousands of Brazilian reais - R\$)

Code	Description	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013
3.01	Revenue from sales and services	1,013,731	1,924,589	1,019,518	1,849,030
3.01.01	Net operating revenue	1,013,731	1,924,589	1,019,518	1,849,030
3.02	Cost of sales and services	(731,555)	(1,402,109)	(748,543)	(1,361,499)
3.02.01	Cost of real estate sales and services	(731,555)	(1,402,109)	(748,543)	(1,361,499)
3.03	Gross profit	282,176	522,480	270,975	487,531
3.04	Operating income (expenses)	107,580	(42,267)	(126,969)	(258,004)
3.04.01	Selling expenses	(80,733)	(149,324)	(71,385)	(134,065)
3.04.02	General and administrative expenses	(56,112)	(116,739)	(60,622)	(118,813)
3.04.04	Other operating incomes	12,128	25,770	35,611	46,407
3.04.05	Other operating expenses	(26,678)	(56,772)	(29,888)	(55,016)
3.04.06	Results from equity participation	258,975	254,798	(685)	3,483
3.05	Income before financial income and taxes	389,756	480,213	144,006	229,527
3.06	Financial income (expenses), net	35,250	50,307	14,008	22,476
3.06.01	Financial income	60,049	107,218	41,692	75,538
3.06.01.01	Financial income	35,660	72,570	25,790	54,955
3.06.01.02	Financial income from receivables from real estate development	24,389	34,648	15,902	20,583
3.06.02	Financial expenses	(24,799)	(56,911)	(27,684)	(53,062)
3.07	Income before taxes	425,006	530,520	158,014	252,003
3.08	Income tax and social contribution	(16,702)	(33,581)	(9,691)	(11,444)
3.08.01	Current	(20,121)	(37,778)	(16,943)	(27,912)
3.08.02	Deferred	3,419	4,197	7,252	16,468
3.09	Net income (loss) from continuing operations	408,304	496,939	148,323	240,559
3.11	Net income (loss) for the period	408,304	496,939	148,323	240,559
3.11.01	Attributable to shareholders of the company	401,192	482,176	140,975	219,848
3.11.02	Non-controlling interests	7,112	14,763	7,348	20,711
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.86466	1.02916	0.29557	0.46087
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.86419	1.02848	0.29503	0.45874

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENTS OF COMPREHENSIVE INCOME**  
 (In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>04/01/2014 to 06/30/2014</b>	<b>01/01/2014 to 06/30/2014</b>	<b>04/01/2013 to 06/30/2013</b>	<b>01/01/2013 to 06/30/2013</b>
4.01	Net income	408,304	496,939	148,323	240,559
4.03	Comprehensive income for the period	408,304	496,939	148,323	240,559
4.03.01	Company owners	401,192	482,176	140,975	219,848
4.03.02	Noncontrolling interests	7,112	14,763	7,348	20,711

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENTS OF CASH FLOWS**  
 (In thousands of Brazilian reais – R\$)

Code	Description	01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
6.01	Net cash used in operating activities	185,251	192,606
6.01.01	Cash provided by operating activities	391,066	233,925
6.01.01.01	Net income for the quarter	496,939	240,559
6.01.01.02	Depreciation and amortization	19,119	16,237
6.01.01.03	Recognized options granted	2,224	2,587
6.01.01.04	Result from sale of property and equipment	3,595	2,138
6.01.01.05	Financial income (expenses)	63,848	23,981
6.01.01.06	Results from equity participation	(254,798)	(3,483)
6.01.01.07	Accrual for property maintenance	24,817	(1)
6.01.01.08	Provision for civil, labor and tax risks	13,413	8,338
6.01.01.09	Deferred taxes on income	(4,197)	(16,468)
6.01.01.10	Deferred taxes on revenue (PIS and COFINS)	(2)	(49,345)
6.01.01.11	(Gain) Loss on entry of new shareholder in subsidiary	0	(22,718)
6.01.01.12	Amortization of prepaid expenses	26,108	32,100
6.01.02	Increase (decrease) in assets and liabilities	(205,815)	(41,319)
6.01.02.01	Increase in receivables from real estate development	25,861	181,599
6.01.02.02	(Increase) decrease in real estate for sale	118,321	161,364
6.01.02.03	Increase in other assets	(89,664)	32,498
6.01.02.04	Increase (decrease) in trade payables	46,589	(14,971)
6.01.02.05	Increase (decrease) in payroll and related taxes	3,210	(2,833)
6.01.02.06	Increase (decrease) in taxes, fees and contributions	38,794	18,947
6.01.02.07	Increase (decrease) in advances from customers	(122,902)	(221,984)
6.01.02.08	Increase (decrease) in other liabilities	(2,956)	(6,380)
6.01.02.09	Interest paid	(146,206)	(139,493)
6.01.02.10	Income tax and social contribution paid	(34,391)	(25,102)
6.01.02.11	Realization of accrual for maintenance of real estate	(36,237)	(21,399)
6.01.02.12	Amounts paid for civil, labor and tax risks	(6,234)	(3,565)
6.02	Net cash provided in investing activities	95,942	(160,286)
6.02.01	(Increase) decrease in investment securities	93,354	(72,986)
6.02.02	Advances to related parties	(53,258)	(79,783)
6.02.03	Receipts from related companies	49,348	78,142
6.02.04	(Increase) decrease in investments	28,069	(62,559)
6.02.06	Receipt of Debentures	(21,571)	(23,100)
6.03	Net cash provided by (used in) financing activities	(664,624)	(268,721)
6.03.01	Net proceeds from shares issuance	417	205
6.03.02	Treasury shares	1,036	0
6.03.04	Proceeds from loans, financing	474,927	858,456
6.03.05	Repayment of borrowings, financing and debentures	(829,816)	(975,219)
6.03.07	Dividends	(140,676)	(125,297)
6.03.08	Capital transaction	(48)	0
6.03.10	Receipts for Exercise Stock Options	(10,650)	(7,610)
6.03.11	Transaction Capital	(159,814)	(19,256)
6.05	Net decrease in cash and cash equivalents	(383,431)	(236,401)
6.05.01	Cash and cash equivalents at beginning of period	1,422,595	1,385,307
6.05.02	Cash and cash equivalents at end of period	1,039,164	1,148,906

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 01/01/2014 to 06/30/2014**  
 (In thousands of Brazilian reais - R\$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREAS- URY SHARES	EARNINGS RESER- VES	EARNINGS / LOSSES ACCUMULATED	OTHER COMPREHENS- IVE INCOME	SHAREHOLDERS' EQUITY	NONCONTROLLING INTERESTS	Consolidated Shareholders' Equity
5.01	Opening balance	3,197,819	31,911	831,260	0	40,193	4,101,183	264,217	4,365,400
5.03	Adjusted opening balance	3,197,819	31,911	831,260	0	40,193	4,101,183	264,217	4,365,400
5.04	Shareholders capital transaction	309,387	2,291	(470,344)	(48)	(40,193)	(198,907)	(10,703)	(209,610)
5.04.01	Capital increase	417	0	0	0	0	417	0	417
5.04.03	Recognized options granted	0	0	1,036	0	0	1,036	0	1,036
5.04.04	Treasury shares purchased	0	0	(162,410)	0	0	(162,410)	0	(162,410)
5.04.06	Dividends	0	0	0	0	(40,193)	(40,193)	0	(40,193)
5.04.10	capitalization of reserves	308,970	0	(308,970)	0	0	0	0	0
5.04.11	Transaction Capital	0	2,291	0	0	0	2,291	0	2,291
5.04.12	Net distributions to Non-Controlling Shareholders	0	0	0	0	0	0	(10,703)	(10,703)
5.04.13	Capital Transactions	0	0	0	(48)	0	(48)	0	(48)
5.05	Comprehensive income	0	0	0	482,176	0	482,176	14,763	496,939
5.05.01	Net income (loss)	0	0	0	482,176	0	482,176	14,763	496,939
5.07	Closing balance	3,507,206	34,202	360,916	482,128	0	4,384,452	268,277	4,652,729

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY from 01/01/2013 to 06/30/2013**  
 (In thousands of Brazilian reais - R\$)

Code	Description	PAID IN CAPITAL	CAPITAL RESERVES, RECOGNIZED OPTIONS GRANTED AND TREAS- URY SHARES	EARNINGS RESER- VES	EARNINGS / LOSSES ACCUMULATED	OTHER COMPREHENS- VE INCOME	SHAREHOLDERS' EQUITY	NONCONTROLLING INTERESTS	Consolidated Shareholders' Equity
5.01	Opening balance	2,650,615	26,202	1,124,816	0	0	3,801,633	286,340	4,087,973
5.03	Adjusted opening balance	2,650,615	26,202	1,124,816	0	0	3,801,633	286,340	4,087,973
5.04	Shareholders capital transaction	547,204	2,587	(569,983)	(1,248)	0	(21,440)	(6,362)	(27,802)
5.04.01	Capital increase	547,204	0	(546,999)	0	0	205	(7,610)	(7,405)
5.04.03	Recognized options granted	0	2,587	0	0	0	2,587	0	2,587
5.04.04	Treasury shares purchased	0	0	(22,984)	0	0	(22,984)	0	(22,984)
5.04.09	Result of capital transaction	0	0	0	(1,248)	0	(1,248)	1,248	0
5.05	Treasury shares sold	0	0	0	219,848	0	219,848	20,711	240,559
5.05.01	Net income (loss)	0	0	0	219,848	0	219,848	20,711	240,559
5.07	Closing balance	3,197,819	28,789	554,833	218,600	0	4,000,041	300,689	4,300,730

(Convenience Translation into English from the Original Previously Issued in Portuguese)  
 QUARTELY INFORMATION (ITR) 06/30/2014 – MRV ENGENHARIA E PARTICIPAÇÕES S/A

**CONSOLIDATED / STATEMENT OF VALUE ADDED**  
 (In thousands of Brazilian reais - R\$)

<b>Code</b>	<b>Description</b>	<b>01/01/2014 to 06/30/2014</b>	<b>01/01/2013 to 06/30/2013</b>
7.01	Revenue	2,000,045	1,921,707
7.01.01	Revenues from sales of goods, services and products	1,970,518	1,871,486
7.01.02	Other revenue	23,506	44,381
7.01.03	Revenue from construction of own assets	6,021	5,840
7.02	Inputs purchased from third parties	(1,214,087)	(1,199,834)
7.02.01	Inputs purchased from third parties	(1,214,087)	(1,199,834)
7.03	Gross value added	785,958	721,873
7.04	Retentions	(19,119)	(16,237)
7.04.01	Depreciation, amortization and depletion	(19,119)	(16,237)
7.05	Net value added generated	766,839	705,636
7.06	Value added received in transfer	362,016	79,021
7.06.01	Results from equity participation	254,798	3,483
7.06.02	Financial income	107,218	75,538
7.07	Total value added for distribution	1,128,855	784,657
7.08	Value added distributed	1,128,855	784,657
7.08.01	Personnel	258,469	244,437
7.08.01.01	Salaries and wages	194,111	188,284
7.08.01.02	Benefits	48,037	40,586
7.08.01.03	Severance Pay Fund (FGTS)	16,321	15,567
7.08.02	Taxes, charges and contributions	171,257	116,268
7.08.02.01	Federal	130,746	81,647
7.08.02.02	State	1,146	1,725
7.08.02.03	Municipal	39,365	32,896
7.08.03	Debt remuneration	202,190	183,393
7.08.03.01	Interest	149,975	123,976
7.08.03.02	Rentals	50,627	57,371
7.08.03.03	Others	1,588	2,046
7.08.04	Shareholders	496,939	240,559
7.08.04.03	Earnings retained in the period	482,176	219,848
7.08.04.04	Non-controlling shareholders	14,763	20,711

## MRV ANNOUNCES ITS 2Q14 RESULTS

### Highest quarterly net income of the Company's history Positive evolution of Gross Margin and Earnings per share

**Belo Horizonte, August 14, 2014 – MRV Engenharia e Participações S.A. (BM&FBovespa: MRVE3 – ADR OTCQX: MRVNY),** announces its results for the second quarter of 2014 (2Q14). The financial information is presented in million Reais (R\$ million), except where otherwise indicated, and is based on the consolidated financial statements prepared and presented in accordance to the International Financial Reporting Standards (IFRS), which considers Guideline CPC 04 Application of Interpretation ICPC 02 to Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), consistent with the standards issued by CPC.

#### CONFERENCE CALLS EARNINGS RELEASE 2Q14

##### English

August 15, 2014

11:00 AM (Brasília) / 10:00 AM (New York)

Phone: +1 646 843 6054

Code: MRV

##### Portuguese

August 15, 2014

11:00 AM (Brasília) / 10:00 AM (New York)

Phone: +55 (11) 2188 0155

Code: MRV

## Highlights

- ✓ Highest quarterly Earnings per Share (EPS), reaching R\$ 0.865. EPS of the residential segment totaled R\$ 0.280 in the quarter, an increase of R\$ 0.117 q-o-q.
- ✓ Highest quarterly net income of the Company history, reaching R\$ 401 million.
- ✓ LOG CP's assets adjustment to market value in the amount of R\$ 706 million, of which R\$ 267.6 million reflected on MRV's results.
- ✓ Gross margin of 27.8%, an increase of 1.3 p.p. y-o-y and 1.5 p.p., q-o-q.
- ✓ Potential Free operating cash flow of R\$ 210 million in 2Q14, as a result of Free operating cash flow of R\$ 138 million and the variation of the transitory accounts in the accounts receivables of R\$ 72 million, which will turn into cash in the short term.
- ✓ In 2014, until July 29, 2014, were repurchased 25,048,800 shares, equivalent to 5.18% of the total number of Company's shares on December 31, 2013, totaling R\$ 179 million, of which 20.081.659 shares were already cancelled. In the second quarter 18,598,800 shares were repurchased at a total value of R\$ 131.4 million.
- ✓ Pre-sales in 2Q14 reached R\$ 1,519 million, volume 10% higher than the same period of the previous year, despite the negative effect of the World Cup in June: this is the outcome of the market resilience in the low income segment and very low competition.



## Relevant events in the quarter

---

### Market and pre-sale: resilience

The Company is still operating in a strong and resilient market due to the favorable credit supply and mortgage conditions and healthy employment level.

Despite of the World Cup's negative impact, pre-sales reached the record level in first half of the year, amounting R\$ 3.06 billion, volume 23% higher than 1H13, driven by MRV's brand consolidation and very low competition, especially in secondary cities and metropolitan areas.

### Client financing and Cash Generation: normalized and stable operation

One of the quarter's highlight is the strong potential Free Operating Cash Flow, amounting R\$ 210 million, as a result of Free Operating Cash Flow of R\$ 138 million and the variation of the transitory accounts in the accounts receivables of R\$ 72 million, which will turn into cash in the short term.

### Margin improvement

Highest quarterly net margin of the Company's history, reaching 39.6%.

The Company's gross margin evolution reflects the performance improvement of new projects and the completion of old projects. In 2Q14, gross margin increased 1.5 p.p, q-o-q, and 1.3 p.p. compared to the same period last year.

As we have been indicating, our financial performance is part of the gradual process of profitability recovery, as the results reflect the operational efficiency's increase.

### Capital Management

As part of our commitment to generate shareholder value, in 2014 the Company repurchased 25,048,800 shares, of which 20,081,659 were already cancelled. Additionally, in June, we distributed 35% of the Company's earnings, 10 p.p. above the minimum required by law.

The result of (i) the operational and financial improvement, (ii) the repurchase/cancellation of shares, and (iii) the Company's capital reduction allowed an increase in the quarterly earnings per share from R\$ 0.171 in 1Q14 to R\$ 0.865 in 2Q14. Even after isolating the LOG's effects on MRV's results, the EPS had a positive evolution with an increase of 68.2% over 1Q14 or R\$ 0.117 per share, and 17.4% compared to 2Q13 or R\$ 0.043 per share.

### LOG Commercial Properties and Urbamais

The Property and Allotment companies in which MRV has investments will generate a great value for our shareholders.

### LOG Commercial Properties

Brazil's annual inflation has been relatively high, and its accumulation over a couple of years, has led to distortions in the balance sheets of the property companies, as is the case of LOG CP. The rental agreements are adjusted by the IGP-M, but neither the price of the property nor the amount of depreciation has been adjusted. In order to reflect the fair value of the business, in 2Q14, the LOG CP decided to register its assets at fair value (in accordance with the CPC28), setting the value of its properties up or down, incorporating in this fluctuation the potential depreciation and/or valuation of each property.



Hence, in this quarter, was recognized in the result of LOG CP a net total of R\$ 706 million related to changes in the fair value of its properties, of which R\$ 267.6 million were recorded in the Financial Statements of MRV.

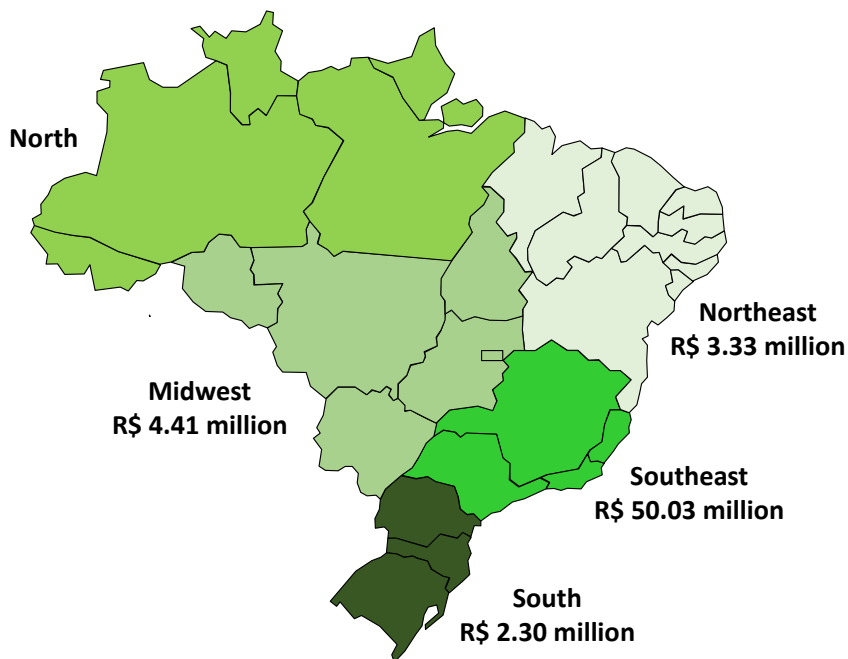
### **Urbamais**

In the second quarter of 2014, Urbamais continued its activities of new areas exploration and project approval. In July Urbamais got the final permissions to launch its first project at Araraquara (SP) held on August 09, 2014. Parque Atlanta project has 337 lots, in a private condominium, with green area, full leisure facilities and estimated VGV of R\$ 32 million, with success in sales during launching period.



## Infrastructure

During the first half of 2014, MRV invested over R\$ 60 million in urbanism in the cities where it operates. The improvement of the projects' surroundings is a constant concern of MRV and allows better life quality for our clients.



Land levelling and roads paving, sidewalks construction, sewage and electric system, trees planting and squares and parks adoption, among other improvements are executed in the surroundings of our projects.

**Land levelling and roads paving, sidewalks construction (R\$ 41.4 million)**



Piracicaba - SP



Rio das Ostras - RJ

**Sewage and electric system (R\$ 14 million)**



Americana - SP

**Environment (R\$ 7 million)**



Uberlândia - MG



Contagem - MG



Rio das Ostras - RJ





Aware of the importance of knowledge for personal and professional growth, especially in a country that still have 16 million illiterates, according to the National Household Sample Survey (PNAD), since 2011 MRV has been developing on its construction sites the project School Grade 10, that offers literacy courses to the MRV's workers in several areas.

The program is already implemented in more than 60 construction sites and continues to be expanded in partnership with the Industry Social Service – SESI, National Service of Industrial Learning – SENAI and labor unions of the Hombuilders and Workers Industry.





## Financial Indicators<sup>1</sup>

The financial indicators presented in this report are in accordance to the pronouncements CPC 19 (R2) – Joint Arrangements (IFRS 11), which have entered into force as of January 1<sup>st</sup>, 2013, except when otherwise stated.

Consolidated Financial Highlights (R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Net Operating Revenue	983	891	978	10.4% ↑	0.5% ↑	1,874	1,778	5.4% ↑
Financial results allocated to Net Revenue	31	20	41	51.0% ↑	26.2% ↓	51	71	28.9% ↓
<b>Total Net Operating Revenue</b>	<b>1,014</b>	<b>911</b>	<b>1,020</b>	<b>11.3% ↑</b>	<b>0.6% ↓</b>	<b>1,925</b>	<b>1,849</b>	<b>4.1% ↑</b>
Financial Cost recorded under COGS	29	31	33	6.8% ↓	12.0% ↓	61	69	12.0% ↓
<b>Gross Profit</b>	<b>282</b>	<b>240</b>	<b>271</b>	<b>17.4% ↑</b>	<b>4.1% ↑</b>	<b>522</b>	<b>488</b>	<b>7.2% ↑</b>
% Gross Margin	27.8%	26.4%	26.6%	1.5 p.p. ↑	1.3 p.p. ↑	27.1%	26.4%	0.8 p.p. ↑
<b>Selling expenses</b>	<b>81</b>	<b>69</b>	<b>71</b>	<b>17.7% ↑</b>	<b>13.1% ↑</b>	<b>149</b>	<b>134</b>	<b>11.4% ↑</b>
Selling expenses / net revenues (%)	8.0%	7.5%	7.0%	0.4 p.p. ↑	1.0 p.p. ↑	7.8%	7.3%	0.5 p.p. ↑
Selling expenses / pre-sales (%)	5.3%	4.5%	5.2%	0.9 p.p. ↑	0.1 p.p. ↑	4.9%	5.4%	0.5 p.p. ↓
<b>General &amp; Administrative Expenses</b>	<b>56</b>	<b>61</b>	<b>61</b>	<b>7.4% ↓</b>	<b>7.4% ↓</b>	<b>117</b>	<b>119</b>	<b>1.7% ↓</b>
G&A expenses / net revenues (%)	5.5%	6.7%	5.9%	1.1 p.p. ↓	0.4 p.p. ↓	6.1%	6.4%	0.4 p.p. ↓
G&A expenses / pre-sales (%)	3.7%	3.9%	4.4%	0.2 p.p. ↓	0.7 p.p. ↓	3.8%	4.8%	1.0 p.p. ↓
<b>EBITDA</b>	<b>428</b>	<b>132</b>	<b>186</b>	<b>225.3% ↑</b>	<b>130.2% ↑</b>	<b>560</b>	<b>315</b>	<b>78.0% ↑</b>
% EBITDA Margin	42.3%	14.5%	18.3%	27.8 p.p. ↑	24.0 p.p. ↑	29.1%	17.0%	12.1 p.p. ↑
<b>EBITDA Adjusted (ex. non-recurring LOG)*</b>	<b>161</b>	<b>132</b>	<b>162</b>	<b>22.1% ↑</b>	<b>0.8% ↓</b>	<b>292</b>	<b>291</b>	<b>0.6% ↑</b>
% EBITDA Margin Adjusted (ex. non-recurring LOG)*	15.9%	14.5%	15.9%	1.4 p.p. ↑	0.0 p.p. ↓	15.2%	15.7%	0.5 p.p. ↓
<b>Net Income</b>	<b>401</b>	<b>81</b>	<b>141</b>	<b>395.4% ↑</b>	<b>184.6% ↑</b>	<b>482</b>	<b>220</b>	<b>119.3% ↑</b>
% Net margin	39.6%	8.9%	13.8%	30.7 p.p. ↑	25.7 p.p. ↑	25.1%	11.9%	13.2 p.p. ↑
<b>Net Income Adjusted (ex. non-recurring LOG)*</b>	<b>134</b>	<b>81</b>	<b>117</b>	<b>65.0% ↑</b>	<b>14.2% ↑</b>	<b>215</b>	<b>196</b>	<b>9.6% ↑</b>
% Net margin Adjusted (ex. non-recurring LOG)*	13.2%	8.9%	11.5%	4.3 p.p. ↑	1.7 p.p. ↑	11.1%	10.6%	0.6 p.p. ↑
<b>Earnings per share (R\$)</b>	<b>0.865</b>	<b>0.171</b>	<b>0.296</b>	<b>405.1% ↑</b>	<b>192.5% ↑</b>	<b>1.029</b>	<b>0.461</b>	<b>123.3% ↑</b>
<b>Earnings per share (R\$) Adjusted (ex. non-recurring LOG)</b>	<b>0.288</b>	<b>0.171</b>	<b>0.245</b>	<b>68.2% ↑</b>	<b>17.4% ↑</b>	<b>0.458</b>	<b>0.411</b>	<b>11.6% ↑</b>
ROE (LTM)	16.5%	10.5%	12.7%	6.0 p.p. ↑	3.8 p.p. ↑	16.5%	12.7%	3.8 p.p. ↑
ROE (annualized)	37.6%	7.8%	14.3%	29.7 p.p. ↑	23.3 p.p. ↑	22.9%	11.3%	11.6 p.p. ↑
ROE (LTM) Adjusted (ex. non-recurring LOG)*	9.9%	9.7%	12.1%	0.2 p.p. ↑	2.2 p.p. ↓	9.9%	12.1%	2.2 p.p. ↓
ROE (annualized) Adjusted (ex. non-recurring LOG)*	12.5%	7.8%	11.9%	4.7 p.p. ↑	0.6 p.p. ↑	10.2%	10.1%	0.1 p.p. ↑
Unearned Sales Revenues	3,724	3,651	3,104	2.0% ↑	20.0% ↑	3,724	3,104	20.0% ↑
Unearned Costs of Units Sold	(2,115)	(2,081)	(1,823)	1.6% ↑	16.0% ↑	(2,115)	(1,823)	16.0% ↑
Unearned Results	1,609	1,570	1,280	2.5% ↑	25.6% ↑	1,609	1,280	25.6% ↑
% Unearned Margin	43.2%	43.0%	41.3%	0.2 p.p. ↑	1.9 p.p. ↑	43.2%	41.3%	1.9 p.p. ↑
<b>Cash Generation</b>	<b>138</b>	<b>56</b>	<b>116</b>	<b>146.1% ↑</b>	<b>18.7% ↑</b>	<b>193</b>	<b>178</b>	<b>8.8% ↑</b>
Net Debt (Net Cash)	1,435	1,304	1,692	10.0% ↑	15.2% ↓	1,435	1,692	15.2% ↓
Net Debt/Shareholders' Equity	30.8%	29.5%	39.3%	1.3 p.p. ↑	8.5 p.p. ↓	30.8%	39.3%	8.5 p.p. ↓
Net Debt/EBITDA LTM	1.61x	2.02x	2.39x	20.0% ↓	32.4% ↓	1.61x	2.39x	32.4% ↓
Net Debt/EBITDA LTM Adjusted (ex. não recorrente LOG)	2.33x	2.12x	2.47x	10.3% ↑	5.6% ↓	2.33x	2.47x	5.6% ↓

\* Non-recurring effects from LOG CP:

2Q13: capital transaction results (R\$ 22.7 million) and sale of Shopping Contagem stake (R\$ 1.3 million)

2T14: assets recorded at market value (R\$ 267.6 million)

<sup>1</sup> All figures included in this earnings release consider net income and shareholders' equity attributable to equity holders of the parent, unless indicated otherwise.



## Balanced operation

Balanced operation	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Construction financing*	239,539	227,018	200,477	5.5% ↑	19.5% ↑	239,539	200,477	19.5% ↑
Sold units (gross)	238,252	226,764	205,949	5.1% ↑	15.7% ↑	238,252	205,949	15.7% ↑
Launched units	237,286	229,896	214,475	3.2% ↑	10.6% ↑	237,286	214,475	10.6% ↑
Built units	182,538	173,796	155,128	5.0% ↑	17.7% ↑	182,538	155,128	17.7% ↑
Client financing	170,891	160,095	139,428	6.7% ↑	22.6% ↑	170,891.0	139,428	22.6% ↑
Finished units	134,387	124,356	98,650	8.1% ↑	36.2% ↑	134,387	98,650	36.2% ↑

Operational accumulated data since 2007 until the referred quarter. Data: 100%.

\*Construction financing: contracted projects at financial institutions.

## Operational Performance - MRV

### Land bank

Land bank	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>%MRV</b>								
Land Bank (R\$ billion)	24.5	23.2	22.5	5.5% ↑	8.7% ↑	24.5	22.5	8.7% ↑
Acquisitions/Adjustments (R\$ million)	2.3	1.1	0.3	102.7% ↑	638.5% ↑	3.0	2.5	19.7% ↑
Units	172,312	167,474	167,346	2.9% ↑	3.0% ↑	172,312	167,346	3.0% ↑
Usable Area (in thousands of sq.m.)	7,904	7,703	7,641	2.6% ↑	3.4% ↑	7,904	7,641	3.4% ↑
Average Price - R\$'000 / unit	142	139	135	2.5% ↑	5.6% ↑	142	135	5.6% ↑
Average Price - R\$'000 / sq.m.	3.1	3.0	2.9	2.8% ↑	5.1% ↑	3.1	2.9	5.1% ↑
% Swap - land bank	52%	56%	57%	4.4 p.p. ↓	5.3 p.p. ↓	52%	57%	5.3 p.p. ↓
% Swap - acquisitions in the period	72%	38%	78%	33.8 p.p. ↑	5.8 p.p. ↓	53%	75%	21.9 p.p. ↓
By financing source - FGTS	81%	82%	84%	1.5 p.p. ↓	3.2 p.p. ↓	81%	84%	3.2 p.p. ↓
By financing source - Savings accounts	19%	18%	16%	1.5 p.p. ↑	3.2 p.p. ↑	19%	16%	3.2 p.p. ↑
<b>100%</b>								
Number of Projects	366	370	387	1.1% ↓	5.4% ↓	366	387	5.4% ↓
Land Bank (R\$ billion)	25.9	24.6	24.1	5.4% ↑	7.5% ↑	25.9	24.1	7.5% ↑
Units	181,875	177,012	178,784	2.7% ↑	1.7% ↑	181,875	178,784	1.7% ↑
Units per Project	497	478	462	3.9% ↑	7.6% ↑	497	462	7.6% ↑
Usable Area (in thousands of sq.m.)	8,351	8,145	8,172	2.5% ↑	2.2% ↑	8,351	8,172	2.2% ↑
Average Price - R\$'000 / unit	142	139	135	2.6% ↑	5.7% ↑	142	135	5.7% ↑
Average Price - R\$'000 / sq.m.	3.1	3.0	2.9	2.8% ↑	5.2% ↑	3.1	2.9	5.2% ↑
<b>%CPC 19 IFRS 11</b>								
Land Bank (R\$ billion)	25.5	24.0	23.2	6.5% ↑	9.9% ↑	25.5	23.2	9.9% ↑
Units	179,039	172,484	172,168	3.8% ↑	4.0% ↑	179,039	172,168	4.0% ↑

Units' price of the land bank is regularly updated.

Out of the R\$ 24.5 billion in the land bank, R\$ 1,025 million already acquired the launching permits (7,351 units).

MRV's land bank is already consolidated, and new land acquisitions shall be done mainly through swaps and to replace launches. Specific opportunities may cause fluctuations in the percentage of swaps at certain periods.



## Launches (%MRV), gross of swaps

Launches	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>%MRV</b>								
Launches (R\$ million)	1,047	1,158	634	9.6% ↓	65.1% ↑	2,205	1,388	58.9% ↑
Units	6,912	7,841	5,020	11.8% ↓	37.7% ↑	14,753	11,137	32.5% ↑
Average Launching Size (units)	346	290	418	19.0% ↑	17.4% ↓	314	359	12.6% ↓
Usable Area (in thousands of sq.m.)	316	356	231	11.2% ↓	36.5% ↑	671	506	32.6% ↑
Average Price - R\$'000 / unit	152	148	126	2.6% ↑	19.9% ↑	149	125	19.9% ↑
Average Price - R\$'000 / sq.m.	3.3	3.3	2.7	1.8% ↑	20.9% ↑	3.3	2.7	19.8% ↑
By financing source - FGTS	68%	71%	89%	3.4 p.p. ↓	21.6 p.p. ↓	70%	89%	19.2 p.p. ↓
By financing source - Savings accounts	32%	29%	11%	3.4 p.p. ↑	21.6 p.p. ↑	30%	11%	19.2 p.p. ↑
Per region - Capital Cities	26%	30%	5%	3.7 p.p. ↓	20.6 p.p. ↑	28%	7%	20.8 p.p. ↑
Per region - Metropolitan Areas	45%	20%	18%	25.0 p.p. ↑	26.9 p.p. ↑	31%	21%	10.8 p.p. ↑
Per region - Secondary Cities	29%	51%	77%	21.4 p.p. ↓	47.5 p.p. ↓	41%	72%	31.6 p.p. ↓
<b>100%</b>								
Number of Projects	20	27	12	25.9% ↓	66.7% ↑	47	31	51.6% ↑
Launches (R\$ million)	1,119	1,250	673	10.5% ↓	66.1% ↑	2,369	1,457	62.6% ↑
Units	7,390	8,473	5,348	12.8% ↓	38.2% ↑	15,863	11,706	35.5% ↑
Usable Area (in thousands of sq.m.)	338	384	246	12.2% ↓	37.1% ↑	722	532	35.8% ↑
Average Price - R\$'000 / unit	151	148	126	2.6% ↑	20.2% ↑	149	124	20.0% ↑
Average Price - R\$'000 / sq.m.	3.3	3.3	2.7	1.9% ↑	21.1% ↑	3.3	2.7	19.8% ↑
<b>%CPC 19 IFRS 11</b>								
Launches (R\$ million)	1,042	1,184	648	12.0% ↓	60.8% ↑	2,226	1,416	57.2% ↑
Units	7,010	8,025	5,176	12.6% ↓	35.4% ↑	15,035	11,406	31.8% ↑

## Pre-Sales (%MRV), net of swaps

Pre-sales*	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>%MRV</b>								
Launches (R\$ million)	1,519	1,538	1,381	1.3% ↓	10.0% ↑	3,057	2,476	23.5% ↑
Units	10,636	10,734	10,551	0.9% ↓	0.8% ↑	21,369	19,366	10.3% ↑
Usable Area (in thousands of sq.m.)	487	495	477	1.6% ↓	2.0% ↑	982	874	12.3% ↑
Average Price - R\$'000 / unit	143	143	131	0.3% ↓	9.1% ↑	143	128	11.9% ↑
Average Price - R\$'000 / sq.m.	3.1	3.1	2.9	0.3% ↑	7.8% ↑	3.1	2.8	10.0% ↑
By financing source - FGTS	82%	82%	87%	0.3 p.p. ↓	5.2 p.p. ↓	82%	89%	7.3 p.p. ↓
By financing source - Savings accounts	18%	19%	12%	0.6 p.p. ↓	6.0 p.p. ↑	18%	11%	7.3 p.p. ↑
Per region - Capital Cities	19%	19%	14%	0.8 p.p. ↑	5.5 p.p. ↑	19%	15%	3.8 p.p. ↑
Per region - Metropolitan Areas	26%	26%	26%	0.1 p.p. ↓	0.2 p.p. ↑	26%	27%	0.9 p.p. ↓
Per region - Secondary Cities	55%	55%	60%	0.7 p.p. ↓	5.7 p.p. ↓	55%	58%	2.9 p.p. ↓
Sales over supply (%)	26%	26%	27%	0.0 p.p. ↓	1.1 p.p. ↓	44%	43%	1.6 p.p. ↑
<b>100%</b>								
Launches (R\$ million)	1,648	1,669	1,495	1.2% ↓	10.2% ↑	3,317	2,700	22.8% ↑
Units	11,488	11,574	11,388	0.7% ↓	0.9% ↑	23,062	21,062	9.5% ↑
Usable Area (in thousands of sq.m.)	538	546	531	1.5% ↓	1.4% ↑	1,084	978	10.8% ↑
Average Price - R\$'000 / unit	143	144	131	0.5% ↓	9.2% ↑	144	128	12.2% ↑
Average Price - R\$'000 / sq.m.	3.1	3.1	2.8	0.2% ↑	8.7% ↑	3.1	2.8	10.8% ↑
<b>%CPC 19 IFRS 11</b>								
Launches (R\$ million)	1,522	1,529	1,364	0.5% ↓	11.6% ↑	3,051	2,482	22.9% ↑
Units	10,732	10,851	10,526	1.1% ↓	2.0% ↑	21,583	19,628	10.0% ↑

\*Net of swaps and gross of cancellations

The record pre-sales in the first half was due to the low competition in our segment and places where we operate – scenario that shall persist in the mid / long term – and the continuity of the attractiveness of mortgage supply conditions to our segment.



### Pre-Sales per launching period – %MRV (R\$)

Launching Period	Pre Sales												
	2009	2010	2011	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
2Q14													5%
1Q14												8%	15%
4Q13											19%	21%	11%
3Q13										12%	17%	9%	5%
2Q13									5%	12%	8%	5%	4%
1Q13								7%	14%	8%	6%	4%	5%
4Q12							7%	15%	12%	7%	6%	4%	3%
3Q12						14%	20%	13%	5%	4%	5%	6%	6%
2Q12					14%	16%	20%	7%	7%	7%	4%	4%	6%
1Q12				3%	12%	10%	5%	5%	4%	2%	4%	4%	3%
2011			38%	62%	46%	36%	28%	26%	25%	24%	14%	15%	17%
2010		55%	43%	27%	19%	16%	13%	18%	19%	14%	11%	12%	13%
2009	45%	27%	9%	4%	4%	4%	3%	4%	5%	5%	4%	6%	6%
Before 2009	55%	18%	10%	4%	5%	4%	4%	5%	4%	4%	4%	2%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Launches in 2Q14 were concentrated in June, and most of the pre-sales came from units available in our inventories.

Sales from SICAQ/SAC project implementation (sale and client financing simultaneously) already represents 22% of June's sales.

### Production and Real estate financing

Production and Real Estate Financing	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>100%</b>								
Built Units	8,743	7,796	9,780	12.2% ↑	10.6% ↓	16,539	18,932	12.6% ↓
Finished units	10,031	8,451	8,283	18.7% ↑	21.1% ↑	18,482	14,499	27.5% ↑
Construction sites	273	284	326	3.9% ↓	16.3% ↓	557	667	16.5% ↓
Construction Financing	12,521	4,127	11,153	203.4% ↑	12.3% ↑	16,648	18,087	8.0% ↓
Client Financing	10,796	7,445	12,521	45.0% ↑	13.8% ↓	18,241	22,798	20.0% ↓
<b>%MRV</b>								
Built Units	8,162	7,250	8,835	12.6% ↑	7.6% ↓	15,412	17,101	9.9% ↓
Finished units	8,655	7,708	7,831	12.3% ↑	10.5% ↑	16,362	13,526	21.0% ↑
Construction Financing	11,791	3,742	10,699	215.1% ↑	10.2% ↑	15,533	17,013	8.7% ↓
Client Financing	9,746	7,125	11,677	36.8% ↑	16.5% ↓	16,870	21,180	20.3% ↓
<b>%CPC 19 IFRS 11</b>								
Built Units	8,103	7,227	8,656	12.1% ↑	6.4% ↓	15,329	16,884	9.2% ↓
Finished units	7,866	7,843	7,939	0.3% ↑	0.9% ↓	15,709	13,915	12.9% ↑
Construction Financing	12,361	3,711	11,153	233.1% ↑	10.8% ↑	16,072	17,727	9.3% ↓
Client Financing	9,932	7,152	12,378	38.9% ↑	19.8% ↓	17,084	22,415	23.8% ↓

The volume of units built in 2Q14 rose in the first quarter due to the higher number of construction sites initiated in 2014.

Despite of the negative impact of the World Cup, the volume of mortgages approved by the banks returned to the normalized level due to system and processes stabilization in the banks in which we operate.

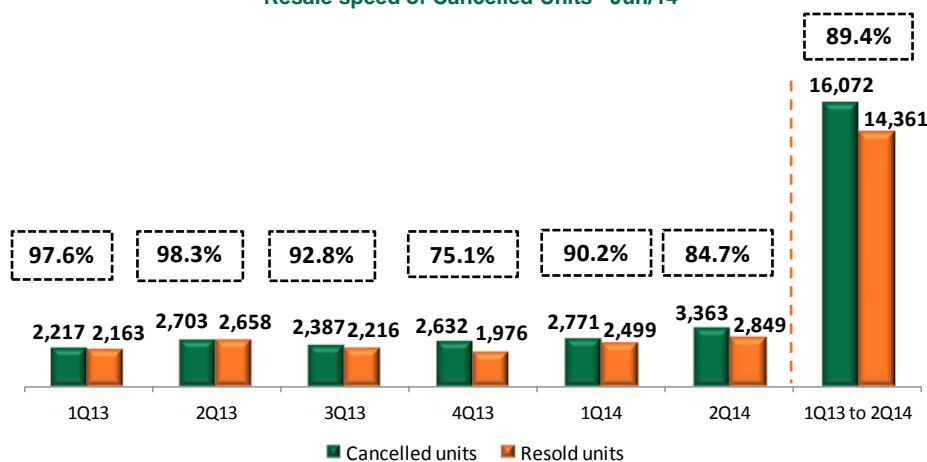


## Cancellations (%MRV)

(R\$ thousand)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg. 2Q14 x 2Q13
Gross Sales	1,094,722	1,381,231	1,388,108	1,229,996	1,538,059	1,518,808	10.0% ↑
Cancellations (Contract Value)	232,615	293,669	265,548	295,952	327,981	412,218	40.4% ↑
Cancellations / Gross Sales	21.2%	21.3%	19.1%	24.1%	21.3%	27.1%	5.88 p.p. ↑
Net Sales	862,106	1,087,562	1,122,560	934,043	1,210,077	1,106,591	1.7% ↑
(units)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg. 2Q14 x 2Q13
Gross units Sold	8,816	10,551	10,250	8,832	10,734	10,636	0.8% ↑
Cancelled Units	2,217	2,703	2,387	2,632	2,771	3,363	24.4% ↑
Cancellations / Gross Sales	25.1%	25.6%	23.3%	29.8%	25.8%	31.6%	6.00 p.p. ↑
Net Sales (units)	6,599	7,848	7,863	6,200	7,963	7,273	7.3% ↓

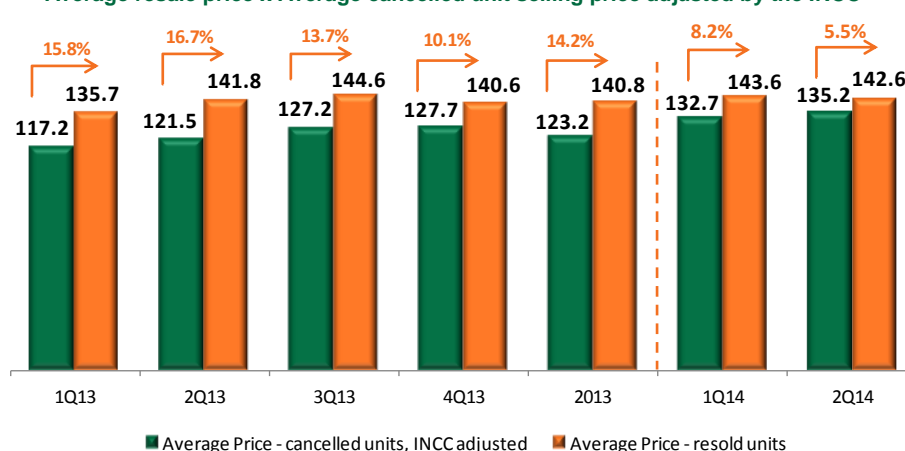
The volume of cancellations remained high due to the tightening of the credit screening rules to grant mortgages by Banco do Brasil and CEF. These criteria were changed at the end of 2013.

### Resale speed of Cancelled Units– Jun/14



Due to the reduced supply of products in the segment that we operate, we have been experiencing a high resale speed of cancelled units, as indicated in the chart above.

### Average resale price x Average cancelled unit selling price adjusted by the INCC <sup>2</sup>



<sup>2</sup> Average contract value of the cancelled unit adjusted by the period's INCC between the original sale and the resale.



Due to the predominance of *Crédito Associativo* (where mortgages are granted during the construction cycle) in our business model, the great majority of the Company's cancellations occur during the construction phase, allowing the cancelled unit to be resold and the clients' base clearance while the project is still being built.

## Inventory at Market Value (%MRV)

Inventory at Market Value (%MRV)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13
<b>Inventory at Market Value (R\$ billion)</b>	<b>4.74</b>	<b>4.71</b>	<b>4.19</b>	<b>0.7% ↑</b>	<b>13.1% ↑</b>
<b>By Financing Source (units)</b>					
FGTS	75%	75%	85%	0.5 p.p. ↑	10.0 p.p. ↓
Savings Accounts	25%	25%	15%	0.5 p.p. ↓	10.0 p.p. ↑
<b>By Construction phase (units)</b>					
Not initiated	53%	43%	56%	10.2 p.p. ↑	3.2 p.p. ↓
Under construction	44%	55%	38%	10.7 p.p. ↓	5.8 p.p. ↑
Finished	3%	3%	6%	0.5 p.p. ↑	2.6 p.p. ↓
<b>Inventory Duration *</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.0% ↑</b>	<b>2.8% ↑</b>

\* Inventory duration = final inventory / Pre-sales (per quarter)

Inventory units' price is regularly updated.

At the end of March/2014, we had approximately three quarters of pre-sales in inventory of units to be sold. Inventory of finished units remains low and represent, approximately, 8 days of the pre-sales volume.



## Cash Generation

### Potential Cash Generation of R\$ 210 million and Generation of R\$139 million in 2Q14

R\$ million	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg.1H14 x 1H13
Total Cash	1,223	1,383	1,380	11.6% ↓	11.4% ↓	1,223	1,380	11.4% ↓
Total Debt	(2,658)	(2,687)	(3,073)	1.1% ↓	13.5% ↓	(2,658)	(3,073)	13.5% ↓
Net Debt	(1,435)	(1,304)	(1,692)	10.0% ↑	15.2% ↓	(1,435)	(1,692)	15.2% ↓
<b>Δ Net Det</b>	<b>(131)</b>	<b>25</b>	<b>(92)</b>	<b>617.0% ↓</b>	<b>43.0% ↑</b>	<b>(106)</b>	<b>(29)</b>	<b>258.2% ↑</b>
Share issuance	(1)	(0)	(0)	-	-	(1)	(0)	612.2% ↑
Capital transaction	-	-	63	-	-	-	63	-
Dividends payment	141	-	125	-	12.3% ↑	141	125	12.3% ↑
Share Buyback	129	31	19	315.3% ↑	568.9% ↑	160	19	730.0% ↑
<b>Free operational cash generation</b>	<b>138</b>	<b>56</b>	<b>116</b>	<b>146.1% ↑</b>	<b>18.7% ↑</b>	<b>193</b>	<b>178</b>	<b>8.8% ↑</b>

We had, in the quarter, Potential Operating Cash Flow of R\$ 210 million as a result of Free Operating Cash Flow Free of R\$ 138 million and the variation of the Transitory Accounts in the Account Receivables of R\$ 72 million, which will turn into cash in the short term.

Keeping focus on free cash flow generation and seeking continuous improvement in the accounts receivables' cycle and the client financing process, we totaled the Free Operating Cash Flow in 1H14 at R\$ 193 million.

On June 30, 2014, we had R \$ 426 million in the Transitory Accounts in the Accounts Receivable, which will turn into operational receivables in the short-term. From the day the client signs the mortgage with the bank to the day of the effective credit at MRV's banking account, the amount to be credited to MRV, equivalent to the percentage already built of the project, remains in a "Transitory Account"



## MRV Financial Performance

The financial indicators presented in this report are in accordance to the pronouncements CPC 19 (R2) – Joint Arrangements (IFRS 11), which have entered into force as of January 1<sup>st</sup>, 2013, except when otherwise stated.

### Net Operating Revenue

(R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Net Operational Revenue	983	891	978	10.4% ↑	0.5% ↑	1,874	1,778	5.4% ↑
Financial results allocated to Net Revenue	31	20	41	51.0% ↑	26.2% ↓	51	71	28.9% ↓
Total Net Operational Revenue	1,014	911	1,020	11.3% ↑	0.6% ↓	1,925	1,849	4.1% ↑

The increase in the net operating revenue q-o-q, was mainly due to the increase in the volume of built units.

### Gross Profit

(R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Gross Profit	282	240	271	17.4% ↑	4.1% ↑	522	488	7.2% ↑
% Gross Margin	27.8%	26.4%	26.6%	1.5 p.p. ↑	1.3 p.p. ↑	27.1%	26.4%	0.8 p.p. ↑

The positive evolution of the gross margin in 2Q14 reflected a better margin of the ongoing projects and the completion of the old projects with lower margins.

In the table below, we demonstrate the financial charges allocated on COGS.

#### Financial Cost recorded under COGS

(R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Financial Cost recorded under COGS	29	31	33	6.8% ↓	12.0% ↓	61	69	12.0% ↓
% of Net Operating Revenue	2.9%	3.4%	3.3%	0.0 p.p. ↓	0.0 p.p. ↓	3.2%	3.7%	0.6 p.p. ↓
Gross profit with financial cost	282	240	271	17.4% ↑	4.1% ↑	522	488	7.2% ↑
Gross profit ex. financial cost	311	272	304	14.6% ↑	2.4% ↑	583	556	4.8% ↑
Gross Margin ex. financial cost (%)	30.7%	29.8%	29.8%	0.9 p.p. ↑	0.9 p.p. ↑	30.3%	30.1%	0.2 p.p. ↑

The gross margin in 2Q14 is impacted by the financial charges allocated to COGS (Cost of Goods Sold) as demonstrated above.

### Selling, General and Administrative Expenses (SG&A)

The selling expenses growth reflected the increase of our own sales team and the sales process internalization that will provide gains in the commercial actions, due to higher alignment to the Company's goals.

Consolidated Financial Highlights (R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>Selling expenses</b>	<b>81</b>	<b>69</b>	<b>71</b>	<b>17.7% ↑</b>	<b>13.1% ↑</b>	<b>149</b>	<b>134</b>	<b>11.4% ↑</b>
Selling expenses / net revenues (%)	8.0%	7.5%	7.0%	0.4 p.p. ↑	1.0 p.p. ↑	7.8%	7.3%	0.5 p.p. ↑
Selling expenses / pre-sales (%)	5.3%	4.5%	5.2%	0.9 p.p. ↑	0.1 p.p. ↑	4.9%	5.4%	0.5 p.p. ↓
<b>General &amp; Administrative Expenses</b>	<b>56</b>	<b>61</b>	<b>61</b>	<b>7.4% ↓</b>	<b>7.4% ↓</b>	<b>117</b>	<b>119</b>	<b>1.7% ↓</b>
G&A expenses / net revenues (%)	5.5%	6.7%	5.9%	1.1 p.p. ↓	0.4 p.p. ↓	6.1%	6.4%	0.4 p.p. ↓
G&A expenses / pre-sales (%)	3.7%	3.9%	4.4%	0.2 p.p. ↓	0.7 p.p. ↓	3.8%	4.8%	1.0 p.p. ↓



## EBITDA<sup>3</sup>

R\$ million	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Income before taxes	425	106	158	302.8% ↑	169.0% ↑	531	252	110.5% ↑
Depreciation and Amortization	9	10	9	5.5% ↓	5.0% ↑	19	16	17.7% ↑
Financial Results	(35)	(15)	(14)	134.1% ↑	151.6% ↑	(50)	(22)	123.8% ↑
Financial charges recorded under cost of sales	29	31	33	6.8% ↓	12.0% ↓	61	69	12.0% ↓
<b>EBITDA</b>	<b>428</b>	<b>132</b>	<b>186</b>	<b>225.3% ↑</b>	<b>130.2% ↑</b>	<b>560</b>	<b>315</b>	<b>78.0% ↑</b>
EBITDA Margin	42.3%	14.5%	18.3%	27.8 p.p. ↑	24.0 p.p. ↑	29.1%	17.0%	12.1 p.p. ↑
<b>EBITDA Adjusted (ex. non-recurring LOG)</b>	<b>161</b>	<b>132</b>	<b>162</b>	<b>22.1% ↑</b>	<b>0.8% ↓</b>	<b>292</b>	<b>291</b>	<b>0.6%</b>
EBITDA Margin adjusted (ex. non recurring LOG)	15.9%	14.5%	15.9%	1.4 p.p. ↑	0.0 p.p. ↓	15.2%	15.7%	(0.5 p.p.)

The EBITDA margin evolution reflects the higher operational efficiency of the new projects, as we have already mentioned.

## Financial Results

(R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Financial Expenses	(25)	(32)	(28)	22.8% ↓	10.4% ↓	(57)	(53)	7.3% ↑
Financial Income	36	37	26	3.4% ↓	38.3% ↑	73	55	32.1% ↑
Financial income from receivables from real estate development	24	10	16	137.7% ↑	53.4% ↑	35	21	68.3% ↑
<b>Total</b>	<b>35</b>	<b>15</b>	<b>14</b>	<b>134.1% ↑</b>	<b>151.6% ↑</b>	<b>50</b>	<b>22</b>	<b>123.8% ↑</b>

The increase in financial income from the client's receivables is due to a higher number of projects that obtained *living permits*, which causes the transfers of real estate development income to this account.

We demonstrate below the total financial result adjusted by the financial charges allocated to COGS.

(R\$ million)	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Financial result	35	15	14	134.1% ↑	151.6% ↑	50	22	123.8% ↑
Financial Cost recorded under COGS	(29)	(31)	(33)	6.8% ↓	12.0% ↓	(61)	(69)	12.0% ↓
<b>Adjusted Total</b>	<b>6</b>	<b>(16)</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>(46)</b>	<b>77.7% ↓</b>

## Net Income

According to the table below, we presented the highest quarterly net income of the Company's history. Additionally, we had a great positive evolution in the net margin, when excluded the non-recurring events of 2013 due to the operational improvement.

R\$ million	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>Net Income</b>	<b>401</b>	<b>81</b>	<b>141</b>	<b>395.4% ↑</b>	<b>184.6% ↑</b>	<b>482</b>	<b>220</b>	<b>119.3% ↑</b>
% Net margin	39.6%	8.9%	13.8%	30.7 p.p. ↑	25.7 p.p. ↑	25.1%	11.9%	13.2 p.p. ↑
<b>Net income (ex. non-recurring LOG)</b>	<b>134</b>	<b>81</b>	<b>117</b>	<b>65.0% ↑</b>	<b>14.2% ↑</b>	<b>215</b>	<b>196</b>	<b>9.6% ↑</b>
% Net margin (ex. non-recurring LOG)	13.2%	8.9%	11.5%	4.3 p.p. ↑	1.7 p.p. ↑	11.1%	10.6%	0.6 p.p. ↑

<sup>3</sup> See EBITDA definition at the Glossary



## Unearned Results

The unearned sales revenues reflect the new projects cycle with healthier and normalized margins.

(R\$ million)	Jun-14	Mar-14	Dec-13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
Unearned Sales Revenues	3,724	3,651	3,172	2.0% ↑	17.4% ↑
(-) Unearned Costs of Units Sold	(2,115)	(2,081)	(1,821)	1.6% ↑	16.2% ↑
Unearned Results	1,609	1,570	1,352	2.5% ↑	19.0% ↑
Unearned Results Margin	43.2%	43.0%	42.6%	0.2 p.p. ↑	0.6 p.p. ↑

## Balance Sheet

### Cash and Cash Equivalents and Short-term Investments

(R\$ million)	jun/14	mar/14	dec/13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
Cash and cash equivalents	1,039	1,131	1,423	8.1% ↓	27.0% ↓
Short-term investments	184	252	266	27.1% ↓	30.9% ↓
Total Cash	1,223	1,383	1,689	11.6% ↓	27.6% ↓

The Company has maintained a solid cash position and a low leverage level to support our operations during unstable scenario of the global and the Brazilian economies. In order to improve the capital management and the shareholders' return, we disbursed R\$ 128.9 million to buy back shares and paid R\$ 141 million in dividends in 2Q14, reducing temporarily MRV's cash position.

### Receivables from Real Estate Development

(R\$ million)	Jun-14	Mar-14	Dec-13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
12 months	4,966	4,916	4,604	1.0% ↑	7.9% ↑
13 to 24 months	2,606	2,618	2,471	0.5% ↓	5.5% ↑
25 to 36 months	291	294	289	0.9% ↓	0.9% ↑
37 to 48 months	49	50	49	1.1% ↓	0.4% ↓
Over 49 months	6	6	6	1.1% ↓	0.4% ↓
<b>Total</b>	<b>7,918</b>	<b>7,884</b>	<b>7,419</b>	<b>0.4% ↑</b>	<b>6.7% ↑</b>
Receivables from real estate development	4,194	4,232	4,247	0.9% ↓	1.2% ↓
Unearned sales revenue	3,724	3,651	3,172	2.0% ↑	17.4% ↑
<b>Total</b>	<b>7,918</b>	<b>7,884</b>	<b>7,419</b>	<b>0.4% ↑</b>	<b>6.7% ↑</b>

Pro-soluto (R\$ million)	Jun-14
After Keys Delivery	90
Before Keys Delivery	304
<b>Total</b>	<b>394</b>
Receivables	7,918
Pro-soluto / Receivables (%)	5.0%



## Advances from Customers

(R\$ million)	Jun-14	Mar-14	Dec-13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
12 months	784	914	933	14.2% ↓	16.0% ↓
13 to 24 months	395	329	365	20.0% ↑	8.2% ↑
Over 24 months	164	143	211	14.5% ↑	22.6% ↓
<b>Total</b>	<b>1,343</b>	<b>1,386</b>	<b>1,510</b>	<b>3.1% ↓</b>	<b>11.1% ↓</b>
Advanced receivables	316	354	397	10.6% ↓	20.3% ↓
Advances for barter	1,026	1,032	1,113	0.6% ↓	7.8% ↓
<b>Total</b>	<b>1,343</b>	<b>1,386</b>	<b>1,510</b>	<b>3.1% ↓</b>	<b>11.1% ↓</b>

## Real Estate for Sale and Development

(R\$ million)	Jun-14	Mar-14	Dec-13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
Properties under construction	1,175	1,157	1,193	1.5% ↑	1.5% ↓
Completed Units	52	52	55	0.3% ↓	5.4% ↓
Land bank	2,026	1,996	1,926	1.5% ↑	5.2% ↑
Advances to Suppliers	33	33	45	0.5% ↑	25.6% ↓
Inventories of supplies	10	6	7	56.9% ↑	50.2% ↑
<b>Total</b>	<b>3,297</b>	<b>3,245</b>	<b>3,225</b>	<b>1.6% ↑</b>	<b>2.2% ↑</b>
Current	1,831	1,656	1,735	10.5% ↑	5.5% ↑
Non-current	1,466	1,588	1,490	7.7% ↓	1.6% ↓

## Total Debt

Total debt as of June 30, 2014 was R\$ 2,658 million, fully denominated in Brazilian *Reais*, and mainly indexed to the interbank deposit rate and referential rate.

### Debt Maturity Schedule

(R\$ million)	Loans - Construction Financing*	Debentures	Total
12 months	411	157	568
13 to 24 months	639	559	1,197
25 to 36 months	328	499	828
37 to 48 months	64	-	64
Over 48 months	1	-	1
<b>Total Debt</b>	<b>1,443</b>	<b>1,215</b>	<b>2,658</b>

\*Include leases

On June 30, 2014 the duration<sup>4</sup> of MRV's debt was 19 months.

<sup>4</sup> Duration – see attachment 8 - glossary



### Debt Breakdown

(R\$ million)	Maturity	Charges	Balance Due	
			Jun/14	Dec/13
<b>Working capital – CDI</b>			<b>1,673</b>	<b>1,884</b>
Debentures - 3rd Issuance	02/01/2014	CDI + 1.6% p.a.	-	269
Debentures - 5th Issuance	07/01/2016	CDI + 1.5% p.a.	527	525
Debentures - 6th Issuance	3/5/2017	CDI + 1.5% p.a.	507	506
Working capital – CDI	up to June/17	CDI + 1.18% to 1.45% p.a.	510	418
CCB which backed the CRI transaction	Mar/13 to Mar/15	CDI + 1.15% p.a.	129	166
<b>Construction Finance - TR</b>			<b>977</b>	<b>1,124</b>
Debentures - 4th Issuance	12/1/2015	TR + 8.42 p.a.	180	241
Construction Financing	up to Dec/18	TR + 8% to 10.5% p.a.	797	883
<b>Others</b>			<b>7</b>	<b>10</b>
Others	up to Apr/20	CDI + Spread and Fixed rate 4.5%	7	10
<b>Total</b>			<b>2,658</b>	<b>3,018</b>

### Weighted Average Debt Cost

(R\$ million)	Balance Due Jun/14	Balance Due / Total (%)	Average Cost
CDI	(1,677)	63.1%	CDI + 1.4%
TR	(977)	36.8%	TR + 8.3%
Others (fixed rate)	(3)	0.1%	4.5%
<b>Total</b>	<b>(2,658)</b>	<b>100.0%</b>	

## Net Debt

### Consolidated MRV Net Debt

(R\$ million)	Jun-14	Mar-14	Dec-13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
Total debt	2,658	2,687	3,018	1.1% ↓	11.9% ↓
(-) Cash and cash equivalents and Short-term investments	(1,223)	(1,383)	(1,689)	11.6% ↓	27.6% ↓
<b>Net Debt</b>	<b>1,435</b>	<b>1,304</b>	<b>1,329</b>	<b>10.0% ↑</b>	<b>7.9% ↑</b>
Total Shareholders' Equity	4,653	4,421	4,365	5.2% ↑	6.6% ↑
<b>Net Debt / Total Shareholders' Equity</b>	<b>30.8%</b>	<b>29.5%</b>	<b>30.4%</b>	<b>1.3 p.p. ↑</b>	<b>0.4 p.p. ↑</b>
EBITDA LTM	889	647	643	37.5% ↑	38.1% ↑
<b>Net Debt / EBITDA LTM</b>	<b>1.61x</b>	<b>2.02x</b>	<b>2.07x</b>	<b>20.0% ↓</b>	<b>21.9% ↓</b>
EBITDA LTM Adjusted	615	616	613	0.2% ↓	0.3% ↑
<b>Net Debt / EBITDA LTM Adjusted</b>	<b>2.33x</b>	<b>2.12x</b>	<b>2.17x</b>	<b>10.3% ↑</b>	<b>7.6% ↑</b>



## Covenants & Corporate Risk

### Ratings

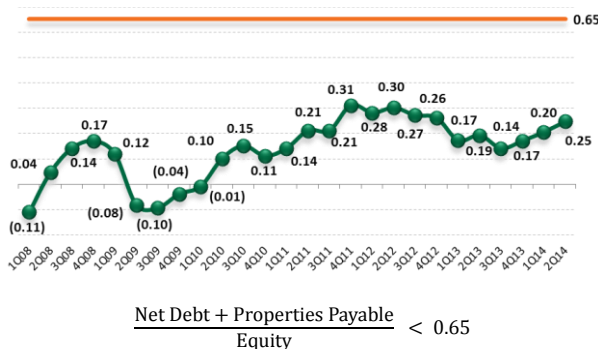


brAA-

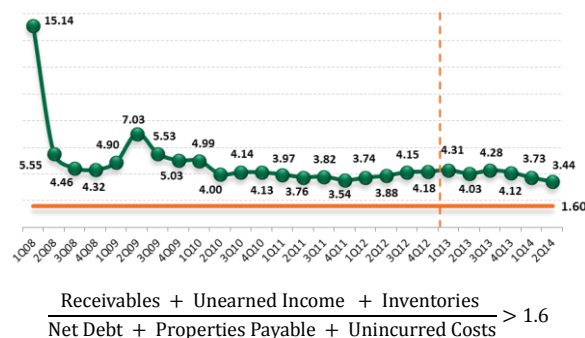


brAA--

#### Debt Covenant<sup>5</sup>



#### Receivables Covenant



## Shares

### MRVE3 (08/13/14)

463,139,684 shares

Market Share: R\$ 3.5 billion

US\$ 1.5 billion

(08/13/14: US\$ 1 = R\$ 2.27)

Average Daily Trading Volume (2014):

R\$ 31.5 million

### Share Buyback Plan

#### Share Buyback Plan (06/03/2014)

Term	06/02/2015
Status	Active
Approved Quantity	20,000,000
Acquired Quantity until 08/14/14	6,578,800
Buyback Available Balance (as of 08/14/14)	13,421,200
Treasury Shares (as of 08/14/14)	11,211,100

Since August / 2011, we have been active in share buyback programs to buy shares to be held in treasury and/or eventual disposal or cancellation.

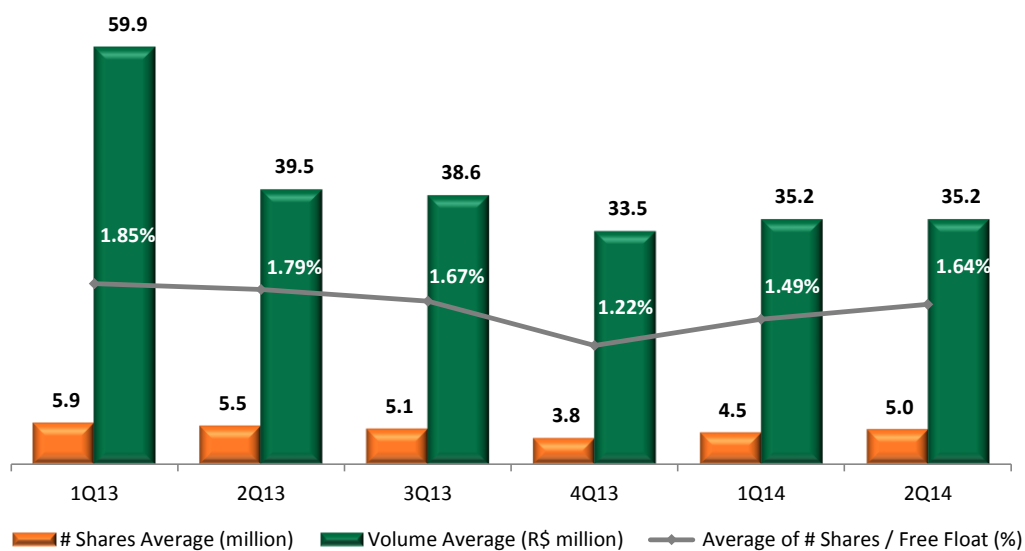
In 2Q14 we repurchased 18,598,800 shares, totaling R\$ 131.4 million. In 2014, until July 29<sup>th</sup>, 25,048,800 shares were repurchased, representing 5.18% of the total shares of the Company outstanding on December 31, 2013, equivalent to R\$ 179 million, of which 20,081,659 shares have already been canceled.

The company is focused on value creation to shareholders and will use the consistent cash flow to repurchase its shares at times of depressed prices with the subsequent cancellation of these shares, or to increase the dividend payout in the future..

<sup>5</sup> Debt and Receivables Covenants calculated in accordance to pronouncement CPC 19 (R2) – IFRS 11 as of 1Q13



## Liquidity





## LOG Commercial Properties

LOG CP, from 3Q13 on, as LOG has requested for public company in CVM's "B" category, starts to release its detailed results. LOG's earnings release is available on MRV's website ([http://ri.mrv.com.br/relatorios\\_trimestrais.aspx?l=2](http://ri.mrv.com.br/relatorios_trimestrais.aspx?l=2)). Find below LOG CP's main metrics:

Operating Highlights (in GLA sq.m., in %LOG)	2Q14	1Q14	2Q13	2Q14 x 1Q14	2Q14 x 2Q13	1H13	1H14	1H14 x 1H13
<b>Portfolio</b>	<b>1,354,172</b>	<b>1,327,457</b>	<b>1,386,274</b>	<b>2.0%</b>	<b>-2.3%</b>	<b>1,354,172</b>	<b>1,386,274</b>	<b>-2.3%</b>
Warehouses	1,188,766	1,173,771	1,200,607	1.3%	-1.0%	1,188,766	1,200,607	-1.0%
Retail *	51,056	51,056	82,956	0.0%	-38.5%	51,056	82,956	-38.5%
Office	114,350	102,630	102,711	11.4%	11.3%	114,350	102,711	11.3%
<b>Approved GLA</b>	<b>41,395</b>	<b>2,621</b>	<b>90,925</b>	<b>1479.6%</b>	<b>-54.5%</b>	<b>916,927</b>	<b>786,037</b>	<b>16.7%</b>
Warehouses	41,395	1,435	94,114	2784.4%	-56.0%	903,320	776,066	16.4%
Retail *	-	1,185	(3,189)	-100.0%	-100.0%	13,607	9,971	36.5%
Office	-	-	-	0.0%	0.0%	-	-	0.0%
<b>Built GLA</b>	<b>38,256</b>	<b>35,602</b>	<b>52,078</b>	<b>7.5%</b>	<b>-26.5%</b>	<b>627,544</b>	<b>457,853</b>	<b>37.1%</b>
Warehouses	36,686	34,618	49,383	6.0%	-25.7%	615,771	450,331	36.7%
Retail *	1,570	984	2,695	59.6%	-41.8%	11,773	7,522	56.5%
Office	-	-	-	0.0%	0.0%	-	-	0.0%
<b>Delivered GLA</b>	<b>37,802</b>	<b>20,092</b>	<b>78,037</b>	<b>88.1%</b>	<b>-51.6%</b>	<b>470,550</b>	<b>330,941</b>	<b>42.2%</b>
Galpões	37,802	20,116	78,037	87.9%	-51.6%	467,929	330,941	41.4%
Retail *	-	(23)	-	-100.0%	0.0%	2,621	-	0.0%
Office	-	-	-	0.0%	0.0%	-	-	0.0%

Financial Highlights (in R\$ thousand)	2Q14	1Q14 Restated	2Q13	2Q14 x 1Q14	2Q14 x 2Q13	1H13	1H14	1H14 x 1H13
Net Operating Revenues	16	14	11	12.3%	45.3%	30	20	47.9%
EBITDA	248	11	10	2184.9%	2462.4%	259	16	1526.6%
EBITDA Margin (%)	1584.5%	77.9%	89.8%	1506.6 p.p.	1494.7 p.p.	874.9%	79.5%	795.3 p.p.
Adjusted EBITDA **	11	10	6	13.0%	71.6%	21	13	63.8%
Adjusted EBITDA Margin (%)	70.1%	69.7%	59.3%	0.4 p.p.	10.9 p.p.	69.9%	63.2%	6.8 p.p.
FFO	245	11	7	2140.3%	3185.4%	256	11	2156.3%
FFO Margin (%)	1562.6%	78.3%	69.1%	1484.3 p.p.	1493.5 p.p.	863.5%	56.6%	806.9 p.p.
Adjusted FFO **	6	6	4	9.2%	53.8%	12	8	52.5%
Adjusted FFO Margin (%)	40.9%	42.1%	38.7%	-1.2 p.p.	2.3 p.p.	41.5%	40.2%	1.3 p.p.

\* Retail: Shopping Centers and Strip Malls.

\*\* Adjusted EBITDA and FFO does not consider non recurrent events as Shopping Contagem stake sale and gain/loss with investment properties Fair Value.

\*\*\* The operating highlights considers LOG's JV's.



## Urbamais

---

100%	07/31/2014
Number of projects	13
Landbank (R\$ million)	2,021
Usable Area (million of sq.m.)	5.5
Average price per sq.m. (R\$)	368

## Investor Relations

---

### Leonardo Corrêa

Chief Financial Officer

Phone :+(55 31) 3348-7106

E-mail :ri@mrsv.com.br

[www.mrv.com.br/ri](http://www.mrv.com.br/ri)

### Mônica Simão

Chief Investor Relations Officer

Phone. :+(55 31) 3348-7295

E-mail :ri@mrsv.com.br

[www.mrv.com.br/ri](http://www.mrv.com.br/ri)

### Matheus Torga

Investor Relations Manager

Phone.: +(55 31) 3348-7216

E-mail: ri@mrsv.com.br

[www.mrv.com.br/ri](http://www.mrv.com.br/ri)



## Attachment 01 – Consolidated Statement of Income (R\$ million) CPC 19 – IFRS11

R\$ million	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>NET OPERATING REVENUE</b>	<b>1,014</b>	<b>911</b>	<b>1,020</b>	<b>11.3% ↑</b>	<b>0.6% ↓</b>	<b>1,925</b>	<b>1,849</b>	<b>4.1% ↑</b>
COST OF PROPERTIES SOLD AND SERVICES	(732)	(671)	(749)	9.1% ↑	2.3% ↓	(1,402)	(1,361)	3.0% ↑
<b>GROSS PROFIT</b>	<b>282</b>	<b>240</b>	<b>271</b>	<b>17.4% ↑</b>	<b>4.1% ↑</b>	<b>522</b>	<b>488</b>	<b>7.2% ↑</b>
Gross Margin	27.8%	26.4%	26.6%	1.5 p.p. ↑	1.3 p.p. ↑	27.1%	26.4%	0.8 p.p. ↑
OPERATING INCOME (EXPENSES)								
Selling expenses	(81)	(69)	(71)	17.7% ↑	13.1% ↑	(149)	(134)	11.4% ↑
General & Administrative Expenses	(56)	(61)	(61)	7.4% ↓	7.4% ↓	(117)	(119)	1.7% ↓
Other operating income (expenses), net	(15)	(16)	6	11.6% ↓	-	(31)	(9)	260.1% ↑
Equity Income	259	(4)	(1)	-	-	255	3	7215.5% ↑
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>390</b>	<b>90</b>	<b>144</b>	<b>330.9% ↑</b>	<b>170.7% ↑</b>	<b>480</b>	<b>230</b>	<b>109.2% ↑</b>
FINANCIAL RESULTS								
Financial expenses	(25)	(32)	(28)	22.8% ↓	10.4% ↓	(57)	(53)	7.3% ↑
Financial income	36	37	26	3.4% ↓	38.3% ↑	73	55	32.1% ↑
Financial income from receivables from real estate development	24	10	16	137.7% ↑	53.4% ↑	35	21	68.3% ↑
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>425</b>	<b>106</b>	<b>158</b>	<b>302.8% ↑</b>	<b>169.0% ↑</b>	<b>531</b>	<b>252</b>	<b>110.5% ↑</b>
Income Tax and Social Contribution	(17)	(17)	(10)	1.0% ↓	72.3% ↑	(34)	(11)	193.4% ↑
<b>NET INCOME</b>	<b>408</b>	<b>89</b>	<b>148</b>	<b>360.7% ↑</b>	<b>175.3% ↑</b>	<b>497</b>	<b>241</b>	<b>106.6% ↑</b>
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	7	8	7	7.0% ↓	3.2% ↓	15	21	28.7% ↓
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>401</b>	<b>81</b>	<b>141</b>	<b>395.4% ↑</b>	<b>184.6% ↑</b>	<b>482</b>	<b>220</b>	<b>119.3% ↑</b>
Net Margin	39.6%	8.9%	13.8%	30.7 p.p. ↑	25.7 p.p. ↑	25.1%	11.9%	13.2 p.p. ↑

## EBITDA (R\$ million) - (CPC 19 – IFRS 11)

R\$ million	2Q14	1Q14	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
Income before taxes	425	106	158	302.8% ↑	169.0% ↑	531	252	110.5% ↑
Depreciation and Amortization	9	10	9	5.5% ↓	5.0% ↑	19	16	17.7% ↑
Financial Results	(35)	(15)	(14)	134.1% ↑	151.6% ↑	(50)	(22)	123.8% ↑
Financial charges recorded under cost of sales	29	31	33	6.8% ↓	12.0% ↓	61	69	12.0% ↓
<b>EBITDA</b>	<b>428</b>	<b>132</b>	<b>186</b>	<b>225.3% ↑</b>	<b>130.2% ↑</b>	<b>560</b>	<b>315</b>	<b>78.0% ↑</b>
EBITDA Margin	42.3%	14.5%	18.3%	27.8 p.p. ↑	24.0 p.p. ↑	29.1%	17.0%	12.1 p.p. ↑



## Attachment 02 – Consolidated MRV Balance Sheet (R\$ million) (CPC 19 –IFRS11)

ASSETS	6/30/2014	3/31/2014	12/31/2013	Chg. Jun/14 x Mar/14	Chg. Jun/14 x Dec/13
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,039	1,131	1,423	8.1% ↓	27.0% ↓
Short-term investments	184	252	266	27.1% ↓	30.9% ↓
Receivables from real estate development	2,261	2,231	2,294	1.3% ↑	1.4% ↓
Receivables from services provided	1	1	1	2.0% ↑	9.8% ↓
Real estate for sale and development	1,831	1,656	1,735	10.5% ↑	5.5% ↑
Recoverable current taxes	151	123	112	22.6% ↑	35.2% ↑
Other assets	47	41	39	13.2% ↑	19.3% ↑
<b>Total Current Assets</b>	<b>5,514</b>	<b>5,437</b>	<b>5,871</b>	<b>1.4% ↑</b>	<b>6.1% ↓</b>
<b>NONCURRENT ASSETS</b>					
Receivables from real estate development	1,933	2,001	1,952	3.4% ↓	1.0% ↓
Real estate for sale and development	1,466	1,588	1,490	7.7% ↓	1.6% ↓
Due from related parties	57	57	51	0.1% ↓	12.5% ↑
Other noncurrent assets	93	78	76	18.7% ↑	22.8% ↑
Investment property	859	633	632	35.6% ↑	35.9% ↑
Property and equipment	78	78	80	0.1% ↓	2.3% ↓
Intangible Assets	48	48	48	0.4% ↑	1.5% ↑
<b>Total Noncurrent Assets</b>	<b>4,534</b>	<b>4,484</b>	<b>4,328</b>	<b>1.1% ↑</b>	<b>4.8% ↑</b>
<b>TOTAL ASSETS</b>	<b>10,048</b>	<b>9,921</b>	<b>10,198</b>	<b>1.3% ↑</b>	<b>1.5% ↓</b>



## Attachment 02 – Consolidated MRV Balance Sheet (R\$ million) CPC 19 –IFRS11 – continuation

LIABILITIES AND SHAREHOLDERS' EQUITY	6/30/2014	3/31/2014	12/31/2013	Chg. Jun/14 x Mar/14	Chg. Jun/14 x Dec/13
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	237	174	188	35.9% ↑	26.1% ↑
Loans and financing	568	599	775	5.2% ↓	26.7% ↓
Payables for purchase of land	228	330	292	31.1% ↓	22.2% ↓
Advances from customers	784	914	933	14.2% ↓	16.0% ↓
Labor and social liabilities	95	115	92	17.2% ↓	3.5% ↑
Tax liabilities	53	33	48	62.7% ↑	10.2% ↑
Accrual for maintenance of real estate	34	34	33	0.5% ↑	3.1% ↑
Deferred tax liabilities	76	76	81	0.4% ↑	5.9% ↓
Proposed dividends	-	100	100	-	-
Other payables	15	14	17	4.6% ↑	14.7% ↓
<b>Total Current Liabilities</b>	<b>2,090</b>	<b>2,389</b>	<b>2,561</b>	<b>12.5% ↓</b>	<b>18.4% ↓</b>
<b>NONCURRENT LIABILITIES</b>					
Loans and financing	2,089	2,088	2,243	0.1% ↑	6.8% ↓
Payables for purchase of land	461	354	264	30.5% ↑	74.5% ↑
Advances from customers	559	472	576	18.3% ↑	3.1% ↓
Accrual for maintenance of real estate	86	86	90	0.7% ↓	4.7% ↓
Accrual for civil, labor, and tax risks	34	30	23	13.6% ↑	45.8% ↑
Deferred tax liabilities	62	67	62	6.9% ↓	1.0% ↑
Other liabilities	13	13	14	0.0% ↑	3.1% ↓
<b>Total Noncurrent Liabilities</b>	<b>3,305</b>	<b>3,110</b>	<b>3,272</b>	<b>6.3% ↑</b>	<b>1.0% ↑</b>
<b>SHAREHOLDERS' EQUITY</b>					
Equity attributable to the shareholders of the Company	4,384	4,153	4,101	5.6% ↑	6.9% ↑
Non-controlling Interests	268	268	264	0.1% ↓	1.5% ↑
<b>Total Shareholders' Equity</b>	<b>4,653</b>	<b>4,421</b>	<b>4,365</b>	<b>5.2% ↑</b>	<b>6.6% ↑</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,048</b>	<b>9,921</b>	<b>10,198</b>	<b>1.3% ↑</b>	<b>1.5% ↓</b>



## Attachment 03 – Consolidated Statement of Cash Flow (R\$ million) CPC 19 –IFRS11

Consolidated (R\$ million)	2Q14	2Q13	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income	408	148	175.3% ↑	497	241	106.6% ↑
Adjustments to reconcile net income to cash used in operating activities	(176)	(17)	954.7% ↑	(106)	(7)	1495.9% ↑
Decrease (increase) in operating assets	(34)	172	-	55	375	85.5% ↓
Increase (decrease) in operating liabilities	(77)	(153)	49.5% ↓	(260)	(417)	37.5% ↓
<b>Net cash used in operating activities</b>	<b>121</b>	<b>151</b>	<b>20.1% ↓</b>	<b>185</b>	<b>193</b>	<b>3.8% ↓</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Decrease (increase) in investment securities	74	(47)	-	93	(73)	-
Advances to related parties	(5)	(51)	90.1% ↓	(53)	(80)	33.2% ↓
Receipts from related parties	6	47	86.6% ↓	49	78	36.8% ↓
Decrease in (acquisition of/contribution to) investments	33	(74)	-	28	(63)	-
Acquisition of property and equipment and intangible assets	(12)	(15)	22.0% ↓	(22)	(23)	6.6% ↓
<b>Net cash used in investing activities</b>	<b>97</b>	<b>(141)</b>	<b>168.9% ↓</b>	<b>96</b>	<b>(160)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from shares issuance	-	0	-	0	0	103.4% ↑
Proceeds from stock options' exercise	1	-	-	1	-	-
Treasury shares	(129)	(19)	568.9% ↑	(160)	(19)	729.9% ↑
Proceeds from loans and financing	273	572	52.4% ↓	475	858	44.7% ↓
Payment of loans, financing and debenture	(306)	(439)	30.2% ↓	(830)	(975)	14.9% ↓
Capital transaction	(0)	-	-	(0)	-	-
Dividends paid	(141)	(125)	12.3% ↑	(141)	(125)	12.3% ↑
Contributions to non-controlling shareholders	(7)	(8)	9.1% ↓	(11)	(8)	39.9% ↑
<b>Net cash (used in) generated by financing activities</b>	<b>(309)</b>	<b>(19)</b>	<b>1557.8% ↑</b>	<b>(665)</b>	<b>(269)</b>	<b>147.3% ↑</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(92)</b>	<b>(8)</b>	<b>999.2% ↑</b>	<b>(383)</b>	<b>(236)</b>	<b>62.2% ↑</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Cash and cash equivalents at beginning of the period	1,131	1,157	2.3% ↓	1,423	1,385	2.7% ↑
Cash and cash equivalents at end of the period	1,039	1,149	9.6% ↓	1,039	1,149	9.6% ↓



## Attachment 04 – Consolidated Income Statement LOG CP 100% (R\$ million)

### (CPC 19 – IFRS11)

INCOME STATEMENT	2Q14	1Q14 Restated	2Q13	Chg. 2Q14 x 1Q14	Chg. 2Q14 x 2Q13	1H14	1H13	Chg. 1H14 x 1H13
<b>NET OPERATING REVENUES</b>	<b>16</b>	<b>14</b>	<b>11</b>	<b>12.3%</b>	<b>45.3%</b>	<b>30</b>	<b>20</b>	<b>47.9%</b>
Cost	-	-	(3)	-	-	-	(6)	-
<b>GROSS PROFIT</b>	<b>16</b>	<b>14</b>	<b>8</b>	<b>12.3%</b>	<b>99.7%</b>	<b>30</b>	<b>14</b>	<b>106.6%</b>
<b>OPERATING EXPENSES</b>								
Selling expenses	(2)	(2)	(1)	0.4%	69.3%	(5)	(2)	85.5%
General & Administrative expenses	(3)	(3)	(3)	-0.1%	-5.9%	(5)	(5)	7.1%
Other operating expenses, net	(0)	0	(0)	-114.5%	-77.6%	0	(0)	-
Investment Property Fair Value	171	-	-	-	-	171	-	-
Equity in subsidiaries and JV's	67	1	3	5034.0%	2015.5%	68	3	1970.6%
<b>OPERATING INCOME BEFORE FINANCIAL RESULTS</b>	<b>248</b>	<b>11</b>	<b>7</b>	<b>2184.9%</b>	<b>3577.1%</b>	<b>259</b>	<b>10</b>	<b>2431.1%</b>
<b>FINANCIAL RESULTS</b>								
Financial expenses	(7)	(7)	(3)	8.0%	181.6%	(14)	(5)	153.9%
Financial income	2	3	0	-37.4%	405.0%	5	1	457.4%
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>243</b>	<b>7</b>	<b>5</b>	<b>3246.0%</b>	<b>5211.4%</b>	<b>250</b>	<b>6</b>	<b>4313.3%</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>								
Current	(2)	(2)	(1)	-6.0%	100.1%	(3)	(1)	114.7%
Deferred	3	5	1	-36.2%	376.6%	9	1	497.9%
<b>NET INCOME</b>	<b>245</b>	<b>11</b>	<b>5</b>	<b>2140.3%</b>	<b>5322.8%</b>	<b>256</b>	<b>6</b>	<b>4432.9%</b>
<b>PROFIT ATTRIBUTABLE TO</b>								
Shareholder's of the company	245	11	5	2140.0%	5321.0%	256	6	4431.4%
Non-controlling interests	0	0	-	4050.0%	-	0	-	-

Financial Highlights (in R\$ thousand)	2Q14	1Q14 Restated	2Q13	2Q14 x 1Q14	2Q14 x 2Q13	1H13	1H14	1H14 x 1H13
Net Operating Revenues	16	14	11	12.3%	45.3%	30	20	47.9%
EBITDA	248	11	10	2184.9%	2462.4%	259	16	1526.6%
EBITDA Margin (%)	1584.5%	77.9%	89.8%	1506.6 p.p.	1494.7 p.p.	874.9%	79.5%	795.3 p.p.
Adjusted EBITDA **	11	10	6	13.0%	71.6%	21	13	63.8%
Adjusted EBITDA Margin (%)	70.1%	69.7%	59.3%	0.4 p.p.	10.9 p.p.	69.9%	63.2%	6.8 p.p.
FFO	245	11	7	2140.3%	3185.4%	256	11	2156.3%
FFO Margin (%)	1562.6%	78.3%	69.1%	1484.3 p.p.	1493.5 p.p.	863.5%	56.6%	806.9 p.p.
Adjusted FFO **	6	6	4	9.2%	53.8%	12	8	52.5%
Adjusted FFO Margin (%)	40.9%	42.1%	38.7%	-1.2 p.p.	2.3 p.p.	41.5%	40.2%	1.3 p.p.

\*\* Adjusted EBITDA and FFO does not consider non recurrent events as Shopping Contagem stake sale and gain/loss with investment properties Fair Value.



## Attachment 05 – Consolidated Balance Sheet LOG CP 100% (R\$ million)

(CPC 19 – IFRS11)

ASSETS	30-Jun-14	03/31/2014 Restated	31/dec/13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13	LIABILITIES & SHAREHOLDER'S EQUITY	30-Jun-14	03/31/2014 Restated	31/dec/13	Chg. Jun-14 x Mar-14	Chg. Jun-14 x Dec-13
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	8	76	151	-89.9%	-94.9%	Accounts Payable	11	9	11	13.5%	-1.7%
Accounts receivable	22	22	21	3.4%	7.7%	Loans and financing	159	156	245	2.1%	-35.0%
Recoverable taxes	8	7	5	19.8%	63.4%	Salaries, payroll taxes and benefits	3	5	4	-22.9%	-13.4%
Deferred selling expenses	2	2	2	9.7%	26.4%	Taxes and contributions	3	4	4	-9.8%	-19.4%
Other assets	-	-	0	-	-	Land payable	3	7	14	-58.2%	-80.3%
<b>Total current assets</b>	<b>40</b>	<b>106</b>	<b>179</b>	<b>-61.9%</b>	<b>-77.4%</b>	Advances from customers - Swap	2	2	7	-28.0%	-76.9%
<b>NON-CURRENT ASSETS</b>						Payable Dividends	3	3	3	0.0%	0.0%
Trade accounts receivable	11	13	14	-19.4%	-24.8%	Credits on related parties	-	0	0	-	-
Deferred selling expenses	3	3	3	-2.7%	18.0%	Other liabilities	25	48	69	-48.2%	-64.4%
Recoverable taxes	35	34	20	1.8%	76.4%	<b>Total current liabilities</b>	<b>209</b>	<b>233</b>	<b>357</b>	<b>-10.5%</b>	<b>-41.5%</b>
Deferred taxes	54	47	7	16.2%	732.9%	<b>NON-CURRENT LIABILITIES</b>					
Other assets	0	0	0	0.0%	0.0%	Loans and financing	659	640	522	3.0%	26.4%
Investment in subsidiaries and jointly controlled	226	159	157	42.3%	44.3%	Advances from Customers - Swap	48	9	6	442.4%	729.5%
Investment property	2,093	1,809	1,247	15.7%	67.9%	Deferred taxes	86	74	1	15.8%	8759.4%
Property and equipment	1	1	1	4.2%	9.1%	Others	1	1	1	-6.2%	79.6%
<b>Total non-current assets</b>	<b>2,423</b>	<b>2,067</b>	<b>1,448</b>	<b>17.3%</b>	<b>67.4%</b>	<b>Total Non-current liabilities</b>	<b>795</b>	<b>725</b>	<b>529</b>	<b>9.7%</b>	<b>50.2%</b>
						<b>Total Liabilities</b>	<b>1,004</b>	<b>958</b>	<b>886</b>	<b>4.8%</b>	<b>13.2%</b>
						<b>SHAREHOLDER'S EQUITY</b>					
						Equity attributable to the shareholder's of the company	1,460	1,215	740	20.1%	97.3%
						Non-controlling interest	0	0	0	78.5%	163.6%
						<b>Total Shareholder's Equity</b>	<b>1,460</b>	<b>1,215</b>	<b>740</b>	<b>20.1%</b>	<b>97.3%</b>
<b>TOTAL ASSETS</b>	<b>2,464</b>	<b>2,173</b>	<b>1,626</b>	<b>13.4%</b>	<b>51.5%</b>	<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>	<b>2,464</b>	<b>2,173</b>	<b>1,626</b>	<b>13.4%</b>	<b>51.5%</b>



## Attachment 06 – Consolidated Statement of Cash Flow LOG CP 100% (R\$ million)

(CPC 19 – IFRS11)

CASH FLOW STATEMENT	jun/14	jun/13	Var. jun/14 x jun/13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	256	6	4431.4%
Adjustments to reconcile profit to net cash used in operating activities	(234)	7	-
Decrease (increase) in operating assets	(10)	(3)	272.9%
Increase (decrease) in operating liabilities	6	5	19.2%
<b>Net cash used in operating activities</b>	<b>18</b>	<b>15</b>	<b>20.5%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (Increase) of investments	(45)	(4)	1071.4%
Acquisition of investment property	(121)	(179)	-32.2%
Other	(0)	-	-
<b>Net cash used in investing activities</b>	<b>(166)</b>	<b>(183)</b>	<b>-9.1%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and debentures, net	170	221	-22.9%
Payment of loans	(132)	(86)	53.8%
Interest paid	(34)	(28)	22.6%
Contribution from shareholders	-	278	-
Spending on issue of shares	-	(4)	-
Payment of obligations with related companies	-	(56)	-
Increase in obligations with related companies	-	56	-
Dividends paid	-	(1)	-
Distributions to non-controlling shareholders	0	0	214.8%
<b>Net cash provided by financing activities</b>	<b>5</b>	<b>382</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(144)</b>	<b>214</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year	151	24	527.5%
Cash and cash equivalents at end of year	8	238	-96.8%



## Attachment 07 – Glossary

---

**Built Units** – Recorded according to the construction's evolution, equivalent construction.

**Cash Burn** – cash burn as measured by the change in net debt, excluding capital increases, purchased shares held in treasury and dividend payments, when available.

**Construction financing** – Units from projects that had the construction financing approved by a financial institution in the period

**Client financing** – Quantity of clients (individuals) that signed their mortgages with a financial institution in the period

**Pre-Sales** – Every contract resulting from the sale of units over a certain period of time, including units being launched and units in stock.

**Duration** – Weighted average time of the debt maturity.

**EBITDA** - is equal to net income plus income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold and not yet delivered that is recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from EBITDA's calculation. EBITDA is not a Brazilian GAAP measure and should not be considered in isolation and should not be considered an alternative to net income, as an indicator of our operating performance or cash flows or as a measure of our liquidity. EBITDA does not have a standard definition and other companies may measure their EBITDA in a different way. Because the calculation of EBITDA does not take into consideration income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization, minority interest, and expenses related to financial and legal advisory fees in connection with the entry of the selling shareholder and MRV initial public offering, EBITDA is an indicator of our general economic performance which is not affected by changes in interest rates, income tax and social contribution rates and rates of depreciation and amortization. Because EBITDA does not take into account certain costs related to our business which could materially affect our profits, such as financial result, taxes, depreciation, amortization and capital expenditures, among others, EBITDA is subject to limitations that impair its use as a measure of our profitability.

**EPS** - Earnings per share - Basic earnings per share are calculated by dividing income for the period attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the period, less treasury shares, if any.

**FFO** – Funds From Operations, Net Income minus depreciation.

**FFO Margin** – Margin calculated dividing the FFO by Net Operational Revenues.

**FIP M Plus** – Private Equity fund managed by Bradesco BBI.

**Finished Units** – Recorded according to the construction's conclusion, full project at once.

**GLA** – Gross leasable area, which corresponds to the areas available for lease.

**INCC** – *Índice Nacional de Custos da Construção* – inflation index associated with construction costs of residential units.



**Land bank** – land held in stock with the estimated PSV

**LOG Commercial Properties** – Subsidiary company, jointly controlled, in the business of industrial and commercial properties.

**LOG-CP Portfolio** – contemplates the GLA of the projects in operation, in construction and the potential GLA in development.

**Minha Casa Minha Vida (My House My Life)** – The Program Minha Casa Minha Vida, known as MCMV, is the national housing program of the Federal Government, which aims to reduce the housing deficit. The program envisages the construction of 3 million units for families earning up to 10 minimum wages. This program has two versions: Minha Casa Minha Vida, released in April 2009, with the goal of building one million houses to be contracted until 2010, and Minha Casa Minha Vida 2, released in 2010 with the goal of building two million additional homes, to be contracted between 2011 and 2014.

**NOI** - Net Operating Income, that is equal to the operating revenues less project direct expenses.

**Novo Mercado** - Special listing segment of the BM&FBOVESPA, with differentiated corporate governance rules, in which the Company was included on July 23, 2007.

**OCPC 04 and PoC Method (Percentage of Completion)** – Revenues, as well as the costs and expenses relating to the real estate development activity, are recognized along the real estate project's construction period, in line with the evolution of the cost incurred, according to OCPC 04. Most of our sales consist of credit sales carried out through installments. On an overall basis, we receive the value (or part of the value, in case of credit sales) in the sales contracts before revenue recognition. The revenue from real estate development relative to a certain period reflects the recognition of sales that were previously contracted.

**PSV** – Potential Sales Value - The PSV value is equivalent to the total number of potential launch Units, multiplied by the Unit's average estimated sales price.

**RET** – Special Tax Regime

**ROE** – Return on Equity – ROE is defined as the ratio between net income (after interest and taxes) and the average shareholder's equity.

**SBPE** – *Sistema Brasileiro de Poupança e Empréstimo* – Real Estate mortgage using funds from the savings accounts' deposits.

**SFH Funds** – Funds from the National Housing System (SFH) are originated from the Governance Severance Indemnity Fund for Employees (FGTS) and from savings accounts deposits (SBPE).

**Starwood** – Starwood is a private equity firm with headquarters in Greenwich, USA. Founded in 1991, Starwood has invested over US\$ 8 billion of equity capital, representing over US\$ 26 billion in assets. Starwood has approximately US\$ 16 billion of assets under management, having invested in nearly every class of real estate on a global basis, including offices, retail, residential, golf, hotels, resorts and industrial assets.

**Swap Agreements** – A system in which the land-owner gets a certain number of units to be built on the land in exchange for the land.

**Unearned Results** – the balance of real estate sale transactions already contracted, referring to uncompleted properties, non-incurred budgeted costs (according to budgets), and unearned revenue from sale of properties, not reflected in the financial statements.



**Yield on cost** – Defined as the Rent Revenues divided by Total investment.



## Disclaimer

---

Unless otherwise stated, the operating data refer to MRV's share in projects.

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of MRV. These are mere projections and, as such, are based exclusively on the Management's expectations about the future of the business.

These expectations are highly dependent upon required approvals and licenses for projects, market conditions, performance of the Brazilian economy, the sector and international markets and, therefore, are subject to changes without prior notice.

This performance report includes accounting data and non-accounting data such as operating and financial results and outlooks based on the expectations of the Board of Directors. The non-accounting data such as values and units of Launches, Pre-Sales, amounts related to the housing program "Minha Casa Minha Vida", Inventory at Market Value, Land bank, Unearned Results, cash disbursement and Guidance were not subject to review by the Company's independent auditors.

The EBITDA, in this report, represents the net income before income tax and social contribution, net financial result, financial costs recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold and not yet delivered that is recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from EBITDA's calculation. EBITDA is not a Brazilian GAAP and IFRS measure and should not be considered in isolation and should not be considered an alternative to net income, as an indicator of our operating performance or cash flows or as a measure of our liquidity. Because the calculation of EBITDA does not take into consideration income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest, EBITDA is an indicator of MRV general economic performance which is not affected by changes in interest rates, income tax and social contribution rates and rates of depreciation and amortization. Because EBITDA does not take into account certain costs related to our business which could materially affect our profits, such as financial result, taxes, depreciation, amortization and capital expenditures, among others, EBITDA is subject to limitations that impair its use as a measure of our profitability.

## Relationship with Independent Auditors

---

Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors Ernst & Young Auditores Independentes S/S ("Ernst & Young") did not provide any services during the first quarter of 2014 other than those relating to external audit. The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.

## About MRV

---

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 34 years of experience, active in 122 cities, in 19 Brazilian states and in the Federal District. MRV is listed on the BM&FBovespa's *Novo Mercado* under the ticker MRVE3. The ADRs are traded on OTCQX International Premier of the Over-The-Counter (OTC) Market, with ticker MRVNY.

# MRV Engenharia e Participações S.A.

Notes to the Quartely Information

June 30, 2014

(Amounts in thousands of Brazilian reais - R\$, except when otherwise indicated)

## 1. General information

The general information did not change significantly in relation to the information disclosed in note 1 to the annual financial statements for the year ended December 31, 2013, published on March 28, 2014 in the newspapers Diário Oficial da Estado de Minas Gerais (Minas Gerais State Gazette), Hoje em Dia, and Jornal Estadão de São Paulo and available in the following websites: [www.cvm.gov.br](http://www.cvm.gov.br), [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br) and [www.mrv.com.br/ri](http://www.mrv.com.br/ri) (hereinafter referred to as “financial statements for the year ended December 31, 2013”)

## 2. Presentation of interim financial information and summary of significant accounting policies

### 2.1. Presentation of interim financial information

The Company's interim financial information comprises:

- The condensed individual interim financial information, prepared in accordance with CPC 21 (R1) - *Demonstração Intermediária* (Interim Financial Reporting) and the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial information (ITR), identified as “Individual”.
- The condensed consolidated interim financial information prepared and presented in accordance with the Accounting Pronouncement CPC 21 (R1) - *Demonstração Intermediária* and IAS 34 *Interim Financial Reporting*, which consider Guideline OCPC 04 related to the application of Interpretation ICPC 02 to the entities engaged in the construction of real estate in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and Brazil's National Association of State Boards of Accounting (CFC), in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the interim financial information (ITR), identified as “Consolidated”.

### 2.2. Significant accounting policies

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

In the second quarter of 2014, jointly controlled entity LOG Commercial Properties e Participações S.A. (LOG) changed its accounting policy on investment property from the cost method to the fair value method. Accordingly, the balance of the investment in this jointly controlled entity has been adjusted to reflect this measurement at fair value. As required by Accounting Interpretation ICPC 09(R1) – *Demonstrações contábeis individuais, demonstrações separadas, demonstrações consolidadas e aplicação do método da equivalência patrimonial* (Individual, Separate and Consolidated Financial Statements and Adoption of the Equity Method of Accounting), Paragraph 63, the Company elected to recognize

the total effect of this adjustment in equity in investees for the second quarter of 2014. The related effects are presented in note 8.

The other information on the presentation of the interim financial information and the summary of the summary of significant accounting policies did not change in relation to the information disclosed in note 2 to the financial statements for the year ended December 31, 2013.

### 3. New accounting standards issued and not yet adopted

The IASB standard described below was published but its adoption is not yet mandatory and, therefore, it was not early adopted by the Company for the six-month period ended June 30, 2014. The Company will implement this standard as their application becomes mandatory, although no material impact is expected on the interim financial information and the financial statements.

Standard	Description	Effective date
IFRS 9 Financial Instruments	Addresses the classification, measurement, and recognition of financial assets and financial liabilities. Refers to the first stage of the project for replacement of IAS 39 Financial Instruments: Recognition and Measurement.	Annual periods beginning on or after January 1, 2015.

### 4. Cash and cash equivalents

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Cash	612	624	764	776
Bank checking accounts	221,831	240,845	387,996	395,649
	222,443	241,469	388,760	396,425
Short-term investments				
Savings deposits	16,187	17,553	17,525	22,766
Investment fund units	91,078	81,467	319,302	228,833
Bank Deposit Certificates (CDBs)	205,744	426,187	270,631	499,752
Certificates backed by debentures	33,661	248,166	42,946	274,819
	346,670	773,373	650,404	1,026,170
Total	569,113	1,014,842	1,039,164	1,422,595

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

### 5. Marketable securities

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Investment fund units	174,726	254,038	174,726	254,038
Investment tied to savings deposits	1,685	1,621	5,771	8,959
Real estate purchase club	3,298	3,062	3,298	3,062
Total current	179,709	258,721	183,795	266,059

The other information on marketable securities did not change significantly in relation to the information disclosed in note 5 to the financial statements for the year ended December 31, 2013.

## 6. Trade accounts receivable

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
<u>Receivables from real estate development</u>				
Receivables from real estate	<b>2,483,603</b>	2,545,434	<b>4,225,481</b>	4,269,708
Adjustments to present value	<b>(18,493)</b>	(13,570)	<b>(31,286)</b>	(23,207)
	<b>2,465,110</b>	2,531,864	<b>4,194,195</b>	4,246,501
Current	<b>1,336,406</b>	1,386,889	<b>2,261,345</b>	2,294,413
Noncurrent	<b>1,128,704</b>	1,144,975	<b>1,932,850</b>	1,952,088
<u>Service receivables</u>				
Related parties (Note 19 (b))	<b>172</b>	723	<b>172</b>	729
Other trade receivables	<b>881</b>	522	<b>973</b>	540
Total - current	<b>1,053</b>	1,245	<b>1,145</b>	1,269

The amounts related to receivables for real estate development include: (i) fixed-rate contracts with fixed installments or floating-rate contracts with interest rates below those of similar transactions or floating-rate contracts indexed to inflation which are interest free and adjusted to present value using the higher rate between the rate of the Company's weighted market fundraising rate, less inflation indices and the yield rates of government securities with similar risks and terms; and (ii) floating-rate contracts plus interest of 6% to 12% percent per year. The rates used to calculate the discount to present value at June 30, 2014 ranged from 0.4328% to 0.5288% per month (0.3504% to 0.4090% per month at December 31, 2013). The assumptions made by the Company's management, described above for the calculation of the discount to present value, are consistent among the years, and thus there were no changes in assumptions during the reporting periods.

Floating-rate contracts are adjusted by several financier indices, especially the INCC (National Construction Index) or the CUB (Basic Unit Cost) during the period before delivery, and IGPM (General Market Price Index) in the period after delivery.

The contracts entered into with Caixa Econômica Federal and Banco do Brasil involving subsidized mortgage loans correspond to approximately 7% and 14%, respectively, of the balance of trade accounts receivable as at June 30, 2014 (11% and 8% at December 31, 2013).

As described in note 2.2 to the financial statements for the year ended December 31, 2013, the procedures and guidance set out in OCPC 04 of the Accounting Pronouncements Committee were adopted, which addresses the application of Technical Interpretation ICPC 02 for Brazilian real estate entities, approved by CVM Ruling 653/10, for the recognition of income earned from real estate transactions. Thus:

- receivables were recognized up to the amount of real estate operations conducted in the period, including the related financial income, under the conditions described above, as applicable;
- the present value adjustment represents the portion of interest to be earned in future periods, on the accrual basis and is realized to calculate revenue at its fair value;

- receipts in excess of the recognized balances of receivables were recognized as advances from customers, in liabilities and are disclosed in note 14; and
- sales revenue are allocated to net income as construction develops, using the method called “POC”, percentage of completion or percentage of completion of each project, as described in note 2.2 (a) to the financial statements for the year ended December 31, 2013. The land and construction costs inherent to the related developments of the units sold are allocated to net income when incurred.

The balances of gross revenue receivable and unincurred costs from real estate already contracted sale transactions referring to uncompleted properties, including related financial income, as applicable, are as follows:

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Unearned gross sales revenue (*)	<b>2,037,031</b>	1,754,291	<b>3,723,807</b>	3,172,485
Costs to be Incurred (*)	<b>(1,137,525)</b>	(995,980)	<b>(2,115,175)</b>	(1,820,693)

(\*) Does not include the effects from future inflation, taxes on sales, and financial charges.

The aging list of the amounts above referring to receivables from real estate development and unearned sales revenue is as follows, at the contractual amount of the units sold:

Period after reporting date	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
12 months	<b>2,808,229</b>	2,650,569	<b>4,966,161</b>	4,604,241
13 to 24 months	<b>1,465,582</b>	1,406,481	<b>2,605,549</b>	2,470,673
25 to 36 months	<b>195,213</b>	195,588	<b>291,495</b>	289,029
37 to 48 months	<b>28,516</b>	28,860	<b>49,199</b>	49,420
After 48 months	<b>4,601</b>	4,657	<b>5,598</b>	5,623
	<b>4,502,141</b>	4,286,155	<b>7,918,002</b>	7,418,986
Unearned sales revenue	<b>2,037,031</b>	1,754,291	<b>3,723,807</b>	3,172,485
Receivables from real estate development	<b>2,465,110</b>	2,531,864	<b>4,194,195</b>	4,246,501

Before accepting new customers, the Company uses a rating system and conducts credit analysis of each individual customer, based on personal documentation, indebtedness, consumer credit records, and statements of earnings received. After confirmation, the credit limit is set for each individual customer.

The credit risk is assessed as very low in light of the actual guarantee of recovery of the properties in cases of customer default. Therefore, at June 30, 2014 and December 31, 2013 no allowance for doubtful accounts was recognized.

Discounts, rebates and returns are deducted directly from revenue from real estate development and refer substantially to cancellation of purchase and sale agreements for properties not yet delivered. The amounts related to cancelled agreements comprise all the revenue earned, net of the contractual fine to reimburse expenses incurred by the Company and its subsidiaries. Terminated agreements are recognized as they occur.

As at June 30, 2014, the Company had receivables pledged as collateral for fourth issue debentures totaling R\$2,369 (R\$19,150 at December 31, 2013) and construction financing totaling de R\$1,200,164 (R\$1,118,775 at December 31, 2013).

## 7. Inventories (real estate for sale)

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Real estate under construction	812,121	786,752	1,175,011	1,192,978
Completed units	31,985	32,167	51,936	54,878
Land bank	1,418,255	1,300,517	2,026,350	1,926,022
Advances to suppliers	17,839	29,701	33,402	44,880
Inventories of supplies	6,917	3,918	9,999	6,659
Total	2,287,117	2,153,055	3,296,698	3,225,417
Current	1,228,757	1,114,444	1,830,920	1,735,429
Noncurrent	1,058,360	1,038,611	1,465,778	1,489,988

As at June 30, 2014, this line item includes the capitalization of financial charges, as detailed note 11, letter (e), totaling R\$140,005 in individual and R\$140,789 on a consolidated basis (R\$106,515 in individual and R\$107,407 on a consolidated basis at December 31, 2013).

As at June 30, 2014, the Company had real estate under construction used as collateral of loans and finance agreements, totaling R\$200,872 and R\$400,157 (R\$201,497 and R\$333,987 at December 31, 2013), Individual and Consolidated, respectively.

The Company has land used as collateral of the 4th issuance debentures, totaling R\$17,314 as at June 30, 2014 (R\$35,343 at December 31, 2013).

The information on (i) the revenue amount generated by units under construction, (ii) the costs incurred and the profits recognized to date, and (iii) the advances received under these agreements, and the related criteria adopted for their recognition, are described in note 23.

The other information on inventories (real estate for sale) did not change significantly in relation to the information disclosed in note 8 to the financial statements for the year ended December 31, 2013.

## 8. Investment

a) The main information on equity interests is summarized as follows:

	Equity Interest		Shareholders' equity		Investment	
	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13
<b>Joint Control:</b>						
LOG Commercial Properties e Participações S.A.	37.87%	37.87%	1,460,098	739,985	552,806	280,100
MRL Engenharia e Empreendimentos S.A.	37.59%	37.65%	22,307	19,239	8,385	7,243
PRIME Incorporações e Construções S.A.	60.00%	60.00%	(7,550)	16,822	(4,530)	10,093
MRPR Empreendimentos Imobiliário LTDA.	65.00%	65.00%	397	450	258	293
SCP Ecov (Arag, S. Dourada)	70.00%	70.00%	23,415	29,416	16,391	20,591
SCP Portal do Bosque	34.00%	34.00%	7,669	6,077	2,607	2,066
SCP Richmond Cond.	70.00%	70.00%	6,790	7,162	4,753	5,014
SCP Riveira do Sol E Costa	34.50%	34.50%	21,564	20,131	7,440	6,945
SCP Royal Palms Club	70.00%	70.00%	9,421	6,505	6,595	4,553
SCP Spazio Classique	65.00%	65.00%	8,099	8,602	5,264	5,591
SCP Spazio Niteroi Garden	70.00%	70.00%	14,697	14,443	10,288	10,110
Other 38 silent partnerships			69,920	83,187	40,568	51,456
Chapada Imperi SPE LTDA.	58.00%	58.00%	5,050	5,224	2,929	3,030

	Equity Interest		Shareholders' equity		Investment	
	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13
<b>Joint Control:</b>						
Citylife/C.Vig SPE LTDA.	65.50%	65.50%	18,058	20,438	11,828	13,387
MRV MRL Xiv SPE LTDA.	70.00%	70.00%	20,408	25,577	14,286	17,904
MRV MRL Xxiii Inc. SPE LTDA.	65.00%	65.00%	8,820	4,220	5,733	2,743
MRV MRL Xviii SPE LTDA.	65.00%	65.00%	14,049	16,169	9,132	10,510
MRV Patrim Gal LTDA.	50.00%	50.00%	34,123	44,662	17,061	22,331
MRV PRIME Xix Inc SPE LTDA.	65.00%	65.00%	5,366	3,669	3,488	2,385
Parque Sevilha SPE LTDA.	65.00%	65.00%	11,075	10,894	7,199	7,081
Pq Cast Monaco SPE LTDA.	65.00%	65.00%	19,616	16,585	12,750	10,780
Pq Castelo De Lu SPE LTDA.	65.00%	65.00%	21,134	25,046	13,737	16,280
Pq Chap Guimarães SPE LTDA.	58.00%	58.00%	12,666	11,328	7,346	6,570
Pq Chapada Dia SPE LTDA.	67.00%	67.00%	22,078	18,202	14,792	12,196
Taguatinga QI SPE LTDA.	41.67%	41.67%	9,967	12,673	4,153	5,281
Top Taguatinga LI SPE LTDA.	70.00%	70.00%	61,406	78,185	42,984	54,730
Top Taguatinga SPE LTDA.	70.00%	70.00%	84,215	79,677	58,951	55,774
Village Gran Castel SPE LTDA.	65.00%	65.00%	8,977	6,545	5,835	4,254
Other 23 SPEs			76,524	71,406	45,512	43,092
Goodwill on acquisition of jointly controlled entity MRL			-	-	3,237	3,237
<b>Total jointly controlled entities - Individual</b>			<b>2,070,359</b>	<b>1,402,519</b>	<b>931,778</b>	<b>695,620</b>
Elimination of indirect interests			-	-	(72,750)	(63,335)
<b>Total jointly controlled entities - Consolidated</b>			<b>2,070,359</b>	<b>1,402,519</b>	<b>859,028</b>	<b>632,285</b>
<b>Subsidiaries:</b>						
MDI Desenvolvimento Imobiliário LTDA.	100.00%	100.00%	22,193	21,337	9,082	8,358
MRV Construções LTDA.	95.00%	0.00%	7,151	-	6,793	-
Urbamaís Propriedade e Participações S.A.	60.00%	60.00%	6,421	2,862	3,853	1,717
SCP Barreto 4A - Mar	70.00%	70.00%	7,838	8,254	5,487	5,778
SCP Barreto 4B	70.00%	70.00%	(1,107)	1,733	(775)	1,213
SCP Bello Solares	65.00%	65.00%	14,185	13,453	9,220	8,744
SCP Bello Valle	65.00%	65.00%	10,011	10,261	6,507	6,670
SCP C.Lu/C.El/C.Vi/Cas	99.00%	99.00%	9,782	20,520	9,684	20,315
SCP Esp Campo Cruze	99.50%	99.50%	13,224	11,030	13,158	10,975
SCP Magarça	35.00%	35.00%	14,095	15,118	4,933	5,291
SCP Manchete	35.00%	35.00%	13,652	10,752	4,778	3,763
SCP P. Fontana Di Roma	99.00%	99.00%	3,514	6,699	3,479	6,632
SCP Parque Fonatana	99.50%	99.50%	4,379	7,903	4,357	7,863
SCP Parque Monte Cristal	77.50%	77.50%	5,043	6,237	3,908	4,834
SCP Parque Monte Fiore	77.50%	77.50%	4,893	4,393	3,792	3,405
SCP Parque Operetta	98.00%	98.00%	5,596	10,261	5,484	10,056
SCP Parque Viva Joara	75.00%	75.00%	9,411	9,602	7,059	7,201
SCP Porto Cristal	99.50%	99.50%	2,250	3,486	2,239	3,469
SCP Porto Guaiba	99.50%	99.50%	1,357	1,605	1,350	1,597
SCP Porto Pacifico	99.50%	99.50%	672	1,200	669	1,195
SCP Pq Das Araras	33.50%	33.50%	4,085	4,295	1,368	1,439
SCP Pq. Fonte dos Pássaros	75.00%	75.00%	7,393	4,345	5,545	3,259
SCP Pq Rec P Beija Flor	34.00%	34.00%	24,957	21,953	8,485	7,464
SCP Prt.Planalto	99.50%	99.50%	995	1,812	990	1,803
SCP Resid. Jangadas	75.00%	75.00%	37,884	33,285	28,413	24,964
SCP Residencial Barcas	75.00%	75.00%	11,610	11,630	8,707	8,722
SCP São Pedro	50.00%	50.00%	6,197	7,193	3,099	3,597
SCP Spazio Florian	80.00%	80.00%	9,392	8,290	7,514	6,632
SCP Spazio Portote	99.50%	99.50%	4,603	3,675	4,580	3,656
SCP Spz Nimbus Res.Club	75.00%	75.00%	11,319	12,971	8,490	9,728
SCP Sz C. Alvorada	98.00%	98.00%	15,659	19,729	15,346	19,334
SCP Tomba Pq. Filipinas	75.00%	75.00%	6,954	13,102	5,216	9,826
Other 191 silent partnerships			420,696	443,019	334,652	351,336
Campo Di Braga SPE LTDA.	99.50%	99.50%	19,594	17,867	19,496	17,777
Campo Di Orleans Inc SPE LTDA.	99.00%	99.00%	7,741	6,751	7,664	6,684
Casa Pueblo Incorpor SPE LTDA.	97.00%	97.00%	5,369	2,461	5,208	2,387
Evidence Condomínio SPE LTDA.	99.00%	99.00%	48,467	58,913	47,982	58,324
Forte Iracema SPE LTDA.	60.00%	60.00%	12,757	22,012	7,654	13,207
Forte Mucurip SPE LTDA.	52.00%	52.00%	18,402	21,673	9,569	11,270
Fortune li Inc SPE LTDA.	60.00%	60.00%	16,843	25,862	10,106	15,517
Four Seasons 3 SPE LTDA.	52.00%	52.00%	4,568	6,562	2,375	3,412
Inspiratto Res SPE LTDA.	52.00%	52.00%	10,555	11,417	5,489	5,937
Md Pe Life SPE LTDA.	60.00%	60.00%	3,916	3,809	2,350	2,286
MRL MRV Li In SPE LTDA.	65.00%	65.00%	7,813	6,804	5,079	4,423
MRL MRV Lii I SPE LTDA.	65.00%	65.00%	7,030	6,156	4,570	4,002
MRL MRV Xxxii SPE LTDA.	70.00%	70.00%	4,744	4,757	3,321	3,330
MRL MRV Xxxvi SPE LTDA.	65.00%	65.00%	10,900	10,129	7,085	6,584
MRV Ancona li SPE LTDA.	99.50%	99.50%	26,800	16,203	26,666	16,122
MRV Lcg Es V Incorpo SPE LTDA.	75.00%	75.00%	4,763	3,578	3,572	2,683
MRV Magis li Incorpo SPE LTDA.	62.00%	62.00%	11,668	6,442	7,234	3,994

	Equity Interest		Shareholders' equity		Investment	
	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13
<b>Subsidiaries:</b>						
MRV Magis Vii G SPE LTDA.	99.50%	99.50%	25,992	17,174	25,862	17,088
MRV Magis Xiv Incorp SPE LTDA.	62.00%	62.00%	8,422	5,457	5,222	3,384
MRV MDI Es I E1 SPE LTDA.	75.00%	75.00%	3,200	2,371	2,400	1,778
MRV MRL Jardim De Gotemburgo SPE LTDA.	99.00%	99.00%	6,028	5,975	5,968	5,915
MRV MRL Jardim Do Sol SPE LTDA.	99.00%	99.00%	4,917	1,573	4,868	1,557
MRV MRL L Incorp. SPE LTDA.	99.00%	99.00%	5,834	3,734	5,776	3,697
MRV MRL Novolar I In SPE LTDA.	35.00%	35.00%	5,658	4,045	1,980	1,416
MRV MRL Rj I Pq SPE LTDA.	70.00%	70.00%	10,938	14,536	7,657	10,175
MRV MRL Rj Lxxiv Inc SPE LTDA.	65.00%	65.00%	3,808	2,237	2,475	1,454
MRV MRL Rj2 Inc SPE LTDA.	65.00%	65.00%	6,740	7,457	4,381	4,847
MRV MRL Xi Inc SPE LTDA.	99.00%	99.00%	12,702	10,933	12,575	10,824
MRV MRL Xiii SPE LTDA.	97.00%	97.00%	2,733	3,090	2,651	2,997
MRV MRL Xi Incorp SPE LTDA.	65.00%	65.00%	4,963	9,298	3,226	6,044
MRV MRL Xi Incorpor SPE LTDA.	99.00%	99.00%	13,808	13,952	13,670	13,812
MRV MRL Xiii Inc Sp SPE LTDA.	99.00%	99.00%	5,254	1,545	5,202	1,529
MRV MRL Xix Incorp. SPE LTDA.	99.00%	99.00%	2,213	2,562	2,191	2,536
MRV MRL Xvii Incorp SPE LTDA.	99.00%	99.00%	8,286	10,604	8,203	10,498
MRV MRL Xxv Inc SPE LTDA.	99.00%	99.00%	10,223	8,561	10,120	8,475
MRV MRL Xxxii Inc. SPE LTDA.	97.00%	97.00%	3,903	4,607	3,786	4,469
MRV Pe Vila Natal Co SPE LTDA.	60.00%	60.00%	9,408	4,009	5,645	2,406
MRV PRIME Morada do Campo SPE LTDA.	99.00%	99.00%	5,198	2,900	5,146	2,871
MRV PRIME V SPE LTDA.	98.00%	98.00%	861	2,895	844	2,838
MRV PRIME Vi Inc. SPE LTDA.	99.00%	99.00%	6,179	5,900	6,117	5,841
MRV PRIME Viii Inc SPE LTDA.	99.00%	99.00%	4,662	7,046	4,615	6,976
MRV PRIME lx Inc SPE LTDA.	99.00%	99.00%	8,564	5,864	8,478	5,805
MRV PRIME Xi SPE LTDA.	97.00%	97.00%	10,619	7,542	10,300	7,316
MRV PRIME Xvii SPE LTDA.	65.00%	65.00%	13,857	10,959	9,007	7,123
MRV PRIME Xviii Inc SPE LTDA.	98.00%	98.00%	17,872	19,617	17,514	19,225
MRV PRIME Xx Inc. Sp SPE LTDA.	97.00%	97.00%	9,121	8,465	8,848	8,211
MRV PRIME Xxi Inc SPE LTDA.	65.00%	65.00%	12,568	8,038	8,169	5,225
MRV PRIME Xxii Incor SPE LTDA.	99.00%	99.00%	5,288	4,496	5,235	4,451
MRV PRIME Xxiii Inco SPE LTDA.	97.00%	97.00%	6,453	6,032	6,259	5,851
MRV PRIME Xxix Incor SPE LTDA.	99.00%	99.00%	11,912	12,276	11,793	12,153
MRV PRIME Xxx Incorp SPE LTDA.	99.00%	99.00%	14,953	15,580	14,804	15,424
MRV PRIME Xxxi Incor SPE LTDA.	99.00%	99.00%	14,634	14,485	14,487	14,340
MRV PRIME Xxxii Inco SPE LTDA.	99.00%	99.00%	6,565	7,166	6,500	7,094
MRV PRIME Xxxvii In SPE LTDA.	99.00%	99.00%	10,035	5,315	9,935	5,262
MRV PRIME Xxxviii In SPE LTDA.	99.00%	99.00%	11,753	7,101	11,636	7,030
Nautilus Inc SPE LTDA.	75.00%	75.00%	11,348	10,163	8,511	7,622
Palazzo Di Spagna In SPE LTDA.	99.50%	99.50%	3,797	6,189	3,778	6,158
Parque Álamo SPE LTDA.	99.00%	99.00%	3,697	745	3,660	737
Parque Apoema Inc SPE LTDA.	97.00%	97.00%	3,509	2,073	3,404	2,011
Parque Ilha Do Sol I SPE LTDA.	99.00%	99.00%	12,414	12,412	12,290	12,288
Parque Jamile SPE LTDA.	99.75%	99.75%	2,808	2,979	2,801	2,972
Parque Lagoa Bella SPE LTDA.	65.00%	65.00%	5,116	3	3,325	2
Parque Los Alpes Inc SPE LTDA.	99.00%	99.00%	5,698	5,347	5,641	5,294
Parque Paradiso Inc SPE LTDA.	97.00%	97.00%	20,773	18,360	20,150	17,809
Parque Patagonia Inc SPE LTDA.	99.00%	99.00%	6,026	4,990	5,965	4,940
Parque Petropolis In SPE LTDA.	70.00%	70.00%	8,043	7,901	5,630	5,530
Parque Piazza Venezi SPE LTDA.	99.00%	99.00%	3,460	3,414	3,425	3,380
Parque Santa Clara Inc SPE LTDA.	99.00%	99.00%	20,209	21,367	20,007	21,154
Parque Santa Lucia Incorp. SPE LTDA.	99.00%	99.00%	3,517	2,461	3,482	2,436
Parque Vila Imperial Inc SPE LTDA.	75.00%	75.00%	5,631	2,485	4,223	1,864
Parque Xavantes Inc SPE LTDA.	70.00%	70.00%	5,311	4,416	3,718	3,091
Pq Arkansas Inc. SPE LTDA.	99.50%	99.50%	14,630	10,109	14,557	10,059
Pq Asteca SPE LTDA.	99.50%	99.50%	(363)	800	(361)	796
Pq Piazza Navona SPE LTDA.	99.40%	99.40%	12,044	14,517	11,972	14,430
Prive Praia De SPE LTDA.	60.00%	60.00%	2,786	6,952	1,672	4,171
Roc 2 SPE LTDA.	65.00%	65.00%	4,941	-	3,211	-
San Pietro SPE LTDA.	99.40%	99.40%	5,635	3,219	5,601	3,200
Santos Dumont SPE LTDA.	98.50%	98.50%	4,424	6,133	4,357	6,041
Spazio Campo B SPE LTDA.	98.25%	98.25%	13,984	14,618	13,739	14,362
Spazio Campo G SPE LTDA.	99.25%	99.25%	17,673	11,854	17,540	11,765
Other 250 SPES			496,262	433,949	391,472	336,580
<b>Total subsidiaries - Individual</b>			<b>1,957,731</b>	<b>1,876,254</b>	<b>1,580,197</b>	<b>1,505,404</b>
<b>Total subsidiaries and jointly controlled entities - Individual</b>			<b>4,028,090</b>	<b>3,278,773</b>	<b>2,511,975</b>	<b>2,201,024</b>

			Profit (loss)				Results from Equity participation			
Equity Interest			2014		2013		2014		2013	
06/30/14	12/31/13		2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<b>Joint control:</b>										
LOG Commercial Properties e Participações S.A.	37.87%	37.87%	250,479	255,571	4,512	5,639	270,740	272,668	1,896	2,370
MRL Engenharia e Empreendimentos S.A.	37.59%	37.65%	652	3,071	4,354	5,816	245	1,154	1,639	2,190
PRIME Incorporações e Construções S.A.	60.00%	60.00%	(14,385)	(24,372)	(7,530)	(12,248)	(8,631)	(14,623)	(4,518)	(7,349)
MRPR Empreendimentos Imobiliário LTDA.	65.00%	65.00%	49	(52)	104	282	32	(34)	68	183
SCP Ecov (Arag,S. Dourada)	70.00%	70.00%	(200)	(228)	(1,939)	(2,822)	(140)	(160)	(1,357)	(1,975)
SCP Portal do Bosque	34.00%	34.00%	2,004	3,431	1,183	1,244	682	1,167	402	423
SCP Richmond Cond.	70.00%	70.00%	156	1,158	(539)	(1,704)	110	811	(377)	(1,193)
SCP Riveira do Sol E Costa	34.50%	34.50%	102	315	3,074	4,120	36	109	1,061	1,421
SCP Royal Palms Club	70.00%	70.00%	1,668	3,213	1,229	2,229	1,167	2,249	860	1,560
SCP Spazio Classique	65.00%	65.00%	(802)	(2,299)	(1,144)	(3,084)	(521)	(1,494)	(744)	(2,005)
SCP Spazio Niteroi Garden	70.00%	70.00%	(915)	(1,333)	(1,252)	(1,873)	(640)	(933)	(876)	(1,311)
Other 38 silent partnerships			(6,392)	(6,329)	(3,372)	(1,709)	(3,306)	(3,631)	(1,101)	(516)
Chapada Imperi SPE LTDA.	58.00%	58.00%	(805)	(2,354)	(1,240)	(2,378)	(467)	(1,365)	(719)	(1,379)
Citylife/C.Vig SPE LTDA.	65.50%	65.50%	(715)	(2,583)	(3,135)	(5,116)	(468)	(1,692)	(2,053)	(3,351)
MRV MRL Xiv SPE LTDA.	70.00%	70.00%	3,105	7,889	7,935	11,629	2,173	5,522	5,555	8,140
MRV MRL Xxiii Inc. SPE LTDA.	65.00%	65.00%	1,473	1,673	-	-	957	1,087	-	-
MRV MRL Xxiii SPE LTDA.	65.00%	65.00%	897	2,499	820	1,780	583	1,624	533	1,157
MRV Patrim Gal LTDA.	50.00%	50.00%	12,861	15,215	(927)	(690)	6,431	7,608	(464)	(346)
MRV PRIME Xx Inc SPE LTDA.	65.00%	65.00%	2,247	3,945	115	37	1,460	2,564	75	24
Parque Sevilha SPE LTDA.	65.00%	65.00%	(1,146)	(321)	1,042	1,671	(745)	(209)	677	1,086
Pq Cast Monaco SPE LTDA.	65.00%	65.00%	(2,541)	(1,704)	(274)	418	(1,652)	(1,108)	(178)	272
Pq Castelo De Lu SPE LTDA.	65.00%	65.00%	(2,546)	(6,659)	(2,855)	(2,549)	(1,655)	(4,328)	(1,856)	(1,657)
Pq Chap Guimarães SPE LTDA.	58.00%	58.00%	(642)	(1,365)	(495)	(2,749)	(373)	(792)	(287)	(1,594)
Pq Chapada Dia SPE LTDA.	67.00%	67.00%	2,216	5,103	1,372	2,595	1,485	3,419	919	1,739
Taguatinga QI SPE LTDA.	41.67%	41.67%	(850)	(802)	(1,866)	(3,386)	(354)	(334)	(778)	(1,411)
Top Taguatinga LI SPE LTDA.	70.00%	70.00%	(9,016)	(16,876)	7,594	14,897	(6,311)	(11,813)	5,316	10,428
Top Taguatinga SPE LTDA.	70.00%	70.00%	(2,131)	(2,162)	345	5,103	(1,491)	(1,513)	242	3,572
Village Gran Castel SPE LTDA.	65.00%	65.00%	827	1,676	118	191	537	1,089	77	124
Other 23 SPes			757	1,914	(1,335)	(1,783)	840	1,487	(1,132)	(1,225)
<b>Total jointly controlled entities - Individual</b>			<b>236,407</b>	<b>237,234</b>	<b>5,894</b>	<b>15,560</b>	<b>260,724</b>	<b>258,529</b>	<b>2,880</b>	<b>9,377</b>
Elimination of indirect interests			-	-	-	-	(1,749)	(3,731)	(3,565)	(5,894)
<b>Total jointly controlled entities - Consolidated</b>			<b>236,407</b>	<b>237,234</b>	<b>5,894</b>	<b>15,560</b>	<b>258,975</b>	<b>254,798</b>	<b>(685)</b>	<b>3,483</b>
<b>Subsidiaries:</b>										
MDI Desenvolvimento Imobiliário LTDA.	100.00%	100.00%	873	988	2,326	2,198	873	988	2,326	2,198
MRV Construções LTDA.	95.00%	0.00%	127	127	-	-	121	121	-	-
Urbamais Propriedade e Participações S.A.	60.00%	60.00%	(1,051)	(1,441)	(455)	(706)	(631)	(865)	(273)	(424)
SCP Barreto 4A - Mar	70.00%	70.00%	(1,023)	(2,148)	(2,453)	(2,406)	(716)	(1,504)	(1,717)	(1,684)
SCP Barreto 4B	70.00%	70.00%	(558)	(724)	(1,969)	(3,598)	(391)	(507)	(1,378)	(2,519)
SCP Bello Solares	65.00%	65.00%	(660)	(1,430)	1,362	2,907	(429)	(930)	898	1,890
SCP Bello Valle	65.00%	65.00%	122	136	(576)	(1,612)	79	88	(374)	(1,048)
SCP C.Lu/C.EI/C.VI/Cas	99.00%	99.00%	4	101	(388)	1,567	4	100	(384)	1,551
SCP Esp Campo Cruze	99.50%	99.50%	942	1,120	-	-	937	1,114	-	-
SCP Magarça	35.00%	35.00%	(308)	934	1,581	4,132	(108)	327	553	1,446
SCP Manchete	35.00%	35.00%	1,586	3,698	466	849	555	1,294	163	297
SCP P. Fontana Di Roma	99.00%	99.00%	107	66	(476)	1,015	106	65	(471)	1,005
SCP Parque Fonatana	99.50%	99.50%	(939)	(1,263)	1,743	3,150	(935)	(1,257)	1,734	3,134
SCP Parque Monte Cristal	77.50%	77.50%	1,429	2,708	271	355	1,108	2,099	210	275
SCP Parque Monte Fiore	77.50%	77.50%	2,636	4,864	398	714	2,043	3,770	308	553
SCP Parque Operetta	98.00%	98.00%	(1,069)	57	7,920	7,920	(1,047)	56	7,762	7,762
SCP Parque Viva Joara	75.00%	75.00%	(61)	(335)	2,143	3,148	(45)	(251)	1,607	2,361
SCP Porto Cristal	99.50%	99.50%	(570)	(2,029)	836	1,355	(567)	(2,019)	719	1,165
SCP Porto Guaíba	99.50%	99.50%	(59)	(177)	(1,710)	(2,324)	(59)	(176)	(1,445)	(1,964)
SCP Porto Pacifico	99.50%	99.50%	622	1,121	64	239	618	1,115	58	215
SCP Pq Das Araras	33.50%	33.50%	(944)	(909)	1,372	3,127	(317)	(305)	460	1,048
SCP Pq. Fonte dos Pássaros	75.00%	75.00%	1,603	2,401	-	-	1,202	1,801	-	-
SCP Pq Rec P Belia Flor	34.00%	34.00%	2,035	4,682	3,027	9,122	692	1,592	1,029	3,101
SCP Prt.Planalto	99.50%	99.50%	(2,189)	(5,403)	(1,195)	(754)	(2,178)	(5,376)	(1,016)	(641)
SCP Resid. Jangadas	75.00%	75.00%	1,847	974	(4,458)	(5,634)	1,386	731	(3,344)	(4,226)
SCP Residencial Barcas	75.00%	75.00%	262	429	(1,660)	(2,659)	197	322	(1,245)	(1,994)
SCP São Pedro	50.00%	50.00%	(458)	(1,028)	1,867	5,299	(229)	(514)	934	2,650
SCP Spazio Florian	80.00%	80.00%	174	931	502	1,295	139	745	402	1,036
SCP Spazio Portote	99.50%	99.50%	341	(1,385)	(1,196)	(2,001)	339	(1,378)	(957)	(1,601)
SCP Spz Nimbus Res.Club	75.00%	75.00%	(897)	(963)	(1,617)	(3,997)	(672)	(722)	(1,213)	(2,998)
SCP Sz C. Alvorada	98.00%	98.00%	(252)	(332)	(1,144)	(1,315)	(247)	(325)	(1,121)	(1,289)
SCP Tomba Pq. Filipinas	75.00%	75.00%	(195)	572	4,225	7,568	(146)	429	3,169	5,676
Other 191 silent partnerships			(7,447)	(11,393)	270	632	(5,852)	(8,530)	(2,728)	(1,818)
Campo Di Braga SPE LTDA.	99.50%	99.50%	1,307	3,796	1,995	5,160	1,300	3,777	1,985	5,134
Campo Di Orleans Inc SPE LTDA.	99.00%	99.00%	1,143	2,049	1,756	3,208	1,132	2,029	1,738	3,176
Casa Pueblo Incorpor SPE LTDA.	97.00%	97.00%	1,535	2,574	172	306	1,489	2,497	167	297
Evidence Condominio SPE LTDA.	99.00%	99.00%	2,063	4,067	(1,657)	(4,978)	2,042	4,026	(1,640)	(4,928)
Forte Iracema SPE LTDA.	60.00%	60.00%	(1,349)	(2,692)	(1,797)	(3,430)	(809)	(1,615)	(1,078)	(2,058)
Forte Mucurip SPE LTDA.	52.00%	52.00%	2,147	4,053	462	1,619	1,117	2,108	263	842
Fortune II Inc SPE LTDA.	60.00%	60.00%	(596)	(1,109)	2,365	4,934	(357)	(665)	1,419	2,960
Four Seasons 3 SPE LTDA.	52.00%	52.00%	(1,210)	(2,276)	(1,195)	238	(630)	(1,184)	(598)	1,019
Inspiratto Res SPE LTDA.	52.00%	52.00%	(1,471)	(410)	1,042	2,097	(765)	(213)	521	1,049
Md Pe Life SPE LTDA.	60.00%	60.00%	(948)	(2,288)	363	811	(569)	(1,373)	152	341
MRL MRV Li In SPE LTDA.	65.00%	65.00%	802	2,156	1,441	3,416	521	1,401	937	2,220
MRL MRV Lii I SPE LTDA.	65.00%	65.00%	1,575	2,781	1,108	1,181	1,024	1,808	720	768
MRL MRV Xxxii SPE LTDA.	70.00%	70.00%	708	1,682	625	2,356	495	1,177	438	1,649
MRL MRV Xxxiv SPE LTDA.	65.00%	65.00%	1,527	3,000	619	858	993	1,950	402	558
MRV Ancona II SPE LTDA.	99.50%	99.50%	1,988	3,601	(80)	90	1,978	3,583	(80)	90
MRV Lcg Es V Incopor SPE LTDA.	75.00%	75.00%	910	1,618	359	569	683	1,214	269	427
MRV Magis II Incopor SPE LTDA.	62.00%	62.00%	1,548	3,245	936	1,266	960	2,012	580	785
MRV Magis Vii G SPE LTDA.	99.50%	99.50%	1,442	4,044	594	1,104	1,435	4,024	843	1,088
MRV Magis Xiv Incopor SPE LTDA.	62.00%	62.00%	1,578	3,943	439	540	979	2,445	272	335
MRV MDI Es I E1 SPE LTDA.	75.00%	75.00%	865	1,439	167	189	648	1,079	125	142
MRV MRL Jardim De Gotemburgo SPE LTDA.	99.00%	99.00%	2,162	3,925	241	290	2,141	3,886	239	287
MRV MRL Jardim Do Sol SPE LTDA.	99.00%	99.00%	760	1,121	(6)	(12)	753	1,110	(6)	(12)
MRV MRL L Incopor. SPE LTDA.	99.00%	99.00%	2,223	2,986	618	1,283	2,201	2,956	612	1,270

Subsidiaries:	Equity Interest	Profit (loss)				Results from Equity participation				
		2014		2013		2014		2013		
		06/30/14	12/31/13	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter
MRV MRL Novolar I In SPE LTDA.	35.00%	35.00%	1,846	3,720	1,099	3,087	646	1,302	385	1,080
MRV MRL Rj I Pq SPE LTDA.	70.00%	70.00%	200	356	(738)	(2,323)	140	249	(517)	(1,626)
MRV MRL Rj Lxxiv Inc SPE LTDA.	65.00%	65.00%	1,106	2,959	318	295	719	1,923	207	192
MRV MRL Rj2 Inc SPE LTDA.	65.00%	65.00%	1,240	2,395	343	628	806	1,557	223	408
MRV MRL Xi Inc SPE LTDA.	99.00%	99.00%	2,273	2,846	1,605	2,101	2,251	2,818	1,589	2,080
MRV MRL Xiii SPE LTDA.	97.00%	97.00%	86	12	(780)	(2,024)	84	12	(757)	(1,963)
MRV MRL Xi Incorp SPE LTDA.	65.00%	65.00%	(684)	(3,217)	9,621	12,381	(445)	(2,091)	6,254	8,048
MRV MRL Xi Incorp SPE LTDA.	99.00%	99.00%	3,801	6,908	1,298	1,775	3,763	6,839	1,285	1,757
MRV MRL Xliii Inc Sp SPE LTDA.	99.00%	99.00%	928	1,259	-	-	918	1,246	-	-
MRV MRL Xlix Incorp. SPE LTDA.	99.00%	99.00%	815	1,234	576	922	807	1,222	570	913
MRV MRL Xvii Incorp SPE LTDA.	99.00%	99.00%	2,933	4,332	2,415	3,503	2,904	4,289	2,391	3,468
MRV MRL Xxv Inc SPE LTDA.	99.00%	99.00%	2,401	3,843	632	2,167	2,377	3,805	626	2,145
MRV MRL Xxxii Inc. SPE LTDA.	97.00%	97.00%	(13)	(165)	(1,093)	(2,057)	(13)	(160)	(1,060)	(1,995)
MRV Pe Vila Natal Co SPE LTDA.	60.00%	60.00%	740	1,750	(207)	304	444	1,050	(124)	182
MRV PRIME Morada do Campo SPE LTDA.	99.00%	99.00%	572	1,127	-	-	567	1,116	-	-
MRV PRIME V SPE LTDA.	98.00%	98.00%	(1,863)	(1,089)	1,952	3,290	(1,826)	(1,067)	1,913	3,224
MRV PRIME Vi Inc. SPE LTDA.	99.00%	99.00%	993	1,274	484	529	983	1,261	479	524
MRV PRIME Viii Inc SPE LTDA.	99.00%	99.00%	(75)	(305)	1,712	2,736	(74)	(302)	1,695	2,709
MRV PRIME lx Inc SPE LTDA.	99.00%	99.00%	1,433	2,042	2,831	3,469	1,419	2,022	2,803	3,434
MRV PRIME xi SPE LTDA.	97.00%	97.00%	284	1,278	293	240	276	1,240	284	233
MRV PRIME xii SPE LTDA.	65.00%	65.00%	979	1,687	861	1,696	637	1,097	560	1,102
MRV PRIME xiii Inc SPE LTDA.	98.00%	98.00%	(1,155)	(938)	693	1,684	(1,132)	(919)	679	1,650
MRV PRIME xx Inc. Sp SPE LTDA.	97.00%	97.00%	2,176	3,202	278	1,412	2,111	3,106	270	1,370
MRV PRIME Xxi Inc SPE LTDA.	65.00%	65.00%	(1,009)	742	955	1,851	(656)	482	621	1,203
MRV PRIME Xxii Incor SPE LTDA.	99.00%	99.00%	1,272	2,086	(2)	191	1,259	2,065	(2)	189
MRV PRIME Xxiii Inco SPE LTDA.	97.00%	97.00%	1,288	1,961	118	189	1,249	1,902	114	183
MRV PRIME Xxix Incor SPE LTDA.	99.00%	99.00%	263	1,233	2,086	5,555	261	1,221	2,065	5,499
MRV PRIME Xxx Incor SPE LTDA.	99.00%	99.00%	(183)	1,343	3,664	6,930	(181)	1,330	3,627	6,861
MRV PRIME Xxxi Incor SPE LTDA.	99.00%	99.00%	1,251	2,664	5,448	9,113	1,238	2,637	5,394	9,022
MRV PRIME Xxxii Inco SPE LTDA.	99.00%	99.00%	21	453	3,271	4,597	20	448	3,238	4,551
MRV PRIME xxxvii In SPE LTDA.	99.00%	99.00%	1,369	2,207	-	-	1,355	2,185	-	-
MRV PRIME xxxviii In SPE LTDA.	99.00%	99.00%	2,373	4,249	223	219	2,350	4,207	221	217
Nautilus Inc SPE LTDA.	75.00%	75.00%	(115)	888	(1,462)	(1,976)	(86)	666	(1,097)	(1,482)
Palazzo Di Spagna In SPE LTDA.	99.50%	99.50%	(2,240)	(2,219)	67	469	(2,229)	(2,208)	67	467
Parque Álamo SPE LTDA.	99.00%	99.00%	935	1,097	-	-	926	1,086	-	-
Parque Apoema Inc SPE LTDA.	97.00%	97.00%	740	1,354	(26)	(87)	717	1,313	(25)	(84)
Parque Ilha Do Sol I SPE LTDA.	99.00%	99.00%	3,742	5,276	772	1,601	3,704	5,223	764	1,585
Parque Jamile SPE LTDA.	99.75%	99.75%	(114)	(191)	(774)	(1,195)	(114)	(191)	(772)	(1,192)
Parque Lagoa Bella SPE LTDA.	65.00%	65.00%	1,236	2,215	-	-	804	1,440	-	-
Parque Los Alpes Inc SPE LTDA.	99.00%	99.00%	2,130	3,280	1,896	2,060	2,108	3,247	1,877	2,039
Parque Paradiso Inc SPE LTDA.	97.00%	97.00%	2,380	4,679	767	725	2,309	4,539	744	703
Parque Patagonia Inc SPE LTDA.	99.00%	99.00%	1,873	2,709	635	1,528	1,854	2,682	629	1,513
Parque Petropolis In SPE LTDA.	70.00%	70.00%	(144)	(781)	(1,494)	(3,422)	(101)	(547)	(1,046)	(2,395)
Parque Piazza Venezi SPE LTDA.	99.00%	99.00%	611	1,269	196	1,198	605	1,256	194	1,186
Parque Santa Clara Inc SPE LTDA.	99.00%	99.00%	8,074	16,602	(1)	(1)	7,993	16,436	(1)	(1)
Parque Santa Lucia Incorp. SPE LTDA.	99.00%	99.00%	964	1,983	(1)	(1)	954	1,963	(1)	(1)
Parque Vila Imperial Inc SPE LTDA.	75.00%	75.00%	1,423	2,091	231	142	1,067	1,568	173	107
Parque Xavantes Inc SPE LTDA.	70.00%	70.00%	898	2,415	595	668	629	1,691	417	468
Pq Arkansas Inc. SPE LTDA.	99.50%	99.50%	3,781	5,248	212	766	3,762	5,222	211	762
Pq Asteca SPE LTDA.	99.50%	99.50%	(603)	(1,585)	(678)	(1,786)	(600)	(1,577)	(675)	(1,777)
Pq Piazza Navona SPE LTDA.	99.40%	99.40%	330	2,073	5,849	12,705	328	2,061	5,814	12,629
Prive Praia De SPE LTDA.	60.00%	60.00%	(3,514)	(9,797)	(4,657)	(5,453)	(2,108)	(5,878)	(1,956)	(2,290)
Roc 2 SPE LTDA.	65.00%	65.00%	1,506	2,356	-	-	978	1,531	-	-
San Pietro SPE LTDA.	99.40%	99.40%	3,740	5,079	583	957	3,718	5,049	580	951
Santos Dumont SPE LTDA.	98.50%	98.50%	(1,201)	(1,750)	124	719	(1,183)	(1,724)	122	708
Spazio Campo B SPE LTDA.	98.25%	98.25%	(1,227)	261	1,696	3,319	(1,206)	256	1,666	3,261
Spazio Campo G SPE LTDA.	99.25%	99.25%	4,325	6,648	445	1,415	4,292	6,598	442	1,404
Other 250 SPEs			12,064	20,058	352	2,097	7,303	13,380	64	203
Total subsidiaries - Individual			85,994	162,960	66,946	133,589	76,272	143,304	56,170	107,130
Total subsidiaries and jointly controlled entities - Individual			322,401	400,194	72,840	149,149	336,996	401,833	59,050	116,507

## b) Changes in investments are as follows:

	Opening balances	Capital / profit subscription (reduction / distribution)	Gain on changes in interests	Equity in subsidiaries and jointly controlled entities 2 <sup>nd</sup> quarter	Equity in subsidiaries and jointly controlled entities 1 <sup>st</sup> quarter	Closing balances
<b>Six-month period ended June 30, 2014:</b>						
<b>Joint control:</b>						
LOG Commercial Properties e Participações S.A.	280,100	38	-	270,740	1,928	552,806
MRL Engenharia e Empreendimentos S.A.	7,243	(12)	-	245	909	8,385
PRIME Incorporações e Construções S.A.	10,093	-	-	(8,631)	(5,992)	(4,530)
Other	398,184	(22,397)	-	(1,630)	960	375,117
Total jointly controlled entities - Individual	695,620	(22,371)	-	260,724	(2,195)	931,778
Elimination of indirect interests	(63,335)	(5,683)	-	(1,749)	(1,982)	(72,750)
Total jointly controlled entities - Consolidated	632,285	(28,054)	-	258,975	(4,177)	859,028
<b>Subsidiaries:</b>						
MDI Desenvolvimento Imobiliário LTDA.	8,358	(264)	-	873	115	9,082
Urbamaís Propriedade e Participações S.A.	1,717	3,001	-	(631)	(234)	3,853
Other	1,495,329	(71,248)	-	76,030	67,151	1,567,262
Total subsidiaries - Individual	1,505,404	(68,511)	-	76,272	67,032	1,580,197
Total subsidiaries and jointly controlled entities - Individual	2,201,024	(90,882)	-	336,996	64,837	2,511,975
<b>Six-month period ended June 30, 2013:</b>						
Total subsidiaries - Consolidated	553,615	62,589	22,718	(685)	4,168	642,405
Total subsidiaries and jointly controlled entities - Individual	2,064,464	64,831	22,718	59,050	57,457	2,268,520

As referred to in note 2.2, in the second quarter of 2014, jointly controlled entity LOG Commercial Properties e Participações S.A. (LOG) changed its accounting policy on investment property from the cost method to the fair value method. Accordingly, the balance of the investment in this joint venture has been adjusted to reflect this measurement at fair value, and the total effect of the adjustment, in accordance with ICPC 09(R1), is recognized in equity in investees for period, as shown below:

	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Adjustment at fair value of the joint venture-s investment property	267,591	267,591
Equity in investees on the other profits or losses for the period	3.149	5,077
Closing equity in investees	<u>270.740</u>	<u>272,668</u>

c) The main information on the Company's indirect investments is summarized as follows:

	Total equity interest		Shareholders' equity		Profit (loss)			
					2014		2013	
					2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
	06/30/14	12/31/13	06/30/14	12/31/13				
<u>LOG Commercial Properties e Participações S.A.</u>								
Cabral	18.94%	18.94%	142,672	102,258	39,224	41,696	6,302	6,564
LDI	37.87%	37.87%	21,084	27,093	448	994	(10)	(10)
LOG Aracajú	37.87%	37.87%	14,953	10,316	(2,862)	(2,879)	-	-
LOG Campos	37.83%	37.83%	77,336	41,080	33,800	33,780	(2)	(4)
LOG Curitiba	37.87%	37.87%	90,942	25,598	59,046	59,029	-	-
LOG Feira De Santana	37.87%	37.87%	21,078	23,415	(1,383)	(1,491)	(5)	(8)
LOG Fortaleza	37.87%	37.87%	102,635	33,602	33,015	33,065	5	1
LOG Goiânia	37.83%	37.83%	108,952	45,576	31,140	31,105	(49)	(404)
LOG Hortolândia	37.87%	37.87%	119,565	74,331	(8,683)	(7,383)	459	453
LOG I	37.87%	37.87%	147,651	65,755	3,301	5,831	2,034	3,626
LOG II	37.87%	37.87%	37,851	20,533	1,921	2,515	320	819
LOG Itatiaia	37.87%	37.87%	41,564	25,561	(645)	(666)	-	-
LOG Juiz de Fora	37.87%	37.87%	59,861	32,396	2,272	2,272	105	98
LOG Jundiá	37.87%	37.87%	72,133	36,168	683	1,880	1,009	1,864
LOG Londrina	37.87%	37.87%	71,546	25,630	34,815	34,796	-	-
LOG Macae	37.87%	37.87%	19,988	13,348	590	592	-	-
LOG Rio	37.87%	37.87%	19,760	16,600	2,411	2,389	-	-
LOG RP	37.87%	37.87%	50,868	18,991	17,916	17,899	-	-
LOG SJC Sony	37.87%	37.87%	79,565	53,946	4,573	4,556	(1)	(1)
LOG SJP	37.87%	37.87%	22,716	15,169	5,049	4,663	(175)	(180)
LOG SJRP	37.87%	37.87%	23,033	9,308	8,433	8,416	-	-
LOG Sumaré	37.87%	37.87%	2	(3)	(1)	(7)	-	(1)
LOG Uberaba	37.49%	0.00%	6,060	-	622	622	-	-
LOG Via Expressa	37.87%	37.87%	86,031	64,053	(6,663)	(7,048)	(6)	(11)
LOG Viana	37.87%	37.87%	85,175	60,232	15,918	15,750	(2)	(12)
Loteamento Betim	15.09%	14.81%	69,934	69,070	(1)	(1)	(3)	(4)
Office Park Pirituba	37.87%	37.87%	127,478	102,042	(28,753)	(28,770)	(1)	(1)
Torino	15.15%	15.15%	310,916	183,126	127,635	127,790	-	-
Total			<u>2,031,349</u>	<u>1,195,194</u>	<u>373,818</u>	<u>381,395</u>	<u>9,980</u>	<u>12,789</u>
<u>Prime Incorporações e Construções Ltda.</u>								
Chapada Imperi SPE LTDA.	18.60%	18.60%	5,050	5,224	(805)	(2,354)	(1,240)	(2,378)
Citylife/C.Vig SPE LTDA.	20.70%	20.70%	18,058	20,438	(715)	(2,583)	(3,135)	(5,116)
MRPR Empreendimentos Imobiliário LTDA.	21.00%	21.00%	397	450	49	(52)	104	282
MRV PRIME Xix Inc SPE LTDA.	21.00%	21.00%	5,366	3,669	2,247	3,945	115	37
Parque Sevilha SPE LTDA.	21.00%	21.00%	11,075	10,894	(1,146)	(321)	1,042	1,671
Pq Cast Monaco SPE LTDA.	21.00%	21.00%	19,616	16,585	(2,541)	(1,704)	(274)	418
Pq Castelo De Lu SPE LTDA.	21.00%	21.00%	21,134	25,046	(2,546)	(6,659)	(2,855)	(2,549)
Pq Chap Guimarães SPE LTDA.	18.00%	18.00%	12,666	11,328	(642)	(1,365)	(495)	(2,749)
Pq Chapada Dia SPE LTDA.	19.80%	19.80%	22,078	18,202	2,216	5,103	1,372	2,595
SCP Ecov (Arag.S. Dourada)	18.00%	18.00%	23,415	29,416	(200)	(228)	(1,939)	(2,822)
SCP Spazio Classique	21.00%	21.00%	8,099	8,602	(802)	(2,299)	(1,144)	(3,084)
Taguatinga QI SPE LTDA.	15.00%	15.00%	9,967	12,673	(850)	(802)	(1,866)	(3,386)
Top Taguatinga LI SPE LTDA.	18.00%	18.00%	61,406	78,185	(9,016)	(16,876)	7,594	14,897
Top Taguatinga SPE LTDA.	18.00%	18.00%	84,215	79,677	(2,131)	(2,162)	345	5,103
Village Gran Castel SPE LTDA.	21.00%	21.00%	8,977	6,545	827	1,676	118	191
Other 37 projects			<u>92,321</u>	<u>97,688</u>	<u>(2,042)</u>	<u>(3,280)</u>	<u>(1,451)</u>	<u>(1,650)</u>
Total			<u>403,840</u>	<u>424,622</u>	<u>(18,097)</u>	<u>(29,961)</u>	<u>(3,709)</u>	<u>1,460</u>

	Total equity interest		Shareholders' equity		Profit (loss)			
					2014		2013	
					2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
	06/30/14	12/31/13	06/30/14	12/31/13				
<b>MRL Engenharia e Empreendimentos S.A.</b>								
MRV MRL Xiv SPE LTDA.	11.28%	11.30%	20,408	25,577	3,105	7,889	7,935	11,629
MRV MRL Xxiii Inc. SPE LTDA.	13.16%	13.18%	8,820	4,220	1,473	1,673	-	-
MRV MRL Xviii SPE LTDA.	13.16%	13.18%	14,049	16,169	897	2,499	820	1,780
SCP Portal do Bosque	11.65%	11.67%	7,669	6,077	2,004	3,431	1,183	1,244
SCP Richmond Cond.	11.28%	11.30%	6,790	7,162	156	1,158	(539)	(1,704)
SCP Riveira do Sol E Costa	6.58%	6.59%	21,564	20,131	102	315	3,074	4,120
SCP Royal Palms Club	11.28%	11.30%	9,421	6,505	1,668	3,213	1,229	2,229
SCP Spazio Niteroi Garden	11.28%	11.30%	14,697	14,443	(915)	(1,333)	(1,252)	(1,873)
Other 29 projects			55,932	64,692	(5,045)	(3,281)	(4,138)	(2,839)
<b>Total</b>			<b>159,350</b>	<b>164,976</b>	<b>3,445</b>	<b>15,564</b>	<b>8,312</b>	<b>14,586</b>

d) Total balances of balance sheet accounts and profit or loss accounts of direct or indirect jointly controlled entities included in the consolidated interim financial statements information are summarized as follows:

	Assets					
	Current assets		Noncurrent assets		Total assets	
	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13
<b>Companies</b>						
LOG Commercial Properties e Participações S.A.	40,486	178,759	2,423,455	1,447,528	2,463,941	1,626,287
MRL Engenharia e Empreendimentos S.A.	12,340	27,600	131,962	124,293	144,302	151,892
PRIME Incorporações e Construções S.A.	15,404	10,917	195,761	196,901	211,165	207,818
MRPR Empreendimentos Imobiliário LTDA.	585	627	16	17	601	644
SCP Ecov (Arag,S. Dourada)	23,276	30,726	6,260	2,377	29,536	33,103
SCP Portal do Bosque	13,175	11,161	30	28	13,205	11,189
SCP Richmond Cond.	4,324	6,740	3,259	2,771	7,583	9,511
SCP Riveira do Sol E Costa	24,379	30,946	42	42	24,421	30,988
SCP Royal Palms Club	11,731	8,347	7,300	10,480	19,031	18,827
SCP Spazio Classique	3,950	1,568	6,486	10,298	10,436	11,866
SCP Spazio Niteroi Garden	6,382	(6,775)	10,210	22,114	16,592	15,339
Other 38 silent partnerships - Joint control	61,606	86,274	37,116	43,336	98,722	129,610
Chapada Imperi SPE LTDA.	5,486	6,339	883	678	6,369	7,017
Citylife/C.Vig SPE LTDA.	6,905	6,374	15,509	17,592	22,414	23,966
MRV MRL Xiv SPE LTDA.	24,020	24,008	624	6,138	24,644	30,146
MRV MRL Xxiii Inc. SPE LTDA.	4,192	3,419	5,995	943	10,187	4,362
MRV MRL Xviii SPE LTDA.	18,314	15,749	3,618	4,630	21,932	20,379
MRV Patrim Gal LTDA.	76,789	46,867	9,159	1,131	85,948	47,998
MRV PRIME Xix Inc SPE LTDA.	6,162	6,731	3,436	337	9,598	7,068
Parque Sevilha SPE LTDA.	20,341	22,594	321	377	20,662	22,971
Pq Cast Monaco SPE LTDA.	31,400	27,029	6,087	5,323	37,487	32,352
Pq Castelo De Lu SPE LTDA.	4,866	(1,939)	18,403	33,058	23,269	31,119
Pq Chap Guimarães SPE LTDA.	12,356	11,055	7,690	7,550	20,046	18,605
Pq Chapada Dia SPE LTDA.	30,936	29,583	445	1,189	31,381	30,772
Taguatinga QI SPE LTDA.	14,711	13,741	2,023	712	16,734	14,453
Top Taguatinga LI SPE LTDA.	35,964	30,923	49,327	65,271	85,291	96,194
Top Taguatinga SPE LTDA.	103,917	94,935	37,263	40,703	141,180	135,638
Village Gran Castel SPE LTDA.	18,251	12,709	950	1,491	19,201	14,200
Other 23 SPEs - Joint Control	144,794	129,149	27,712	28,717	172,506	157,866
<b>Total</b>	<b>777,041</b>	<b>866,156</b>	<b>3,011,342</b>	<b>2,076,024</b>	<b>3,788,384</b>	<b>2,942,180</b>

	Liabilities and shareholders' equity							
	Current liabilities		Noncurrent liabilities		Shareholders' equity		Liabilities and shareholders' equity	
	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13	06/30/14	12/31/13
<b>Companies</b>								
LOG Commercial Properties e Participações S.A.	208,865	357,307	794,978	528,995	1,460,098	739,985	2,463,941	1,626,287
MRL Engenharia e Empreendimentos S.A.	7,121	24,739	114,874	107,914	22,307	19,239	144,302	151,892
PRIME Incorporações e Construções S.A.	32,092	31,938	186,623	159,057	(7,550)	16,822	211,165	207,818
MRPR Empreendimentos Imobiliário LTDA.	204	194	-	-	397	450	601	644
SCP Ecov (Arag,S. Dourada)	6,361	3,508	(240)	179	23,415	29,416	29,536	33,103
SCP Portal do Bosque	1,831	1,079	3,705	4,033	7,669	6,077	13,205	11,189
SCP Richmond Cond.	418	1,116	375	1,233	6,790	7,162	7,583	9,511
SCP Riveira do Sol E Costa	1,743	2,130	1,114	8,727	21,564	20,131	24,421	30,988
SCP Royal Palms Club	5,319	5,131	4,291	7,191	9,421	6,505	19,031	18,827
SCP Spazio Classique	1,526	1,823	811	1,441	8,099	8,602	10,436	11,866
SCP Spazio Niteroi Garden	1,494	535	401	361	14,697	14,443	16,592	15,339
Other 38 silent partnerships - Joint control	12,734	19,442	16,068	26,981	69,920	83,187	98,722	129,610
Chapada Imperi SPE LTDA.	1,085	1,204	234	589	5,050	5,224	6,369	7,017
Citylife/C.Vig SPE LTDA.	2,885	1,798	1,471	1,730	18,058	20,438	22,414	23,966
MRV MRL Xiv SPE LTDA.	3,422	3,913	814	656	20,408	25,577	24,644	30,146
MRV MRL Xxiii Inc. SPE LTDA.	1,205	296	162	(154)	8,820	4,220	10,187	4,362
MRV MRL Xviii SPE LTDA.	4,497	3,861	3,386	349	14,049	16,169	21,932	20,379
MRV Patrim Gal LTDA.	6,834	2,905	44,991	431	34,123	44,662	85,948	47,998
MRV PRIME Xix Inc SPE LTDA.	640	729	3,592	2,670	5,366	3,669	9,598	7,068
Parque Sevilha SPE LTDA.	4,343	4,169	5,244	7,908	11,075	10,894	20,662	22,971
Pq Cast Monaco SPE LTDA.	5,617	7,201	12,254	8,566	19,616	16,585	37,487	32,352
Pq Castelo De Lu SPE LTDA.	473	2,493	1,662	3,580	21,134	25,046	23,269	31,119
Pq Chap Guimarães SPE LTDA.	2,379	1,883	5,001	5,394	12,666	11,328	20,046	18,605
Pq Chapada Dia SPE LTDA.	5,018	6,406	4,285	6,164	22,078	18,202	31,381	30,772
Taguatinga QI SPE LTDA.	6,096	1,035	671	745	9,967	12,673	16,734	14,453
Top Taguatinga LI SPE LTDA.	13,577	7,924	10,308	10,085	61,406	78,185	85,291	96,194
Top Taguatinga SPE LTDA.	19,755	8,219	37,210	47,742	84,215	79,677	141,180	135,638
Village Gran Castel SPE LTDA.	3,149	3,573	7,075	4,082	8,977	6,545	19,201	14,200
Other 23 SPEs - Joint Control	63,982	52,423	32,000	34,037	76,524	71,406	172,506	157,866
<b>Total</b>	<b>424,664</b>	<b>558,974</b>	<b>1,293,361</b>	<b>980,686</b>	<b>2,070,359</b>	<b>1,402,519</b>	<b>3,788,384</b>	<b>2,942,180</b>

	Operating revenue		Cost of properties sold		Operating income (expenses)		Financial income (expenses)		Income tax and social contribution		Net income (loss)	
	1 <sup>st</sup> half		1 <sup>st</sup> half		1 <sup>st</sup> half		1 <sup>st</sup> half		1 <sup>st</sup> half		1 <sup>st</sup> half	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Companies</b>												
LOG Commercial Properties e Participações S.A.	29,608	20,020	-	(5,691)	229,336	(3,863)	(8,881)	(4,798)	5,508	(29)	255,571	5,639
MRL Engenharia e Empreendimentos S.A.	-	25,442	-	(19,781)	9,425	5,130	(6,353)	(4,631)	-	(344)	3,071	5,816
PRIME Incorporações e Construções S.A.	-	41,719	-	(37,637)	(12,866)	(10,030)	(11,325)	(6,255)	(181)	(45)	(24,372)	(12,248)
MRPR Empreendimentos Imobiliário LTDA.	-	-	-	-	(57)	285	8	(1)	(4)	(2)	(52)	282
SCP Ecov (Arag.S. Dourada)	3,028	5,372	(2,663)	(7,507)	(963)	(859)	465	375	(95)	(203)	(228)	(2,822)
SCP Portal do Bosque	10,467	4,101	(6,752)	(2,455)	(20)	(326)	(84)	(24)	(180)	(52)	3,431	1,244
SCP Richmond Cond.	2,313	2,126	(1,157)	(3,711)	(187)	(93)	255	32	(66)	(58)	1,158	(1,704)
SCP Riveira do Sol E Costa	4,920	12,766	(4,502)	(7,798)	(70)	(234)	70	(484)	(103)	(130)	315	4,120
SCP Royal Palms Club	9,374	9,502	(5,817)	(7,132)	(276)	(174)	109	110	(177)	(77)	3,213	2,229
SCP Spazio Classique	363	3,345	(2,555)	(5,772)	(100)	(556)	145	3	(152)	(104)	(2,299)	(3,084)
SCP Spazio Niteroi Garden	65	(104)	(1,124)	(1,778)	(222)	(202)	(4)	6	(48)	205	(1,333)	(1,873)
Other 38 silent partnerships - Joint control	14,970	59,588	(19,214)	(57,453)	(2,197)	(3,471)	1,088	491	(976)	(864)	(6,329)	(1,709)
Chapada Imperi SPE LTDA.	137	1,488	(2,392)	(2,961)	(91)	(1,037)	97	74	(105)	58	(2,354)	(2,378)
Citylife/C.Vig SPE LTDA.	2,318	939	(4,894)	(5,622)	(383)	(634)	453	(1)	(77)	202	(2,583)	(5,116)
MRV MRL Xiv SPE LTDA.	15,867	22,345	(7,727)	(9,828)	(124)	(615)	215	304	(342)	(577)	7,889	11,629
MRV MRL Xiii Inc. SPE LTDA.	6,000	-	(3,680)	-	(475)	-	23	-	(195)	-	1,673	-
MRV MRL Xiii SPE LTDA.	9,086	5,559	(6,023)	(3,509)	(445)	(262)	53	33	(172)	(41)	2,499	1,780
MRV Patrim Gal LTDA.	37,848	-	(17,775)	-	(3,822)	-	(42)	-	(994)	-	15,215	-
MRV PRIME Xix Inc SPE LTDA.	9,557	472	(5,387)	(282)	(148)	(138)	22	-	(99)	(15)	3,945	37
Parque Sevilha SPE LTDA.	6,229	7,809	(6,219)	(5,754)	(550)	(386)	222	56	(3)	(54)	(321)	1,671
Pq Cast Monaco SPE LTDA.	8,658	6,060	(9,776)	(4,707)	(784)	(935)	63	4	135	(4)	(1,704)	418
Pq Castelo De Lu SPE LTDA.	2,151	9,210	(8,435)	(9,743)	(477)	(1,762)	165	5	(63)	(259)	(6,659)	(2,549)
Pq Chap Guimarães SPE LTDA.	495	2,272	(1,734)	(5,063)	(130)	(163)	104	4	(100)	201	(1,365)	(2,749)
Pq Chapada Dia SPE LTDA.	14,831	13,101	(9,289)	(9,805)	(514)	(583)	191	7	(116)	(125)	5,103	2,595
Taguatinga QI SPE LTDA.	489	46	(1,158)	(3,437)	(189)	(62)	171	105	(115)	(38)	(802)	(3,386)
Top Taguatinga LI SPE LTDA.	4,494	37,464	(20,142)	(22,103)	(1,368)	(1,305)	236	242	(96)	599	(16,876)	14,897
Top Taguatinga SPE LTDA.	21,392	22,718	(21,901)	(14,508)	(1,776)	(4,145)	821	1,070	(698)	(32)	(2,162)	5,103
Village Gran Castel SPE LTDA.	9,541	2,671	(7,477)	(2,007)	(296)	(384)	84	(35)	(176)	(54)	1,676	191
Other 23 SPEs - Joint Control	14,288	9,354	(10,262)	(11,068)	(2,892)	(1,521)	1,492	359	(712)	402	1,914	(2,474)
Total	238,489	325,385	(188,055)	(267,112)	207,339	(28,326)	(20,137)	(12,948)	(402)	(1,439)	237,234	15,560

Note: some percentages and other amounts of items (a) to (d) in all tables above have been rounded to facilitate their presentation. Thus, some totals presented in the tables may not represent the exact arithmetical sum of the amounts above.

On the recognition of results from equity participation in subsidiary MDI and LOG, unrealized earnings are eliminated because of the land sales and receivables assignment transactions by MDI and the Company to LOG. The effects at June 30, 2014 and December 31, 2013 were as follows:

	Unrealized earnings	
	6/30/14	12/31/13
Land sale and receivables assignment amount	21,651	21,651
Cost of land purchase	(7,106)	(7,106)
Taxes levied on the transaction	(1,434)	(1,434)
Total unrealized earnings eliminated	13,111	13,111

The asset percentages related to the Company's projects are included in the merger equity segregation frameworks, at June 30, 2014 and December 31, 2013 are as follows:

	Consolidated			
	6/30/14		12/31/13	
Projects with equity segregation under Law 10931/04	4,662,538	46.40%	4,904,073	48.08%
Silent partnerships (SCPs)	565,158	5.62%	614,740	6.03%
Special Purpose Entities (SPEs)	894,802	8.91%	932,926	9.15%
Other entities	99,784	0.99%	26,552	0.26%
Projects with segregation	6,222,282	61.93%	6,478,291	63.52%
Projects without segregation	3,825,321	38.07%	3,720,158	36.48%
Total Consolidated	10,047,603	100.00%	10,198,449	100.00%

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

## 9. Property and equipment

The breakdown of property and equipment at June 30, 2014 and December 31, 2013 is as follows:

	6/30/14			12/31/13
	Cost	Accumulated depreciation	Net	Net
<u>Individual:</u>				
Buildings	24,571	(13,238)	11,333	11,650
Aircraft and vehicles	8,230	(1,411)	6,819	6,961
Machinery and equipment	33,178	(5,871)	27,307	31,355
Furniture and fixtures	4,760	(2,324)	2,436	2,704
IT equipment and installations	5,226	(4,243)	983	1,121
Sales booths and model apartments	17,310	(11,637)	5,673	7,278
Construction in progress	6,893	-	6,893	4,088
Total	100,168	(38,724)	61,444	65,157
<u>Consolidated:</u>				
Buildings	27,882	(14,821)	13,061	12,828
Aircraft and vehicles	8,229	(1,411)	6,818	6,968
Machinery and equipment	41,083	(7,009)	34,074	36,318
Furniture and fixtures	5,006	(2,389)	2,617	2,919
IT equipment and installations	5,361	(4,335)	1,026	1,175
Sales booths and model apartments	32,773	(21,317)	11,456	14,804
Construction in progress	8,908	-	8,908	4,811
Total	129,242	(51,282)	77,960	79,823

The movements in consolidated property and equipment were as follows:

	Consolidated				
	Initial	Additions	Write-off	Transfer	Final
<u>Six-month period ended June 30, 2014</u>					
<u>Cost:</u>					
Buildings	23,167	2,917	(690)	2,487	27,881
Aircraft and vehicles in use	8,229	-	-	-	8,229
Machinery and equipment	42,497	2,510	(3,926)	1	41,082
Furniture and fixtures	5,086	-	(79)	(1)	5,006
IT equipment and installations	5,609	6	(254)	-	5,361
Sales booths and model apartments	33,702	2,533	(3,493)	32	32,774
Construction in progress	4,811	6,775	(158)	(2,519)	8,909
Total cost	123,101	14,741	(8,600)	-	129,242
<u>Accumulated depreciation:</u>					
Buildings	10,339	5,059	(577)	-	14,821
Aircraft and vehicles in use	1,261	150	-	-	1,411
Machinery and equipment	6,179	1,515	(685)	-	7,009
Furniture and fixtures	2,167	245	(23)	-	2,389
IT equipment and installations	4,434	149	(248)	-	4,335
Sales booths and model apartments	18,898	5,891	(3,472)	-	21,317
Total accumulated depreciation	43,278	13,009	(5,005)	-	51,282
Total property and equipment, net	79,823	1,732	(3,595)	-	77,960
<u>Six-month period ended June 30, 2013</u>					
Total property and equipment, net	86,346	3,815	(2,138)	-	88,023

As at June 30, 2014, the Company's management concluded that there were no indications of impairment of its tangible assets with finite useful lives, as none of the loss indicators set out in CPC 01 (R1), paragraphs 10 and 12, was evidenced.

The other information on property and equipment did not change significantly in relation to the information disclosed in note 9 to the financial statements for the year ended December 31, 2013.

## 10. Intangible assets

The breakdown of intangible assets at June 30, 2014 and December 31, 2013 is as follows:

	6/30/14			12/31/13
	Cost	Accumulated amortization	Net	Net
<u>Individual:</u>				
Software development	30,042	(13,203)	16,839	15,282
Software license	41,724	(25,722)	16,002	15,107
Intangibles under development	15,340	-	15,340	17,110
Total	87,106	(38,925)	48,181	47,499
<u>Consolidated:</u>				
Software development	30,043	(13,204)	16,839	15,281
Software license	41,730	(25,728)	16,002	15,109
Intangibles under development	15,379	-	15,379	17,110
Total	87,152	(38,932)	48,220	47,500

The movements in consolidated intangible assets were as follows:

	Consolidated			
	Opening	Addition	Transfer	Final
<u>Six-month period ended June 30, 2014:</u>				
<u>Cost:</u>				
Software development	25,924	-	4,119	30,043
Software license	37,288	809	3,633	41,730
Intangibles under development	17,110	6,021	(7,752)	15,379
Total cost	80,322	6,830	-	87,152
<u>Accumulated amortization</u>				
Software development	10,643	2,561	-	13,204
Software license	22,179	3,549	-	25,728
Total accumulated amortization	32,822	6,110	-	38,932
Total intangible assets	47,500	720	-	48,220
<u>Six-month period ended June 30, 2013</u>				
Total intangible assets	41,087	7,682	(4,633)	44,136

As at June 30, 2014, the Company's management concluded that there were no indications of impairment of its intangible assets with finite useful lives, as none of the loss indicators set out in CPC 01 (R1), paragraphs 10 and 12, was evidenced.

The other information on intangible assets did not change significantly in relation to the information disclosed in note 10 to the financial statements for the year ended December 31, 2013.

## 11. Loans, financing and debentures

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Leases	3,669	5,980	3,669	5,980
Debentures (a)	1,218,789	1,545,738	1,218,789	1,545,738
Loans and financing (b)	1,086,395	1,093,727	1,442,907	1,476,193
(-) Financing cost	(7,778)	(10,188)	(7,778)	(10,188)
Total (c)	2,301,075	2,635,257	2,657,587	3,017,723
Current	449,239	659,464	568,145	774,692
Noncurrent	1,851,836	1,975,793	2,089,442	2,243,031

Summary of main features:

(a) Debentures:

The Company issued simple, nonconvertible, registered, book-entry, unsecured debentures.

The fourth issue is unsecured, with additional guarantees.

Debentures by maturity are broken down as follows (after the end of the reporting period):

Individual and Consolidated					
	6/30/14				12/31/13
	4 <sup>th</sup> issue	5 <sup>th</sup> issue	6 <sup>th</sup> issue	Total	Total
<u>Amortization:</u>					
12 months	121,199	28,418	9,172	158,789	425,738
13 to 24 months	60,000	250,000	250,000	560,000	370,000
25 to 36 months	-	250,000	250,000	500,000	500,000
37 to 48 months	-	-	-	-	250,000
Total	181,199	528,418	509,172	1,218,789	1,545,738
<u>Costs:</u>					
12 months	(521)	(504)	(768)	(1,793)	(1,950)
13 to 24 months	(217)	(505)	(768)	(1,490)	(1,751)
25 to 36 months	-	-	(641)	(641)	(1,021)
37 to 48 months	-	-	-	-	(256)
Total	(738)	(1,009)	(2,177)	(3,924)	(4,978)
Total net	180,461	527,409	506,995	1,214,865	1,540,760

In the second quarter of 2014, the Company settled the third issue debentures.

The main features of the Company's debentures are as follows:

Issue	Date	Series	Number	Amount	Contractual rates	Effective rate	Maturity	Charge payment
4 <sup>th</sup>	12/23/10	single	300	300,000	TR + 8.56% p.a.(*)	TR + 8.42% p.a. (*)	12/13 to 12/15(**)	Semiannual
5 <sup>th</sup>	07/01/11	single	500,000	500,000	CDI + 1.50% p.a.	CDI + 1.60% p.a.	07/15 and 07/16	Semiannual
6 <sup>th</sup>	05/03/12	single	500,000	500,000	CDI + 1.50% p.a.	CDI + 1.65% p.a.	05/16 and 05/17	Semiannual

(\*) The spread for projects with a marketing value higher than the value set by the FGTS Board is 10.25% p.a.

(\*\*) Semiannual maturities.

(b) Loans and financing:

As at June 30, 2014 and December 31, 2013, loans and financing are broken down as follows:

Type	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Bank credit notes	130,245	167,471	130,245	167,471
Working capital	512,669	421,611	512,669	421,611
Construction financing	440,027	500,894	796,539	883,360
FINAME financing	3,454	3,751	3,454	3,751
	1,086,395	1,093,727	1,442,907	1,476,193
(-) Financing cost	(3,854)	(5,210)	(3,854)	(5,210)
Total	1,082,541	1,088,517	1,439,053	1,470,983

As at June 30, 2014, the main terms and conditions of loans and financing are as follows:

Individual and Consolidated			
Type	Maturity	Index	Contractual rates
Bank credit notes	Quarterly 3/13 to 3/15	CDI	1.15% p.a.
Working capital	Semiannual 12/15 to 06/17	CDI	111% p.a.
Working capital	Sundry 3/15 to 7/15	CDI	1.40% and 1.45% p.a.
Construction financing	Sundry 7/12 to 2/17	TR	8.00% to 10.50% p.a.
FINAME financing	Monthly 10/10 to 04/20	Fixed rate	4.50% p.a.
Working capital	Semiannual 06/07 to 06/18	CDI	113% p.a.

As at June 30, 2014 and December 31, 2013, loans and financing are broken down as follows:

Period after reporting date	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
12 months	288,907	230,866	407,813	346,094
13 to 24 months	488,217	594,345	638,248	763,725
25 to 36 months	241,426	220,683	328,258	318,391
37 to 48 months	62,757	41,243	63,500	41,393
After 48 months	1,234	1,380	1,234	1,380
Total	1,082,541	1,088,517	1,439,053	1,470,983

(c) Breakdown of total loans, financing, leases and debentures by maturity:

Period after reporting date	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
12 months	449,239	659,464	568,145	774,692
13 to 24 months	1,047,060	963,764	1,197,091	1,133,144
25 to 36 months	740,785	719,662	827,617	817,370
37 to 48 months	62,757	290,987	63,500	291,137
After 48 months	1,234	1,380	1,234	1,380
Total	2,301,075	2,635,257	2,657,587	3,017,723

(d) Contractual obligations

As at June 30, 2014, the Company is compliant with all the contractual requirements involving financial ratios of the loan, financing and debenture agreements.

(e) Allocation of financial charges

Financial expenses on loans, financing and debentures are capitalized and charged to the cost of each project or capitalized in property and equipment according to the criterion described in note 2.2 (c) to the financial statements at December 31, 2013.

	Individual			
	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross financial charges	63,159	124,258	55,429	107,360
Capitalized financial charges	(42,740)	(78,749)	(32,602)	(65,364)
Amounts recognized in financial income (expenses) (note 25)	20,419	45,509	22,827	41,996

Financial charges allocated to real estate under construction

Opening balance	118,458	106,515	80,180	75,294
Capitalized financial charges	42,740	78,749	32,602	65,364
Charges allocated to profit or loss in cost of properties sold and service (note 24)	(21,193)	(45,259)	(26,130)	(54,006)
Closing balance	140,005	140,005	86,652	86,652

**Consolidated**

	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross financial charges	70,688	139,591	63,070	122,637
Capitalized financial charges	(50,249)	(94,050)	(39,442)	(77,714)
Amounts recognized in financial income (expenses) (note 25)	20,439	45,541	23,628	44,923

Financial charges allocated to real estate under construction

Opening balance	119,810	107,407	81,399	78,794
Capitalized financial charges	50,249	94,050	39,442	77,714
Charges allocated to profit or loss in cost of properties sold and service (note 24)	(29,270)	(60,668)	(33,243)	(68,910)
Closing balance	140,789	140,789	87,598	87,598

In the six-month period ended June 30, 2014, total capitalized loans, financing and debentures represented an average charge rate of 10.82% per annum (8.75% per annum in the six-month period ended June 30, 2014).

Financial charges on loans, financing and debentures related to construction are capitalized to the cost of each project and recorded in the income statement according to the criterion used for revenue recognition.

The other information on loans, financing and debentures did not change significantly in relation to the information disclosed in note 11 to the financial statements for the year ended December 31, 2013.

## 12. Leases

The other information on intangible assets did not change significantly in relation to the information disclosed in note 12 to the financial statements for the year ended December 31, 2013.

## 13. Land payables

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Credit purchases	494,460	379,913	693,748	559,095
Discount to present value	(1,785)	(695)	(4,848)	(2,239)
Total	492,675	379,218	688,900	556,856
Current	169,495	224,741	227,501	292,495
Noncurrent	323,180	154,477	461,399	264,361

Maturities are broken down as follows:

<u>Period after reporting date</u>	<u>Individual</u>		<u>Consolidated</u>	
	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/14</u>	<u>12/31/13</u>
12 months	169,495	224,741	227,501	292,495
13 to 24 months	65,895	30,138	83,892	38,438
25 to 36 months	49,023	3,943	50,356	8,918
37 to 48 months	10,777	2,961	12,877	5,461
After 48 months	197,485	117,435	314,274	211,544
	<u>492,675</u>	<u>379,218</u>	<u>688,900</u>	<u>556,856</u>

The other information on land payables did not change significantly in relation to the information disclosed in note 13 to the financial statements for the year ended December 31, 2013.

#### 14. Advances from customers

	<u>Individual</u>		<u>Consolidated</u>	
	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/14</u>	<u>12/31/13</u>
Advanced receivables	204,772	248,820	316,221	396,873
Advances for barbers	624,772	656,712	1,026,461	1,112,977
	<u>829,544</u>	<u>905,532</u>	<u>1,342,682</u>	<u>1,509,850</u>
Current	527,633	642,919	783,973	933,464
Noncurrent	301,911	262,613	558,709	576,386

Advances from customers are broken down as follows:

<u>Period after reporting date</u>	<u>Individual</u>		<u>Consolidated</u>	
	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/14</u>	<u>12/31/13</u>
12 months	527,633	642,919	783,973	933,464
13 to 24 months	224,929	168,254	395,107	365,079
After 24 months	76,982	94,359	163,602	211,307
Total	<u>829,544</u>	<u>905,532</u>	<u>1,342,682</u>	<u>1,509,850</u>

Bank guarantees provided for barter arrangements are summarized as follows:

<u>Period after reporting date</u>	<u>6/30/14</u>	<u>12/31/13</u>
12 months	208,106	187,004
13 to 24 months	24,999	25,350
25 to 36 months	30,926	19,506
	<u>264,031</u>	<u>231,860</u>

In addition to bank guarantees, customer advances for barbers are insured by a property delivery guarantee, as described in note 29.

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

## 15. Payroll and related taxes

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Salaries and wages	11,677	15,381	25,026	19,035
Payroll taxes	6,684	11,643	15,075	14,064
Accrued vacation, 13 <sup>th</sup> salary and related taxes	26,238	30,909	48,438	42,686
Provision of employee and management profit sharing	2,992	12,986	2,992	12,986
Other	2,783	2,698	3,591	3,141
Total	50,374	73,617	95,122	91,912

Employee and management profit sharing, as provided for by prevailing legislation, can be either under voluntary programs maintained by the Company and subsidiaries or agreements with employees or labor unions.

## 16. Taxes payable

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Income tax and social contribution	6,200	6,016	12,854	12,459
Taxes on revenue (PIS and COFINS)	6,597	12,309	16,146	20,315
Withheld third-party taxes	7,394	3,054	12,852	7,304
Taxes withheld on salaries	4,370	5,365	6,176	6,480
Other	1,839	1,368	5,343	1,887
Total	26,400	28,112	53,371	48,445

As at June 30, 2014, the amounts of recoverable taxes essentially arising from tax credits on the inventory of costs incurred on units sold (PIS and COFINS), short-term investments and intercompany loans (withholding income tax) are R\$129,764 (R\$94,515 at December 31, 2013), Individual, and R\$151,050 (R\$111,715 at December 31, 2013), on a consolidated basis, are classified in line item "Recoverable taxes", in current assets.

## 17. Provision for maintenance of real estate

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Current	19,886	18,844	33,860	32,853
Noncurrent	49,188	53,521	85,774	89,988
Total	69,074	72,365	119,634	122,841

The movements in the provision for maintenance of real estate are as follows:

	Opening balance	Additions	Write-offs	Transfer	Closing balance
Individual					
Current	18,844	19,598	(22,889)	4,333	19,886
Noncurrent	53,521	-	-	(4,333)	49,188
<b>Total - 1<sup>st</sup> half of 2014</b>	<b>72,365</b>	<b>19,598</b>	<b>(22,888)</b>	<b>-</b>	<b>69,074</b>
Total - 1 <sup>st</sup> half of 2013	100,838	16,352	(44,710)	-	72,480
Consolidated					
Current	32,853	33,030	(36,237)	4,214	33,860
Noncurrent	89,988	-	-	(4,214)	85,774
<b>Total - 1<sup>st</sup> half of 2014</b>	<b>122,841</b>	<b>33,030</b>	<b>(36,237)</b>	<b>-</b>	<b>119,634</b>
Total - 1 <sup>st</sup> half of 2013	164,537	26,814	(69,562)	-	121,789

They were accrued on an estimated basis, in amounts corresponding to 1.85% of the construction costs as June 30, 2014 (1.85% at December 31, 2013). In the six-

month period ended June 30, 2013, the amount provided for projects in progress was adjusted to reflect our provision estimate percentage amounting to R\$29,586 in Individual and R\$48,163 on a consolidated basis.

The other information on provision for maintenance of real estate did not change significantly in relation to the information disclosed in note 17 to the financial statements for the year ended December 31, 2013.

## 18. Provision for civil, labor and tax risks

The movements in the provision are as follows:

	Individual and Consolidated				
	Opening balance	Additions	Reversals	Payments	Inflation adjustment
Civil	13,394	10,849	(1,585)	(3,917)	1,151
Labor	9,913	4,992	(813)	(2,310)	2,374
Tax	96	810	(840)	(7)	5
<b>Total - 1<sup>st</sup> half of 2014</b>	<b>23,403</b>	<b>16,651</b>	<b>(3,238)</b>	<b>(6,234)</b>	<b>3,530</b>
Total - 1 <sup>st</sup> half of 2013	17,678	10,567	(2,229)	(3,565)	1,595
					24,046

The following table shows the total number of the Group's lawsuits, classified by type, and the number of lawsuits with a likelihood of an unfavorable outcome classified as "probable":

	Individual and Consolidated			
	6/30/14		12/31/13	
	Total lawsuits	Probable lawsuits (*)	Total lawsuits	Probable lawsuits (*)
Type:				
Civil	19,158	1,508	14,953	903
Labor	4,602	673	4,637	766
Tax	225	16	292	25
Administrative proceedings	139	-	104	-
<b>Total</b>	<b>24,124</b>	<b>2,197</b>	<b>19,986</b>	<b>1,694</b>

(\*) According to the Company's legal counsel's assessment.

As shown above the main lawsuits as at June 30, 2014 and the additions for the three-month period then ended refer to civil and labor lawsuits, basically related to:

- civil: actions seeking injunctions/compensation related to the delivery of the units and involving purchase and sale agreements of units sold.
- labor: lawsuits involving former employees of contractors over which the Company has joint liability.

Civil, labor, tax and administrative proceedings assessed by the legal counsel as possible losses, which have the same nature as those described above, total R\$85,961 at June 30, 2014 (R\$63,065 at December 31, 2013). In accordance with accounting practices adopted in Brazil and applicable legislation, no provision was recognized for these contingent liabilities.

The other information related to the provision for civil, labor and tax risks did not change significantly in relation to the information disclosed in note 18 to the financial statements for the year ended December 31, 2013.

## 19. Related-party transactions

### (a) Short-term investments

The Company and the subsidiaries and joint ventures designated below held investments in Bank Certificates of Deposit (CDB) in Intermedium Crédito Financiamento e Investimento S.A. (Intermedium), a company controlled by shareholders Rubens Menin Teixeira de Souza (Company owner) and Marcos Alberto Cabaleiro Fernandez. These investments amounts are as follows:

<u>Balances:</u>	<u>Index</u>	<u>6/30/14</u>	<u>12/31/13</u>
<u>Subsidiaries:</u>			
MDI Desenvolvimento Imobiliário Ltda.	111.13%CDI	<b>13,791</b>	11,726
Urbamaís Properties e Participações S.A.	111.21% CDI	<b>3,922</b>	1,728
<u>Joint ventures:</u>			
LOG Commercial Properties e Participações S.A.	110.99% CDI	-	42,834
Cabral Investimentos SPE Ltda.	110.39% CDI	-	-
<u>Other related parties:</u>			
MRV Engenharia e Participações S.A.	111.04% CDI	<b>47,027</b>	43,264
SPEs Sociedade de Propósito Específico	110.83%CDI	<b>23,493</b>	5,884
Total		<b>88,233</b>	105,436

Total financial income for the quarter and six-month period ended June30, 2014, with Intermedium was R\$732 and R\$3,479, respectively (R\$2,627 and R\$3,533 for the quarter and six-month period ended June30, 2013).

### (b) Service receivables

	<u>Individual</u>		<u>Consolidated</u>	
	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/14</u>	<u>12/31/13</u>
<u>Joint ventures:</u>				
MRL Engenharia e Empreendimentos S.A.	<b>19</b>	127	<b>24</b>	133
LOG Commercial Properties e Participações S.A.	-	201	-	201
<u>Other related parties:</u>				
Construtora Verde Grande Ltda.	<b>21</b>	15	<b>21</b>	15
MRV Serviços de Engenharia Ltda.	-	43	-	43
Expar Êxito Participações Ltda.	-	1	-	1
Intermedium Crédito Financiamento e Investimento S.A.	<b>7</b>	7	<b>7</b>	7
Partners in real estate development projects	<b>125</b>	329	<b>123</b>	329
Total	<b>172</b>	723	<b>175</b>	729

The companies Construtora Verde Grande Ltda. (CVG), Expar Êxito Participações Ltda e MRV Serviços de Engenharia Ltda. (Serviços) are controlled by Company shareholders Companhia: Marcos Alberto Cabaleiro Fernandez, Lucas Cabaleiro Fernandez, Rubens Menin Teixeira de Souza and Mário Lúcio Pinheiro Menin, but are not part of the Company's corporate group. The Company provides building services to these related parties. The receivables from services provided stated in the table above include the agreements between the Company and said companies.

Revenue collected by the Company is calculated at the rate of 15% on construction cost in the case of the construction contract, and at the rates of 7.6% (Expar and CVG) and 8.5% (Serviços) on actual sales in the case of the unit sale and administrative support agreement. The agreements are effective until the end of construction and the end of unit sales.

Service revenue charged by the Company from Intermedium refers to the business introduction commission corresponding to 0.15% of total the Company's trade payables, discounted from the invoices payable to the bank.

In addition, the Company provides administrative services to jointly held subsidiary LOG Commercial Properties e Participações S.A. (LOG). The agreement provides for the monthly payment of R\$5.5 per project developed by LOG or its investees. This amount is annually adjusted using the average salary increase percentage granted to the employees of the Company. The agreement is effective for an indefinite period.

Revenue from administrative services charged by the Company to MRL Engenharia e Empreendimentos S.A. (MRL) is calculated on a monthly basis at a fixed amount (annually adjusted) of each transaction with the Company, multiplied by the service percentage of completion performed for MRL.

In the six-month period ended June 30, 2014, revenue from services provided to these companies (net of taxes) total R\$1,941, Individual and consolidated (R\$1,435 in the six-month period ended June 30, 2013, Individual and consolidated) and was recognized in line item "Other operating income net".

(c) Intercompany loan balances

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
<u>Credits:</u>				
Joint ventures:				
Prime Incorporação e Construções S.A.	6,692	1,488	6,692	1,488
MRL Engenharia e Empreendimentos S.A.	-	89	-	89
Other related parties:				
Partners in real estate development projects	50,122	48,937	50,122	48,937
Total	<u>56,814</u>	<u>50,514</u>	<u>56,814</u>	<u>50,514</u>

The balances of intercompany loans do not have fixed maturities and are subject to interest pegged basically to the interbank deposit rate (CDI) plus a fixed rate of 2.40% per annum for the six-month period ended June 30, 2014 (2.57% per annum in 2013).

Intercompany loans and receivables from joint ventures and partners refer mainly to transactions conducted to fund the initial stage of the projects in view of the business relationships that are maintained with related parties for the development of real estate development and construction operations.

Financial income from related parties for the quarters and six-month periods ended June 30, 2014 and 2013 is broken down as follows:

	Individual and Consolidated			
	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Joint ventures:				
Prime Incorporação e Construções S.A.	236	405	158	292
MRL Engenharia e Empreendimentos S.A.	-	-	4	6
LOG Commercial Properties e Participações S.A.	-	-	403	423
Other related parties:				
Partners in real estate development projects	910	2,040	1,535	2,840
Total	<u>1,146</u>	<u>2,445</u>	<u>2,100</u>	<u>3,561</u>

In addition to the amounts above, the Company has receivables from subsidiaries and partners in real estate development projects related to capital contributions and advances to be made, recognized in line item "Other noncurrent assets", as shown below:

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Subsidiaries:				
Prime Incorporação e Construções S.A.	803	1,097	985	1,214
MRL Engenharia e Empreendimentos S.A.	489	1,718	571	1,913
LOG Commercial Properties e Participações S.A.	340	243	344	247
MDI Desenvolvimento Imobiliário Ltda.	18	-	19	-
Silent partnerships and special purpose entities	1,588	559	1,811	1,295
Other related parties:				
Partners in real estate development projects	10,048	5,333	13,853	6,400
Total	13,286	8,950	17,583	11,069

The balances receivable from subsidiaries and partners for capital contributions do not incur charges and are receivable immediately after being collected by the Company.

As at June 30, 2014 and December 31, 2013 no allowance for doubtful accounts was recognized for due from related parties as no losses on these transactions are expected.

Related-party transactions are conducted with subsidiaries and partners in real estate projects under terms and conditions negotiated by the parties. As the Company does not conduct similar transactions with unrelated parties, there is no evidence that these transactions would produce the same results had they been conducted with unrelated parties.

(d) Lease agreements

The Company leases some floors in the building MA Cabaleiro owned by Company shareholder Marcos Alberto Cabaleiro Fernandez. Total lease expenses for the quarter and six-month period ended June 30, 2014, recognized in profit for the year, were R\$234 and R\$468, respectively (R\$190 and R\$417 for the quarter and six-month period ended June 30, 2013).

(e) Noncompetition agreement

Company shareholders Marcos Alberto Cabaleiro Fernandez, Lucas Cabaleiro Fernandez and Rubens Menin Teixeira de Souza entered into a noncompetition agreement with the Company, under which they agree not to engage in any activity in the construction industry outside the Company during a two-year period after a possible withdrawal as shareholders. Their activities in the industry are, therefore, restricted to the Company.

(f) Brand license

On January 5, 2007, the Company entered into a Brand License Agreement with MRV Serviços de Engenharia Ltda. under which MRV Serviços de Engenharia Ltda. granted a free and exclusive license to the Company for the use of the mixed brand "MRV Engenharia", in the Brazilian territory, which is duly registered in the Brazilian Industrial Property Office (INPI). The license is effective for ten years from the date of the underlying agreement, a period that can be renewed, and cannot be assigned to any other party unless otherwise previously consented.

(g) Guarantees, warranties and surety

The Company guaranteed Bank Credit Notes obtained by some of its jointly controlled entities from financial institutions, as described below:

Guarantees, warranty and surety

	Start	Maturity	Amount
MRL Engenharia e Empreendimentos S.A.	04/29/2013	04/13/2016	3,442
	04/30/2013	04/14/2016	8,171
	09/02/2011	03/02/2016	18,442
	09/06/2011	03/02/2016	36,836
	09/30/2013	09/10/2016	51,228
Prime Incorporações e Construções S.A.	04/29/2013	04/13/2016	5,974
	06/29/2013	04/13/2016	3,912
	04/30/2013	04/14/2016	12,257
	02/09/2011	03/02/2016	22,384
	09/06/2011	03/02/2016	64,455
	10/02/2013	09/12/2016	51,228
	02/26/2014	02/05/2017	41,527
			<b>319,856</b>

(h) 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.

<u>Individual</u>	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Short-term benefits granted to management:				
Management compensation	1,880	3,641	1,658	3,316
Profit sharing	745	1,197	800	1,400
Share-based compensation:				
Stock option plan	505	1,010	421	842
	<b>3,130</b>	<b>5,848</b>	<b>2,879</b>	<b>5,558</b>

<u>Consolidated</u>	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Short-term benefits granted to management:				
Management compensation	1,986	3,849	1,760	3,520
Profit sharing	745	1,197	800	1,400
Share-based compensation:				
Stock option plan	505	1,010	421	842
	<b>3,236</b>	<b>6,056</b>	<b>2,981</b>	<b>5,762</b>

On April 30, 2014, the Extraordinary and Annual Shareholders' Meeting approved the change in the overall management compensation threshold to R\$17,000.

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.

(i) Largest shareholder

As at June 30, 2014, the Company's largest shareholder is Mr. Rubens Menin Teixeira de Souza, who holds 34.4% of the Company shares (32.1% at December 31, 2013).

## 20. Shareholders' equity

### (a) Issued capital

	Individual and Consolidated	
	6/30/2014	12/31/2013
Subscribed capital	3,198,236	3,197,819
Number of common shares, without par value	463,139	483,102

In the six-month periods ended June 30, 2014 and 2013, the Company's Board of Directors approved, within the authorized capital limit, the following capital increases, all through registered, book-entry, common shares, without par value, and the cancelation of treasury shares, as follows:

Date of Board approval	Description	Number of shares (thousand)	Unit price R\$	Total capital increase R\$'000	Capital after capital increase R\$'000	Total outstanding shares after issuance (thousand)
<u>Six-month period ended June 30, 2014:</u>						
01/27/2014	Program 2 of the stock option plan	111	3.333	370	3,198,189	483,213
01/27/2014	Program 5 of the stock option plan	8	5.910	47	3,198,236	483,221
01/27/2014	Cancellation of treasury shares	6,000	-	-	-	477,221
04/30/2014	Capitalization of earnings (R\$148,970) and retention reserves (R\$160,000)	-	-	308,970	3,507,206	477,221
02/06/2014	Cancellation of treasury shares	14,082	-	-	-	463,139
<u>Six-month period ended June 30, 2013:</u>						
03/13/2013	Program 1 of the stock option plan	110	0.335	36	2,650,651	482,854
03/13/2013	Program 2 of the stock option plan	26	3.333	86	2,650,737	482,880
04/30/2013	Capitalization of earning retention reserve	-	-	546,999	3,197,736	482,880
05/16/2013	Program 1 of the stock option plan	221	0.335	74	3,197,810	483,101
05/16/2013	Program 2 of the stock option plan	1	3.333	3	3,197,813	483,102
05/16/2013	Program 3 of the stock option plan	-	11.80	6	3,197,819	483,102

On April 30, 2013, the Extraordinary Shareholders' Meeting approved the increase of authorized capital limit to R\$3,600,000.

### (b) Stock option plan

The tables below show the movements in stock options for each stock option program, for the six-month periods ended June 30, 2014 and 2013 and supplementary information:

Program	Number of participants	In thousands				
		Opening balance	Granted	Expired/ forfeited	Exercised	Closing balance
<b><u>Six-month period ended June 30, 2014</u></b>						
1	12	3,094	-	-	(3,094)	-
2	37	1,109	-	(1)	(111)	997
3	134	1,416	-	(17)	-	1,399
4	208	1,893	-	(60)	-	1,833
5	62	1,522	-	(16)	(8)	1,498
		9,034	-	(94)	(3,213)	5,727
Weighted average price of shares		5.79	-	10.67	0.45	8.71

Six-month period ended June 30, 2013

1	20	3,545	-	(120)	(331)	3,094
2	39	1,205	-	(69)	(27)	1,109
3	150	1,459	-	(43)	-	1,416
4	230	1,945	-	(52)	-	1,893
		8,154	-	(284)	(358)	7,512
Weighted average price of shares		5.50	-	4.60	0.57	5.77

Program	Other information				
	Number of vested stock options (thou.)	Compensation cost for the 1 <sup>st</sup> half	Unrecognized compensation cost	Remaining compensation cost period (in years)	Remaining contractual life (in years)
1	-	157	129	-	-
2	8	88	1,323	0.5	0.6
3	213	580	1,305	0.9	3.8
4	166	725	3,283	2.2	5.2
5	68	674	3,750	3.5	6.3
2014	455	2,224	9,793	2.3	4.3
2013	168	2,476	9,918	2.0	3.4

The compensation costs arising from the jointly controlled entities and recognized by the Company totaled R\$67 for the six month-period ended June 30, 2014 (R\$111 for the six month-period ended June 30, 2013).

As at June 30, 2014, had all options currently granted been exercised, the Company would have issued 5,727,000 shares, which would represent a 1.22% dilution in relation to total Company shares of 463,139,000.

In the second quarter of 2014, 1,031,000 program 1 stock options under which R\$1,036 was received and 3,094,000 common shares in treasury were delivered, as described in (c) below.

(c) Treasury shares

In the six-month period ended June 30, 2014 the Board of Directors approved:

- (i) the cancellation of 20,082,000 treasury shares;
- (ii) the Company's share buyback program, effective during 365 days, beginning June 3, 2014, with a ceiling of 20,000,000 shares of 290,743,000 outstanding shares, without capital reduction, using available funds from the earnings or capital reserve to maximize the generation of shareholder value.

In the six-month period ended June 30, 2014, the Company bought back 22,869,000 at the cost of R\$162,410, for an average price of R\$7.10 and 3,094 shares were transferred to Stock Option Plan beneficiaries.

Type	Open-ing balance	Acquired	Trans-ferred	Cancelled	Closing balance	Cost in reais (per share)			Fair value at end of re- porting period
						Weighted average	Maxi-mum	Mini-mum	
<b>2014:</b>									
2 <sup>o</sup> quarter	7,608	18,599	(3,094)	(14,082)	9,031	7.06	7.90	6.50	67,371
1 <sup>st</sup> quarter	9,338	4,270	-	(6,000)	7,608	7.26	7.40	6.95	61,550
1 <sup>st</sup> half	9,338	22,869	(3,094)	(20,082)	9,031	7.10	7.90	6.50	67,371
<b>2013:</b>									
1 <sup>st</sup> half	5,313	3,500	-	-	8,813	6.57	7.05	5.95	56,932

R\$188,405 were transferred from line item treasury shares to line item earnings retention reserve related to: (i) the cancellation of shares amounting to R\$164,195; and (ii) transfers to Stock Option Plan beneficiaries amounting to R\$24,210.

(d) Mandatory minimum dividend payable to shareholders

The 2013 dividends, amounting to R\$140,676 (R\$100,483 in mandatory minimum dividends and R\$40,193 in additional dividends), were approved at the Annual Shareholders' Meeting (ASM), on April 30, 2014 and paid on June 16, 2014, corresponding to R\$0.301514331 per share, without inflation adjustment, based on the shareholding position prevailing on May 15, 2014. The 2012 dividends, approved at the ASM held on April 30, 2013, amounting to R\$125,297, were paid on June 17, 2013, and corresponded to R\$0.262365227 per share.

(e) Noncontrolling interests

	<b>Consolidated</b>	
	<b>1<sup>st</sup> half of</b>	
	<b>2014</b>	<b>2013</b>
Opening balance	<b>264,217</b>	286,340
Distributions to noncontrolling interests	<b>(10,703)</b>	(7,610)
Capital transactions	-	1,248
Interests in profit for the year	<b>14,763</b>	20,711
Closing balance	<b>268,277</b>	300,689

The other information on shareholders' equity did not change significantly in relation to the information disclosed in note 20 to the financial statements for the year ended December 31, 2013.

## 21. Earnings per share

The table below shows net income data and the number of shares used to calculate basic and diluted earnings per share:

	<b>Individual and Consolidated</b>			
	<b>2014</b>		<b>2013</b>	
	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>
Basic earnings per share:				
Net income for the period	<b>401,192</b>	<b>482,176</b>	140,975	219,848
Weighted average number of outstanding common shares (thousand)	<b>463,988</b>	<b>468,515</b>	476,965	477,032
Basic earnings per share - in R\$	<b>0.86466</b>	<b>1.02916</b>	0.29557	0.46087
Diluted earnings per share:				
Net income for the period	<b>401,192</b>	<b>482,176</b>	140,975	219,848
Weighted average number of outstanding common shares (thousand)	<b>463,988</b>	<b>468,515</b>	476,965	477,032
Dilutive effect of stock options (thousands of shares)	<b>254</b>	<b>310</b>	859	2,213
Total shares after dilutive effect (thousand)	<b>464,242</b>	<b>468,825</b>	477,824	479,245
Diluted earnings per share - in R\$	<b>0.86419</b>	<b>1.02848</b>	0.29503	0.45874

## 22. Segment information

<b>Balance sheet:</b>	<b>LOG consolidated (*)</b>	
	<b>6/30/14</b>	<b>12/31/13</b>
<b>ASSETS</b>		
Current assets	<b>40,486</b>	178,759
Noncurrent		
Investment	<b>226,416</b>	156,929
Investment property	<b>2,093,180</b>	1,246,621
Other noncurrent assets	<b>103,859</b>	43,978
Total noncurrent assets	<b>2,423,455</b>	1,447,528
Total assets	<b>2,463,941</b>	1,626,287
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Loans, financing and debentures	<b>159,496</b>	245,321
Land payables	<b>2,721</b>	13,821
Other current liabilities	<b>46,648</b>	98,165
Total non current liabilities	<b>208,865</b>	357,307
Noncurrent liabilities		
Loans, financing and debentures	<b>659,498</b>	521,595
Other noncurrent liabilities	<b>135,248</b>	7,400
Total current liabilities	<b>794,746</b>	528,995
Total liabilities	<b>1,003,611</b>	886,302
Shareholders' equity	<b>1,460,330</b>	739,985
Total liabilities and shareholders' equity	<b>2,463,941</b>	1,626,287

	<b>LOG consolidated</b>			
	<b>2014</b>		<b>2013</b>	
	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>
<b>Statement of Income</b>				
Net operating revenue	<b>15,662</b>	<b>29,608</b>	10,780	20,020
Cost of leases	-	-	(2,936)	(5,691)
Gross profit	<b>15,662</b>	<b>29,608</b>	7,844	14,329
Operating income (expenses)				
Operating expenses	<b>234,362</b>	<b>229,336</b>	(1,095)	(4,095)
Operating profit before financial income (expenses)	<b>250,024</b>	<b>259,029</b>	6,749	10,234
Financial income (expenses)	<b>(5,279)</b>	<b>(8,881)</b>	(2,176)	(4,566)
Income before income tax and social contribution	<b>244,745</b>	<b>250,148</b>	4,573	5,668
Income tax and social contribution	<b>5,819</b>	<b>5,508</b>	(60)	(28)
Net income for the year	<b>250,564</b>	<b>255,571</b>	4,513	5,640

(\*) Full balances of the joint venture, i.e., we have not applied our percentage equity interest on each balance for this presentation.

The other information on segment Information did not change significantly in relation to the information disclosed in note 22 to the financial statements for the year ended December 31, 2013.

## 23. Net operating revenue

The table below shows the reconciliation between gross revenue and net revenue stated in the income statement for the quarters and six-month periods ended June 30, 2014 and 2013:

	<b>2014</b>		<b>2013</b>	
	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>
<b>Individual</b>				
Gross operating revenue				
Real estate development	<b>585,498</b>	<b>1,119,065</b>	624,181	1,100,148
Bartered real estate units	<b>21,204</b>	<b>36,796</b>	16,803	41,107
	<b>606,702</b>	<b>1,155,861</b>	640,984	1,141,255
Taxes on sales	<b>(13,793)</b>	<b>(26,925)</b>	(565)	(7,281)
Net operating revenue	<b>592,909</b>	<b>1,128,936</b>	640,419	1,133,974

Consolidated

Gross operating revenue				
Real estate development	<b>996,510</b>	<b>1,902,155</b>	997,979	1,798,995
Bartered real estate units	<b>41,130</b>	<b>68,363</b>	31,852	72,491
	<b>1,037,640</b>	<b>1,970,518</b>	1,029,831	1,871,486
Taxes on sales	<b>(23,909)</b>	<b>(45,929)</b>	(10,313)	(22,456)
Net operating revenue	<b>1,013,731</b>	<b>1,924,589</b>	1,019,518	1,849,030

The amounts related to units under construction recognized in Consolidated for the quarters and six-month periods ended June 30, 2014 and 2013 are as follows:

	<b>2014</b>		<b>2013</b>	
	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>	<b>2<sup>nd</sup> quarter</b>	<b>1<sup>st</sup> half</b>
Net revenue from units under construction	<b>1,002,652</b>	<b>1,893,283</b>	711,314	1,214,742
Costs of properties sold under construction	<b>(710,950)</b>	<b>(1,360,230)</b>	(512,080)	(882,118)
Recognized profits	<b>291,702</b>	<b>553,053</b>	199,234	332,624
Advances received or from barterers	<b>54,341</b>	<b>220,581</b>	115,539	255,146

The accounting revenue recognition criteria and policies are described in note 2.2 (a) to the financial statements for the year ended December 31, 2013.

Additionally, in order to determine when the risks and rewards from the ownership of the real estate units sold are transferred to the buyers, the Company follows the guidance set out in Technical Guideline OCPC 04. This determination requires significant judgment and, in the context of this judgment, management has assessed all the discussions on this subject conducted by a Work Group coordinated by the Brazilian Securities and Exchange Commission (CVM), where the Company was represented by the ABRASCA (Brazilian Association of Publicly-traded Companies), and which resulted in the presentation to the CPC of the draft OCPC 04, which the CPC approved and which has guided the application of Technical Interpretation ICPC 02 by Brazilian real estate developers.

The accounting treatment of terminated sell and purchase commitment agreements are described in note 6.

The other information on net revenue did not change significantly in relation to the information disclosed in note 23 to the financial statements for the year ended December 31, 2013.

## 24. Costs and expenses in the statement of income

	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Individual</u>				
Cost of properties sold and services:				
Financial charges (note 11 (e))	21,193	45,259	26,130	54,006
Land, construction and maintenance costs	397,750	769,065	435,283	776,622
Total cost of properties sold and services:	418,943	814,324	461,413	830,628
Selling, general and administrative expenses:				
Salaries, charges and benefits	38,500	80,799	43,496	80,497
Management compensation	1,755	3,396	1,538	3,076
Management and employees profit sharing	3,191	4,322	2,001	3,501
Stock option plan expenses	1,112	2,224	1,087	2,476
Outside services	10,530	20,979	7,737	20,812
Marketing expenses	17,521	32,238	19,716	37,295
Utilities	2,804	5,505	2,778	5,571
Depreciation and amortization	6,614	13,194	6,145	11,649
Other costs	25,727	49,845	23,143	41,216
Total selling, general and administrative expenses	107,754	212,502	107,641	206,093
Classified as:				
Selling expenses	53,026	97,816	48,476	90,355
General and administrative expenses	54,728	114,686	59,165	115,738
	107,754	212,502	107,641	206,093
	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Consolidated</u>				
Cost of properties sold and services:				
Financial charges (note 11 (e))	29,270	60,668	33,243	68,910
Land, construction and maintenance costs	702,285	1,341,441	715,300	1,292,589
Cost of properties sold and services:	731,555	1,402,109	748,543	1,361,499
Selling, general and administrative expenses:				
Salaries, charges and benefits	47,374	96,433	49,081	91,104
Management compensation	1,860	3,603	1,640	3,279
Management and employees profit sharing	3,279	4,423	2,001	3,501
Stock option plan expenses	1,112	2,224	1,087	2,476
Outside services	10,858	21,999	8,429	22,473
Marketing expenses	29,059	53,251	30,260	58,162
Utilities	3,174	6,103	3,084	6,186
expenses de depreciation e amortization	7,923	16,391	7,475	14,183
Other costs	32,206	61,636	28,950	51,514
Total selling, general and administrative expenses	136,845	266,063	132,007	252,878
Classified as:				
Selling expenses	80,733	149,324	71,385	134,065
General and administrative expenses	56,112	116,739	60,622	118,813
	136,845	266,063	132,007	252,878

## 25. Financial expenses and income

	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Individual</u>				
Financial expenses:				
Interest expenses on loans, financing and debentures (note 11(e))	(20,419)	(45,509)	(22,827)	(41,996)
Expenses on debenture issue commissions and fees	(1,594)	(3,473)	(527)	(1,627)
Expenses on fees and taxes	(948)	(1,893)	(2,361)	(5,166)
Other financial expenses	(849)	(4,219)	(934)	(2,326)
	(23,810)	(55,094)	(26,649)	(51,115)
Financial income:				
Income from short-term investments:	19,309	44,765	13,888	35,414
Interest income on intercompany loans (note 19 (c))	1,146	2,445	2,101	3,572
Other financial income	4,258	3,739	906	1,449
	24,713	50,949	16,895	40,435
Income from real estate development receivables	15,562	21,843	9,874	13,005
	40,275	72,792	26,769	53,440
Financial income (expenses)	16,465	17,698	120	2,325

	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Consolidated</u>				
Financial expenses:				
Interest expenses on loans, financing and debentures (note 11 (e))	(20,439)	(45,541)	(23,628)	(44,923)
Expenses on debenture issue commissions and fees	(1,594)	(3,473)	(1,102)	(1,708)
Expenses on fees and taxes	(1,631)	(3,060)	(2,110)	(4,442)
Other financial expenses	(1,135)	(4,837)	(844)	(1,989)
	<b>(24,799)</b>	<b>(56,911)</b>	<b>(27,684)</b>	<b>(53,062)</b>
Financial income:				
Income from short-term investments:	27,339	55,336	21,298	48,182
Interest income on intercompany loans (note 19 (c))	1,146	2,445	2,106	3,594
Other financial income	7,175	14,789	2,386	3,179
	<b>35,660</b>	<b>72,570</b>	<b>25,790</b>	<b>54,955</b>
Income from real estate development receivables	24,389	34,648	15,902	20,583
	<b>60,049</b>	<b>107,218</b>	<b>41,692</b>	<b>75,538</b>
Financial income (expenses)	<b>35,250</b>	<b>50,307</b>	<b>14,008</b>	<b>22,476</b>

## 26. Financial instruments and risk management

### (a) Capital risk management

As at June 30, 2014 and December 31, 2013, the consolidated debt-to-equity ratio is as follows:

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Loans, financing and debentures	2,301,075	2,635,257	2,657,587	3,017,723
Cash, cash equivalents and marketable securities	(748,822)	(1,273,563)	(1,222,959)	(1,688,654)
Net debt (cash) (o)	1,552,253	1,361,694	1,434,628	1,329,069
Shareholders' equity	4,384,452	4,101,183	4,652,729	4,365,400
Net debt (cash) (o) to shareholders' equity	35.4%	33.2%	30.8%	30.4%

### (b) Categories of financial instruments

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
<u>Financial assets:</u>				
Cash and banks	222,443	241,469	388,760	396,425
Fair value through profit or loss held for trading (*)	346,670	773,373	650,404	1,026,170
Held-to-maturity investments	4,983	4,683	9,069	12,021
Available-for-sale financial assets (*)	174,726	254,038	174,726	254,038
Loans and receivables	2,522,977	2,583,623	4,252,154	4,298,284
<u>Financial liabilities:</u>				
Amortized cost	2,962,415	3,135,622	3,611,258	3,793,221

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

It is not the Company policy to enter into derivative transactions or any other assets for speculative purposes. As at June 30, 2014 and December 31, 2013, the Company does not have financial instruments not recorded in its financial statements or derivatives.

(c) Risk management

Market risk

The Company conducted a sensitivity analysis for the financial instruments exposed to changes in interest rates and financial indicators. The sensitivity analysis was developed considering the exposure to changes in the indexes of financial assets and financial liabilities, taking into account the net exposure of these financial instruments at June 30, 2014, as if such balances were outstanding during the first half of 2014, as detailed below:

- Exposed net financial asset and exposed net financial liability: the change between the estimated rate for 2014 ("probable scenario") and the effective rate for the twelve-month period ended June 30, 2014, multiplied by the exposed net balance at June 30, 2014 was used to calculate the financial effect, had the probable scenario materialize in 2014. For the estimates of the effects, we considered a decrease in financial assets and an increase in financial liabilities at the rate estimated for 2014 of 25% for scenario I and 50% for scenario II.

Index	Assets	Liabilities	Exposed asset (liability)	Effective rate for the 12-month period ended 6/30/2014	Estimated annual rate for 2014 (*)		Change in effective rate for each scenario	Total estimated financial effect	Estimated effect on annual profit and equity
<u>Probable scenario</u>									
CDI	639,493	(1,705,785)	(1,066,292)	9.68%	10.78%	(i)	1.10%	(11,729)	(7,383)
IGPM	-	(158,626)	(158,626)	6.25%	4.87%	(ii)	-1.38%	2,189	1,378
INCC	3,674,115	(47,842)	3,626,273	7.22%	7.38%	(ii)	0.16%	5,802	5,802
TR	23,296	(1,014,117)	(990,821)	0.54%	0.58%	(iii)	0.04%	(396)	(249)
								<u>(4,134)</u>	<u>(452)</u>
<u>Scenario I</u>									
CDI	639,493	(1,705,785)	(1,066,292)	9.68%	13.48%		3.80%	(40,519)	(25,504)
IGPM	-	(158,626)	(158,626)	6.25%	6.09%		-0.16%	254	160
INCC	3,674,115	(47,842)	3,626,273	7.22%	5.53%		-1.69%	(61,284)	(61,284)
TR	23,296	(1,014,117)	(990,821)	0.54%	0.73%		0.19%	(1,883)	(1,185)
								<u>(103,432)</u>	<u>(87,813)</u>
<u>Scenario II</u>									
CDI	639,493	(1,705,785)	(1,066,292)	9.68%	16.17%		6.49%	(69,202)	(43,558)
IGPM	-	(158,626)	(158,626)	6.25%	7.31%		1.06%	(1,681)	(1,058)
INCC	3,674,115	(47,842)	3,626,273	7.22%	3.69%		-3.53%	(128,007)	(128,007)
TR	23,296	(1,014,117)	(990,821)	0.54%	0.87%		0.33%	(3,270)	(2,058)
								<u>202,160</u>	<u>174,681</u>

(i) Data obtained on the Central Bank of Brazil website.

(ii) Data obtained on the Central Bank of Brazil website, Focus Bulletin. As there was no market projection for the INCC available for 2013, IGPM's fluctuation was considered.

(iii) Data obtained on the BM&F website.

(\*) Effective change in the first half of 2014 plus the projection for the second half of 2014.

The total financial effect estimated, except on the INCC, would be recognized in real estate for sale and development and allocated to profit or loss as the real estate units were sold. Thus, the estimated effect on net income and shareholders' equity is net of the remaining portion of real estate for sale.

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

#### Liquidity and interest rate risk table

The table below details the remaining contractual maturity of the Group's non-derivative financial liabilities and the contractual amortization periods, basically represented by loans, financing, debentures, trade payables, and payables for purchase of land. This table has 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 interest flows are based on floating rates, the undiscounted amount was based on the interest curves at period-end. Contractual maturity is based on the most recent date when the Group should settle the related obligations.

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<u>Individual:</u>					
Floating rates	821,930	269,124	1,510,560	333,407	2,935,021
Fixed rates	2,625	1,605	-	1,262	5,492
Non-interest bearing securities	224,602	7,240	2,156	200,867	434,865
Total	1,049,157	277,969	1,512,716	535,536	3,375,378
<u>Consolidated:</u>					
Floating rates	1,009,320	402,280	1,614,284	365,911	3,391,795
Fixed rates	3,173	1,605	-	1,262	6,040
Non-interest bearing securities	315,060	21,050	3,489	319,756	659,355
Total	1,327,553	424,935	1,617,773	686,929	4,057,190

The Company has financial assets (basically represented by cash and cash equivalents, securities, and receivables from real estate development) that it considers sufficient to honor its commitments arising on its operating activities.

#### (d) Fair value of financial instruments

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

Financial instruments	Individual 6/30/14			Consolidated 6/30/14		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Leases						
CDI + Spread	(3,669)	(3,671)	(2)	(3,669)	(3,671)	(2)
Total	(3,669)	(3,671)	(2)	(3,669)	(3,671)	(2)
Debentures						
CDI + 1.50% p.a.	(1,037,590)	(1,038,007)	(417)	(1,037,590)	(1,038,007)	(417)
TR + 8.25% to 10.25% p.a.	(181,199)	(181,199)	-	(181,199)	(181,199)	-
Total	(1,218,789)	(1,219,206)	(417)	(1,218,789)	(1,219,206)	(417)
Bank Credit Notes						
CDI + 1.15% p.a.	(130,245)	(130,245)	-	(130,245)	(130,245)	-
Total	(130,245)	(130,245)	-	(130,245)	(130,245)	-
Working capital loans						
111% of CDI	(250,041)	(249,434)	607	(250,041)	(249,434)	607
CDI + 1.40% p.a.	(51,319)	(51,319)	-	(51,319)	(51,319)	-
CDI + 1.45% p.a.	(211,309)	(211,309)	-	(211,309)	(211,309)	-
Total	(512,669)	(512,062)	607	(512,669)	(512,062)	607
Financing						
To construction – TR + 8% to 10.5% p.a.	(440,027)	(440,027)	-	(796,539)	(796,539)	-
FINAME fixed rate of 4.50% p.a.	(3,454)	(3,324)	130	(3,454)	(3,324)	130
Total	(443,481)	(443,351)	130	(799,993)	(799,863)	130
Grand total (w/o issuance costs)	(2,308,853)	(2,308,535)	318	(2,665,365)	(2,665,047)	318

	Individual			Consolidated		
	12/31/13			12/31/13		
Financial instruments	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Leases						
CDI + Spread	(5,980)	(5,980)	-	(5,980)	(5,980)	-
Total	(5,980)	(5,980)	-	(5,980)	(5,980)	-
Debentures						
CDI + 1.50% p.a.	(1,034,483)	(1,032,701)	1,782	(1,034,483)	(1,032,701)	1,782
CDI + 1.60 % p.a.	(269,562)	(269,562)	-	(269,562)	(269,562)	-
TR + 8.25% to 10.25% p.a.	(241,693)	(241,693)	-	(241,693)	(241,693)	-
Total	(1,545,738)	(1,543,956)	1,782	(1,545,738)	(1,543,956)	1,782
Bank Credit Notes						
CDI + 1.15% p.a.	(167,471)	(167,471)	-	(167,471)	(167,471)	-
Total	(167,471)	(167,471)	-	(167,471)	(167,471)	-
Working capital loans						
111% of CDI	(160,066)	(160,066)	-	(160,066)	(160,066)	-
CDI + 1.40% p.a.	(51,135)	(51,135)	-	(51,135)	(51,135)	-
CDI + 1.45% p.a.	(210,410)	(210,410)	-	(210,410)	(210,410)	-
Total	(421,611)	(421,611)	-	(421,611)	(421,611)	-
Financing						
To construction – TR + 8% to 10.5% p.a.	(500,894)	(500,894)	-	(883,360)	(883,360)	-
FINAME fixed rate of 4.50% p.a.	(3,751)	(3,751)	-	(3,751)	(3,751)	-
Total	(504,645)	(504,645)	-	(887,111)	(887,111)	-
Grand total (w/o issuance costs)	(2,645,445)	(2,643,663)	1,782	(3,027,911)	(3,026,129)	1,782

The fair values of loans, financing, debentures and leases were estimated by the Company's management based on their future value on maturity at the contracted rate, discounted to present value at the market rate at June 30, 2014 and December 31, 2013.

The table below shows a comparative of the contracted and market rates, individual and consolidated, at June 30, 2014:

	Current market rate	Maturity dates
Leases		
CDI + 1.21% p.a.	CDI + 1.21% p.a.	December 2015
CDI + 1.69% p.a.	CDI + 1.69% p.a.	January 2015
CDI + 2.10% p.a.	CDI + 2.10% p.a.	September 2014
15.81% p.a. of CDI	15.81% p.a. of CDI	August 2014
CDI + 2.40% p.a.	CDI + 2.40% p.a.	December 2014
CDI + 2.40% p.a.	CDI + 2.40% p.a.	January 2015
CDI + 2.60% p.a.	CDI + 2.60% p.a.	September 2014
CDI + 2.88% p.a.	CDI + 2.88% p.a.	March 2015
CDI + 2.88% p.a.	CDI + 2.88% p.a.	April 2015
Debentures		
CDI + 1.50% p.a.	CDI + 1.44% p.a.	July 2016
CDI + 1.50% p.a.	CDI + 1.50% p.a.	May 2017
TR + 8.25% a 10.25% a.a.	TR + 8.25% a 10.25% a.a.	December 2015
Real Estate Credit Note		
CDI + 1.15% p.a.	CDI + 1.15% p.a.	March 2015
Loans and financing - working capital		
111% of CDI	113% of CDI	May 2017
111% of CDI	113% of CDI	June 2018
CDI + 1.40% p.a.	CDI + 1.40% p.a.	March 2015
CDI + 1.45% p.a.	CDI + 1.45% p.a.	July 2015
Construction financing		
TR + 8% to 10.50% p.a.	TR + 8% to 10.50% p.a.	December 2018
FINAME		
Fixed rate of 6.00% p.a.	Fixed rate of 6.00% p.a.	April 2020

The other information on financial instruments did not change significantly in relation to the information disclosed in note 26 to the financial statements for the year ended December 31, 2013.

## 27. Deferred taxes

Deferred tax liabilities are broken down as follows:

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Liabilities:				
Income tax (IRPJ)	20,238	24,316	44,624	47,883
Social contribution (CSLL)	10,827	12,089	23,433	24,371
Tax on revenue (PIS)	7,626	7,797	12,467	12,565
Tax on revenue (COFINS)	34,891	36,097	58,171	58,075
Total	73,582	80,299	138,695	142,894
Current	42,001	47,191	77,615	81,223
Noncurrent	31,581	33,108	61,080	61,671

The effects of corporate income tax (IRPJ) and social contribution on income (CSLL) on temporary differences are as follows:

	Individual		Consolidated	
	6/30/14	12/31/13	6/30/14	12/31/13
Effects of IRPJ and CSLL on:				
Portion not received for real estate development	(53,378)	(58,818)	(93,803)	(99,227)
(-) Advances from customers	7,138	7,454	10,571	12,014
Net amount	(46,240)	(51,364)	(83,232)	(87,213)
(-) Provision for maintenance of real estate	2,529	3,555	2,529	3,555
(-) Provision for civil, labor and tax risks	11,598	7,957	11,598	7,957
(-) Provision for profit sharing	602	2,649	602	2,649
(-) Other provisions	446	798	446	798
Net credits	(31,065)	(36,405)	(68,057)	(72,254)
Net amounts recorded in:				
Liabilities	(31,065)	(36,405)	(68,057)	(72,254)
Total	(31,065)	(36,405)	(68,057)	(72,254)

The reconciliation in Company of income tax and social contribution expenses at the statutory and effective rates for the quarters and six-month periods ended June 30, 2014 and 2013 is as follows:

	Individual					
	2 <sup>nd</sup> quarter of 2014			2 <sup>nd</sup> quarter of 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
IRPJ and CSLL in income statement:						
Income before income tax and social contribution	(407,575)	(407,575)		(139,675)	(139,675)	
Tax rate	25%	9%		25%	9%	
Nominal expense	(101,894)	(36,681)		(34,919)	(12,571)	
Effects of IRPJ and CSLL on:						
Equity in investees	84,249	30,330		14,763	5,315	
Earmarked assets	12,035	2,821		16,371	4,430	
Options recognized	(278)	(100)		(262)	(95)	
Gain on change in equity interests	113	41		5,680	2,045	
Other permanent add-ons	1,877	1,104		557	67	
Actual expense	(3,898)	(2,485)		2,109	(809)	
IRPJ and CSLL in income statement:						
Current	(6,367)	(3,334)	(9,701)	(5,269)	(2,756)	(8,025)
Deferred	2,469	849	3,318	7,378	1,947	9,325
Actual amount in income	(3,898)	(2,485)	(6,383)	2,109	(809)	1,300

	Individual					
	1 <sup>st</sup> half of 2014			1 <sup>st</sup> half of 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
IRPJ and CSLL in income statement:						
Income before income tax and social contribution	(494,814)	(494,814)		(214,916)	(214,916)	
Tax rate	25%	9%		25%	9%	
Nominal expense	(123,704)	(44,533)		(53,729)	(19,342)	
Effects of IRPJ and CSLL on:						
Equity in investees	100,458	36,165		29,127	10,486	
Earmarked assets	14,382	3,028		25,157	6,355	
Options recognized	(556)	(200)		(619)	(223)	
Gain on change in equity interests	-	-		5,680	2,045	
Other permanent add-ons	1,698	624		(4)	(1)	
Actual expense	(7,722)	(4,916)		5,612	(680)	
IRPJ and CSLL in income statement:						
Current	(11,800)	(6,178)	(17,978)	(7,446)	(3,895)	(11,341)
Deferred	4,078	1,262	5,340	13,058	3,215	16,273
Actual amount in income	(7,722)	(4,916)	(12,638)	5,612	(680)	4,932

	Consolidated					
	2 <sup>nd</sup> quarter of 2014			2 <sup>nd</sup> quarter of 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
						Restated
Revenue from real estate development - subsidiaries	411,011	411,011		373,798	373,798	
Financial income on real estate development receivables - subsidiaries	8,827	8,827		6,028	6,028	
Total:	419,838	419,838		379,826	379,826	
Percentage:						
Real estate development	8%	12%		8%	12%	
Deemed income:						
Real estate development	33,587	50,380		30,386	45,579	
Financial income - subsidiaries	10,947	10,947		8,895	8,895	
Other revenue - subsidiaries	265	265		1,168	1,168	
Tax base	44,799	61,592		40,449	55,642	
Statutory rate	25%	9%		25%	9%	
IRPJ and CSLL in subsidiaries	(11,200)	(5,543)		(10,112)	(5,008)	
IRPJ and CSLL in Individual	(3,898)	(2,485)		2,109	(809)	
Earmarked asset effects on Consolidated	3,359	1,905		5,069	2,408	
Other	1,042	118		(2,136)	(1,212)	
Expenses in income	(10,697)	(6,005)		(5,070)	(4,621)	

	Consolidated					
	2 <sup>nd</sup> quarter of 2014			2 <sup>nd</sup> quarter of 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Breakdown of expense in income:						
Current	(13,244)	(6,877)	(20,121)	(11,038)	(5,905)	(16,943)
Deferred	2,547	872	3,419	5,968	1,284	7,252
Total	(10,697)	(6,005)	16,702	(5,070)	(4,621)	(9,691)

	Consolidated					
	1 <sup>st</sup> half of 2014			1 <sup>st</sup> half of 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Revenue from real estate development - subsidiaries	783,090	783,090		698,847	698,847	
Financial income on real estate development receivables - subsidiaries	12,805	12,805		7,578	7,578	
Total:	795,895	795,895		706,425	706,425	
Percentage:						
Real estate development	8%	12%		8%	12%	
Deemed income:						
Real estate development	63,672	95,507		56,514	84,771	
Financial income - subsidiaries	21,621	21,621		14,520	14,520	
Other revenue - subsidiaries	710	710		1,850	1,850	
Tax base	86,003	117,838		72,884	101,141	
Statutory rate	25%	9%		25%	9%	
IRPJ and CSLL in subsidiaries	(21,501)	(10,605)		(18,221)	(9,103)	
IRPJ and CSLL in Individual	(7,722)	(4,916)		5,612	(680)	
Earmarked asset effects on Consolidated	4,092	2,484		7,003	3,516	
Other	3,589	998		550	(121)	
Expenses in income	(21,542)	(12,039)		(5,056)	(6,388)	
Breakdown of expense in income:						
Current	(24,801)	(12,977)	(37,778)	(18,137)	(9,775)	(27,912)
Deferred	3,259	938	4,197	13,081	3,387	16,468
Total	(21,542)	(12,039)	(33,581)	(5,056)	(6,388)	(11,444)

The other information on deferred taxes, including the topic 'transition taxation regime', did not change significantly in relation to the information disclosed in note 27 to the financial statements for the year ended December 31, 2013.

## 28. Noncash transactions

During the quarter and six-month periods ended June 30, 2014 and 2013, the Company and its subsidiaries conducted the following investment and financing transactions that did not involve cash, which, therefore, are not reflected in the statement of cash flows:

	2014		2013	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Individual</u>				
Advances from barterers (note 14)	11,751	(31,940)	17,133	20,526
Capitalized financial charges (note 11)	42,740	78,749	32,602	65,364
Addition of provision for maintenance (note 17)	11,246	19,598	8,784	16,352
Capital increase arising from the capitalization of the earnings reserve (note 20)	308,970	308,970	546,999	546,999
<u>Consolidated</u>				
Advances for barterers (note 14)	(5,825)	(86,516)	19,337	56,996
Capitalized financial charges (note 11)	50,249	94,050	39,442	77,714
Addition of provision for maintenance (note 17)	18,724	33,030	13,951	26,814
Capital increase arising from the capitalization of the earnings reserve (note 20)	308,970	308,970	546,999	546,999

## 29. 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, 2014, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Construction insurance (engineering risk)	Coverage during construction for involuntary damages caused during construction, installation and assembling work on the insured sites.	7,514,674
Civil liability	Directors and officers liability insurance (D&O).	80,000
Civil liability	Builder civil liability (construction works)	48,800
Real property delivery insurance	Guarantees delivery of the works to committed buyers/barterers.	640,477
Builder guarantee insurance	Insures the lender the completion and legal documentation of construction.	711,969
Auto insurance (auto/optional civil liability/passenger injuries)	Damages to insured vehicles, civil liability and passenger bodily injury.	710
Lenders insurance	Insures the Company the receipt of actual property price in the event of death of borrower.	1,904
Company group life and collective injuries insurance	Bodily injury involuntarily caused to employees, contractors, interns and engineers.	1,037,784
Residential	Property damages caused by electrical damages, fire, lightening, windstorm, air crash, and insures against loss of rental.	3,045
Corporate	Property damages caused by electrical damages, fire, windstorm, riot and insures against loss of rental.	1,247,036
Aviation	Hull, hijack, LUC/AV53.	30,032
Sundry risks insurance	Losses and/or property damage caused to equipment by any accidents due to external cause (including fire, lightening and explosion of any nature, robbery and theft )	2,000

Items	Type of coverage	Insured amount
Lessor guarantee insurance	Insures the receipt of leases, real estate tax (IPTU), and CAM fees by the lessor if not paid by the lessee.	8,797

### **30. Approval of the interim financial information**

This interim financial information was approved by the Company's Directors on August 14, 2014.