BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)

Publicly-held Corporation

REFERENCE FORM 2014 v27

Base date: December 31, 2013

Pursuant to Annex 24 of CVM Instruction nº 480, of December 7, 2009 (CVM Instruction 480)

Identification	MRV Engenharia e Participações S.A., a publicly-held corporation, enrolled with CNPJ/MF under n° 08.343.492/0001-20, with its articles of incorporation duly filed with the Board of Trade of the State Minas Gerais ("JUCEMG") under NIRE 31.300.023.907, registered as a publicly-held corporation with the Brazilian Securities and Exchange Commission ("CVM") under nº 02091-5 ("Company" or "MRV Engenharia").
Head Office	The Company's head office is located at Avenida Raja Gabaglia, nº 2720, Belo Horizonte, Minas Gerais.
Investor Relations Department	The Company's investor relations department is located in our head office. The Investor Relations Officer is Mr. Leonardo Guimarães Corrêa. The telephone number of our investor relations department is (55**31) 3348-7150 and our facsimile number is (55**31) 3348-7155 and our e-mail is: ri@mrv.com.br.
Company's Independent Auditors	Ernst & Young Terco Auditores Independentes S/S
Custodian Institution	Banco Bradesco S.A.
Securities Issues	Shares listed on the *Novo Mercado* segment of the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") under the symbol "MRVE3".
Newspapers where the Company discloses Information	The publications, by operation of Law Lei nº 6,404, of December 15, 1976, as amended ("Brazilian Corporate Law"), are disclosed in the Official Gazette of the State of Minas Gerais and in the "*Estado de São Paulo*" and "*Hoje em Dia*" newspapers.
Website	www.mrv.com.br. The information contained on the Company's website is not an integral part hereof.
Shareholders' Service	The service to the shareholders is carried out by the Company, in its head office, through the telephone number and e-mail indicated above, and by Banco Bradesco S.A., which head office is located at Avenida Yara, s/n, Cidade de Deus, Osasco, SP. The telephone number and e-mail of the shareholders' department of Banco Bradesco S.A. is (0xx11) 3684-3749 and 4010acecustodia@bradesco.com.br , respectively.

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Identification of the persons in charge of the Form's content

1.0. Identification

I, Rafael Nazareth Menin Teixeira de Souza, Chief Executive Officer Region I of MRV Engenharia e Participações S.A., declare that I reviewed the reference form, that all information contained herein is in compliance with CVM Instruction nº 480, in particular Articles 14 to 19 and that, the set of information contained herein truly, accurately and completely reflects the financial and economic condition of MRV Engenharia e Participações S.A. and the risks inherent to its activities and securities issued.

I, Eduardo Fischer Teixeira de Souza, Chief Executive Officer Region II of MRV Engenharia e Participações S.A., declare that I reviewed the reference form, that all information contained herein is in compliance with CVM Instruction nº 480, in particular Articles 14 to 19 and that, the set of information contained herein truly, accurately and completely reflects the financial and economic condition of MRV Engenharia e Participações S.A. and the risks inherent to its activities and securities issued.

I, Leonardo Guimarães Corrêa, Chief Financial and Investor Relations Officer of MRV Engenharia e Participações S.A., declare that I reviewed the reference form, that all information contained herein is in compliance with CVM Instruction nº 480, in particular Articles 14 to 19 and that, the set of information contained herein truly, accurately and completely reflects the financial and economic condition of MRV Engenharia e Participações S.A. and the risks inherent to its activities and securities issued.

Auditors

2.1. Regarding the independent auditors

a) Corporate Name	Deloitte Touche Tohmatsu Auditores Independentes
CVM code	385-9
CNPJ	49.928.567/0001-11
b) Persons in charge, CPF and contact information	Délio Rocha Leite CPF: 094.062.268-80 tel: (55**31) 3269-7400 fax: (55**31) 3269-7470 email: dleite@deloitte.com 03/09/2007 – 12/31/2010
	Walmir Bolgheroni CPF: 012.725.828-09 tel: (55**31) 3269-7400 fax: (55**31) 3269-7470 email: wbolgheroni@deloitte.com 01/01/2011 – 25/06/2012
c) Date of engagement	03/09/2007
d) Description of services	As of 2011 refers to the issuance of quarterly reports about the application of previously agreed procedures regarding financial indices. As of 2010 refers to the issuance of letter of Comfort regarding the issuance of debentures and Certificates of Real Estate Receivables (CRI) and quarterly reports about the application of previously agreed procedures regarding financial indices. As of 2009 refers to the issuance of letter of Comfort related to the public distribution of shares, issued by the Company.
e) Substitution of auditor	25/06/2012
Reason for substitution	The independent auditor substitution was implemented in accordance to Article 31 of the CVM Instruction nr. 308/1999
Reason for the auditor	Not applicable

a) Corporate Name	Ernst & Young Terco Auditores Independentes S/S
CVM code	471-5
CNPJ	61.366.936/0014-40
b) Persons in charge, CPF and contact information	Flávio de Aquino Machado CPF: 685.128.306-97 tel: (55**31) 3232-2121 fax: (55**31) 3232-2106 email: flavio.a.machado@br.ey.com 26/06/2012 –
c) Date of engagement	26/06/2012
d) Description of services	As of 2012 refers to the issuance of quarterly reports about the application of previously agreed procedures.
e) Substitution of auditor	Not applicable
Reason for substitution	Not applicable
Reason for the auditor	Not applicable

The services referred to in item 2.1 (d) above include any and all services rendered by our independent auditors.

2.2. Inform total amount of compensation paid to independent auditors in the last fiscal year, by describing the fees relating to audit services and those relating to any other services rendered

R$ thousand	2013	2012	2011
Audit fees	298	298	389
Fees relating to audit services	8	8	13
Total	**325**	**306**	**402**

Audit fees:

Audit of annual financial statements and review of quarterly information.

Fees relating to audit services

as of 2012 refers to the issuance of quarterly reports about the aplication of previously agreed procedures regarding financial indices.
as of 2011 refers to the issuance of quarterly reports about the aplication of previously agreed procedures regarding financial indices.
as of 2010 refers to the issuance of letter of Comfort regarding the issuance of debentures and Certificates of Real Estate Receivables (CRI) and quarterly reports about the aplication of previously agreed procedures regarding financial indices.

2.3. Other material information

All material information relating to this subject matter was disclosed in the items above

Selected Financial Information

3.1. Selected financial information

Year	31.12.2013	31.12.2012	31.12.2011
Shareholders' equity	4,101,183,000,00	3,801,633,000,00	3,422,906,000,00
Total Assets (in R$) - Consolidated	10,198,449,000,00	10,340,205,000,00	8,614,071,000,00
Net operating revenue (in R$)	3,870,608,000,00	3,803,808,000,00	0
Gross profit (in R$)	1,021,422,000,00	1,066,201,000,00	0
Net income (in R$)	450,195,000,00	574,837,000,00	0
Number of shares, including treasury shares	473,764,111	477,430,716	479,617,713
Book value per share (in reais)	8.6566.	7.9627	7.1367
Net income per share (in reais)	0.9503	1.204	0

3.2. a) Non-accounting measurements and b) Reconciliations of the disclosed values with the values in the audited financial statements

(in R$ thousand)	2013	2012	2011
Net Income	450,195	574,837	816,291
(+) Depreciation and amortization	(45,858)	(21,192)	18,845
(+) Income Taxes	35,847	23,441	86,326
(+) Financial Results	30,235	(24,673)	(9,594)
(+) Financial costs recorded under cost of properties sold	138,734	142,404	132,930
Adjusted EBITDA [(1)]	**606,153**	**694,817**	**1,044,798**
Adjusted EBITDA Margin[(2)]	15.7%	18.3%	26.0%

(1) Adjusted EBITDA - is equal to net income plus income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation and amortization. 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 Adjusted EBITDA's calculation. Adjusted 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. Adjusted EBITDA does not have a standard definition and other companies may measure their Adjusted EBITDA in a different way. Because the calculation of Adjusted 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 expenses related to financial and legal advisory fees in connection with the entry of the selling shareholder and MRV initial public offering, Adjusted 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.

(2) Adjusted EBITDA divided by net operating revenue.

3.3. Subsequent events in the last year-end financial statements which substantially changes such financial statements

There are no material subsequent events not taken into consideration in the financial statements.

3.4. Policy for allocation of net income for the three last fiscal years

	2013	2012	2011
Rules for retention of profits	The remaining balance of net income, after the establishment of the legal reserve and proposed dividends, was transferred to the profit retention reserve in order to meet the funding requirements for future investments in the expansion of our activities, according to the capital budget.	The remaining balance of net income, after the establishment of the legal reserve and proposed dividends, was transferred to the profit retention reserve in order to meet the funding requirements for future investments in the expansion of our activities, according to the capital budget.	The remaining balance of net income, after the establishment of the legal reserve and proposed dividends, was transferred to the profit retention reserve in order to meet the funding requirements for future investments in the expansion of our activities, according to the capital budget.
Value of retentions of profits	R$ 258,678,101.69	R$ 375,890,739.71	R$ 541,573,352.26
Rules for distribution of dividends	Shareholders are entitled to an annual mandatory minimum dividend of not less than 25% (twenty five percent) of net income for the year, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount allocated to recognition of reserves for contingencies and reversal of these reserves recognized in prior years; and (iii) amount derived from the reversal of unrealized prior years' earnings reserve, pursuant to article 202, II, of Corporate Law.	Shareholders are entitled to an annual mandatory minimum dividend of not less than 25% (twenty five percent) of net income for the year, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount allocated to recognition of reserves for contingencies and reversal of these reserves recognized in prior years; and (iii) amount derived from the reversal of unrealized prior years' earnings reserve, pursuant to article 202, II, of Corporate Law.	Shareholders are entitled to an annual mandatory minimum dividend of not less than 25% (twenty five percent) of net income for the year, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount allocated to recognition of reserves for contingencies and reversal of these reserves recognized in prior years; and (iii) amount derived from the reversal of unrealized prior years' earnings reserve, pursuant to article 202, II, of Corporate Law.
Frequency of distribution of dividends	Annual	Annual	Annual
Restrictions to the distribution of dividends	None	None	None

3.5. Summary of distributions of dividends and retention of profits

(R$ thousand)	12.31.2013	12.31.2012	12.31.2011
Adjusted net income for purposes of dividends (in R$ thousand)	401,930	501,188	722,098
Percentage of dividend per adjusted net income	35.00%	25.00%	25.00%
Return rate in relation to shareholders' equity	3.43%	3.07%	4.92%
Dividend distributed (mandatory) (in R$ thousand)	140,676	125,297	180,524
Retained net income (in R$ thousand)	261,254	375,981	541,574
Date of approval of retention	04/30/2014	04/30/2013	04/30/2012
Mandatory Dividend	140,676	125,297	180,524
Date of payment of dividend	06/17/2014	06/17/2013	06/15/2012
Interest on Capital	/	/	/
Date of payment of dividend	/	06/17/2013	/

3.6. Dividends recorded in the retained profit reserve or prior years' reserves

Not applicable.

3.7. Indebtedness level

	12.31.2013
Amount of debt of any nature (in R$ thousand)	5,833,049
Indebtedness level [1]	1.34
Net debt (net cash) / Total Shareholders' equity[2]	30.45%

[1] Current liabilities plus non-current liabilities divided by shareholders' equity.
[2] Net debt is composed of the balance of loans plus intercompany payables less cash and cash equivalents, and financial instruments. Net debt is not a Brazilian GAAP measure and other companies may calculate net debt differently than we do. We use this indicator as it best reflects our leverage level.

3.8. Our obligations by nature and maturity date

As of December 31, 2013

R$ thousand	Less than 1 year	More than 1 year and less than 3 years	More than 3 years and less than 5 years	More than 5 years	Total
Secured guarantee	13,182	201,029	1,971	-	216,182
Floating guarantee	383,875	739,377	802	-	1,124,054
Unsecured debts	377,635	1,010,108	289,744	-	1,677,487
Total	**774,692**	**1,950,514**	**292,517**	**-**	**3,017,723**

3.9. Other material Information

All material information relating to this subject matter was disclosed in the items above

Risk Factors

4.1. Risk factors that may affect the decision to invest in securities issued by us

a) Risks related to our company

A substantial portion of the funds to finance our low-income residential developments comes from the CEF and BB.

The acquisition of units by our customers is mainly financed by bank loans, in particular those granted by Caixa Econômica Federal (CEF) and Banco do Brasil (BB). As a government-owned financial institution, CEF and BB are subject to greater political interference and may suffer changes in the method for extension of credit currently in force, thereby reducing the availability and/or benefits of the terms and conditions for extension of financing. Moreover, the suspension, interruption or slowdown of CEF's or BB's activities' in approving our projects, extending financing to our customers and monitoring the development of our construction projects, among other activities, could negatively affect our operations and financial capacity.

Furthermore, our growth is partially linked to the availability of housing credit by public financial institutions. The suspension, interruption or significant change on this availability could negatively affect the estimate of growth of our business.

The market value of our land may decrease, which may adversely affect our results of operations.

We maintain a land bank for our future developments. The atractiveness of the areas in which our land is located may decrease significantly from the time of their acquisition to the time when such parcels are actually developed due to market or economic conditions (constructions nearby the projects that affect the area's actrativeness). A decrease in the market value of our land may adversely affect the results of the sales of our developments which may adversely affect our operations.

The loss of members of our senior management or the inability to attract and retain additional senior management personnel could have a material adverse effect on our business, financial condition and results of operations.

Our ability to maintain acompetitive position largely depends on the services of the senior management. Most of the Company's management team has worked with us since the beginning of the operations and has long experience in the real estate industry, particularly in the low-income residential development segment. In addition, because their compensation is partly linked to the market price of our common shares, their interests are aligned with our performance. We cannot assure that we will be successful in attracting new personnel and retaining the current qualified senior management personnel to assist us in our growth. The loss of services of any of the members of the senior management team or the inability to attract and retain additional senior management personnel could have a material adverse effect on our business, financial condition and results of operations.

Our business may be adversely affected if we are not able to obtain the necessary licenses and/or authorizations for our developments in due time.

All land already acquired or yet to be acquired by us to be further developed or commercialized, or financed by financial institutions, are subject to obtaining certain licenses, authorizations and registrations as required by the municipalities regulatory agencies, appropriate real estate registries and other regulatory agencies.

If we are unable to obtain these registrations related to any of the projects in due time, our business may be adversely affectedand experience delays in our projects.

Among the pending registrations, we have: (i) registrations filed, pending approval from the competent authority; (ii) registrations pending minor approvals regarding the construction projects.

We may be unable to sustain or increase our historical growth rate.

We have experienced rapid growth, as well as a geographic expansion of our operations. We intend to expand our activities in the markets where we operate. However, we may be unable to increase or maintain similar growth rate in the future, and our results of operations in the last periods or years may not indicate our future performance.

Our internal growth has placed and is expected to continue to place a substantial strain on our business, particularly our administrative, operational and financial resources and internal controls. Additional growth and expansion in our existing markets may further strain our resources and will depend substantially on our ability to implement and manage the expansion of these resources. If we are not able to rapidly and adequately respond to such expansion, our operating results may be adversely affected.

Our growth may require additional capital, which may not be available or, if available, may not be on terms acceptable to us.

Our operations require significant working capital. We may be required to seek additional capital, whether from sales of equity or debt securities or additional bank loans for the growth and development of our business. We cannot assure you that additional capital will be available or, if available, whether it would be on terms acceptable to us. Failure to access additional capital on terms acceptable to us may restrict the growth and development of our business, results of operations and, consequently, the market price of our common shares.

b) Risks related to the direct or indirect controlling shareholder or controlling group

The Company does not have a controlling shareholder or a controlling group with more than 50% of its voting capital, which can lead to alliances between shareholders, conflicts between shareholders, among other events related to the absence of a controlling shareholder or a controlling group with more than 50% of its voting capital

The Company does not have a shareholder or a controlling group with the absolute majority of its voting capital. In Brazil, there is not an established practice of publicly-held company with no identified controlling shareholder. However, in its better understanding, alliances or voting agreements between shareholders may occur, which could cause the same effect of having a controlling shareholder. If a controlling group is formed and it begins to have the Company's decisory power, the Company may suffer sudden and unexpected changes in its corporate and strategic policies, including the replacement of its board of directors. Moreover, the Company can be more vulnerable to hostile controlling acquisition attempts and conflits arising from that.

The absence of a controlling shareholder or a controlling group with more than 50% of the Company's voting capital (i) also means thaht there is no guarantee that the Company's proposed strategy or business plan will be maintained. A shareholder or a shareholder group that begins to exercise the controlling power, can, in the future, significantly change the business and activities courses, which may adversally impact the Company's shares or debentures prices; and (ii) may difficult certain decision processes in a consequence of not obtaining the minimum quorum recquired by law to some deliberation. In such case, the Company and its minority shareholders may not use the same protection given by the The Brazilian Corporation Law against abuses of other shareholders and, as a consequence, may have difficulty in obtaining the amends of the caused damages. Any sudden or unexpected change in the board of directors' team, the corporate policy or strategic direction, attempt of controlling acquisition or any dispute among shareholders concerning its respective rights, may adversally affect the Company.

c) Risks related to the shareholders

Holders of our common shares may not receive any dividends or interest on shareholders' equity.

According to our By-laws, we must pay our shareholders at least 25.0% of our annual net income as dividends or interest on shareholders' equity, as calculated and adjusted under Brazilian Corporate Law. Our Bylaws allows the payment of interim dividends based on (i) our semiannual balance sheet or (ii) retained earnings or revenue reserves recorded in the last annual or semiannual balance sheet. The Company may also pay interest on shareholders' equity, under the limitations set forth by applicable law. The interim dividends and the interest on shareholders' equity declared in each year may be included as the minimum mandatory dividend in connection with the results for the year when such dividends were distributed. This adjusted net income may be capitalized, used to absorb losses or otherwise retained as allowed under Brazilian Corporate Law, and may not be made available for payment as dividends or interest on shareholders' equity. Although we have paid extraordinary dividens for the fiscal year of 2013, we may eventually suspend the mandatory distribution of dividends in any particular fiscal year if our board of directors informs our shareholders that such distribution would be inadvisable in view of our financial condition.

The volatility and lack of liquidity of the Brazilian securities markets may adversely affect the ability of investors to sell our common shares at the desired price and time.

The Brazilian securities market is substantially smaller, less liquid, more concentrated and generally more volatile than major international securities markets. BM&FBOVESPA had a total market capitalization of R$ 2.41 trillion as of December 31, 2013 and an average daily trading volume of R$ 7.4 in December 2013. The ten most actively traded stocks in terms of trading volume accounted for approximately 51% of all 370 shares traded on BM&FBOVESPA as of March 31, 2014. These market characteristics may substantially limit your ability to sell our common shares at the price and time you wish and, as a consequence, could adversely affect the market value of our common shares

We may raise additional capital in the future through the issuance of equity securities, which may result in dilution of the interests of our shareholders.

We may need to raise additional funds in the capital market, through the issuance of shares and/or public and private placement of securities convertible into shares. The raise of additional funds through the public issuance of shares, which may be obtained

with the exclusion of the preemptive rights of our current shareholders, may dilute the percentage interests of investors in our common shares.

d) Risks related to the subsidiaries and affiliates

The participation of the Company in special purpose vehicles creates additional risks, incluiding possible problems of financial and commercial relationship with its partners.

The Company invests in special purpose vehicles together with other Brazilian homebuilders. The inherent risks in special purpose vehicles include potential bankruptcy in its special purpose vehicles societies and the possibility of arisal of economical or commercial interest conflicting or incompatible between the Company and its partners. In the case of a special purpose vehicles partner doesn't match its obligations or become financially incapable of handling its stallements of necessary capital placement, the Company may have to make additional investment or provide additional services to compensate the lack of capital placement by the partner. Furthermore, the shareholders of one special purpose vehicle may be responsible for obligations in determined areas, including, fiscal, labor, environmental and consumer matters. Such events, in the case of occurrence, may adversally impact the Company's business. Not applicable.

e) Risks related to the suppliers

Delays or technical difficulties with our real estate projects that are beyond our control may have a material adverse effect on our reputation and our business as well as expose us to civil liability.

We acquire materials from third parties, and we outsource a portion of the labor services to develop our real estate projects to contractors. As a result, the timely completion and quality of our developments depend on factors that are beyond our complete control, including, but not limited to, the quality and timeliness of the delivery of the materials supplied for use in our projects and the technical skills of outsourced professionals and workers. Unforeseen problems or delays in the construction of our developments may have a negative effect on our reputation, our relationship with clients, our business and operating results.

However, pursuant to Article 618 of the Brazilian Civil Code, we are required to warrant our customers against structural problems in our developments for up to five years, and we may be called to make good these warranties. In this event, we may incur unanticipated costs, which may have a material adverse effect on our financial condition and our operating results.

Register of Employers

The "Register of Employers with workers in conditions analogous to slavery" is regulated by the Interministerial Ordinance nº 2, published on May 12, 2011.

However, the Interministerial Ordinance does not predicts the procedure for defining "conditions analogous to slavery" and does not inform the rules of inclusion and exclusion of the Register.

In the face of the lack of clarity and objectivity of the Ordinance that governs the operation of the "Register of Employers" the risk of inclusion in such Register and consequent suspension of new financing exists for the period the Company remains in it.

f) Risks related to the customers

We are subject to risks normally associated with providing financing.

The financial institutions do not usually finance 100% of the unit's value, as a consequence of that, the client contracts the financing of this difference with the Company, the so called "*pro-soluto".* Even if the *pro-soluto* represents a very small part of the total business volume, we are subject to the risks normally associated with providing financing, including the risks of increases in inflation rates, defaults in principal and interest payments and the risk of increases in the cost of our funding, and in this case the absensce of real warranty. In the event there is an increase in the number of clients in default and/or an increase in the cost of our funding, our financial situation and operating results can be adversely affected.

Under Brazilian law, in the event of a post-delivery default under an installment sales contract, we have the right to initiate proceedings to collect the amounts due on and recover possession of the unit from the defaulting purchaser, subject to certain limitations. In the event of repossession of the unit of a defaulting purchaser, we may not be able to recover the total amount outstanding on its respective sales contract, which may have a material adverse effect on our financial condition and results of operations.

In addition, we and other real estate companies raise funds in the market at various rates and indices and we may not be able to pass on such rates to our customers to the extent our financings are based on different indices. The divergence of rates and maturities between our sources of financing and loans we provide our customers could adversely affect our cash flow and our financial performance.

g) Risks related to the Brazilian real estate industry

We are exposed to risks associated with the purchase, development, construction and sales of real estate.

We engage in the purchase of land parcels, development, construction and sale of low-income residential developments and intend to continue to engage in such activities. However, there are risks that generally affect the real estate industry, such as interruptions in supplies and volatilities in the prices of construction materials and equipment, lack of high quality labor, variations in supply and demand for developments in certain areas, labor strikes and changes in zoning and environmental regulations, our activities are specifically affected by the following risks:

- economic conditions in Brazil may adversely affect the growth of the real estate industry as a whole, particularly in the segment in which we operate, through economic slowdowns, interest rate and inflation increases, exchange rate fluctuations and political instability, among other factors;
- we could be prevented in the future, as a result of new regulations or market conditions, from indexing our accounts receivable to certain inflation rates, as currently permitted, possibly making a project unfeasible in economic or financial terms;
- the level of purchaser interest in a newly launched project or the sales price per unit necessary to sell all units may be lower than expected, resulting in the project failing to reach its anticipated profitability and/or the total value of all units to be sold;
- in the event of bankruptcy or significant financial difficulties of a major company in the real estate industry, the real estate market could be adversely affected, which may cause customers to lose confidence in other companies operating in this industry, including us;
- we may be affected by local or regional real estate market conditions such as the oversupply of low-income residential developments in the regions in which we operate or may operate in the future P;
- purchasers may have a negative perception of the security, convenience and attractiveness of our developments and the areas in which they are located;
- increases in operating costs, including the need for capital improvements, insurance premiums, real estate taxes, changes in the real estate tax legislation and public tariffs may affect our profit margins;
- we may be negatively affected by the scarcity of well located land parcels, or by an increase in the prices of well located land parcels, for use in our construction projects in the regions where we currently operate or may operate in the future;
- real estate development opportunities may disappear or be reduced;
- interruptions in the supply of construction materials or equipment; and
- the construction and sale of development units may not be completed on schedule, resulting in increased construction costs or the rescission of sales contracts.

The occurrence of any of the above risks may have a material adverse effect on our activities, financial condition and results of operations.

The real estate industry in Brazil is highly competitive, and we could lose our position in the market in certain circumstances.

Nowadays we perceive low competition in the places where we operate. However, the real estate industry in Brazil is highly competitive and fragmented and does not have high entry barriers restricting new competitors from entering the market. The main competitive factors in the real estate development business include availability and location of land parcels, price, funding, design, quality, reputation and partnerships with developers. A number of residential developers and real estate companies compete with us in terms of seeking land parcels for acquisition, obtaining financial resources for development and in finding prospective purchasers. Other companies, including foreign companies, with alliances with local partners, have become active in the real estate development business in Brazil, further increasing competition, especially in the low-income residential development segment due to its large potential for growth.

To the extent that one or more of our competitors initiates a very successful marketing or sales campaign and, as a result, their sales increase significantly, our business could be materially and adversely affected. If we are not able to respond to such pressures as promptly and effectively as our competitors, our financial condition and results of operations could be materially and adversely affected.

Moreover, certain competitors may have access to better financial resources than us and, accordingly, may be able to withstand periods of crisis in the real estate market with less difficulty than us.

The scarcity of available financing for low-income residential developments, the change in current financing policies of income residential developments and/or the increase in interest rates may adversely affect the ability or willingness of prospective purchasers to finance their purchases.

Purchasers of residential low-income real estate properties generally rely on borrowings to finance their purchases. The lack of financing resources available in the market, changes in policy for the financing of residential low-income real estate properties

and/or increasing interest rates may inhibit the ability or willingness of buyers to finance their purchases. The CMN has frequently charged the amount of funds that banks are required to make available for real estate financing—in particular, to the Brazilian Real Estate Finance System (Sistema Financeiro de Habitação), or SFH. If the CMN restricts the amount of such funds that are available for real estate financings in the future or raises market interest rates, the scarcity of available financing or the increase in interest rates would likely adversely affect the ability or willingness of potential purchasers to finance their purchases, thus reducing the demand for our residential real estate developments, as well as for large residential community developments. Any reduction in purchaser demand may have a material adverse effect on our business, financial condition and results of operations.

h) Risks related to the Brazilian real estate industry regulation

Our business is subject to extensive regulation, which could, in case of change, adversely affect our business.

The Brazilian real estate industry is subject to extensive building, zoning and environmental regulation by various federal, state and municipal authorities, which affect land acquisition and development and construction activities through zoning restrictions and license requirements, as well as consumer protection laws and regulations. We are required to obtain the approval of various governmental authorities for our development activities, and new laws or regulations could be adopted, enforced or interpreted in a manner that could adversely affect our results of operations.

Our operations are also subject to Brazilian federal, state and municipal environmental laws and regulations. These environmental laws may result in delays, may cause us to incur substantial compliance and other costs and may prohibit or severely restrict residential development and construction activities in environmentally sensitive regions or areas.

If regulations governing the Brazilian real estate industry as well as environmental laws become more restrictive, our results of operations could be materially adversely affected.

Increases in existing tax rates or the creation of new taxes during the term of our sale contracts could materially adversely affect our financial conditions and results of operations.

In the past, the Brazilian government frequently increased tax rates, created new taxes and changed the tax system. In the event the Brazilian government increases tax rates or creates new taxes on the purchase and sale of real estate during the term of our sale contracts, our financial conditions and results of operations could be materially and adversely affected to the extent that we cannot amend the agreements in order to pass through such increased costs to our customers. In addition, an increase in or the creation of new taxes on the purchase and sale of real estate that are passed on to consumers may increase the final price to our customers, thereby reducing the demand for our properties and/or affecting our margins.

i) Risks related to foreign countries

Developments and the perception of risk in other countries, especially emerging market countries and the United States, may adversely affect the market price of Brazilian securities.

The market price of securities of Brazilian companies is affected to varying degrees by economic and market conditions in other countries, particularly other Latin American and emerging market countries, Eurozone countries and the United States. Although economic conditions in these countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in these other countries may have an adverse effect on the market price of securities of Brazilian issuers. Crises in other emerging market countries may diminish investors' interest in securities of Brazilian issuers, including our common shares.

In the past, the adverse development of economic conditions in emerging markets resulted in a significant flow of funds out of the country and a decrease in the quantity of foreign capital invested in Brazil.

Any of these factors could adversely affect the market price of our common shares, and could also make it more difficult for us to access to the capital markets and finance our operations in the future on acceptable terms, or at all.

4.2. Estimates of reduction or increase in the exposure to material risks

Our policy is to continuously analyze the risks to which we are exposed and that may affect our business, financial condition and results of operations. We are continuously monitoring changes in the macroeconomic and industry scenario that may affect our activities by means of monitoring of the main performance indicators.

As for the risk of our clients default, we adopt a strict credit evaluation model, in which we do not let the contract continue if the client represents a potentially high debt risk. Besides that, those clients who constitute the *pro-soluto*, sign a term of renegotiation and debt confession, thus making these debts warranted.

Regarding our talent retention model, for more than ten years, we have maintained a partnership model with our key executives and employees that seeks to retain talented people and encourage an internal culture in which the interests of our shareholders, executives and key employees are aligned. Since our initial public offering in 2007, we have not lost any of our key executives to our competitors.

We adopt a high level of control with respect to our suppliers in order to prevent any kind of material effect on our activities. The Company has developed a Supply team, specialized and with deep supplier market knowledge for the acquisition of the main raw materials used in our activity. It is integrated into our Production team, and also has under its responsibility contracting equipment and services and the strategic and value-added services

Moreover, according to the Article 618 of the Civil Code, we provide warranty for five years over structural problems in our developments as a way of mitigating non-controlable risks due materials supply.

We adopt a strict financial and cash management policy. We have not currently identified any increase or reduction of the Company's exposure to the risks described in section 4.1.

4.3. Legal, administrative and arbitration proceedings to which we and our subsidiaries are parties are material to our business and are not subject to confidentiality obligation

We and our subsidiaries are parties to lawsuits of a civil, tax, labor and environmental nature, as well as to administrative proceedings, which are not subject to confidentiality obligation.

The amount of the contingency related to each lawsuit may not represent the amount provisioned, taking into account the method for definition of provision adopted. We determine the amount provisioned based on an evaluation of the likelihood of loss, classified as probable, possible or remote. This classification is carried out after analysis of the facts and fundaments claimed in the initial procedural document and the defense's allegations, the pleading in view of the factual and actual status, the jurisprudence with respect to similar cases, in addition to the opinion of internal and external lawyers in charge of the conduction of each lawsuit. Provisions are made only for those losses deemed probable.

We understand that our provisions for legal and administrative proceedings are sufficient to cover any probable losses. Based on the opinion of outside counsel, we have provisioned R$ 22.08 million for estimated losses as of December 31, 2013.

We do not believe that any pending legal or administrative proceedings, if decided against us or any companies formerly part of the MRV Group, would have a material adverse effect on our financial condition or results of operation.

I) Tax proceedings

As of December 31, 2013, we and our subsidiaries were parties to 292 legal and administrative tax proceedings. The total amount involved in such proceedings is approximately R$ 6.07 million, of which R$ 2.18 million was related to lawsuits mainly concerning municipal taxes payable by the committed buyers of the units. As of December 31, 2013, R$ 96,388.48 were provisioned, relating to tax proceedings in which the estimate of loss was probable, based on the opinion of our legal advisors. None of these proceedings, taken individually, is financially material. The other legal and administrative proceedings have not been provisioned due to the favorable opinion of our legal advisors.

There is no material tax proceeding.

II) Labor proceedings

As of December 31 2013, we and our subsidiaries were parties to approximately 4,637 labor proceedings (legal and administrative). We can be held joint liable in connection with 82.49% of our lawsuits. The total amount involved in these proceedings is approximately R$ 26.22 million, of which R$ 20.81 million was related to labor claims. Regardless of such fact, based on a conservative opinion, we provisioned, as of December 31, 2013, R$ 9.91 million, concerning the 766 labor claims for which the estimate of loss was probable, based on the opinion of our legal advisors in the labor area. None of these proceedings, taken individually, is financial material. The remaining labor claims have not been provisioned due to the favorable opinion of our legal advisors. The primary subject matters involved in connection with such claims are: vicarious liability, payment of severance amounts, payment of overtime, indemnification for work-related accidents and salary differences.

Of the 4,637 labor proceedings, 814 refer to Notices of Infraction registered by the Ministry of Labor and Employment. The Company clarifies that it presents defense for each infraction and appeals, administratively, of each notice judged as subsistent. Yet, prevailing the proceedence of the Notice, a proposal is made aiming at its nullifying.

III) Civil proceedings

As of December 31, 2013, we were party to approximately 14,807 civil proceedings, appearing as an author in 596 demands. The majority of the proceedings in which we were the defendant consist of lawsuits challenging the terms of customers' agreement, injunction for delivery of keys, collection actions, indemnification, undue repetition, payment allocation and

execution. For 901civil proceedings, among those stated above, we provisioned as of December 31, 2013, R$ 12.07 million. None of these proceedings, taken individually, is financially material. The remaining civil proceedings have not been provisioned.

There is no material civil proceeding.

IV) Environmental proceedings

There is no material environmental proceeding that may affect the Company's activities.

4.4. Legal, administrative and arbitration proceedings to which we and our subsidiaries are parties, are not subject to confidentiality obligation and which adverse parties are managers or former managers, controlling shareholders or former controlling shareholders or investors of the issuer or the issuer's controlling shareholders

We and our subsidiaries are not parties to legal, administrative and arbitration proceedings which adverse parties are managers or former managers, controlling shareholders or former controlling shareholders or investors of the Company or its subsidiaries.

4.5. Impacts in the event of loss and amounts involved in material confidential proceedings to which we or our subsidiaries are parties

We and our subsidiaries do not have material confidential proceedings in which we and our subsidiaries are parties and which have not been disclosed above.

4.6. Repeated or related legal, administrative and arbitration proceedings, based on similar legal facts and causes of action, to which we or our subsidiaries are parties, are not subject to confidentiality obligation and are jointly material to our business

We and our subsidiaries do not have repeated or related legal, administrative and arbitration proceedings, based on similar legal facts and causes of action, which are not subject to confidentiality obligation and which are jointly material, in addition to the legal or administrative proceedings described in item 4.3 above.

4.7. Other material contingencies

Not applicable.

4.8. Information on the rules of the country of origin of the foreign issuer and rules applicable in the country where the securities issued by the foreign issuer are held in custody

Not applicable.

Market Risks

5.1. Market risks to which we are exposed, including with respect to foreign exchange and interest rate risks:

We are exposed to market risks related to our operating activities.

The real estate industry is affected by the economic conditions of Brazil. The demand for new residential units is influenced by a number of factors, including employment levels, short- and long-term interest rates, the availability of mortgage financing, consumer confidence, government policies, demographic factors and, to a lesser extent, changes in property taxes, energy costs, condominium expenses and federal income tax regulation. Furthermore, the launch of new units is influenced by the zoning restrictions, government policies, cost and availability of land banks, various construction and sales costs and availability of financing, among other factors.

Considerable economic and political uncertainties exist that could have adverse effects on consumer buying behavior, construction costs, availability of labor and raw materials and other factors affecting the real estate industry in general. In addition, increases in interest rates may affect the availability of financing to the purchasers of real estate and, as a consequence, decrease the demand for real estate in Brazil. Also, periods of economic slowdown may adversely affect the demand for real estate. These factors may adversely affect our sales.

Inflation has also had, and may continue to have, effects on our financial condition and results of operations. Substantially all of our operating expenses are denominated in reais and the suppliers and service providers generally attempt to increase their prices to reflect Brazilian inflation.

Among the main risks, we may point out the risks described below. In addition, see item 4.1 hereof for additional information.

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, may adversely affect us.

The Brazilian government intervenes in the Brazilian economy and occasionally makes significant changes in policy and monetary, tax, credit and tariff regulations. The Brazilian government's actions to control inflation and other policies and regulations have involved, among other measures, increases in interest rates, changes in tax policies, price and salary controls, obstruction of access to bank accounts, currency devaluations, capital controls and limits on imports. We may not foresee and we do not have control over the measures and policies the Brazilian government may adopt in the future. Our activities, financial condition, operational results and perspectives may be adversely affected by changes in policy or regulations involving or affecting factors, such as:

- interest rates;
- exchange controls and restrictions on remittances outside Brazil;
- exchange rate fluctuations;
- inflation;
- liquidity of domestic capital and lending markets;
- expansion or contraction of the Brazilian economy, as measured by GDP growth rates;
- energy and/or shortages;
- political and social instability;
- monetary policy;
- tax policies; and
- other political, social and economic developments in or affecting Brazil.

Uncertainty over whether the Brazilian government will implement changes in policies or regulations affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and securities issued abroad that are supported by Brazilian issuers. Therefore, such uncertainties and other future developments in Brazilian economy may have adverse consequences on our business and operating results.

Inflation rise and efforts by the Brazilian government to curb it may contribute significantly to economic uncertainty towards Brazil and could adversely affect our business and the market price of our common shares.

Brazil has in the past experienced extremely high rates of inflation. Inflation, along with the Brazilian government's measures to curb inflation and speculation about possible governmental measures to be adopted, has had significant negative effects on the Brazilian economy, contributing to economic uncertainty in Brazil and heightened volatility in the Brazilian securities markets. More recently, the annual rate of inflation, as measured by the General Market Price Index, or IGP-M, has decreased from 20.1% in 1999 to -1.71% in 2009 and risen again 11.32% in 2010, 5.10% in 2011 ,7.81% in 2012 and 5.52 in 2013. The Brazilian government's measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. As a result, interest rates have fluctuated significantly. For example, the official interest rates in Brazil at the end of 2006 to 2013 as set by the Brazilian Committee on Monetary Policy, or COPOM, were 13.25%, 11.25%, 13.75%, 8.75%, 10.75%, 11.00%, 7.25% and 10.00%, respectively.

Future measures to be taken by the Brazilian government, including interest rate adjustments, intervention in the foreign exchange market and actions to adjust or fix the value of the Brazilian real may increase inflation. In the event of an increase in inflation, we may not be able to adjust the prices we charge our clients to offset the effects of inflation over our cost structure, which could increase our costs and reduce our net operating margin.

Exchange rate instability may adversely affect the Brazilian economy and the market price of our common shares.

As a result of inflationary pressures, the Brazilian currency has seen significant fluctuations in relation to the U.S. dollar and other foreign currencies during the last four decades. Throughout this period, the Brazilian government has implemented various economic plans and utilized a number of exchange rate policies, including sudden devaluations, periodic mini-devaluations, during which the frequency of adjustments has ranged from daily to monthly, floating exchange rate systems, exchange controls and dual exchange rate markets.

For example, between 2000 and 2002, the real depreciated 49% against the U.S. dollar. It appreciated from 2003 through 2007, 100%. In 2008, as a result of the worsening global financial and economic crisis, the real depreciated 25% against the U.S. dollar, closing at R$2.356 for US$1.00 on December 31, 2008. In 2009 and 2010, the real appreciated 41% against the U.S. dollar. On December 31, 2010, the exchange rate between the real and the dollar was R$1.6704 to US$1.00. Between 2011 and 2012 there was a depreciation of 18%, closing at R$2.05 for US$1.00, on December 31, 2012. In 2013 the dollar appreciated again regarding the Real and, in December 2013 the currency had risen 14% and was worth R$2.34. We cannot assure that the real will not depreciate or appreciate against the U.S. dollar in the future.

Fluctuations of the real relative to the U.S. dollar could create additional inflationary pressures in Brazil and lead to increases in interest rates, which could negatively affect the Brazilian economy as a whole, and the market price of our common shares.

The global economic crisis may adversely affect the Brazilian economic growth or limit the Company's access to the financial market and, as a consequence, damage our business and financial condition.

The world economic crisis and the global financial system instability have been affecting, and may continue to negatively affect, the Brazilian economic growth. The current financial crisis reduced the liquidity and credit availability to the business financing permanence and expantion all over the world. The recent and substantial losses in the global stock markets, including Brazil, may cause a long term global recession or depression.

As a result of the global economic crisis, the Company's ability to access the stock or credit markets may be limited in a moment the Company needs or wants to access these markets, which would harm its reaction to adversal economical and market conditions. The global economic crisis may affect the Company's current creditors, clients or its suppliers' ability to meet the contracted deliveries on time, causing their inability to meet their obligations with the Company. In the case the global economic crisis worsens, it may harm the Company's demand for apartments and its ability to finance its future growth.

Interest rates and Inflation Indices fluctuations may raise the Company's debt payment cost, negatively aftecing our financial condition

On December 31, 2013 the Company had, among other obligations, R$ 1,929 million in loans, financing, debentures and payables for purchase of land liable to CDI, R$ 1,155 million liable to Taxa Referencial (TR), R$ 73 million liable to IGP-M, R$ 595 thousand liable to IPCA and R$ 61 million liable to INCC.

These indices, especially CDI, significantly floted last year in a response to the Brazilian economy's expansion or contraction, the inflation, the Brazilian government policies, among other factors. A significantly increase in any of these interest rates or indices, particularly the CDI rate, may adversally affect the financial income or expense and its financial performance.

Foreign exchange risk

The Company and its subsidiaries do not have foreign currency-denominated assets or liabilities.

Credit risk

Assessed as very low in light of the guarantee of recovery of the properties in cases of customer default. Therefore, at December 31, 2013, 2012 and 2011 no allowance for doubtful accounts was recognized.

5.2. Our policy for management of market risks, purposes, strategies and instruments:

Our risk management policy aims to reduce or mitigate the market risks.

a) Risks to be hedged

The Company seeks to obtain hedge Capital and Liquidity Risks.

b) strategy of hedge

The adopted strategy hedge strategy was the creation of a multidisciplinary organizational structure, whereby the board of directors evaluates whether the actions performed are taken in order to abide by the policies adopted, always with the intent of mitigating any risk to the business without the use of derivative financial instruments.

c) instruments used for purposes of hedge

The main financial instruments used are banks and cash, loans raisings for our working capital and financing the developments in construction and the issuance of debentures among others.

d) Criteria used for risk management purposes

The main criteria adopted by the Company for risk management purposes are:

The Executive Board periodically revises the Company's capital structure. As part of this revision, the Executive Bard consider the capital cost, the assets liquidity, the risks associated to each capital class and the Company's debt level.

The Executive Board seeks to keep debt level according to its loan, financing and debentures contracts (below 65%).

The liquidity risks management is done through the financial reports analysis and cash flow forecasts, including stress analisys.

e) financial instruments with different hedging purposes

There are no financial instruments with different purposes than hedging.

f) Organizational structure for risk management control

The Company's risk management is done through the Board of Directors, the Risk Commitee and the Financial Commitee, under finanacial reports analysis and cash flow forecasts.

The Risk Commitee is composed of two Executive Officers.

The Board of Directors and the Risk Commitee map and control risks through the 'Risk Management and Internal Audit' area and through financial reports.

g) adequacy of the operational structure of internal controls for purposes of verification of the efficiency of the policy adopted

The Board of Directors and the Risk Commitee map and control risks through the 'Risk Management and Internal Audit' team.

Furthermore, the Risks Management and Internal Audit area periodically valuates and tests the adherence of the controls used to mitigate risks, reporting, twice a year, the tests' results and the flaws identified to the Risks Management Committee.
Additionally the activities performed by the Management and Internal Audit area are reported to the Board of Directors in all of its ordinary meetings.

Due to the structure presented on item 5.2 above, the Company believes these measures are effective to mitigate the risks.

5.3. Significant changes in the main market risks or the risk management policy with respect to the last fiscal year

There were no significant changes in the main market risks, as well as the risk monitoring policy adopted by us in the last fiscal year.

5.4. Other material information

All material information relating to this subject matter was disclosed in the items above.

History of the Issuer

6.1. Incorporation of the Company

a. Date: May 31, 2006

b. Corporate form: Organized as a publicly-held company

c. Country of incorporation: Brazil

6.2. Duration Period

Indefinite.

6.3. Brief History of the Company

The MRV group was founded in 1979 by Rubens Menin Teixeira de Souza, Mario Lucio Pinheiro Menin and Vega Engenharia Ltda., with the incorporation of MRV Serviços de Engenharia Ltda. in the city of Belo Horizonte, in the state of Minas Gerais, with the aim to build and develop residential real estate projects. Two years after incorporation, Vega Engenharia Ltda. withdrew from MRV Serviços de Engenharia. In the following year, we delivered our first houses, and, in 1981, we delivered our first buildings in Belo Horizonte.

The Cruzado monetary plan, implemented by the Brazilian government in 1986, had a positive effect on our operations. During this time, we had a small land bank and the price of the real estate properties in our land bank increased abruptly as a result of new demand. In the same year, we began offering financing to our customers.

Consequently, we were able to continue to expand our operations. By the early 1990s, we had attained a significant market share in the city of Belo Horizonte and began exploring new markets to expand into. In 1993, we introduced our "finishing kits," a product that gave our customers additional finishing options for their residential units.

In 1994, we also opened our first sales office in the city of Belo Horizonte, and, in 1995, we began to expand our activities outside of the city of Belo Horizonte, developing and building projects in the city of Uberlândia, in the state of Minas Gerais. In 1996, MRV Empreendimentos was incorporated, and we began operations in the city of Americana, in the state of São Paulo. In 1997, we began sponsoring sports, especially volleyball, to market our brand and our real estate developments. Shortly thereafter, in 1999, MRV Construções was incorporated, and we began to operate in the south of Brazil, initially in the cities of Londrina and Curitiba, in the state of Paraná.

Continuing our strategy, in 2000 we launched a financing plan that enabled our customers to finance their purchases in fixed installments. This financing option provided an affordable means of payment and an opportunity to plan investments, which contributed to the improvement of our results. In this same year, we began our first investments in the city of São Paulo and, in 2003, we launched our *Spazio* and *Village* product lines.

In 2006, a new stage in our history has begun and we expanded our activities to the city of Goiânia, in the state Goiás, increasing the number of cities in which we operate to 28. We began the restructuring of the MRV group in the same year. On May 31, 2006, we were incorporated in order to simplify the Group's structure and we started to control MRV Construções e a MRV Empreendimentos.

In 2007, we completed our restructuring, which included the admission of Autonomy as our shareholder and the consolidation of our company as an operating company, active in the low-income residential real estate development segment. In 2007, we continued to increase our geographical diversification, expanding our operations to 54 additional cities.

On July 13, 2007 our registration with the CVM as a publicly held corporation was approved under nº 02091-5. On July 20, 2007, we concluded our initial public offering and, as from July 23, 2007, our shares began trading on BM&FBOVESPA's *Novo Mercado* segment.

The offering, consisting of a total of 45,900,000 common shares, raised gross proceeds of $1,193,400,000.00. We allocated the net proceeds from that offering to the acquisition of land and to the development of construction and development projects already underway.

In 2007, we purchased participation in the capital stock of Prime and Blás, both companies are active in the affordable housing segment. Moreover, in 2008, we signed a letter of intent with CEF through which we became the CEF's first representative in the real estate industry. Through the partnership, we began to provide services of receiving and analyzing residential financing proposals, making financing to their customers more efficient and faster.

In June 2008, we, together with Autonomy Investimentos, incorporated MRV LOG, with ownership interests of 65% and 35%, respectively. The corporate purpose of this company is to act in the real estate development segment with a focus in the

development and leasing of distribution centers, industrial condominiums, hubs and logistics condominiums (developments to be leased to logistics and transportation companies that will lease part of the warehouse space and divide the common areas into dining halls, restaurants, sleeping areas, support areas, etc.).

In March 2009, we increase our international visibility and access to foreign investors through the launch of the program American Depositary Receipts (ADRs), level 1 in the U.S. market OTC (Over-The-Counter). In December of that year, MRV's ADRs began trading on the highest category of OTC (Over-the-Counter) in the United States, the Premier International OTCQX. The OTCQX market is the first category of trading on the OTC market in the United States. Companies focused on investor use the OTCQX platform qualitatively controlled to provide investors transparent negotiation, information of higher quality, and easy access through their brokers, intermediaries regulated in the United States. The innovative platform[1] OTCQX provides companies and their shareholders a level of market services previously only available on a stock exchange in the United States.

In July 2009, we concluded the primary offering of 24.3 million shares (before split) at the BM&FBovespa with the price of R$ 24.50 per share (before split), totaling R$ 595 million (R$ 570 million, net of commissions). Funds raised are earmarked for land acquisition, incorporation of new developments, construction of projects launched and maintenance of working capital.

In December 2009, we made the split of all of our common shares (MRVE3) in a 3:1 ratio. This operarion provided greater liquidity for our shares and consequently greater and easier access for investors in general.

Due to growth of the trading volume of our stock, as of January 2010, our share MRVE3 became part of the Bovespa Index (IBovespa) the most important[2], indicator stock performance of Brazilian market, made up of stocks with highest negotiability, participation in financial volume and presence in the trading session.

On July 15, 2011, the current shareholders of LOG together with Starwood Capital Group signed an Investment Agreement for the issuance of 62,650,009 common shares to be issued by LOG, totaling R$ 350 million, being R$ 250 million as Starwood"s part and R$ 100 million for the current shareholders of LOG, of which R$ 63,050 as the Company's part. In August and October of 2011 the installment of the agreement of R$ 140,000 and R$ 210,000, respectiviely, were paid. After these paymentsthe Company's part decreased to 42.03% from 63.05%.

At the shareholders meeting held in January 2012 the change of the corporate name and corporate brand of the former MRV Logística e Participações S.A. to LOG Commercial Properties e Participações S.A. ("LOG") was approved. This amendment aims to reflect the company's business and to strengthen its strategy as commercial and industrial property builder.

Urbamais was founded in July, 2012 by our Company, with the goal to develop large urban areas in a sustainable way for residential and/or mixed products. Clear lines were drawn to segregate the companies of the Group, setting Urbamais' business apart from LOG's and MRV's. The Company"s nature itself and the business focus are different, suppressing potential interest conflicts.

On May 17, 2013, the current shareholders of LOG together with Bradesco BBI signed an Investment Agreement for the acquisition of 36,945,672 common shares to be issued by LOG, totaling R$ 278 million, being R$ 150 million for the current shareholders and R$ 128 million as part of FIP Multisetorial Plus ("FIP MPLUS"). FIP MPLUS is a private equity fund managed by Bradesco BBI. After these payments the Company's part decreased to 37.87% from 42.03%. The completion of this transaction is subject to specific customary conditions, including approval of the Administrative Council for Economic Defense - CADE.

In June 2013, the funds were paid in. After this capital payment the Company's interest decreased from 42.03% to 37.87%. Despite this decrease in interest held, because that capital payment was made at fair value, higher than book value, there was a gain amounting to R$22,681, net of operating expenses, recognized in the income statement, in line item 'Other operating income'.

In November, 2013, LOG CP has obtained the register of Publicly Held Company category "b" by CVM.

Currently, we – MRV Engenharia e Participações S.A. – are present in 121 cities and 19 brazilian states, are a publicly held corporation, organized for an indefinite period and duly registered with the CVM, headquartered in Belo Horizonte in the state of Minas Gerais, located at 2720 Avenida Raja Gabaglia, and which purpose consists of: (i) management of own assets; (ii) development, construction and sale of own or third-party properties; (iii) provision of engineering services relating to the qualifications of the technical employees; and (iv) participation in other companies as partner or shareholder.

6.4. Date of registration with CVM

Registration obtained on July 13, 2007.

[1] Source: http://www.otcqx.com/qx/int/overview
[2] Source: http://www.bmfbovespa.com.br/indices/ResumoIndice.aspx?Indice=IBOVESPA&idioma=pt-br

6.5. Main corporate events

2011	
a) Event:	Issuance of 62,650,009 ordinary shares by LOG Commercial Properties e Participações S.A.;
b) Main business conditions:	Price: Capital increase of R$ 350,000 (thousand); Payment method: I R$ 250 million as Starwood"s part and R$ 100 million for the current shareholders of LOG. Payment term: October of 2011 the installment of the agreement of R$ 140,000 and R$ 210,000, respectiviely, were paid. Suspension clauses: does not exist Agreements regulating the voting right: does not exist Pending approval by regulatory agencies: does not exist
c) Shareholders:	LOG Commercial Properties e Participações S.A (previously MRV Logística e Participações S.A.) and Starwood Capital;
d) Results in corporate structure:	MRV's interest in the capital of LOG Commercial Properties decreased from 63.05% to 42.03%.

e) Corporate structure before and after the event:

Starwood Investment	Before	After
MRV Engenharia e Participações S.A.	63.05%	42.03%
Starwood Capital do Brasil	0.0%	33.33%
Conedi Participações Ltda	22.80%	15.20%
Marcos Alberto Cabaleiro Fernandez	5.34%	3.56%
Other	8.81%	5.88%
	100.0%	100.0%

2012	
a) Event:	the transformation of the company Amazonas Park Incorporações SPE LTDA. into URBAMAIS PROPERTIES E PARTICIPAÇÕES S.A
b) Main business conditions:	initial contribution of R$ 2.990 million of the estimated R$ 50 million capital, of which the Company holds 60%.
c) Shareholders:	MRV Engenharia e Participações S.A.
d) Results in corporate structure:	Not applicable

e) Corporate structure before and after the event:

	Before	After
MRV Engenharia e Participações S.A.	60,00%	60,00%
Executives	40,00%	40,00%
	100,00%	**100,00%**

	2013
a) Event:	Issuance of 36,945,672 ordinary shares by LOG Commercial Properties e Participações S.A.;
b) Main business conditions:	Price: Capital increase of R$ 278 million; Payment method: I R$ 128 million as FIP Multisetorial Plus' part and R$ 150 million for the current shareholders of LOG. Pending approval by regulatory agencies: The completion of this transaction is subject to specific customary conditions, including approval of the Administrative Council for Economic Defense - CADE.
c) Shareholders:	LOG Commercial Properties e Participações S.A and FIP MPLUS
d) Results in corporate structure:	MRV's interest in the capital of LOG Commercial Properties decreased from 42.03% to 37.87%.

e) Corporate structure before and after the event:

Starwood Investment	Before	After
MRV Engenharia e Participações S.A.	42.03%	37.87%
Starwood Capital do Brasil	33.33%	30.03%
Other	24.64%	22.20%
FIP MPLUS	0.00%	9.90%
	100.0%	100.0%

6.6. Bankruptcy requests based on material amount and judicial or extrajudicial recovery requests

There was no bankruptcy request based on material amount or judicial or extrajudicial recovery request by the Company.

6.7. Other material information

All material information relating to this subject matter was disclosed in the items above.

Issuer's Activities

7.1. Summarized description of the activities developed by us and our subsidiaries

Business Purpose:

Development and Construction Activities: We focus on the activities of real estate development and construction. Our operations involve the following stages: (i) identification, evaluation and acquisition of land parcels; (ii) obtaining government licenses, permits and approvals; (iii) sales and marketing; (iv) construction; and (v) providing financing and other services to our customers.

Logistics Activities: Through our subsidiary LOG Commercial Properties, we focus in the construction and leasing of industrial and logistic condominiums, besides the development of commercial properties such as shopping centers, strip malls and offices.

Operating Markets and Geographic Diversification:

The real estate industry in Brazil, both in development and construction activities, is highly fragmented. The State of São Paulo is one of the main Brazilian economic centers, concentrating the largest real estate construction industry in Brazil. According to the IBGE, the estimated São Paulo's GDP was R$1,248 billion in 2010, which represented 33% of Brazil's total GDP. Therefore, São Paulo is the state with the greatest capacity to absorb real estate supply.

The table below shows the estimated GDP of our markets in 2010:

State	PIB 2010 - R$ billion	%
Alagoas	25	0.7%
Bahia	154	4.1%
Ceará	78	2.1%
Distrito Federal	150	4.0%
Espírito Santo	82	2.2%
Goiás	98	2.6%
Maranhão	45	1.2%
Mato Grosso	60	1.6%
Mato Grosso do Sul	44	1.2%
Minas Gerais	351	9.3%
Paraíba	32	0.8%
Paraná	217	5.8%
Pernambuco	95	2.5%
Rio de Janeiro	407	10.8%
Rio Grande do Norte	32	0.9%
Rio Grande do Sul	252	6.7%
Santa Catarina	152	4.0%
São Paulo	1,248	33.1%
Sergipe	24	0.6%
Outros Estados	224	5.9%
Brasil	3,770	100.0%

Source: IBGE

We operate in the states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Rio de Janeiro, Minas Gerais, Espírito Santo, Goiás, Mato Grosso, Mato Grosso do Sul, Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, Sergipe, as well as in the Federal District.

We are active in a total of 121cities: Águas Claras (DF), Americana (SP), Aparecida (SP), Aparecida de Goiânia (GO), Aracaju (SE), Araçatuba (SP), Arapongas (PR), Araraquara (SP), Araras (SP), Araucária (PR), Barretos (SP), Bauru (SP), Belford Roxo (RJ), Belo Horizonte (MG), Betim (MG), Birigui (SP), Botucatu (SP), Cabedelo (PB), Cabo de Santo Agostinho (PE), Cajamar (SP), Camaçari (BA), Cambé (PR), Campina Grande (PB), Campinas (SP), Campo Grande (MS), Campo Limpo Paulista (SP), Campos dos Goytacazes (RJ), Canoas (RS), Cariacica (ES), Caruaru (PE), Catanduva (SP), Caxias do Sul (RS), Ceilândia (DF), Contagem (MG), Cotia (SP), Cuiabá (MT), Curitiba (PR), Duque de Caxias (RJ), Feira de Santana (BA), Ferraz de Vasconcelos (SP), Fortaleza (CE), Franca (SP), Gama (DF), Goiânia (GO), Gravataí (RS), Guarulhos (SP), Hortolândia (SP), Indaiatuba (SP), Itu (SP), Jaboatão dos Guararapes (PE), Jacareí (SP), João Pessoa (PB), Joinville (SC), Juiz de Fora (MG),

Jundiaí (SP), Lagoa Santa (MG), Lauro de Freitas (BA), Limeira (SP), Londrina (PR), Macaé (RJ), Maceió (AL), Maracanaú (CE), Marília (SP), Maringá (PR), Mauá (SP), Mirassol (SP), Mogi das Cruzes (SP), Mogi Guaçu (SP), Montes Claros (MG), Natal (RN), Niterói (RJ), Nova Lima (MG), Novo Hamburgo (RS), Olinda (PE), Ourinhos (SP), Palhoça (SC), Parnamirim (RN), Paulínia (SP), Pindamonhangaba (SP), Piracicaba (SP), Planaltina (DF), Poá (SP), Ponta Grossa (PR), Porto Alegre (RS), Presidente Prudente (SP), Recife (PE), Resende (RJ), Ribeirão Preto (SP), Rio Claro (SP), Rio das Ostras (RJ), Rio de Janeiro (RJ), Salto (SP), Salvador (BA), Santo André (SP), São Bernardo do Campo (SP), São Carlos (SP), São Gonçalo (RJ), São José (SC), São José de Ribamar (MA), São José do Rio Preto (SP), São José dos Campos (SP), São José dos Pinhais (PR), São Paulo (SP), Sapucaia do Sul (RS), Serra (ES), Sertãozinho (SP), Sorocaba (SP), Sumaré (SP), Suzano (SP), Taguatinga (DF), Tatuí (SP), Taubaté (SP), Teresina (PI), Uberaba (MG), Uberlândia (MG), Valparaíso de Goiás (GO), Várzea Grande (MT), Vespasiano (MG), Vila Velha (ES), Vitória (ES) and Votorantim (SP).

According to the IBGE, in 2010, these cities represented 52% of Brazilian GDP and, according to the 2010 census, 36% of the Brazilian population.

Estado	2010 - R$ mil	%
Alagoas	3.120	1,6%
Bahia	14.017	7,3%
Ceará	8.452	4,4%
Distrito Federal	2.570	1,3%
Espírito Santo	3.515	1,8%
Goiás	6.004	3,1%
Maranhão	6.575	3,4%
Mato Grosso	3.035	1,6%
Mato Grosso do Sul	2.449	1,3%
Minas Gerais	19.597	10,3%
Paraíba	3.767	2,0%
Paraná	10.445	5,5%
Pernambuco	8.796	4,6%
Rio de Janeiro	15.990	8,4%
Rio Grande do Norte	3.168	1,7%
Rio Grande do Sul	10.694	5,6%
Santa Catarina	6.248	3,3%
São Paulo	41.262	21,6%
Sergipe	2.068	1,1%
Outros Estados	18.983	10,0%
Brasil	190.756	100,0%

Source: IBGE

7.2. Operating segments

a) Products and services sold

Real Estate Development and Construction

For more information, see item 7.3 hereof.

Logistics

For more information, see item 7.1 hereof.

b) Revenue from the segment and participation in the issuer's net revenues

Net Revenue (R$ thousand) (1)	2012	2013
Real estate development	3,803,808	3,870,608
Logistics		
Elimination		
Total	**3,803,808**	**3,870,608**

Participation in Net Revenue (%)	2012	2013
Real estate development	100,00%	100,00%
Logistics		
Elimination		
Total	**100%**	**100%**

(1) For further information, see item 10.1 (h), "Financial Information", of this Reference Guide.

c) Income or loss resulting from the segment and participation in the issuer's net revenues

Net Income (R$ thousand) (1)	2012	2013
Real estate development	527,566	423,084
Logistics		
Elimination		
Total	**527,566**	**423,084**

Participation in Net Income (%)	2012	2013
Real estate development	100.00%	100.00%
Logistics	0 %	0 %
Elimination	0 %	0 %
Total	**100%**	**100%**

(1) For further information, see item 10.1 (h), "Financial Information", of this Reference Guide.

7.3. Products and services

a) Characteristics of the production process

Identification, evaluation and acquisition of land

We focus our initial efforts on studying and understanding demographic, social and economic trends to identify the needs of each prospective market in which we operate upon launching of our products.

We seek to acquire land that shows potential to appreciate in value as a result of increasing demand driven by previously identified economic, social and demographic trends. The acquisition of appropriate land parcels is essential to the profitability of our developments.

We generally identify opportunities for acquiring land parcels through specialized real estate agents, land owners interested in partnering with a company with knowledge and experience in the industry, or through other real estate companies.

We have a multidisciplinary team responsible for preparing such feasibility studies. Each potential acquisition of land is subject to financial review to determine if we will obtain a sufficient return on the capital invested in the proposed real estate development. For such purpose, we evaluate the ownership of the property to determine whether it meets the minimum requirements for the type of project we plan to develop and, carry out the legal due diligence and a review of relevant technical data.

We also use market research to identify potential buyers and local builders, common characteristics of the developments in the area, market supply and demand, as well as the average income and population profile of the region.

We also consider in the selection of lands for construction of the real estate developments the feasibility and time frame for obtaining all licenses and other regulatory permits required to develop the project.

The actual acquisition of land is generally conditioned on obtaining all necessary licenses and regulatory permits before the execution of the purchase. Typically, however, the initial down payment and the pre-construction costs are not recovered if all approvals are not obtained and the purchase is not concluded.

The final decision regarding the acquisition of a specific land bank is taken by an internal committee. This committee meets every week At least two members of this committee are parto f the team that visits the location of the land.

We acquire properties through purchase agreements or exchange agreements. In an exchange agreement, the seller of the land receives a certain number of units to be built on the property or a percentage of the revenue obtained from the sale of the units in the development. Through an exchange agreement, we reduce our capital needs and increase our rate of return on the capital employed in our developments.

We make significant investments in the acquisition of land and intend to build in all lands acquired. Although we plan to develop all acquired land, subsequent events may prevent construction or make construction economically unviable.

Obtaining government licenses, permits and approvals

The process of obtaining municipal, state and federal approvals generally takes between three to 24 months, with an average of nineteen months. The various approvals required include building, planning and environmental permits; obtaining these approvals can be particularly burdensome in Brazil.

We seek to obtain all material licenses necessary for our real estate developments, in light of the development stage of each project.

Sales and marketing

For more information, see item 7.3. (b) below.

Construction

The management and oversight of the construction of our developments is the responsibility of our technical team, which the Company believes to have an extensive experience in low-income residential real estate developments. Our management and oversight of construction work is focused on guaranteeing quality and cost control, mastering all stages in the development process and meeting contracted deadlines.

The actual construction work is performed by prequalified contractors. A significant portion of the contractors to whom we outsource our construction work has long-term relationships with the MRV group. These companies are selected on the basis of experience and personal and professional references. Given the standardization of our products and our long-term relationships with these companies, their employees have acquired a high degree of familiarity and specialization in our projects. As a consequence, we are able leverage their efficiency and increase productivity.

Moreover, the Company believes to exist a growing demand for our products. Therefore, in order to increase our construction capacity, we have developed partnerships with certain construction companies. Our strategy is to select construction companies with experience and knowledge of the low-income residential development segment, regardless of the geographic area in which they operate. In selecting partners, we also take into consideration whether the partner's experience is compatible with our methods, standards of excellence and costs. In addition, we can also establish technical assistance agreements with the construction companies. In such partnerships, we maintain control over land selection, development operations, sales and construction management. We also proportionately contribute funds to the development.

Our construction process is highly standardized. The main benefits from the standardization of our construction process are our control of costs, with subsequent reduction of operating costs; and more agility in the execution of our real estate development. The adoption of an input procurement process with strict quality and supplier selection standards also constitutes and important element for the standardization of our construction process and guarantee of quality of our products.

Moreover, we have maintained a level A certification from the Brazilian Program for Housing Quality and Productivity *(Programa Brasileiro da Qualidade e Produtividade do Habitat),* or the PBQP-h, since 2001, which guarantees strict quality control for our developments. We ensure quality control through the use of procedural guides that describe in detail each stage of the construction process. We maintain control over technical aspects of the infrastructure and superstructure work by adhering to the standards of the Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas*), or the ABNT.

Insurances

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 December 31, 2011, insurance coverage is as follows:

Items	Type of coverage	Insured amount

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.	9,336,795
- Civil liability	- Directors and officers liability insurance (D&O).	80,000
- Civil liability	- Builder civil liability (construction works).	104,900
- Real property delivery insurance	- Guarantees delivery of the works to committed buyers/barterers.	638,937
- Builder guarantee insurance	- Insures the lender the completion and legal documentation of construction.	746,875
- Car insurance (auto/optional civil liability/passenger injuries)	- Damages to insured vehicles, civil liability and passenger bodily injury.	1,090
- Lenders insurance	- Insures the Company the receipt of actual property price in the event of death of borrower.	1,750
- Company group life and collective injuries insurance	- Bodily injury involuntarily caused to employees, contractors, interns and engineers.	1,027,430
- Residential	- Property damage caused by electrical damages, fire, lightening, windstorm,aircraft crash, and insures against loss of rental.	2,436
- Corporate	- Property damage caused by electrical damages, fire, windstorm, riot and insures against loss of rental.	831,470
- Aviation	- Hull, hijack, LUC/AV53..	31,633
- 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
- Lessor guarantee insurance	- Insures the receipt of leases, real estate tax (IPTU), and CAM fees by the lessor if not paid by the lessee..	5,675

b) Characteristics of the distribution process

Sales and marketing

Our developments are sold by our own team of 4 thousand brokers, 220 of whom operate in internet sales. In addition, we also hire outside brokerage companies, which have outsourced brokers exclusively dedicated and trained to sell our developments. We believe it is important to maintain our own sales team focused exclusively on the sale of our projects to develop strong relationships with our current customers and to attract new ones. We believe these factors make our sales strategy more efficient.

Our sales strategy also includes:

- Our website is the most visited among the homebuilders in Brazil (according to alexa.com ranking), with a total of 3.0 million visits per month. In this same period, our 200 online brokers attended an average 3 thousand people in a daily basis through our online chat and email. Our web sales channel is a great success, representing around 35% of our contracted sales this year.

- With an active and relevant participation in social networks, we have the biggest fanpage of the real estate segment of Brazil (according to Socialbakers), with over 1 million fans on Facebook, and 50,000 followers on Twitter and about 4.5 million views of our Youtube videos.
- We offer special financing plans to assist customers in acquiring properties as well as performance insurance for the completion of construction.

- We continuously conduct market research regarding the profile of our customers and maintain updated databases with the demographics, income profile, age and other details of our customers. We use this database for identifying land, developing our products and implementing our sales strategy.

- Direct marketing. Our direct marketing team manages a database of potential customers and directly markets our products to such customers through telemarketing, mail, e-marketing and corporate marketing. In addition to

generating business, this department assists in our planning by identifying the socio-economic and cultural profiles of our customers, as well as their preferences.

- Relationship sales. We conduct campaigns to benefit customers who recommend new buyers, and give even a discount for the buyer. These campaigns give us a very satisfactory return.

- Innovative nationwide marketing campaigns. Given the geographic scope of our operations, we are able to adopt innovative nationwide marketing strategies, which results in lower publicity costs per unit.

- Sports advertising. Since 1996 we have promoted our brand through sports advertising. Until 2004, we sponsored the Minas Tênis Clube women's volleyball team, which helped bring national attention to our "MRV" brand. From 2004 to the end of 2007, we sponsored the Clube Atlético soccer team, and in 2008 we began to sponsor the Vasco da Gama soccer team. In 2012 we sponsored Bruno Senna and a major F1 team, besides two great national soccer teams, Sport Clube Recife and again Clube Atlético Mineiro. Currently we sponsor Atletico Mineiro, the Goytacaz Football Club, and tennis players Bruno Soares and André Sá.

Customer financing

The availability of financing for potential customers, especially during construction, has been of fundamental importance to our business.

We are offering financing plans to our customers, who can pay significantly lower amounts before delivery of the units, generally a maximum of 30.0% of the purchase price. While we receive a lesser portion of the purchase price from customers before delivery of units, as soon as we complete construction and provide customers with the applicable occupancy permit, we receive the outstanding balance in full.

Commercial banks have also increased the availability of construction financing, supplying and complementing the amount of cash necessary to carry out developments.

Additionally, the greater availability of financing allows us to move at a faster pace through a typical construction cycle. Our construction processes are standardized and generally require short construction periods. By decreasing construction time, we are able to increase the internal rate of return for our projects and, therefore, for our Company. In addition, by shortening the construction cycle, we benefit our customers, which, for a shorter period, will have to pay for their currently residence, mainly rented, as well as we contribute for the payment of the future property.

We provide our customers with three forms of financing: direct financing, bank financing and Crédito Associativo.

Crédito Associativo - CEF/BB

Pursuant to the Crédito Associativo model, the customer receives funds from the bank, which are passed on to us in accordance with the evolution of the project. We receive up to 95.0% of the sale price during construction, decreasing our working capital needs. In addition, this financing is not recorded as a liability on our balance sheet, which is more interesting to our Company in terms of cash flow and credit risk, being the type of financing most used by our Company.

Bank financing

In this type of financing, we provide direct financing only until delivery. After delivery, the customer finances the outstanding balance directly with financial institutions, who pay the remaining balance in cash to us. In some developments, credit approval by the financial institution is not automatic. The financial institution evaluates the customer's credit and the value of the property, which is subject to a mortgage or a conditional assignment to secure payment of the financing.

We believe that bank financing offers advantages both to the customer and to us. On one hand, customers can use their FGTS deposits to pay part of the outstanding balance on the property and obtain a longer repayment period at a lower interest rate from the financial institution. On the other hand, we benefit from increased liquidity, reduced credit risk from customers and reduced time in managing receivables.

Direct financing

When we offer direct financing, we receive a down payment from the customer with the remaining portion of the purchase price payable in monthly installments.

In addition, installments are adjusted monthly in accordance with the INCC index, until the delivery of the units. After delivery, installments are adjusted on a monthly basis according to the IGP-M, plus interest.

Once construction is complete, our financing is generally secured by a conditional assignment of the property, with transfer of full ownership rights to the client, contingent on payment in full.

Historically, we have had a low default rate. We believe that this low default rate is a result of the following actions: (i) our continued collection efforts; (ii) the several renegotiation options offered to those customers facing financial difficulties; (iii) the transfer of possession to the buyer only after analysis of payment records; (iv) the use of guarantors/cosigners for the delivery of units in longer sales plans and/or sales plans with periodical adjustments; and (v) after August 2006, only delivering financed units which are subject to conditional assignment (sales financed by us).

In addition, we rely on our experience with customers in our segment in determining which customers are eligible for financing. We have a teal of 745 professional dedicated to this activity. Financing is only available to customers within our risk and security parameters, based on a credit analysis with the Credit Protection Service, or the SPC, and other reports. Default is monitored and any renegotiation can include repossession of the property in case its possession has already been transferred to the customer. Finally, we also protect ourselves by selling to a broad cross-section of customers in diverse geographic locations.

c) Characteristics of the operating markets: (i) participation in each one of the markets; (ii) competitive conditions in the markets

Below, see our contracted sales by state in 4Q13:

State	R$ million	%
São Paulo	557	45,3%
Minas Gerais	195	15,9%
Rio de Janeiro	87	7,1%
Paraná	65	5,3%
Espírito Santo	55	4,4%
Bahia	51	4,1%
Pernambuco	27	2,2%
Rio Grande do Sul	26	2,1%
Mato Grosso	24	1,9%
Goiás	23	1,9%
Ceará	22	1,8%
Paraíba	19	1,6%
Sergipe	17	1,4%
Rio Grande do Norte	17	1,4%
Alagoas	15	1,2%
Santa Catarina	10	0,8%
Mato Grosso do Sul	9	0,8%
Distrito Federal	9	0,7%
Maranhão	2	0,2%
Total	**1.230**	**100,0%**

(ii) Competition conditions in markets

The real estate development and construction industry in Brazil is very competitive. The market is fragmented and no single company has a significant share of the national market.

We have two types of competitors: companies that are already listed or are in process of becoming listed on the BM&FBOVESPA and small local companies. Companies in the first group are mainly located in large cities and have entered the mid-high-income residential segment. Companies in the second group have low levels of capitalization, and limited access to financing. In our view, this competitive edge will tend to decrease in value over time. In addition to government's efforts, we believe that bank real estate financing is a strong factor in the development and sales process. The financing costs are easily offset by our scale and industrial production features. A large scale and financing also allow us to have easy and low-cost access to credit, thereby resulting in a lower cost to our customer.

In the coming years, we expect more competition from traditional developers from other segments listed on BM&FBOVESPA, and from foreign companies who recognize the growth potential in the low-income residential segment.

Some of these companies are financially capable, made possible through their capital raising efforts, to enter into the segment. We believe, however, that because our efficiency, experience in the segment and continued efforts to improve our operations we should be capable of maintaining our competitiveness.

The main factors that distinguish us from competitors include price, location, availability and terms of financing, finishing standards, quality of construction materials, reputation and our track-record of meeting construction deadlines.

d) Potential seasonality

In general, the real estate market in our segment is not significantly affected by seasonality. The most consistent fluctuation is a decrease in sales in December, which we believe is due to the Christmas and New Year's holidays.

e) Main inputs and raw materials

(i) Procurement Relashionship

In the construction of our projects, a relevant part of the direct costs is coming from the building materials, which caused the Company to develop a Supply team, specialized and with deep supplier market knowledge for the acquisition of the main raw materials used in our activity. It is integrated into our Production team, and also has under its responsibility the hiring of equipment and services and the strategic and value-added services (foundations, demolition, earthworks, paving, electrical grids, etc...). 2013 accounted for 51% of the construction expenditure. The centralization of our purchasing process contributes to less variation in the final cost of the projects.

(ii) Possible dependence on few suppliers

Our Supply team does not have exclusivity agreements with any supplier, and researches the market constantly. Our average payment term is approximately 42 days in 2013. Because of the standardization of our products and the simultaneous development of several projects in the cities we operate, we are able to achieve economies of scale in the acquisition of raw materials and contracting of services.

We have a wide list of suppliers, selected on rigid criteria, and agreements are negotiable to ensure timely deliveries, product quality within technical specifications and warranties, and better commercial terms. We classify our suppliers into national, regional or local, in order to standardize inputs used in the construction process and, obtain the service, which protect us from relying on any one supplier. In 2013, we did business with 8,943 suppliers, in a total volume of R$ 1.37 billion.

(iii) Possible volatility of inputs price

We highlight 250 items, representing approximately 60% of our costs of materials, equipment and strategic services on which we make a monthly monitoring. With the suppliers of these groups of goods, we make strategic negotiations and agreements at national, regional or local level. This ensures greater uniformity in prices and quality of the products, and great negotiating power in the purchase, generating great results.

7.4. Relevant clients (responsible for more than 10% of the Company's total net revenue

No client is responsible for more than 10% of the Company's net revenue. The real estate market is extremely diluted.

7.5. Relevant effects of the state regulation on the Company's activities

a) need of governmental authorizations for the exercise of the activities and historical relationship with the public administration of such authorizations

The exercise of the Company's activities is not subject to governmental authorizations, except for the specific licenses and authorizations of each of our developments. Historically, we have always obtained successfully the governmental authorizations necessary for the development of our projects.

Regulation related to real estate activities

The current regulation of the real estate industry includes such matters as real estate development, zoning restrictions and environmental laws. The Brazilian Civil Code governs matters relating to real estate development projects, as well as the ownership of real estate. As a general rule, the Brazilian Civil Code requires that transactions relating to the sale of real estate, as well as the assignment, transfer, change or waiver of real estate rights, must be made by means of a public deed, except for transactions related to the SFI and the SFH and certain other exceptions provided by law. Each of these transactions must also be registered with the proper Real Estate Registry office.

Real estate development

Real estate development activities are regulated by Federal Law 4591, of December 16, 1964, the Real Estate Development Law, which defines real estate development as the activity performed to foster the construction and development of real estate projects, for total or partial sale, in the form of buildings or otherwise composed of units.

The developer's main duties are: (i) to register the real estate development with the Real Estate Registry office; (ii) to sale the Units upon the effective registration with the Real Estate Registry office, indicating in all advertisements and sales contracts the registration number of the development; (iii) to assure the construction of the development; (iv) to transfer title to the unit; and (v) to register the construction blueprints along with the joint ownership agreement with the proper Real Estate Registry office.

The developer may establish a deadline of up to 180 days for the sale of the real estate development, and may withdraw from the development before this deadline, but this deadline should not exceed the term for the validity of the respective registration or, however the case may be, the respective revalidation.

The construction of the development may be contracted and paid for by the developer or by purchasers of the units. The Real Estate Development Law provides for two systems of construction: (i) construction under contract and (ii) construction under management.

Construction under contract is arranged with either a fixed price, established before the construction begins, or an adjusted price, which varies according to an index determined by the contracting parties.

In a construction under management, the purchasers of the units pay the total costs of the development through monthly proportional installment payments. Therefore, the purchase and sales agreements do not set forth the unit sales price.

Assets for appropriation

Law No. 10,931, of August 2, 2004, created a special tax system related to assets for appropriation. Under this system, land parcels and structures built on it, financial investments in the land and any other assets and rights with respect to the land are apportioned to benefit that development's construction and the delivery of the units to the purchasers, and are thus segregated from the developer's remaining assets. Accordingly, appropriated assets have no connection with the other properties, rights and obligations of the developer, including other assets previously appropriated. In addition, the appropriated assets can only be used to secure debts and obligations related to the respective development. The appropriated assets will not be affected in the event of the developer's bankruptcy or insolvency.

In the event of a developer's bankruptcy or insolvency, joint ownership of the development may be instituted by a resolution of the purchasers or by judicial order. The joint owners of the development then decide whether to proceed with the project or liquidate the assets for appropriation.

Real estate credit policy

The real estate industry is highly dependent on the availability of credit. The Brazilian government real estate credit policy significantly affects the availability of funds for real estate financing, and consequently the supply and demand for real estate units.

The real estate credit market in Brazil is extremely regulated, and the funds for financing in this industry are derived mainly from the FGTS, and from the mandatory investment of a portion of the deposits from savings accounts.

The FGTS is a mandatory contribution equivalent to 8.5% of the payroll of the employees in accordance with the employment relationship set forth in the CLT, the Decree-Law 5452, of May 1, 1943. The CEF is the entity in charge of the management of funds under the FGTS.

Financing can be granted through the (i) SFH, which is regulated by the Brazilian government; and (ii) mortgage portfolio system, under which financial institutions may freely negotiate the financing conditions.

Housing finance system (SFH)

Law No. 4380, of August 21, 1964, created the SFH with the purpose of facilitating the acquisition of residential real estate units, in particular by the low-income population. The SFH is funded by the FGTS and a portion of the deposits from savings accounts.

The main requirements to obtain financing for the acquisition of a home are as follows:

- The financed real estate must be exclusively for the use of the purchaser;
- The maximum sales price of the units must be R$500,000;
- The borrower cannot own title or rights for a residential property in the same city;
- The maximum cost for the purchaser, including interest, commissions and other financial charges but not insurance, cannot exceed 12.0% per year;
- In case of a balance at the end of the negotiated period, the payment term may be extended for a period equivalent to one-half of the period originally established; and
- The purchaser must provide one of the following security interests: (i) a first mortgage on the financed asset; (ii) a conditional sale agreement related to the financed asset; (iii) a first mortgage of another property of the purchaser or of a third party; or (iv) other guarantees, as established by the financial agent.

Mortgage portfolio system

The SFH funds derive from the FGTS and deposits in savings accounts. However, not all funds derived from savings accounts are allocated to the SFH. At least 65.0% of savings deposits must be used for real estate financing, as follows:

- 80%, at least, for residential financing within the SFH; and
- the remainder for real estate financing contracted at market rates, including housing financing transactions.

This remaining balance, intended for financing granted at market rates, comprises the mortgage portfolio used by banks for the granting of real estate financing. Since the financial institution uses its own funds to grant financing, the terms and conditions in these cases may be negotiated more freely than the for SFH financing, allowing financing of real estate properties with higher prices. Consequently, the rates and amounts of these types of financing are usually higher than those of the SFH financing, ranging from 12.0% to 14.0% per year, adjusted for inflation based on the TR index.

Real estate finance system (SFI)

Law No. 9514, of November 20, 1997, as amended, created the SFI and established rules for the assignment, acquisition and securitization of real estate credits. This system seeks to develop primary (loans) and secondary (trading of securities backed by receivables) markets for the financing of real estate units by means of the creation of advantageous compensation conditions and special instruments for the protection of creditors' rights. The new rules also permitted capitalization of interest and monetary adjustment less than yearly for transactions over 36 months, both of which were previously prohibited.

Real estate sales into installments, leasing or other financing in general may be negotiated with non-financial institutions under the same conditions permitted by authorized entities under the SFI. In these cases, non-financial entities are authorized to charge compound interest rates greater than 12.0% per year.

The following types of collateral are applicable to financing granted through the SFI: (i) mortgages; (ii) conditional assignment of credit rights from sales contracts; (iii) pledge of credit rights resulting from sales contracts or rental of real estate; (iv) conditional assignment of real estate; and (v) antichresis.

Finally, amongst the matters covered by Law No. 9514, of November 20, 1997, we emphasize the securitization of real estate credits. This Law created a specific system for this type of securitization, with specific characteristics, such as the conditional sale system, making the structure less expensive and more attractive.

The securitization of credits in the context of the SFI is made through real estate securitization companies, which are non-financial institutions formed as stock companies and registered with CVM as publicly-held companies. Such companies have the objective of acquiring and securitizing real estate credits through the issuance of Real Estate Receivable Certificates, or CRIs, as well as other marketable securities (debentures, notes, among others) backed by real estate credits.

CRIs are securities issued exclusively by real estate securitization companies as a promise of payment in cash. CRIs are backed by real estate credits that can be freely negotiated. The main characteristics of these securities are: (i) issuance in book-entry form; (ii) payment in installments; (iii) fixed or floating interest rates; (iv) monetary adjustment; (v) registration and negotiation through centralized systems of custody and financial settlement of private securities; (vi) possibility of a trust system, linking real estate credits to the respective CRIs issued (thus constituting segregated assets similar to those under the assets for appropriation system in real estate development); and (vii) establishment of a floating charge on the issuer's assets.

Municipal regulation

We describe below the municipal legal aspects of our main markets.

Municipality of São Paulo

The Zoning Law governs the parceling, use and occupation of land in the municipality of Sao Paulo. It sets forth technical and urban planning requirements for parceling, and establishes that the splitting and separation of tracts of land will be subject to the prior approval of the Sao Paulo municipal government. Moreover, this zoning law describes the types of allowed uses of the land and their respective characteristics by dividing São Paulo into areas of use with fixed locations, limits and boundaries

Municipal Law No. 13,430, of September 13, 2002, approved the Master Plan and created the Planning System of the Municipality of São Paulo, being governed by a number of municipal decrees. The Master Plan is the guiding tool for planning development in the urban areas of the municipality and is used as a reference by all public and private agents acting within the municipality. It establishes the strategic goals and general guidelines for urban construction, the objectives and guidelines for differentiated areas of planning, and the instruments for their implementation. In addition to the Master Plan, municipal planning is also regulated by Articles 182 and 183 of the Federal Constitution and by Federal Law No. 10,257, of July 10, 2001, known as *Estatuto da Cidade* (the Cities Act). In addition, Law No. 11,228, of September 25, 1992, approved the Code of Works and Construction, which is regulated by Municipal Decree No. 32,329, of September 23, 1992. Municipal Decree No. 32,329 governs administrative and executive procedures and states the general and specific rules to be followed in the planning, licensing, execution, maintenance, and use of public works and construction within real estate projects with respect to the real estate within the municipality of São Paulo, and also provides for sanctions and fines applicable in cases of noncompliance with these rules.

Municipality of Belo Horizonte

The municipality of Belo Horizonte is subdivided into large zones. Each zone has general urban parameters, common to any type of development. These parameters are regulated by Municipal Laws No. 7,165 and No. 7,166, both of August 27, 1996 (Master Plan and Use of Land Law, respectively), Law Nº 8.137/00 and Law No. 9959, of July 20, 2010, which modifies Laws No 7165/96 and No. 7166/96, in the Law Nº9725/09 (Construction Code) and in the decree Nº 13.842/10 (Regulates the Law 9725/09 – Construction Code)..

The particular aspects of certain regions, with different urban and tax regulations according to the characteristics of each zone, have been considered in Areas of Special Regulations (ADEs).

The differences between each zone are based on the potential for growth and the demands for environmental or landscape preservation and protection.

The Municipal Secretary of Urban Regulation is mainly responsible for (i) giving instructions and enforcing the legislation concerning urban activities in the municipality; and (ii) ensuring urban quality of life of the population of Belo Horizonte by using updated urban planning techniques.

Municipality of Rio de Janeiro

Complementary Law 111 of February 1, 2011, provides for the Urban and Environmental Policy of the City and establishing the Master Plan for Sustainable Urban Development in the city of Rio de Janeiro.

This plan has a term of 10 years, establishing the rules and procedures related to urban policy in the municipality of Rio de Janeiro. This plan established guidelines and tools for the execution of urban policies and programs with the purpose of meeting the social needs of the city.

The zoning parceling, use and occupation of land laws of the municipality of Rio de Janeiro govern the use of land in the city and address urban zoning, use of areas, development activities, and types and conditions of developments in relation to each zone established by the regulations.

Municipality of Campinas

The rules applicable to the use and occupation of the land in the municipality of Campinas are established in the (i) Master Plan of the Municipality of Campinas (Law No. 15, of Dcember 27, 2006); (ii) Construction Code (Law No. 9, of December 23, 2003); (iii) Land Use and Occupation Law (Law No. 6,031, of December 29, 1988); (iv) Municipal Laws No. 10,850, of June 7, 2001, and No. 9,199, of December 27, 1996, which provide for the environmental protection areas and the urban management plan of the Barão Geraldo district and (v) Decrees nº 17.503 ofJanuary30 of 2012, that outlines about the aproval of land parcelling for housing purposes in the public administration shpere and disciplines compliance of "Plano de Estruturação Urbana da Região Centro-Sul" and n° 18306 of March 25 ,2014, that outlines over the procedures for environmental licensing of developments and activities that have local impact in the Secretaria Municipal de Meio Ambiente de Campinas sphere.

The Municipal Secretariat of Housing is responsible for establishing policies aimed at offering housing to the low-income population. COHAB *(Companhia de Habitação Popular de Campinas)* is responsible for the planning, development and sale of residential units as well as financing, all of which are specifically directed towards the low-income population, according to the regulations set by the municipal, state and federal governments.

On a municipal and regional level, the Municipal Secretariat of Housing acts as financial agent and sponsor of the SFH, being responsible for applying the national housing policy and for implementing other programs related to residential financing, with the purpose of reducing the housing deficit

On July 7, 2005, the Municipal Secretariat of Urban Planning - SEMURB was created to be in charge of the approval of architectural and urban projects on private land through the establishment of rules, issuance of licenses for the use and monitoring of development projects.

b) issuer's environmental policy and costs incurred for compliance with environmental regulation and, however the case may be, other environmental practices, including the adhesion to international environmental protection standards:

We are in compliance with applicable environmental legislation and rules and we operate accordingly in all stages of the project and construction of our developments. We have not adhered to any specific rule or international standard in connection with the environmental protection.

Continuously focused on the sustainable growth, we adopted certain practices to increase our commitment with the environmental protection. In this regard, we stimulate the development of projects and new technologies which contributes for the waste reduction, the logical usage of natural resources and the use of proper materials not to damage the environment.

In compliance with environmental legislation, when we acquire the land where we intend to develop our projects, we seek to consider all necessary and applicable environmental aspects, focused on the existing springs, vegetation and localization of this land as regards to the preservation areas in the place.

In addition, the implementation of the real estate developments usually results in leveling of the ground, as well as, in many cases, the removal or cutting of vegetation. These activities depend on the previous authorization by the environmental bodies. As a condition to issue such authorizations, such bodies may require compensatory measures, such as, for example, the plantation of new trees and even the acquisition of forest areas with extension at least equivalent to the affected areas. The non-authorized modification in these areas or the removal or cutting of protected trees represents environmental violation and subjects the infractor to civil, administrative and criminal claims.

We develop and construct projects in several states in Brazil. Each member state is supported by the Environmental Secretariat or Environmental Agency and we comply with all requirements before these bodies, from the purchase of the land to the final licensing of the projects. The environmental bodies have adopted, over the years, more severe measures as regards to the management of environmental matters and we have successfully complied with these measures.

In this sense, our developments, the projects of which are already approved, were properly licensed. As regards to the developments under approval, the environmental projects are in progress.

We estimate that the cost incurred for the compliance with the environmental regulations, as requested in connection with some developments, corresponds to approximately 1% of the development's total sales value.

Our activities are subject to environmental rules, as described below.

Environmental licenses and authorizations

Brazilian environmental legislation, under Law No. 6938, of August 31, 1981 ("Law no. 6938/81") and its respective changes in Law Nº 12651 of May 25, 2012, determines that the installation, construction, extension and operation of projects that in any way cause or could cause degradation of the environment are contingent upon obtaining previous licensing of the competent environmental agency. And the licenses issued must be renewed periodically, which must be requested with a minimum advance of 120 (one hundred twenty) days of the expiration date, so that this is automatically extended until the ultimate manifestation of the competent environmental agency.

Therefore, the environmental licensing process, which is governed by the Environment National Council (CONAMA) Resolution 237, of December 19, 1997 ("CONAMA Resolution nº 237/1997"), is divided in three parts, being each license subject to the issuance of its previous license: (i) preliminary permit; (ii) building permit, and (iii) operating permit. In addition, an environmental permit is required when any part of the development is changed or expanded.

CONAMA Resolution nº 237/1997 additionally establishes that the state environmental agency has the responsibility over the environmental projects licensing whose impacts are restricted to its territory, as well as imposing the conditions, restrictions and plausible control measures. It is up to Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (IBAMA) the competence to proceed to the licensing of developments and activities of significant environmental impact in regional or international scopes, as well as the city competent organs with the local impact projects' licensing.

Notwithstanding the application of fines, there can also be penalties that include orders to cease work or to deactivate or demolish a project, among others. Moreover, in accordance with Decree 6514, of July 22, 2008 and its changes in the Decree Nº7719 of April 11, 2012, these penalties also apply if the developer fails to comply with the terms of the environmental permit.

On 09/12/2011 the Complementary Law Nº 140, which poses regulations for the Union's, States' and Cities' action regarding administrative matters orginated from the exercise of common jurisdiction. This Law aims at the protection of the environment and fighting polution in any form, as well as the preservation of the forests, fauna and flora.

The CL nº 140/2011 establishes goals to bem et by Public Entities regarding the environment conservation, harmonizing policies and administrative actions in a way to avoid conflict of assignment/comptence, thus delimiting the responsibility of each Public Entity

We seek to properly maintain our development's environmental permits. The construction and maintenance of our developments' sales may suffer delays on obtaining environmental licenses or even due to inability on our part to comply with the requirements established by environmental agencies in the process of environmental licensing.
The implementation of real estate developments normally implies moving soil as well as often cutting vegetation. These activities are contingent upon prior authorization by the pertinent environmental agencies. In order to issue authorizations and these agencies may require the adoption of compensatory measures, such as planting of new trees and the acquisition of forest areas with size at least equivalent to the affected areas. Unauthorized actions in regulated areas, or the cutting or pruning of protected trees, are an environmental crime and would subject the responsible party to civil, administrative and criminal sanctions.

We seek to obtain all the necessary environmental permits for the development of our activities. The absence of licenses or permits from the competent environmental agencies for potentially polluting activities subject the offender to criminal and administrative sanctions that may culminate in fines, as well as the responsibility of repairing the environmental damage in the civil sphere. However, it is relevant to highlight that the maximum fine is only imposed when the irregular conduct implies severe environmental damage.

Technical Federal Registry

The Federal law nº 6,938/1981, and its changes in Law Nº 12651 of May 25, 2012, which regulates the National Environmental Policy imposed the Technical Federal Registry ("CTF") of IBAMA as an environmental promotion instrument. Individuals or Companies that dedicate themselves to activities that may potentially be polluting or extraction, production, transport and commerce of pottentially environment harmful products, as wel as products and subproducts of fauna and flora, such as civil construction are subject to register in the CTF.

In accordance to the Federal law nº 6,938/1981 the absence of register at the CTF subjects the entrepreneur to penalties.

We seek to obtain, and to keep up to date, the necessary IBAMA registers for the conduction of our activities.

In the various CNPJs that MRV has for each branch or jointly controlled entity, we are classified as "classificated" at IBAMA for the obtention of the CTF, as:

Developed Activities:

Category	**Activity:**
22 – Civil Construction	8 – Other Construction
20 - Use of Natural Resources	9 – Consuption of wood, timber or,charcoal

Conservation units

The Federal Law No. 9985 of July 2000 regulates the creation of protected areas in the National System of Conservation Units – SNUC, comprised of the joint protected areas of federal, state and municipal governments that are divided into two groups: Integral Protection Area Units and Sustainable Use. Such legislation provides for its creation, deployment and management; well as incentives, exemptions and penalties for companies or individuals involved in the intervention or formalization of the categories of conservation units.

The Federal Decree 4340 of August 2002 regulating articles of Law No. 9,985, of which providing for compensation for significant environmental impact. As Article 31 of the decree, for purposes of environmental compensation, the environmental license agency establishes the degree of impact from the environmental studies carried out during the licensing process, in which these impacts are considered negative, unmitigated and subject to risks that may compromise the quality of life of a region or damage natural resources. The percentage of environmental compensation shall be established gradually from half percent of the total estimated cost for the implementation of the project, considering the magnitude of the impacts. However, there should be established under the license agencies environmental clearinghouses, composed of representatives of the agenct, in order to analyze and propose the use of environmental compensation, for the approval of the competent authority, in accordance with the environmental studies conducted and defined percentages.

Permanent Preservation Areas

The Permanent Preservation Areas ("APPs") are areas specially protected by virtue of their environmental importance. In accordance with the Forestation Code and the Sate Law Nº 20.922/2013 (establishes forestry politics and biodiversity protection in the State), the APPs include, among others, the surroundings of water places, water springs and top of the hills.

The removal of the vegetation and/or any intervention in area located in APPs depends on the prior authorization by the proper authority and will solely approved in cases of public services or social interests, when there is no other technical or localization alternative for the development.

Deforestation or of other native formations, as well as exploitation of any kind of native vegetation or native species planted at APPs without the corresponding authorization from the competent agency constitute an environmental administrative offense. In the terms of Decree nº6,514/2008 applies penaltiesper hectare or fraction. The existing APPs in our developments are preserved.

Water resources

In accordance with the National Water Resources Policy (Federal Law nº 9433 of January 8, 1997), the authorization for the usage of water resources is mandatory for all activities which use water locations, both for capture of water and disposal of effluents. The authorization to use the water resources is issued by the proper environmental body. These activities include the capture of water from private artesian wells.

The capture and dispersal performed without authorization subjects the individual or Company to penalties such as a warning, embargo, interdiction and fine.

Legal reserve

In accordance with the Forestation Code, reformed by the Law Nº12.651/2012, at least 20% of the vegetation of each rural property must be allocated to environmental preservation except for those areas of Forest and cerrado located inside Legal Amazon, in which 80% and 35% of each property, respectively, must be representing the legal reserve. The APPs must not be considered, except in cases achknowledged by law upon consent of the competent environmental agency. Such area must be registered in the deed of the respective property, the usage of which must not be changed in the cases of transfers or dismembering of the area. According to Decree nº6,514/2008 as of Aprill 11, 2012, the non registry of legal reserve in rural property will subject the offender to warning penalty and daily fine per hectare or fraction of legal reserve.

In case the owner or rural property land owner does not meet the requirement for maintenance of the legal reserve, the Forestation Code establishes alternatives, such as: (i) reforestation through native species planting, (ii) conducting the natural regeneration of the legal reserve or (iii) compensation of the legal reserve by other equivalent area in ecological importance or extension that is part of the same ecosystem and microbasin.

Historical and archeological patrimony

As regards to the archeological sites and areas of historical and cultural interests, it is necessary consent of the governing body prior to any intervention. We do not have developments with archeological sites and historical and cultural interests.

Solid waste

According to the Solid Waste National Policy, as outlined by the Federal Law nº12,305/2010 the inadequate disposal of solid waste, as well as accidents deriving from the transportation of this waste, may be a soil and ground waters contamination factor, implying the application of administrative and criminal sanctions. Additionally, Brazilian environmental legislation establishes rules for the proper disposal of waste, including waste stemming from civil construction. Violation of these rules can result in penalties. See subitem “Environmental Liability”.

CONAMA Resolution No. 307, of July 5, 2002, amended by CONAMA Resolution No. 348, of August 16, 2004, establishes criteria for management of civil construction waste, with the purpose of minimizing environmental impact. According to this rule, civil construction waste is classified into four classes, and for each class the acceptable type of disposal is defined. The rule expressly prohibits disposal of such waste in residential landfills, dumping areas, hillsides, rivers and lakes, vacant plots of land and other areas protected by law without the proper environmental license,

For cases where environmental licensing of the activity is not required, a project for management of civil construction waste (“PGRCC”) must be submitted with the development project for analysis by the appropriate municipal government agency. We seek to obtain all the necessary environmental licenses for construction’s waste management.

Aiming to comply with the current legislativo, especially the Ordinance nº 582 of 12/05/2012 – CIties Ministry, which discusses the Conformity System of Service Companies and Civil Construction Services– SIAC, in the year of 2012 the Solid Waste Management Program in Civil Construction, was implemented. In this program, through preventive and constant actions,we seek the development of solutions on solid waste reuse and recycle, material disposal, among other proceedures regarding the correct waste disposal in our construction sites.

Contaminated areas

The soild and/or groundwater contamination represent environmental liabilities that need to be managed carefully, since the compensation is imprescritible. In other words, the responsibility for environmental damage is not extinguished over time. Areas considered contamined are those in which there was proved to be pollution generated by disposal, accumulation, storing or infiltration of substances or waste, implying negative impact over the protected assets.

We develop and construct real estate development projects in certain states of Brazil. Each state has an environmental office or environmental agency. The environmental agencies have been adopting positions that are more and more stringent concerning the management of contaminated areas, including the establishment of environmental standards for improving the quality of the soil and ground water. We emphasize that, in accordance with State Law 13,577, of July 8, 2009, the State of São Paulo is the state subject to the most restrictive terms in this area, which terms determine that the legal responsible for a land, or those persons jointly deemed responsible (such as the superficiary, the holder of the effective ownership and the beneficiary), upon

verification of evidences or suspected contamination, must report the matter to the proper environmental and health bodies, under the penalty of fines. It is also mentionable that the maximum charge is only imposed when there is severe damage to the environment.

In order to comply with the environmental legislation, when we acquire a tract of land we take into account all of the environmental aspects, including the possible existence of water supply basins, and other forms of vegetation. We also take into account whether the land possesses the characteristics of an area requiring preservation, so that the environmental aspects have already been considered when the time for approval of our project by the appropriate agency comes.

We stress the CONAMA Resolution 420/2009, which discusses the criteria and guiding values for soil quality as for the presence of chemicals and establishes directives for the environmental management of áreas contamined by those substances due to antropic activities. Changed by the Resolution 460/2013.

Environmental liability

Environmental liabilities may occur at three different and independent levels: (i) civil, (ii) administrative and (iii) criminal.

These three levels are different and independent because a single action by the agent may generate environmental liabilities at all three levels, with the application of three different sanctions. In addition, the non-attribution of liability at one of these levels does not necessarily exempt the agent from liability at the other levels.

Administrative liability

In this matter, Environmental Crimes Law ruled by Federal Decree No. 6,514/2008 provides, in article 70, that any action that violates the legal regulations of environment's use, enjoyment, promotion and recovery is considered an administrative environmental infraction.

Administrative liability for performing an action or omission of the agent that characterizes violation of any applicable rule, regardless of guilt verifying or effective occurance of environmental damage.

The sanctions to be imposed against eventual administrative infraction may include warning, fine, product suspention, suspention of fiscal benefits and canceling or participation interruption in state banks' credit lines, besides prohibition of being hired by public agencies.

Civil liability

When strict civil liability is found, it means the agent's liability depends only on the determination that its act or omission caused environmental harm, regardless of the agent's fault (negligence, lack of care, or gross negligence). Environmental civil liability is therefore attributed, in principle, to the person who is directly or indirectly responsible for an activity that causes environmental harm (article 3, IV, of Law 6,938/81).

Additionally, if the activity is performed by more than one agent and it is not possible to identify each agent's contribution to the environmental harm, government agencies and the courts find joint and several liability, under which one of the agents is found liable for the entire environmental harm, and that agent has a right of recourse against the other agents who caused the environmental harm, as set forth in article 942 of the Civil Code.

Therefore, both activities that are potentially polluting that we conduct and the hiring of third parties to provide any service at our developments, including removing vegetation and earthmoving, make us potentially liable for any environmental harm caused if the third parties do not conduct their activity in accordance with environment rules. We are not parties to any Public Civil Claim related to the environmental matter with material impact in our business.

Because of this, considering that those who compete indirectly for the occurance of eventual environmental damage may be responsible civicly, it is fundamental that a joint management of the inherent risks to all involved in the specific project development, as well as demand and control the compliance of an adequate environmental policy from its clients, in a way to minimize risks that may arise due to an eventual jointly liability.

Finally, it is mentionable that, despite there is no express reference in the law, according to the doctrine's understanding the redress pretention is not subject to prescription.

Criminal liability

In the Criminal sphere, any individual or Company is subject to Federal Law nº9605/1998 that may compete for the practice of certain acts considered harmful to the environment, the proving of intention or guilt (negligence,imprudence,malpractice).

In such way for the Company's criminal liability to be configured it is necessary the proving of an action or omission by it or one of its subsidiaries, and the act being framed in one of the penal types predicted by law nº9605/1998.

Moreover, the Law nº9605/1998 sets forth the possible disregard of the legal personality, as regards to the legal person responsible for the environmental violation, whenever this situation avoids the reimbursement of losses caused against the environmental quality. The restrictive penalties of the Company may be (i) total or partial activities suspention (ii) temporary establishment, construction or activity interdiction, and (iii) prohibition of hiring the Public sphere, as well as obtaining from it subsides, subventions or donations.

c) patents, trademarks, licenses, concessions, franchises, royalties agreements deemed relevant to the development of the activities

We perform our business through the trademark “MRV Engenharia”. On January 5, 2007, we entered into with MRV Serviços de Engenharia Ltda. a Trademark Use License Agreement, through which MRV Serviços de Engenharia Ltda. granted us, freely and exclusively, the license to use, in Brazil, 4 (four) trademarks named "MRV Engenharia in different classes, all duly registered with INPI, 1 (one) mixed trademark named “SFH da MRV Sistema Fácil de Habitação”, which register is extinct since September 3, 2006. The license is valid for ten years as from the date of execution of the respective agreement and can not be assigned by any of the parties, except upon prior approval.

On August 22, 2014, the Company signed an agreement with MRV Serviços de Engenharia Ltda. for assignment and transfer of rights of use and ownership of the trademark “MRV ENGENHARIA”, embodied in the certificates of trademark registration n. 821587137, n. 821587137 and n. 200039202, duly granted by INPI on 10/14/2003, 09/23/2003 and 10/14/2003, respectively, at a price of R$ 24,000,000.00 (twenty four million reais). The process of transferring the records is already being processed by INPI.

We are the owners of a number of domain names registered in Brazil, such as “mrv.com.br”, "cademeuprimeiroape.com.br", "euodeiopagaraluguel.com.br", “www.mudeipromeumrv.com.br” and “www.tourmrv.com.br”.

7.6. Information on the countries where the Company records significantly revenues

There are no Company’s revenues from other countries other than those generated in Brazil. Our incorporation activities are performed only in Brazil. The totalities of revenues registered in the financial statements are derived from customers assigned to Brazil, where our company is headquartered

7.7. Regulation of the foreign countries disclosed in item 7.6 from which the Company records significant revenues

Not applicable, once the Company does not have revenues from foreign countries.

7.8. Other long-term relevant relationships with the Company

The Company has always been supported by financial partners, being significant the number of businesses carried out with partners over the years.

Our most important partner is CEF, with which we work since the beginning of the 1980’s.

We are the CEF’s and BB’s real estate representative, as such we execute most of the necessary procedures for risk evaluation and contracting the home acquisition.

In 2010 we initiated our corporate relationship with BB – Banco do Brasil, today we are BB’s biggest partner for client financing, which created a great efficiency in the processes of both construction as client financing. In the same year, we contracted our first financing.

We also maintain a solid relationship with Banco Santander.

Moreover, we have a long-term relationship with several suppliers, such as Gerdau, Votorantim, Alumasa and others.

CORPORATE RESPONSIBILITY
The mission of MRV, the largest platform for low-income properties in Brazil, is to reduce the country’s housing deficit by offering the best cost-benefit relationship to its customers. To achieve excellence over its 34 years of existence, MRV has always adopted the best construction, social and environmental practices.

The Company believes that in order for a sustainable development, it needs to comprehend four basic requirements: to be environmental correct, economically viable, sociably fair and culturally accepted. As such MRV is committed with environmental impacts mitigation, maintaining actions for the wellbeing and life quality of the communities where it operates. Proof of this is the numerous social-environmental initiatives that MRV continuously develops.

MRV's developments are submitted in accordance with national, state and municipal environmental policies, which mean all projects comply with environmental licensing, concerning authorizations for earthmoving and/or vegetation suppression; and regulations for disposal of waste and preservation of the soil and groundwater. All aspects are taken into consideration when acquiring the land and reflected in our projects that are submitted to the authorities for approval.

For MRV, environment is a top priority and it starts since the land choice – in order to reduce land removal and preserve its original characteristics. This thematic goes from developing phases and goes through the construction phases, always seeking the rational use of materials and natural resources.

Close and transparent Relationships

Ethic and respect with all stakeholders. This is what drives our values and rules MRV's relations with all its publics, whether they are clients, employees, investors, shareholders, communities or partners. The pursuit of sustainable and environmentally correct solutions is one of the major concerns of the organization, which growth is based on the personal and professional development aiming customers' satisfaction.

Some sustainability actions promoted by the Company are:

Social Responsibility

MRV is aware of the importance of its actions as an agent of progress and of the improvement of the life quality of its employees, their families and the community. One of the Company's social responsibility programs is the labor training, qualifying thousands of people.

MRV invests hardly in education, contributing to the illiteracy eradication at its constructions sites. In 2013, 40 classrooms were implanted, benefiting more than 650 students at our sites throughout Brazil. MRV offers literacy classes (elementary school) and professional qualification at the workplace, and thus, the employees can attend the classes without displacement. Besides personal and professional growth, this project has brought other benefits to the employees, such as quality of work execution improvement and improving safety to the workers, once the higher education level supports a better safety signs understand. MRV's goal is to double the number of classrooms in 2014.

With initiatives towards support and assistance, especially poor children and elderly people, MRV invests in the communities where it is present, aiming to improve the life quality of those people.. In Belo Horizonte, where its headquarters are located, the Company supports, since 2009, the *Cidade dos Meninos São Vicente de Paulo*, which supports more than 5,000 underprivileged youths. With donations corresponding to the monthly minimum wage for each one of the 200 youngsters that it sponsors and the maintenance of the building in which they live in, the Company helps to ensure that, in the future,those teenagers have a profession and may become citizens. Besides that, MRV organizes and incentives charity movements whic are directed at the Project and that envolve their colaborators, especially in festive dates, such as the Children's Day and Christmas.

Main actions developed in 2013:

- Sponsoring the "Espaço Criança Esperança" at Aglomerado da Serra, in Belo Horizonte (MG). Alongside with the *Sindicato da Indústria da Construção Pesada do Estado de Minas Gerais (Sicepot)* and *Codeme Engenharia*, MRV will donate resources to the new facilities, which will include a five floor building with dance workshops, music, arts and culture, an auditorium and areas for psicosocial care and a library. The sports court and the pool will be reformed. The building with an área of more than 1,800 sq.m. is expected to be finished in the end of 2015, and will allow the better attendance to the more than 700 children and teenagers benefited by the *Projeto Criança Esperança* in the city.

- Renewal of the sponsorship to the *Instituto Minas pela Paz*, an organization created in 2007, from the iniciative of the *Federação das Indústrias de Minas Gerais (Fiemg)* and of the largest Companies in the State. The objective of the Institue is to help the Government in the fight against violence and criminality reduction in the State. The institution stands out by elaborating, proposing and implementing viable solutions focused in public security.

- Winter Clothing Campaign among colaborators of 95 cities in the Country as a celebration of 1 million fans in our Facebook channel, reached in May 2013. In Belo Horizonte, the *Lar dos Idosos de São José*, of the *Sistema Divina Providência*, for example, received approximatelly 100 pieces of clothing and blankets.

- Celebration of the Children's Day in *Lauro de Freitas* (BA), with the mobilization of employees from the Company's construction sites. In a charity action, toys were collected and donated to the 50 supported by the daycare *Creche Irmã Sheila*, at the *Itinga* neighborhood.

- Participation on the campaign "Santa Claus in the Post Office". As in the last 10 years, the colaborators in Belo Horizonte are invited to respond to the present requests that arrive by mail. A total of 107 of the school *UMEI Águas Claras* were sponsored and received presentes delivered by the colaborators themselves.

- Solidary action at *Lauro de Freitas* and *Camaçari*, in Bahia, with the sale of part of ferrous scraps of five projects in both cities to a local cooperative. As sugested by the construction teams, the raised amount was directed to the charity association *Associação de Caridade Adolfo Bezerra de Menezes*, an elderly home located nearby one of our projects in *Lauro de Freitas*. The resources made possible the purchase of geriatric diapers, Blood Glucose Monitoring Systems, as well as food for the sheltered elderly.

- Donation, as counterpart, of two land plots to the cityhall of *Suzano* (SP), which will build schools and health units in those places.

Cidade dos Meninos São Vicente de Paulo

This is MRV's largest social project and is sponsored in partnership with the institution Cidade dos Meninos de São Vicente de Paulo, which supports more than 5,000 underprivileged youths, with headquarters at Belo Horizonte Metropolitan Area. MRV and some of its shareholders/employees reiterated, on February 6, 2009, the commitment to maintain the buildings and the 200 youths who will live there for 5 years. This way, we continue to ensure that these teenagers become citizens with access to housing, quality education, food, sports and cultural activities. In addition to the moral and human orientation, the boys also learn a profession, since the Cidade dos Meninos institution offers around 90 vocational courses.

Trees

For the third consecutive year MRV has exceeded its trees planting annual goal, reaffirming the commitment of contributing to the life quality of citizens of markets where MRV operates. In 2013, the Company planted a total of 122,069 trees.

Since implementation of trees planting goals in January 2011, MRV has planted 350,000 trees, equivalent to 97 hectares of native forest.

In 2013, Ribeirão Preto was the regional with higher number of trees planted reaching more than 35,000 seedling, followed by São Paulo with more than 20,000 and Belo Horizonte with more than 14,000 planted trees. LOG Commercial Properties contributed to the performance planting 5,767 trees in 2013.

In all regions, the planting follows the governmental and Secretariats of Environment guidelines, prioritizing the use of native species that are adequate for the weather and the soil of the cities in which they were planted.

Urbanization

The investment in revitalization of public squares, parks and playgrounds, construction of schools, health centers, sewage treatment stations, street paving and other improvements in the areas where MRV operates totaled more than R$ 92 million in 2013, when the Company promoted some works that would contribute even more to the quality of life of its clients and citizens of the cities where we operate.

Only in Campinas, area that covers the city and the metropolitan area, MRV invested more than R$ 25 million in urbanization, 27% of the amount invested in all areas. Ribeirão Preto also had similar investments, equivalent to 27% of the total amount invested.

The homebuilding activity generates, by definition, environmental impacts in the cities. MRV, as responsible company and aware of that, seeks to develop projects that also covers new possibilities of life quality improvement to the population.

In 2013, the areas of São Paulo and Belo Horizonte were also a highlight in the investment distribution reaching the third and fourth positions, respectively. The South, Rio de Janeiro and Triângulo Mineiro areas, together, received 6% of the total investment.

Sustainable Real Estate Projects

MRV plans and builds its projects employing elements that are fundamental for the preservation of natural resources.

- Individual water meters – The Company uses individual water meters in its projects, which reduces monthly water consumption in condominiums by up to 50%, and at its construction sites MRV uses certified timber of known origin.

- Low-flush toilets with tank – The use of toilets with coupled tanks provides excellent water savings compared to conventional toilets, helping preserve the environment. Each flush saves up to 20 liters of water compared to conventional toilets. In addition to installing low-flush toilets as standard, one of the options in our Finishing Kit is a Dual-Flush system, with offers two flush options (3 or 6 liters) depending on the specific need.

- Certified wood – Forestry certification guarantees that the wood used by the Company comes from proper production processes. This guarantee also helps MRV choose a high quality product that adds value while also being environmentally safe (selection of value chain).

- Reforestation timber – Our concern with deforestation has led us to seek wood from replanted areas, which avoids the consumption of native species from the Amazon Region. The main benefit is the use of a renewable raw material (in compliance with the sustainable production principles established by forestry certification), contributing to CO2 sequestration. 100% of the wood used in MRV's construction sites comes from controlled reforestation;

- Pergolas – in addition, to reducing timber consumption, MRV's projects only uses pergolas made of concrete.

- Debris – When it is not recycled at the construction site itself, MRV, through hiring specialized companies, appropriately dispose of the debris from its construction sites, in compliance with the environmental regulations of the municipalities and states where it operates.

- Plaster disposal – Where there are companies with technology suitable for the proper management, MRV hires them for the removal and proper disposal of plaser. After being collected, the material is sent to an ATT (Disposal and Sorting Area) for sorting and subsequent reintegration into the production process

Waste Management

MRV is implementing the homebuilding waste management and already have a structure responsible for proper treatment of the waste produced in many construction sites. Another initiative that has been adopted by the Company is the waste segregation in the construction site, which enables a proper destination to them. Three years ago MRV realized the need of working with waste management to reduce, reuse, recycle and treat the waste, and dispose them in a proper environmentally and legal manner. In the construction sites where you can find waste recycling, we have been able to segregate around 60%, which means that the majority of the Company's waste is segregated to a better destination.

Green House Gases Inventory

Over the last years the phenomena deriving from temperature variations or drastic changes on the landscape, as a consequence of climate change, became reality in several parts of the world. The subject of Climate Change and Carbon Strategic Management gains importance of the agenda and in the Company's strategic plan, such as MRV, which joined the ICO2 index of BM&FBovespa in 2010.

For 2010, performed in 2011, MRV took another step towards sustainability and quantified its emissions based on real data from its activities and the main references for creating corporate inventories. In the 2012 Inventory, performed in 2013, the emissions inventory scope was extended, continuing the work started in previous years.

Compromisso Nacional

MRV is the only Company in the Brazilian homebuilding sector to adhere to the National Commitment for the Working Conditions in the Construction Industry, an initiative from the federal government and the representative entities of the entrepreneurs and construction industry workers launched on March 01, 2012. The National Commitment periodically monitors the actions developed by its signatories through meetings of a permanent group that evaluates the main points of the program. The main guidelines of the National Commitment are:

- Preferential use of *SINE ("Sistema Nacional de Empregos")* for recruitment;

- Employees' training and qualification with a focus on literacy, raising the level of education and workforce training;

- Health and Safety with primary focus on the current legislation and implementation of additional measures to prevent more effectively the occurrence of accidents and work-related diseases;

- Presence of union representation in each construction site, expanding the dialog at all construction site level;

- Relations with the community, decreasing in the high impact sites the number of problems and discomforts that might happen to the community;

In August 2012, the Company began its works with the General Secretary of the Presidency of the Republic, the National Commitment coordinator and has already implemented the practices of the Commitment on 20 construction sites already benefiting more than 3,000.

Sustainability report – GRI Standard

In 2013 MRV published its first sustainability report according to GRI standards (Global Reporting Initiative) – base year 2012 – adapting its information to the market requirements. The report is provided in print and digital version and has comprehensive information about the Company's operation and enumerates its several activities and their corresponding performances according to the norms of GRI. The Company's commitment to be transparent in the management of its business is evident and, more than that, to provide information in the level of details needed to the various stakeholders concerned.

7.9. Other relevant information

We have more than 33 years of experience focusing on low-income customers. We believe that our operational structure allows our operation to take advantage of market opportunities.

As from our Initial Public Offering, in July 2007, we recorded good operational and financial performance, which are confirmed by our launchings, our Contracted Sales and our net operational revenues.

R$ billion	Launches	Contracted Sales	Net Operating Revenue
2007	R$ 1.2	R$ 0.7	R$ 0.4
2008	R$ 2.5	R$ 1.5	R$ 1.1
2009	R$ 2.6	R$ 2.8	R$ 1.6
2010	R$ 4.7	R$ 3.8	R$ 3.0
2011	R$ 4.6	R$ 4.3	R$ 4.0
2012	R$ 3.4	R$ 4.0	R$ 4.3
2013*	R$ 3.5	R$ 5.1	R$ 3.9

*The net operating revenue was adjusted due to restated information.

We release our 2013 results with great pride. Last year we have consolidated and balanced the Company with pre-sales growth and strong cash generation. We have completed 35 years of operations, positioning ourselves as the country's largest homebuilder and developer and a unique nationwide presence, operating in more than 120 cities, in19 States and in the Federal District. We have strengthened our presence in the Northeast Region. Our geographic expansion project already lasts for 20 years and we have and deliver the same quality pattern in every location we operate.
We are a Company focused on low-income housing, providing developing and construction services in large scale, aiming to fulfill the great existing, and not yet satisfied, demand for houses from the Brazilian middle class. Focus, experience and scale grant us, in the low income segment, a distinguished excellence in our operations. We deliver a differentiated product and the continuous satisfaction of our clients has contributed to the strengthening of our brand throughout the Country. Our national coverage, together with a mature development and construction structure, have granted us excellent operational results in 2013 and will allow a continuous and perennial growth over the coming years.
The recurrent and consistent free cash flow generation will enable the Company to deleverage and/or to increase the cash payout to its shareholders. As a management proposal to be deliberated at the Ordinary Shareholders Meeting in April, additionally to the annual mandatory dividend (25% of the fiscal year's profit), an extraordinary additional dividend payment will be proposed, totaling 35% of 2013's profit.
We are optimistic with the strong and demanding market, with the very low competition and the great potential existent in the medium-size cities. We believe there is room for continued growth of pre-sales, which will consequently lead to the growth of all operational and financial indicators in a sustainable way and to the continuous free cash flow generation

Our strengths

We believe that we are uniquely positioned to take advantage of growth possibilities in the Brazilian real estate market. We believe our competitive strengths include:

Extensive experience and exclusive focus on the low-income residential development segment. We have been operating exclusively for 34 years focused on the low-income residential development segment, which encompasses a large part of the Brazilian population and demand for new housing units. We have focused on the development of product lines with attractive cost-benefit ratios, which we believe have been commercially well-received in regions with different housing demands. Our focus on this segment has allowed us to develop business practices that are specifically tailored to the particular needs of our targeted markets.

Scale benefits in connection with standardized construction models and with the dilution of costs and expenses. Over the years we have developed a modular and scalable model that allows us to simultaneously replicate a uniform construction standard in various sites. These projects are based on structures that can be efficiently adapted to local consumer preferences and can be replicated in different types of developments. This model provides us with (i) greater bargaining power with suppliers; (ii) reliability in execution and delivery deadlines; (iii) strict controls over quality at all stages of the construction process for every project; (iv) the ability to compare costs and margins in each development; (v) the ability to reduce our operational risks by spreading our activities over various different municipalities; (vi) flexibility to take advantage of different market opportunities, including those related to the size and disposition of land; and (vii) the ability to reduce our development cycle, meaning the required time period between the purchase of a land parcel and the delivery of units, which contributes to greater returns from our developments. The size of our operations allows us to dilute our costs and expenses through leverage, and contributes to a continuous increase of our margins

Geographical diversity with significant expansion potential. We began our activities in Belo Horizonte and are currently present in 121 cities across 19 states and the Federal District. According to data from IBGE, in 2012, 63% of the cities in which

we operate have between 100,000 and 500,000 inhabitants, and 28% of the cities have over 500,000 inhabitants. We believe we have a privileged competitive position in the market in which we operate as our main competitors are local companies that do not have the same scale and market coverage as us. We have extensive knowledge of the characteristics of the markets we serve and of our competitors in the cities where we operate. In addition, we have devised processes and assembled an internal team exclusively dedicated to our expansion to new markets. We believe that this represents a significant differentiated factor, to the extent that the real estate market, despite of the strong expansion period, still follows a logical understanding in terms of geographic location, based on which the knowledge about each region is an important factor in terms of competition.

Integrated business model. We rely on an integrated business model, controlling all stages of development, including the search for land parcels, the design and construction of units and sales to final customers. We either use our own employees or outsource to specialized companies for construction work, which we believe gives us greater efficiency. Our specially trained internal team supervises such construction work, performing material strategic tasks. As of December 2012, our sales force included approximately 3,600 real estate brokers. In 2012, 31% of our contracted sales were made in our own stores and 31% were made through the internet, which contributed to a reduction in our sales expenses.

Strategic land bank for low-income residential developments and ability to identify new land parcels. As of December 31, 2012, the largest part of the forecasted projects for our land bank is eligible for participation the Minha Casa, Minha Vida program. This program intends to reduce the housing deficit of 7.2 million housing units in the low-income segment of the Brazilian population, according to the IBGE. As of December 31, 2012, our land bank totaled approximately 8.1 million square meters, which we estimate represents a potential VGV of approximately R$ 21.8 billion[3]. Our capacity to acquire new land parcel rapidly and efficiently is an important advantage in our growth.

Consolidated structure to align the interests amongst partners, directors, executive officers and employees. For more than ten years, we have maintained a partnership model with our key executives and employees that seeks to retain talented people and encourage an internal culture in which the interests of our shareholders, executives and key employees are aligned. Since our initial public offering in 2007, we have not lost any of our key executives to our competitors. Currently, 156 our executives and key employees receive performance-based compensation. In addition to contributing to the development of a highly efficient management, we believe that the adoption of this partnership model creates an incentive for other employees to constantly improve our operations and, therefore, their professional perspectives.

Our strategies

Our main strategies are:

Maintain our leadership in the low-income residential development segment and explore opportunities for greater credit availability. Our current business model allows us to attain accelerated growth while maintaining our profitability. We plan to replicate our model and take advantage of the current increase in the availability of credit for low-income residential developments, particularly through the Minha Casa, Minha Vida program, which is an important real estate public policy in Brazil specifically aimed at the low-income population, which will create greater demand for new units. In 2012, our contracted sales were R$ 4.0 billion. Our goal is to use our competitive position to effectively take advantage of these opportunities.

Maintain our geographic diversity and our pace of expansion. Since our initial public offering, we have gone from operating in 35 cities to 120 cities, and from 7 to 18 states. This gives us a greater geographic footprint and diversifies our risk. We plan to use our experience to continue our pace of expansion. We believe that Brazil presents favorable opportunities in the low-income residential development segment due to its large, dispersed population and its place at the center of a major offer of credit from the sector through the *Minha Casa, Minha Vida* program.

Focus on our capital structure and the management of our financing levels. Our current capital structure has a low level of debt compared to the principal real estate development companies listed on the BM&FBOVESPA[4]. The decreased liquidity in the market witnessed in the last quarter of 2008, has vindicated our strategy of growing based on available cash. Although the current market shows an increase in the availability of credit through the Minha Casa, Minha Vida program and a decrease in interest rates, we intend to reduce the use of our own capital in our developments, transferring to financial institutions and to our consumers the associated financing burdens. Therefore, we plan to increase the efficiency of our capital allocation and the profitability of our developments.

Relevant Constracts

The Company does not have any relevant contracts other than those described on Item 18 of this Reference Form.

Markets

[3] The VGV is equivalent to the total potential Units of the launching, multiplied by the estimated average sales price of the Unit. The investors must consider that the VGV reported is an estimate and may be not reached or may be exceeded, varying, therefore, significantly as regards to the value effectively contracted, since the total Units effectively sold may be lower or greater than the number of Units launched and/or the value effectively contracted of each Unit may be lower or greater than the launching price.

[4] Cyrela, Gafisa, PDG, Rossi, Even,, Tecnisa, Brookfield, Rodobens, Viver, Trisul,, Direcional.

Our operational market relates to the construction network, one of the main sectors of the Brazilian economy. In accordance with the information provided by BACEN and IBGE, the Brazilian GDP increased by 4.0% in 2006, 5.7% in 2007, 5.1%, in 2008, -0.2% in 2009 and 7.5% in 2010, 2.7% in 2011 and 0.9% in 2012. Nowadays, it is estimated that the subsector of construction supply represents nationally 4.9% of GDP and 21.0% of the industry sector.

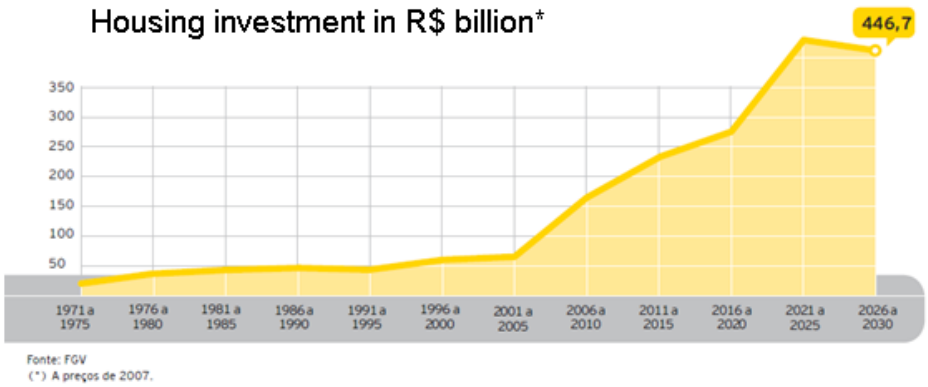
Construction	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
%GDP	4.1%	4.2%	4.2%	4.2%	4.5%	4.9%	4.8%	5.4%
%Industry	16.5%	17.5%	17.6%	19.4%	19.6%	21.0%	21.7%	21.7%

The last available data provided by IBGE on the number of companies operating in the sector refer to 2011, totaling 198,942 companies with 3,199,570employees. 67,676 companies have a number of employees equivalent to or greater than five occupied persons. The 688 largest companies have 1,021,346 employees, on average almost 1,500 per company.

The Brazilian potential and effective real estate market has a significant size as compared to the other markets in the Latin America. Based on the research disclosed in 2009, IBGE recorded a housing deficit of 7.2 million of residences in 2007. Over the last years, Brazil recovered the real estate activities by virtue of the positive measures adopted by the Federal Government which affected directly the industry and due to the increasing availability of credit lines. However, the investments in the Brazilian real estate sector were not sufficient to meet the potential demand of the market.

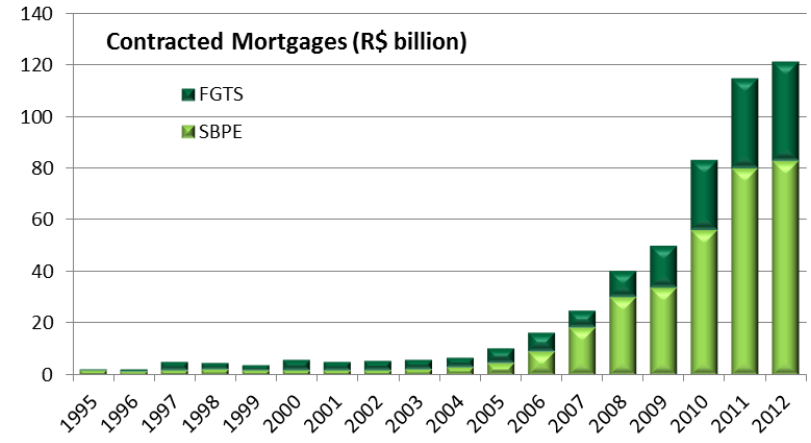
According to the research performed in 2007 by Ernst & Young and FGV about the potential demand of the Brazilian real estate market, the real estate credit line will increase an average rate of 11.2% per year, from R$25.3 billion in 2007 to an estimated value of R$290.4 billion in 2030. Moreover, it is estimated an annual construction of approximately 1.7 million of new residences up to 2030, in view of the increase in the number of families in Brazil and the increasing housing deficit.

The graphic below shows the growth of the real estate investments in Brazil, as well as the estimated growth:



*Housing investment in R$ billion**
Source: FGV
(*) Prices at 2007

The financing of residential properties with savings resources, in accordance with the CBIC data, totaled R$ 121 billion and 1,025,167 units sold through financing in 2012, as compared to 967 thousand properties in 2011.



Source:CBIC

The repressed demand for housing, the greater availability of financing for real estate financing resulting from the government program *Minha Casa, Minha Vida (for further information, see item "Minha Casa, Minha Vida Program")*, and the increase of income of the population in general contribute to a heightened demand for real estate properties.

Factors that affect the real estate market

Macroeconomic factors

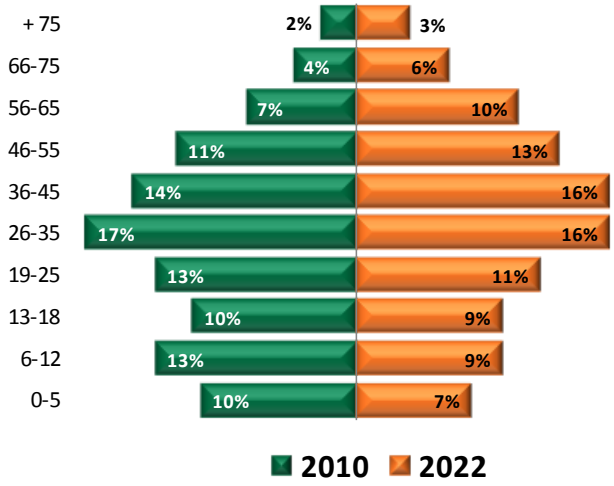
Real estate properties are assets with high value and, in general, are a significant portion of family wealth. The purchase of a real estate unit depends, to a great extent, on the availability of long-term financing. Accordingly, the performance of the real estate construction industry is influenced by several macroeconomic factors, such as inflation, interest rates, GDP growth, per capita income and consumer confidence.

The interest rates have an influence on consumption decisions made by individuals and on investment decisions made by companies. Because such rates influence the liquidity of many forms of payment, the control of interest rates directly affects the demand for long-term assets and consumer goods, and consequently the acquisition of real estate properties. Inflation and the measures intended to combat inflation usually result in a decrease in the income of the population and, consequently, in a reduction of economic activity. Increases in inflation rates affect the real estate industry to the extent they reduce economic activity, and consequently, consumption and investments. In addition, changes in inflation indices, in particular the INCC and the IGP-M indexes, which are generally used to adjust construction costs and installment receivables from sales of units, also affect the profitability of the real estate industry.

Demographic and socio-cultural factors

Several factors create a high potential demand for residential real estate units in Brazil. These factors include the growth of the Brazilian population, the young average age of the population (as regards to the total population), the rise in life expectancy, the decline in the number of individuals per household, and the socio-cultural preference for home ownership.

According to the IBGE, Brazil's population increased from 169.6 million in 2000 to 190.8 million in 2010, representing an annual growth rate of 1.2%. Historically the growth rate of the Brazilian population has been declining. From 1970 to 1980, the growth rate was 2.4%, from 1980 to 1991, the growth rate fell to 2.1%, and from 1991 to 2000, the growth rate fell to 1.6%.



Source: ConstruBusiness 2010, IBGE

The demographic dynamics and economic growth scenario with social mobility show a strong expansion in the number of households between 2010 and 2022. The growth rate of the number of households, of 1.88% a year, is nearly three times the pace of demographic expansion. So being, families will increase from 63.6 million to 79.6 million, with the formation of nearly 16 million new households in the coming 12 years - or, 1.33 million new households per year.

Expansion of the real estate financing

Overview

One of the current priorities of the Brazilian government is to promote the growth of the real estate construction industry, given the industry's ability to absorb workforce and reduce unemployment relatively quickly. The Brazilian government has therefore adopted a number of policies that we believe will heighten the demand for real estate, including:

- stimulating mortgage financing by reducing the interest paid by the Central Bank to banks on deposits not used for real estate financing under the SFH;

- increasing the availability of financing by requiring that at least 65.0% of deposits in savings accounts be used for real estate financing, with a minimum of 80.0% of the financing going to housing loans under the SFH;
- reduce the housing deficit for the population with a household income of up to 10 times the monthly Brazilian minimum wages (R$1,395 to R$4,650) through the program Minha Casa, Minha Vida;
- simplifying and improving enforceability of the laws governing repossession of residential real estate units in the event of default;
- providing a tax exemption for gains on the sale of a residential real estate unit when another unit is purchased within 180 days;
- reducing taxes (tax on manufactured products) on certain construction inputs and raw materials;
- fostering new instruments to permit the securitization of real estate receivables through the exemption of income tax on gains;
- increasing the security of real estate developers through the availability of liens on properties;
- increasing the security of buyers through a special tax system, which segregates the developer's assets from the real estate development's assets; and
- requiring repayment of a mortgage even if the mortgage terms are being challenged in court.

In addition, the Brazilian government announced on September 12, 2006 a package of incentives to the real estate construction industry. The main provision of this package is the increased flexibility of the use of the TR in real estate financing, which enabled, through Law 11734, of December 28, 2006 ("Law 11734), the use of prefixed interest rates by the SFH. Moreover, Decree No. 5,892, of September 12, 2006, which amends Decree No. 4,840, of September 17, 2003, allows the use of variable installments in the housing credit. The CEF began to offer R$1 billion *reais* in credit to developers, financing up to 85.0% of the total construction costs, while banks financed only 50.0% in the past. Furthermore, the Brazilian government decreased taxes rates from 10.0% to 5.0%. Therefore, upon enactment of Law 11734, we were able to expand our lines of credit with several financial institutions to acquire land bank and develop new projects, as well as offer new and better financing conditions to our clients.

Furthermore, the CEF and BB offer full financing to those in middle- and low-income classes for the acquisition of residential real estate units.

The table below describes the financing for real estate financed by the FGTS and SBPE from 2007 to 2013:

Year	*Value (R$ million)*		*Units*	
	FGTS	*SBPE**	*FGTS*	*SBPE**
2007	*6,926*	*18,410*	*329,911*	*196,133*
2008	*10,405*	*30,032*	*287,837*	*299,685*
2009	*16,035*	*34,017*	*427,587*	*302,680*
2010	*27,037*	*56,198*	*447,489*	*421,386*
2011	*34,900*	*79,917*	*473,835*	*492,908*
2012	*38,404*	*82,791*	*571,958*	*453,209*
*2013**	*40,133*	*49,643*	*491,861*	*244,836*

**Until June/13*
Source: CBIC

Despite the improvement in the availability of credit in recent years, real estate financing is still very low in Brazil in comparison with other countries. The analysis of the housing area in other countries revealed the significant importance of the investments in the construction of new residences, maintenance and refurbishment of the properties as an essential factor for the economic growth and, mainly, for the sustainable development. These aspects contribute to the preparation of the Brazilian real estate scenarios, since such experiences represent the economic relations which contributed to some countries to be successful in this area and which indicate the potential possibilities of growth in Brazil. We noted good conditions in terms of economic stability, income level, economic development expectations, population growth trends, improvement of the financing systems and favorable institutional and legal environments. Therefore, we estimate a significant increase in the real estate investment and financing levels in Brazil, as demonstrated below:

	Housing investment per capita in US$*, 2005	**Economic growth – 1995 to 2005 (% per year)**	**Growth contribution (%)**
European Union	1,672.75	2.24%	0.34
Ireland	*5,388.14*	*7.48%*	*1.21*
Portugal	*2,283.61*	*2.35%*	*1.13*
Greece	*2,133.78*	*3.92%*	*0.72*
Norway	*5,390.72*	*2.83%*	*0.72*
Island	*3,608.19*	*4.31%*	*0.58*
Spain	*2,406.00*	*3.63%*	*0.53*
Holland	*2,072.00*	*2.28%*	*0.35*
Austria	*1,443.51*	*2.21%*	*0.30*
Germany	*1,537.50*	*1.37%*	*0.30*
Great Britain	*1,315.60*	*2.79%*	*0.30*
France	*1,396.13*	*2.14%*	*0.28*
Denmark	*1,671.04*	*2.10%*	*0.28*

	Housing investment per capita in US$*, 2005	**Economic growth – 1995 to 2005 (% per year)**	**Growth contribution (%)**
Italy	*1,236.88*	*1.27%*	*0.22*
Finland	*1,810.58*	*3.46%*	*0.16*
Sweden	*922.07*	*2.73%*	*0.10*
Turkey	405.09	4.13%	0.58
Canada	2,178.24	3.34%	0.45
Japan	1,199.61	1.20%	0.19
Australia	2,246.51	3.56%	0.57
New Zealand	1,668.18	3.05%	0.45
South Korea	1,320.24	4.44%	0.64
Mexico	495.24	3.62%	0.50
United States	2,582.51	3.31%	0.60
Brazil	241.67	2.38%	0.27

Fonte: FGV and OCDE
(*) US$ of 2005 adjusted to Purchase Power
Source: FGV and OCDE; in Ernst & Young, sustainable Brazil, potential housing market

Minha Casa, Minha Vida Program

Program description: Minha Casa, Minha Vida 1

The *Minha Casa, Minha Vida* program seeked to reduce Brazil's housing shortage by 14%. The Brazilian Government budget totaled approximately R$34.0 billion. This amount would be allocated as follows: (i) R$16.0 billion for the financing of the acquisition of residential units for families that earned up to three times the monthly Brazilian minimum wage and who live in municipalities with more than 100,000 residents and in metropolitan areas, and (ii) R$12.0 billion for financing for new real estate units or real estate units under construction/being launched for families that earned up to 10 times the monthly Brazilian minimum wage, as set forth below:

Program (R$ billion)	Brazilian Government	FGTS	Total
Housing subsidy	16.0	–	16.0
Subsidy through FGTS	2.5	7.5	10.0
Guarantee fund to FGTS financing	2.0	–	2.0
Financing for infrastructure	5.0	–	5.0
Financing of construction costs	–	1.0	1.0
Total	**25.5**	**8.5**	**34.0**

The table above shows that the housing program included a R$5.0 billion credit line to encourage real estate development companies to invest in basic infrastructure, as described below. This financing was required to be repaid in up to 36 months, with a grace period of up until the conclusion of the construction (a maximum period of 18 months), the period for completion of the project. BNDES will also offer financing to companies in the chain of production in the real estate construction industry to encourage the competitiveness of the industry, increase the level of quality of builders and suppliers, and increase investment in low-cost construction alternatives with a shorter delivery period and reduced environmental impact.

The monthly maximum installment was 10% of the beneficiary's income (being the minimum installment of R$ 50.0), over a period of 10 years, with the remaining part of the financing being subsidized by the Brazilian government through a R$16 billion credit line.The Minha Casa, Minha Vida program provided for the construction of 400,000 residential units for families earning between three and six times the monthly Brazilian minimum wage. Financing would be subsidized by the Brazilian government through a R$2.5 billion credit line, in addition to a R$7.5 billion credit line through the FGTS. The monthly installment could not exceed 20.0% of the beneficiary's income and the amount of the individual subsidy would vary according to the location of the residential unit and the purchaser's income. Financing for residential real estate unit for people who earned between six and ten times the monthly Brazilian minimum wage were supported through access to the guarantee fund and the reduction of the cost of insurance required for financing.

The table below sets forth the preliminary distribution under the program per region:

Region	Number of housing units	%
North	103.018	10,3
Northeast	343.197	34,3
Center-West	69.786	7
South	120.016	12
Southeast	363.984	36,4
Total	**1.000.000**	**100**

(*) Preliminary distribution subject to changes in view of the contribution of States and municipalities.
(**) Source: www.minhacasaminhavida.gov.br.

Below are the main features of the program:

Families with gross income of up to three minimum wage

The purpose of the program for this income segment was to finance the acquisition of developments before they are built, located in state capitals and the main metropolitan areas, in municipalities with more than 500,000 residents. Under special conditions, municipalities with 50,000 to 100,000 residents may also have been included in this stage of the program, according to their housing shortage.

Through the program, the Brazilian government would allocate funds by region and ask the developers to submit projects for approval. States and municipalities, in turn, will record demand and, after a selection process, appointing families to receive financing, using information from a unified registration list. Then, developers submited the projects to CEF's regional offices of for approval. Developers could also prepare the projects in partnership with states, municipalities, cooperatives, social organizations or independently. After a brief analysis, the CEF would finance the acquisition, monitoring the execution of the project, disbursing funds available according to the schedule, and, after the development was concluded, selling it.

Only single-storey houses up to 35 square meters or buildings with apartments up to 42 square meters, with predetermined features and up to 500 units per project, or condominiums divided into 250 units, were eligible.

The maximum value of the property was: (1) R$130,000, in the Sao Paulo, Rio de Janeiro and Federal District metropolitan areas and municipalities with over 1.0 million residents; (ii) R$100,000 in municipalities with over 250,000 residents and (iii) R$80,000 in other municipalities.

The CEF monitored the project, measuring progress monthly on a predetermined day. Financing funds were disbursed to acquire the unit within 48 hours after the request.

Families with gross income from three to ten minimum wages

The objective of the program for this income segment was to finance real estate construction companies for the development of low-income residential units in state capitals and their respective metropolitan areas and municipalities with more than 100,000 residents. Under special conditions, municipalities with between 50,000 and 100,000 residents may have also been included in this stage of the program, in accordance with their housing shortage.

Through the program, the Brazilian government and the FGTS allocated funds by region, subjected to periodic review. Then, developers submited the projects to CEF's regional offices for approval, which conducted a preliminary review and authorized the launch and sale. After the review of the project and proof of the sale of the minimum required number of units, the financing for the development was approved. During the construction period, CEF financed the purchasers and the amount of these financings is deducted from the developer outstanding debt. The funds were released according to a schedule, after inspections by CEF. Once the development was completed, the developer delivered the units to the purchasers.

Developments with an appraisal value compatible with the targeted income segment (between three and ten times the monthly Brazilian minimum wage), with up to 500 units per project, without a specified standard, were eligible.

The CEF monitored the project, measuring progress monthly on a predetermined day. Financing funds would be disbursed to acquire the unit within five days after the consolidation of the sources of the funds (receivables, own funds and financing). CEF charged a Project Monitoring Fee, or TAO, of 1.5% of the installment amount.

Minha Casa Minha Vida 1 program ended in 2010 and the tabl below shows its final accomplishments and our participation.

MCMV 1 (2009-2010)			
	Total	**MRV**	**%**
Contracted Units	**1.005.128**	**50.384**	**5%**
Group I	482.741	0	0%
Groups II and	522.387	50.384	10%

Program description: Minha Casa, Minha Vida 2

The changes of the price limits for the MCMV 2 framework, announced in January 2011, had a positive effect for the low-income housing segment. As leader of this segment in Brazil, the impacts on the Company's operations, though not immediate, are positive and give us confidence in this market as well as in our continuous growth with returns above the market average. The table below shows the potential increase of the unit price of the projects contemplated in our land bank, as of December 31, 2010 and compares the current average unit price of and the new prices limits for MCMV 2.

The *Minha Casa, Minha Vida 2* has a goal of contracting 2 million housing units by 2014. 60% of the units are for families with incomes of up to R$ 1,600.00. Government investment is expected to be R$ 71.7 billion for the period.

The new rules were approved by an interim measure (MP) passed by the Senate. The MP includes an increase of R$ 14 billion to R$ 16.5 billion of resources that the Union may transfer to the Residential Lease Fund (FAR), one of the sources of funding for the program.

The federal government decided to eliminate the five floors limit for residential buildings contracted in the second phase of *Minha Casa, Minha Vida*. The new rules also determine the possibility to set up a commercial activity on the ground floors of these buildings.

To release the height of the buildings intends to make the construction of buildings for the low income in capital cities and metropolitan areas, where land prices are more expensive, more viable.

Also approved was the possibility of divorced women to sign the program's contract, even in cases where divorce has not been settled in court.

In November 2011, the Government announced a decrease of RET for MCMV homes below R$ 85 thousand.

Throughout the year, with higher concentration in the second semester, several stimulus resolutions were adopted, for example, a broader review of the Minha Casa, Minha Vida program parameters and the reduction of the Special Taxes Regime (RET) rates. Such measures stimulate the homebuilding industry, as well as reinforce the importance of the sector as a gear for the national economy. We also stress the importance of more often reviews of Minha Casa, Minha Vida, since the Market is dynamic and normally the updates on the rules and parameters aim to reestablish the on-going conditions, sometimes with large discrepancies.

The table below shows the program's status and our participation.

MCMV 2 (2011 - 31/03/14)			
	Total	**MRV**	**%**
Contracted Units	**2.356.922**	**161.480**	**7%**
Group I	1.097.045	3.180	0%
Groups II and	1.259.877	158.300	13%

Corporate financing

The purpose of the corporate financing in the program is to provide companies with financing to develop infrastructure, internal and/or external, including paved roads, sewage and electricity installation. This financing will be provided with funds from the National Secretary of the Treasury, for the development of real estate residential projects financed by BB and CEF.

The maximum amount of the financing is 100.0% of the total cost of the infrastructure, connected to the development of real estate projects financed by BB or CEF, and in accordance with the company's repayment capacity.

The funds will be released according to a schedule approved by BB or CEF. The first installment will be released in when the contract is executed, but this installment is limited to 10.0% of the total financing.

Economic Group

8.1. Economic Group

a) Direct and indirect controllers and

Direct shareholder	Nacionality	CNPJ/CPF	Number of common shares	Shareholding interest
Rubens Menin Teixeira de Souza	Brazilian	315.836.606-15	159,451,261	33.0%

b) Subsidiaries and associated companies

Equity interest	2013	2012	2011
Subsidiaries			
Companies			
MDI Desenvolvimento Imobiliário Ltda.	100.00%	100.00%	100.00%
Urbamais Propriedade e Participações S.A.	60.00%	60.00%	0.00%
Silent partnerships/SPEs			
SCP An.Fontana Meride	75.00%	75.00%	75.00%
SCP Apipucos S221	60.00%	60.00%	0.00%
SCP Área Cabo	60.00%	0.00%	0.00%
SCP Área Cone	60.00%	0.00%	0.00%
SCP Área Frigorífico	99.00%	0.00%	0.00%
SCP Área Zé Pires	65.00%	0.00%	0.00%
SCP Azzurro	99.00%	99.00%	99.00%
SCP Bangu	70.00%	70.00%	70.00%
SCP Barcas	75.00%	0.00%	0.00%
SCP Barreto 1	70.00%	70.00%	70.00%
SCP Barreto 3	70.00%	70.00%	70.00%
SCP Barreto 4A - Mar	70.00%	70.00%	70.00%
SCP Barreto 4B	70.00%	70.00%	70.00%
SCP Barreto 5	70.00%	70.00%	70.00%
SCP Belle Fiori	65.00%	65.00%	65.00%
SCP Belle Luna	65.00%	65.00%	65.00%
SCP Belle Stanza	65.00%	65.00%	65.00%
SCP Belle Stella	65.00%	65.00%	65.00%
SCP Bello Solares	65.00%	65.00%	65.00%
SCP Bello Valle	65.00%	65.00%	65.00%
SCP Belo Mare	65.00%	65.00%	65.00%
SCP Benedito Cohatra	100.00%	100.00%	60.00%
SCP Bosque Da Figueira	80.00%	80.00%	80.00%
SCP Bosque Verde	80.00%	80.00%	80.00%
SCP Botanique	65.00%	50.00%	50.00%
SCP Bq Oliveir,Ing	80.00%	80.00%	80.00%
SCP C.Lu/C.El/C.Vi/Cas	99.00%	99.00%	99.00%
SCP Cadiz/Es.Vil/Car	97.00%	97.00%	97.00%
SCP Caruaru I	0.00%	0.00%	60.00%

SCP Caruaru Ii	0.00%	0.00%	60.00%
SCP Colonial	0.00%	0.00%	60.00%

Equity interest	2013	2012	2011
SCP Copamig	65.00%	0.00%	0.00%
SCP Correio Maraponga	0.00%	0.00%	60.00%
SCP Dallas Campos	0.00%	0.00%	70.00%
SCP Dede Dunas	0.00%	0.00%	60.00%
SCP Dede Expedicionário	60.00%	60.00%	60.00%
SCP Esp Campo Cruze	99.50%	70.00%	70.00%
SCP Estrela Do Oriente	0.00%	0.00%	0.00%
SCP Festeggiare Club	79.20%	79.20%	79.20%
SCP Fortune Reside	60.00%	60.00%	60.00%
SCP Giemac	35.00%	35.00%	35.00%
SCP Glória 2	0.00%	0.00%	70.00%
SCP Granja Galícia	0.00%	0.00%	35.00%
SCP Green Tow Cond	70.00%	70.00%	70.00%
SCP Japonês SCP S222	100.00%	100.00%	0.00%
SCP Jardim Jasmim	65.00%	65.00%	0.00%
SCP Jubileu/Estrela	70.00%	70.00%	70.00%
SCP Laguna Beach	75.00%	75.00%	75.00%
SCP Linha Azul	70.00%	70.00%	70.00%
SCP Lon-Res.V.Bela	99.00%	99.00%	99.00%
SCP Magarça	35.00%	35.00%	35.00%
SCP Manchete	35.00%	35.00%	35.00%
SCP Mar Azulli E Ma	70.00%	70.00%	70.00%
SCP Milan Vizinho	70.00%	70.00%	70.00%
SCP MRV Lcg Area Redondo	75.00%	75.00%	0.00%
SCP MRV Md Aurora	50.00%	50.00%	0.00%
SCP MRV Md Canal Life	50.00%	50.00%	0.00%
SCP MRV MDI Campo Feeval	99.00%	99.00%	0.00%
SCP MRV MRL Area Cortês	65.00%	65.00%	0.00%
SCP MRV MRL Area Da Mala	65.00%	65.00%	0.00%
SCP MRV MRL Area Glauter	65.00%	65.00%	0.00%
SCP MRV MRL Mariano	65.00%	65.00%	0.00%
SCP P. Fontana Di Roma	99.00%	99.00%	99.00%
SCP Palm Beach	75.00%	75.00%	75.00%
SCP Park Sun Coast	75.00%	75.00%	75.00%
SCP Parque Abrant	50.00%	50.00%	50.00%
SCP Parque Das Flores	75.00%	75.00%	75.00%
SCP Parque Fonatana	99.50%	99.50%	99.50%
SCP Parque Horizon	98.00%	98.00%	98.00%
SCP Parque Monte Cristal	77.50%	77.50%	77.50%
SCP Parque Monte Fiore	77.50%	77.50%	77.50%
SCP Parque Operetta	98.00%	0.00%	0.00%
SCP Parque Ouro Velho	75.00%	75.00%	75.00%
SCP Parque Porto	99.50%	68.00%	68.00%

SCP Parque Rubis	99.00%	99.00%	99.00%
SCP Parque San Pet	99.00%	99.00%	99.00%

Equity interest	2013	2012	2011
SCP Parque Vila Da Costa	75.30%	75.30%	75.30%
SCP Parque Vila De	97.00%	97.00%	97.00%
SCP Parque Villado	75.00%	75.00%	75.00%
SCP Parque Villadorata	75.00%	75.00%	0.00%
SCP Parque Viva Jacaraípe	75.00%	75.00%	75.00%
SCP Parque Viva Joara	75.00%	75.00%	75.00%
SCP Parque Vivaldi	75.50%	75.50%	75.50%
SCP Pista De Skate	65.00%	65.00%	0.00%
SCP Plv Top Life Natal	99.50%	75.00%	0.00%
SCP Pontes Rialto	99.00%	88.00%	88.00%
SCP Porquinha	60.00%	60.00%	60.00%
SCP Porto Atlantico	99.50%	65.00%	65.00%
SCP Porto Cristal	99.50%	72.00%	72.00%
SCP Porto Farroupilha	99.50%	65.00%	65.00%
SCP Porto Guaiba	99.50%	69.00%	69.00%
SCP Porto Leon S240	99.00%	99.00%	0.00%
SCP Porto Lucena	99.50%	99.50%	99.50%
SCP Porto Mediterran	99.50%	65.00%	65.00%
SCP Porto Pacífico	99.50%	65.00%	65.00%
SCP Pq Bem Te Vi	33.50%	33.50%	33.50%
SCP Pq Buritis	99.00%	99.00%	99.00%
SCP Pq Das Araras	33.50%	33.50%	33.50%
SCP Pq Das Gaivota	33.50%	33.50%	33.50%
SCP Pq Diamantine	99.00%	99.00%	99.00%
SCP Pq. Fonte dos Pássaros	75.00%	0.00%	0.00%
SCP Pq Ideale/Faci	75.00%	75.00%	75.00%
SCP Pq La Ter/Sz Orien/V	98.00%	98.00%	98.00%
SCP Pq Porto Flora S238	99.00%	99.00%	0.00%
SCP Pq Porto Polaris	99.00%	99.00%	0.00%
SCP Pq Puer.Madero	99.50%	99.50%	99.50%
SCP Pq Rec P Beija Flor	34.00%	34.00%	34.00%
SCP Pq Rec Pas (Rouxinois)	34.00%	34.00%	34.00%
SCP Pq Recreio	35.00%	35.00%	35.00%
SCP Pq Riac Borbol	99.00%	99.00%	99.00%
SCP Pq Riac Pedra	99.00%	99.00%	99.00%
SCP Pq Riacho das Conchas	99.00%	99.00%	99.00%
SCP Pq Rivoli	33.50%	33.50%	33.50%
SCP Pq Sabia	33.50%	33.50%	33.50%
SCP Pq Sunset	75.50%	75.50%	75.50%
SCP Pq Veran./Primav	75.00%	75.00%	75.00%
SCP Pq Vila D'Oro	98.00%	98.00%	98.00%
SCP Premier Ii	0.00%	0.00%	60.00%
SCP Prt.Planalto	99.50%	70.00%	70.00%

SCP Puerto Colon	99.50%	99.50%	99.50%
SCP Punta Del Leste	75.00%	75.00%	75.00%
Equity interest	**2013**	**2012**	**2011**
SCP Rec Andorinhas	33.50%	33.50%	33.50%
SCP Resid. Jangadas	75.00%	75.00%	75.00%
SCP Residencial Essenza	75.00%	75.00%	75.00%
SCP Residencial Pq	75.00%	75.00%	75.00%
SCP Residendial Barcas	75.00%	75.00%	75.00%
SCP Residendial Veleiro	75.00%	75.00%	75.00%
SCP Retiro Da Serra	35.00%	35.00%	35.00%
SCP Retiro Dos Pinheiros	35.00%	35.00%	35.00%
SCP Riac Ouro	99.00%	99.00%	99.00%
SCP Riazor-S.Patr.	99.00%	99.00%	99.00%
SCP Ricardo Libmann	0.00%	0.00%	53.00%
SCP S. Fig Franca	80.00%	80.00%	80.00%
SCP Sader S229	65.00%	65.00%	0.00%
SCP Saint Tropez	75.00%	75.00%	75.00%
SCP San Etiene	99.15%	99.15%	99.15%
SCP Santa Cruz	0.00%	0.00%	35.00%
SCP São Pedro	50.00%	50.00%	50.00%
SCP Saragozza	99.00%	99.00%	99.00%
SCP Sonho Dourado	0.00%	0.00%	70.00%
SCP Spazio Acropolis	99.00%	99.00%	99.00%
SCP Spazio Amalfi	99.00%	99.00%	99.00%
SCP Spazio Amaretto	99.00%	99.00%	99.00%
SCP Spazio Arboreto	98.00%	98.00%	98.00%
SCP Spazio Avignon	99.00%	99.00%	99.00%
SCP Spazio Belo Campo	33.50%	33.50%	33.50%
SCP Spazio Campell	99.00%	99.00%	99.00%
SCP Spazio Campo das Nascentes	98.00%	98.00%	98.00%
SCP Spazio Castellon	99.00%	0.00%	0.00%
SCP Spazio Chamoni	99.00%	99.00%	99.00%
SCP Spazio Das Aroeiras	98.00%	98.00%	98.00%
SCP Spazio Fasano	99.00%	99.00%	99.00%
SCP Spazio Florian	80.00%	80.00%	80.00%
SCP Spazio Illumin	99.00%	88.00%	88.00%
SCP Spazio Jardim	99.00%	99.00%	99.00%
SCP Spazio Las Palmas	99.00%	0.00%	0.00%
SCP Spazio Matisse	99.00%	99.00%	99.00%
SCP Spazio Monreal	99.50%	99.50%	99.50%
SCP Spazio Monterrei	99.00%	99.00%	99.00%
SCP Spazio Montever	99.00%	99.00%	99.00%
SCP Spazio Orizzon	97.00%	97.00%	97.00%
SCP Spazio Portote	99.50%	65.00%	65.00%
SCP Spazio Rarit	98.00%	98.00%	98.00%
SCP Spazio Renasce	97.00%	97.00%	97.00%

SCP Spazio Rennes	70.00%	70.00%	70.00%
SCP Spázio Reserva Imperial	71.00%	0.00%	0.00%
Equity interest	**2013**	**2012**	**2011**
SCP Spazio Resplendor	99.00%	99.00%	99.00%
SCP Spazio Rimini	70.00%	70.00%	70.00%
SCP Spazio San Cristovan	98.50%	98.50%	98.50%
SCP Spazio San Telmo	80.00%	80.00%	80.00%
SCP Spazio Sunrise	76.00%	76.00%	76.00%
SCP Spazio Tenerife	76.50%	0.00%	76.50%
SCP Spázio Tibet	99.50%	74.50%	74.50%
SCP Spazio Tifany	99.50%	75.00%	75.00%
SCP Spazio Total Life	99.50%	74.00%	74.00%
SCP Spazio Upside	99.00%	99.00%	99.00%
SCP Spazio Vanguardia	75.00%	75.00%	0.00%
SCP Spazio Vila Da Serra	75.30%	75.30%	75.30%
SCP Spazio Vintage	75.00%	75.00%	75.00%
SCP Spz Mirafiori	99.00%	99.00%	99.00%
SCP Spz Nimbus Res.	75.00%	0.00%	0.00%
SCP Spz Nimbus Res.Club	75.00%	75.00%	75.00%
SCP Sz Macaé Buena Vista	70.00%	70.00%	70.00%
SCP Sz C. Alvorada	98.00%	98.00%	98.00%
SCP Sz Caravaggio	98.00%	98.00%	98.00%
SCP Sz Chateaubria	99.00%	99.00%	99.00%
SCP Sz Jd. Do Tren	98.00%	98.00%	98.00%
SCP Sz R.Dou/R.Tej/Ver	97.00%	97.00%	97.00%
SCP Sz Vl Serra	75.30%	75.30%	75.30%
SCP Talude	0.00%	0.00%	75.00%
SCP Tamarineira Ii	0.00%	0.00%	42.00%
SCP Terminal Messeja	0.00%	0.00%	50.00%
SCP Tintoretto	99.50%	75.50%	75.50%
SCP Tomaz Coelho	0.00%	0.00%	35.00%
SCP Tomba Pq. Filipinas	75.00%	75.00%	0.00%
SCP Treville	99.50%	76.00%	76.00%
SCP Uber-The Palm	99.50%	99.50%	99.50%
SCP Via Light 2	65.00%	65.00%	0.00%
SCP Vila Aurora S217	75.30%	75.30%	75.30%
SCP Vila Da Prata	75.00%	75.00%	0.00%
SCP Vila Natal	60.00%	60.00%	60.00%
SCP Vila Platina	75.00%	75.00%	0.00%
SCP Vila Vivaldi S216	75.50%	75.50%	0.00%
SCP Villa Bella	99.00%	0.00%	0.00%
SCP Village Chateaux	97.50%	97.50%	97.50%
SCP Village Chateaux Victoria	99.00%	99.00%	96.00%
SCP Village Chopin	99.00%	99.00%	99.00%
SCP Village Córsega	99.00%	99.00%	99.00%
SCP Village Salermo	99.00%	99.00%	99.00%

SCP Village Sarriá	99.00%	99.00%	99.00%
SCP Village Supreme	99.00%	99.00%	99.00%
Equity interest	**2013**	**2012**	**2011**
SCP Village Tendence	99.50%	99.50%	99.50%
SCP Vitalittá	75.00%	75.00%	75.00%
SCP Vitta Club	80.00%	80.00%	80.00%
SCP Vlg Anchieta	99.10%	99.10%	99.10%
SCP Vlg Chateaux L	98.50%	98.50%	98.50%
SCP Vlg Sar/Sz Sol/Vlg	99.00%	99.00%	99.00%
SCP Vlg Tempus	99.50%	76.00%	76.00%
SCP Zé Olavo Mondubi	0.00%	0.00%	54.26%
Forte Independ (Premier) SPE Ltda.	50.00%	50.00%	50.00%
Botanique SPE Ltda.	65.00%	100.00%	100.00%
Camp Life Res SPE Ltda.	99.50%	99.50%	99.50%
Camp Life Res SPE Ltda.	99.00%	99.00%	99.00%
Campo Colorato SPE Ltda.	98.00%	98.00%	98.00%
Campo Das Acacias Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Campo das Hortências SPE Ltda.	99.00%	0.00%	0.00%
Campo Del Rey Inc SPE Ltda.	98.00%	98.00%	98.00%
Campo Di Bourb SPE Ltda.	98.75%	98.75%	98.75%
Campo Di Braga SPE Ltda.	99.50%	99.50%	99.50%
Campo Di Itali SPE Ltda.	99.50%	99.50%	99.50%
Campo Di Orleans Inc SPE Ltda.	99.00%	99.00%	99.00%
Campo Dos Band SPE Ltda.	98.50%	98.50%	98.50%
Campo Lazio SPE Ltda.	99.75%	99.75%	99.75%
Campo Rizzi In SPE Ltda.	99.00%	99.00%	99.00%
Casa Pueblo Incorpo SPE Ltda.	97.00%	97.00%	97.00%
Casa Pueblo Incorpor SPE Ltda.	97.00%	97.00%	0.00%
Century SPE Ltda.	70.00%	70.00%	0.00%
Evidence Condomínio SPE Ltda.	99.00%	99.00%	99.00%
Fontane Di Roma SPE Ltda.	50.00%	50.00%	50.00%
Forte Iracema SPE Ltda.	60.00%	60.00%	60.00%
Forte Meireles SPE Ltda.	60.00%	60.00%	60.00%
Forte Mucurip SPE Ltda.	52.00%	50.00%	49.00%
Forte Parang I SPE Ltda.	50.00%	50.00%	50.00%
Fortune Ii Inc SPE Ltda.	60.00%	60.00%	60.00%
Four Seas Club SPE Ltda.	50.00%	50.00%	50.00%
Four Seasons 3 SPE Ltda.	52.00%	50.00%	50.00%
Four Seasons I SPE Ltda.	50.00%	50.00%	50.00%
Inspiratto Res SPE Ltda.	52.00%	50.00%	50.00%
Julliard Inc L SPE Ltda.	99.00%	99.00%	99.00%
Lagune Marap. I SPE Ltda.	60.00%	60.00%	60.00%
LDI SPE Ltda.	0.04%	1.00%	0.00%
Md Pe Jd Ipes In SPE Ltda.	60.00%	60.00%	0.00%
Md Pe Life SPE Ltda.	60.00%	42.00%	42.00%

Md Pe Pq Das SPE Ltda.	60.00%	42.00%	42.00%
MD Pe MRV Veneza Constr. SPE Ltda.	60.00%	0.00%	0.00%
Md Rn MRV Novas Fron SPE Ltda.	50.00%	50.00%	0.00%

Equity interest	2013	2012	2011
Md Rn MRV Novas Nações SPE Ltda.	50.00%	50.00%	0.00%
Md Rn MRV Pq N SPE Ltda.	50.00%	50.00%	50.00%
Md Rn Nova Avenida Construções SPE Ltda.	50.00%	50.00%	0.00%
Monte Santo Inc SPE Ltda.	65.00%	65.00%	65.00%
MRL MRV MRL Li In SPE Ltda.	65.00%	65.00%	70.00%
MRL MRV MRL Lii I SPE Ltda.	65.00%	65.00%	70.00%
MRL MRV MRL Xxxi SPE Ltda.	65.00%	65.00%	0.00%
MRL MRV MRL Xxxii SPE Ltda.	70.00%	70.00%	0.00%
MRL MRV MRL Xxxv SPE Ltda.	70.00%	70.00%	70.00%
MRL MRV MRL Xxxvi SPE Ltda.	70.00%	0.00%	0.00%
MRL MRV MRL Xxxvi SPE Ltda.	65.00%	65.00%	70.00%
MRL MRV MRL Xxxvi SPE Ltda.	65.00%	70.00%	70.00%
MRL Xxxvii Inc. SPE Ltda.	65.00%	65.00%	0.00%
MRV Ancona Ii E0 SPE Ltda.	99.50%	75.00%	0.00%
MRV Lcg Es V Incorpo SPE Ltda.	75.00%	75.00%	0.00%
MRV Magis I Inc. SPE Ltda.	60.00%	60.00%	0.00%
MRV Magis Ii Incorpo SPE Ltda.	62.00%	62.00%	60.00%
MRV Magis Iii Incor SPE Ltda.	99.50%	54.26%	0.00%
MRV Magis Iv SPE Ltda.	99.50%	99.50%	0.00%
MRV Magis Ix Inc SPE Ltda.	55.00%	53.00%	0.00%
MRV Magis V Inc SPE Ltda.	0.00%	0.00%	0.00%
MRV Magis Vi SPE Ltda.	55.00%	53.00%	50.00%
MRV Magis Vii G SPE Ltda.	99.50%	50.00%	0.00%
MRV Magis X Incorpor SPE Ltda.	100.00%	100.00%	60.00%
MRV Magis Xi Incorp. SPE Ltda.	100.00%	100.00%	60.00%
MRV Magis Xii Inc. SPE Ltda.	100.00%	100.00%	60.00%
MRV Magis Xiv Incorp SPE Ltda.	62.00%	62.00%	0.00%
MRV Magis Xv Inc. Sp SPE Ltda.	100.00%	100.00%	0.00%
MRV Md Cidade Nova I SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Collem Pe SPE Ltda.	60.00%	42.00%	42.00%
MRV Md Jardim Dos Alecrins SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Lagoa Do Naut SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Lagoa I Incor SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Lagoa Olhos SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Novo Jaboatao SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Pe Jd Coqueiros SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Pe Mar De Esp SPE Ltda.	50.00%	50.00%	99.00%
MRV Md Portal Da Ald SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila Antunes SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila Das Amor SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila Das Cast SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila das Figueiras SPE Ltda.	60.00%	60.00%	0.00%

MRV Md Vila Das Parr SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila Das Qua SPE Ltda.	60.00%	60.00%	0.00%
MRV Md Vila Das Videiras Inc E328 SPE Ltda.	60.00%	60.00%	0.00%

Equity interest	2013	2012	2011
MRV MDI Ba I SPE Ltda.	75.00%	99.00%	99.00%
MRV MDI Castanheira SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Ce I Incorp. SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Ce Ii Inc. SPE Ltda.	99.00%	99.00%	0.00%
MRV MDI Ce Iii Incor SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Ce Iv Incorp SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Ce V Incorp. SPE Ltda.	99.00%	99.00%	0.00%
MRV MDI Ce Vi Incorp SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Df I SPE Ltda.	65.00%	99.00%	99.00%
MRV MDI Df I SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Es I E1 SPE Ltda.	75.00%	75.00%	99.00%
MRV MDI Go Ii SPE Ltda.	65.00%	65.00%	65.00%
MRV MDI Go V SPE Ltda.	65.00%	65.00%	99.00%
MRV MDI Go Vi SPE Ltda.	65.00%	65.00%	99.00%
MRV MDI Mt Ii SPE Ltda.	65.00%	65.00%	65.00%
MRV MDI Mt V E228 SPE Ltda.	65.00%	99.00%	0.00%
MRV MDI Pe I SPE Ltda.	60.00%	60.00%	60.00%
MRV MDI Pe Leonardo SPE Ltda.	99.00%	99.00%	99.00%
MRV MDI Pe Michelang SPE Ltda.	60.00%	60.00%	60.00%
MRV MDI Pe Principe SPE Ltda.	50.00%	50.00%	99.00%
MRV MDI Pe Van Gogh SPE Ltda.	60.00%	60.00%	60.00%
MRV MDI Rj Ix SPE Ltda.	65.00%	65.00%	99.00%
MRV MDI Rs I Inc SPE Ltda.	99.50%	70.00%	99.00%
MRV MRL Camp Nou Inc SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Ii (Kdb) SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Iii Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV MRL Iv Inc SPE Ltda.	99.00%	97.00%	97.00%
MRV MRL Ix Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV MRL Jardim De Gotemburgo SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Jardim De Hanover SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Jardim De Viena SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Jardim Do Sol SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Jardim Do Triunfo SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Jardim Jovita SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL L Incorp. SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Liii Inc SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Lv Incorp. SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Lvi Incorp SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Lx Incorp. SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Lxi Incor SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Novol X SPE Ltda.	35.00%	35.00%	0.00%
MRV MRL Novolar SPE Ltda.	35.00%	35.00%	0.00%

MRV MRL Novolar I In SPE Ltda.	35.00%	35.00%	0.00%
MRV MRL Rj I Pq SPE Ltda.	70.00%	70.00%	70.00%
MRV MRL Rj Lxxiv Inc SPE Ltda.	65.00%	65.00%	0.00%

Equity interest	2013	2012	2011
MRV MRL Rj Praia I SPE Ltda.	65.00%	0.00%	0.00%
MRV MRL Rj2 Inc SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Rj3 Incorporacoes E334 SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Rj4 Incorporacoes E335 SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Ro Lvii Incorporacoes SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Sao Ricardo SPE Ltda.	99.00%	99.00%	0.00%
MRV MRL Via Light 2 SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL X Inc SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xi Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV MRL Xii Inc SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xiii SPE Ltda.	97.00%	97.00%	97.00%
MRV MRL Xix Inc SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xl Incorp SPE Ltda.	65.00%	65.00%	70.00%
MRV MRL Xli Incorpor SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xliii Inc Sp SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xlix Incorp. SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xlvii Incorp SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xvi Incorpor SPE Ltda.	99.00%	99.00%	99.00%
MRV MRL Xvii Inc SPE Ltda.	98.00%	98.00%	98.00%
MRV MRL Xxi Incorpor SPE Ltda.	99.00%	99.00%	96.00%
MRV MRL Xxix Incorp SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Xxv Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV MRL Xxvi Incorpo SPE Ltda.	70.00%	70.00%	70.00%
MRV MRL Xxvii Inc. SPE Ltda.	65.00%	65.00%	70.00%
MRV MRL Xxviii Incor SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Xxx Incorp. SPE Ltda.	65.00%	65.00%	70.00%
MRV MRL Xxxii Inc. SPE Ltda.	97.00%	97.00%	97.00%
MRV MRL Xxxiv Incorp SPE Ltda.	70.00%	70.00%	70.00%
MRV MRL Xxxix Incorp SPE Ltda.	70.00%	70.00%	70.00%
MRV Patrim Gal SPE Ltda.	50.00%	50.00%	50.00%
MRV Pe Vila Natal Co SPE Ltda.	60.00%	60.00%	0.00%
MRV PRIME Campo Grande Parte A E315 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Campo Grande Parte B E316 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Go Iii Inc SPE Ltda.	65.00%	65.00%	99.00%
MRV PRIME I Incorp SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Ii SPE Ltda.	99.00%	99.00%	99.00%
MRV PRIME Iii Inc. SPE Ltda.	99.00%	99.00%	99.00%
MRV PRIME Iv Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV PRIME Ix Inc SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Jardim Semin.Lote B E319 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Jardim Seminário Lote A E318 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Lote C Tamandare Cg E326 SPE Ltda.	65.00%	65.00%	0.00%

MRV PRIME Lt A Tamandare Cg Inc SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Luis Parte B Inc. E321 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Morada do Campo SPE Ltda.	99.00%	99.00%	99.00%

Equity interest	2013	2012	2011
MRV PRIME Parque Cha SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Paulista Costa E Silva Sp SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Rio Formoso A SPE Ltda.	65.00%	0.00%	0.00%
MRV PRIME Rio Formoso B SPE Ltda.	65.00%	0.00%	0.00%
MRV PRIME Rio Formoso C SPE Ltda.	65.00%	0.00%	0.00%
MRV PRIME Sem. Ms Lado A E322 SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME V SPE Ltda.	98.00%	98.00%	98.00%
MRV PRIME Vi Inc. SPE Ltda.	99.00%	99.00%	95.00%
MRV PRIME Vii Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV PRIME Viii Inc SPE Ltda.	99.00%	99.00%	95.00%
MRV PRIME X Inc SPE Ltda.	98.00%	98.00%	98.00%
MRV PRIME Xi SPE Ltda.	97.00%	97.00%	97.00%
MRV PRIME Xii SPE Ltda.	99.00%	99.00%	99.00%
MRV PRIME Xiii Inc SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xiv Incorp SPE Ltda.	97.00%	97.00%	97.00%
MRV PRIME Xv SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Xvii SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Xviii Inc SPE Ltda.	98.00%	98.00%	98.00%
MRV PRIME Xx Inc. Sp SPE Ltda.	97.00%	97.00%	97.00%
MRV PRIME Xxi Inc SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Xxii Incor SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xxiii Inco SPE Ltda.	97.00%	97.00%	97.00%
MRV PRIME Xxiv Inc. SPE Ltda.	98.00%	98.00%	98.00%
MRV PRIME Xxix Incor SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xxv Inc Sp SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Xxvii Inc SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Xxviii In SPE Ltda.	97.00%	97.00%	97.00%
MRV PRIME Xxx Incorp SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xxxi Incor SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xxxii Inco SPE Ltda.	99.00%	99.00%	96.00%
MRV PRIME Xxxiv Inco SPE Ltda.	99.00%	99.00%	0.00%
MRV PRIME Xxxv Inc SPE Ltda.	99.00%	99.00%	0.00%
MRV PRIME Xxxvii In SPE Ltda.	99.00%	99.00%	0.00%
MRV PRIME Xxxviii In SPE Ltda.	99.00%	99.00%	0.00%
Novolar II SPE Ltda.	65.00%	35.00%	35.00%
Novolar RJ VI SPE Ltda.	65.00%	35.00%	35.00%
Novolar RJ VII SPE Ltda.	65.00%	35.00%	35.00%
Novolar RJ VIII SPE Ltda.	65.00%	35.00%	35.00%
Nautilus Inc SPE Ltda.	75.00%	75.00%	75.00%
Paladium SPE Ltda.	99.50%	99.50%	99.50%
Palazzo Di Spagna In SPE Ltda.	99.50%	99.50%	99.50%
Panoramic SPE Ltda.	99.00%	99.00%	99.00%

Parque Alamo Incorp. SPE Ltda.	99.00%	99.00%	0.00%
Parque Álamo SPE Ltda.	99.00%	0.00%	0.00%
Parque Apoema Inc SPE Ltda.	97.00%	97.00%	0.00%

Equity interest	2013	2012	2011
Parque Arcos Da Lapa SPE Ltda.	99.00%	99.00%	0.00%
Parque Arpoador Inc SPE Ltda.	99.00%	99.00%	0.00%
Parque Atlanta Inco SPE Ltda.	99.00%	99.00%	0.00%
Parque Austin Incorp SPE Ltda.	99.00%	99.00%	0.00%
Parque Avalon Incorp SPE Ltda.	97.00%	97.00%	0.00%
Parque Casa De Bilba SPE Ltda.	97.00%	97.00%	0.00%
Parque Casa De Malag SPE Ltda.	97.00%	97.00%	0.00%
Parque Fremont Inc SPE Ltda.	99.00%	99.00%	0.00%
Parque Genova Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Guarani SPE Ltda.	70.00%	70.00%	70.00%
Parque Ilha Do Sol I SPE Ltda.	99.00%	99.00%	0.00%
Parque Jamile SPE Ltda.	99.75%	99.75%	99.75%
Parque Lagoa Bella SPE Ltda.	65.00%	0.00%	0.00%
Parque Lince Inc. SPE Ltda.	99.00%	99.00%	0.00%
Parque Lombardia Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Los Alpes Inc SPE Ltda.	99.00%	99.00%	0.00%
Parque Paladino Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Paradiso Inc SPE Ltda.	97.00%	97.00%	0.00%
Parque Paris Incorpo SPE Ltda.	97.00%	97.00%	0.00%
Parque Patagonia Inc SPE Ltda.	99.00%	99.00%	96.00%
Parque Perola Do Oriente SPE Ltda.	99.00%	99.00%	0.00%
Parque Petropolis In SPE Ltda.	70.00%	70.00%	70.00%
Parque Piaget SPE Ltda.	99.00%	0.00%	0.00%
Parque Piazza Bellin SPE Ltda.	99.00%	99.00%	0.00%
Parque Piazza Brasil SPE Ltda.	99.00%	99.00%	0.00%
Parque Piazza San Marco SPE Ltda.	99.00%	0.00%	0.00%
Parque Piazza Venezi SPE Ltda.	99.00%	99.00%	0.00%
Parque Pompeia Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Porto Burnier SPE Ltda.	99.00%	99.00%	0.00%
Parque Porto Havana SPE Ltda.	99.00%	0.00%	0.00%
Parque Porto Leon SPE Ltda.	99.00%	0.00%	0.00%
Parque Porto Roland Incorp E314 SPE Ltda.	99.00%	99.00%	0.00%
Parque Porto Valência SPE Ltda.	99.00%	0.00%	0.00%
Parque Porto Valência SPE Ltda.	99.00%	0.00%	0.00%
Parque Privilegium I SPE Ltda.	99.00%	99.00%	0.00%
Parque Reggiana Inco SPE Ltda.	99.00%	99.00%	0.00%
Parque Rio das Hortências SPE Ltda.	99.00%	0.00%	0.00%
Parque Rio Ebro SPE Ltda.	99.00%	0.00%	0.00%
Parque Rio Iguacu In SPE Ltda.	99.00%	99.00%	0.00%
Parque Rio Iguaçu SPE Ltda.	99.00%	0.00%	0.00%
Parque Rio Nieva Inc SPE Ltda.	97.00%	97.00%	0.00%
Parque Rio Nilo Incorp. SPE Ltda.	99.00%	0.00%	0.00%

Parque Rio Parana In SPE Ltda.	99.00%	99.00%	0.00%
Parque Rio Salas Inc SPE Ltda.	97.00%	97.00%	0.00%
Parque Rio Sella SPE Ltda.	99.00%	0.00%	0.00%

Equity interest	2013	2012	2011
Parque Rivoli Incor SPE Ltda.	65.00%	33.50%	0.00%
Parque Romenia Incor SPE Ltda.	99.00%	99.00%	0.00%
Parque Russia Inc. SPE Ltda.	99.00%	99.00%	0.00%
Parque Saint Benjamim Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Santa Clara Inc SPE Ltda.	99.00%	0.00%	0.00%
Parque Santa Lucia Incorp. SPE Ltda.	99.00%	0.00%	0.00%
Parque Trentino Inc SPE Ltda.	99.00%	0.00%	0.00%
Parque Vila Imperial Inc SPE Ltda.	75.00%	0.00%	0.00%
Parque Xavantes Inc SPE Ltda.	70.00%	70.00%	0.00%
Porto Gravatai Incorporacoes SPE Ltda.	99.00%	99.00%	0.00%
Porto Marabella SPE Ltda.	99.00%	0.00%	0.00%
Porto Polaris Incorporacoes SPE Ltda.	99.00%	99.00%	0.00%
Porto Trinidad Inc SPE Ltda.	99.00%	0.00%	0.00%
Pq Alabama Inc. SPE Ltda.	99.70%	99.70%	99.70%
Pq Arkansas Inc. SPE Ltda.	99.50%	99.50%	99.50%
Pq Asteca SPE Ltda.	99.50%	99.50%	99.50%
Pq Jaborandi SPE Ltda.	99.75%	99.75%	99.75%
Pq Jambreiro Inc SPE Ltda.	99.50%	99.50%	99.50%
Pq Juno SPE Ltda.	99.25%	99.25%	99.25%
Pq Piazza Navona SPE Ltda.	99.40%	99.40%	99.40%
Pq Piazza Reppub SPE Ltda.	99.60%	99.60%	99.60%
Pq Premiato SPE Ltda.	99.00%	99.00%	99.00%
Pq Rio Das Hortencia SPE Ltda.	97.00%	97.00%	0.00%
PRIME Sem. Ms Lado B E323 SPE Ltda.	65.00%	65.00%	0.00%
PRIME Sem. Ms Lado C E324 SPE Ltda.	65.00%	65.00%	0.00%
Prime XXXVI SPE Ltda.	99.00%	0.00%	0.00%
Prive Praia De SPE Ltda.	60.00%	42.00%	42.00%
Redentore SPE Ltda.	70.00%	70.00%	0.00%
Reserva Real Inc SPE Ltda.	99.00%	99.00%	0.00%
Resid.Veleiros SPE Ltda.	100.00%	100.00%	100.00%
Rio Ebro Inc SPE Ltda.	99.00%	99.00%	0.00%
Rio Sella Incorp SPE Ltda.	99.00%	99.00%	0.00%
RJ Praia DIII R.Ostras SPE Ltda.	65.00%	0.00%	0.00%
Saint Moritz I SPE Ltda.	98.90%	98.90%	98.90%
San Leonard In SPE Ltda.	99.00%	99.00%	99.00%
San Pietro SPE Ltda.	99.40%	99.40%	99.40%
Santo Amaro SPE Ltda.	100.00%	100.00%	100.00%
Santos Dumont SPE Ltda.	98.50%	98.50%	98.50%
Spazio Campo B SPE Ltda.	98.25%	98.25%	98.25%
Spazio Campo G SPE Ltda.	99.25%	99.25%	99.25%
Spazio Joanesbur SPE Ltda.	99.50%	99.50%	99.50%
Summer Ville SPE Ltda.	62.76%	62.76%	62.76%

Roc 1 SPE Ltda.	65.00%	0.00%	0.00%
Roc 2 SPE Ltda.	65.00%	0.00%	0.00%
Roc 3 SPE Ltda.	65.00%	0.00%	0.00%
Equity interest	**2013**	**2012**	**2011**
Roc 4 SPE Ltda.	65.00%	0.00%	0.00%
Roc 5 SPE Ltda.	65.00%	0.00%	0.00%
Roc 6 SPE Ltda.	65.00%	0.00%	0.00%
Roc 7 SPE Ltda.	65.00%	0.00%	0.00%
Roc 8 SPE Ltda.	65.00%	0.00%	0.00%
Roc 9 SPE Ltda.	65.00%	0.00%	0.00%
Roc 10 SPE Ltda.	65.00%	0.00%	0.00%
Sader 1 SPE Ltda.	65.00%	0.00%	0.00%
Sader 2 SPE Ltda.	65.00%	0.00%	0.00%
Soter Antônio Parte B SPE Ltda.	65.00%	0.00%	0.00%
Vitalice Inc SPE Ltda.	50.00%	50.00%	50.00%
Joint control			
Companies			
LOG Commercial Properties e Participações S.A.	37.87%	42.03%	42.03%
MRL Engenharia e Empreendimentos S.A.	37.65%	37.65%	37.73%
MRPR Empreendimentos Imobiliário Ltda.	65.00%	65.00%	0.00%
PRIME Incorporações e Construções S.A.	60.00%	60.00%	60.00%
Silent partnerships/SPEs			
SCP Aeroporto 2	65.00%	65.00%	0.00%
SCP Belas Ilhas	50.00%	50.00%	50.00%
SCP Belle Aqua	57.00%	57.00%	57.00%
SCP Belle Epoque	65.00%	65.00%	65.00%
SCP Bello Canto	65.00%	65.00%	65.00%
SCP Bello Ciello	57.00%	57.00%	57.00%
SCP Brisas	50.00%	50.00%	50.00%
SCP Cesário Melo	33.50%	33.50%	33.50%
SCP Chapada Dos Guimarães	58.00%	58.00%	58.00%
SCP Charme Goiabeira	58.00%	58.00%	58.00%
SCP Ecov (Arag,S. Dourada)	70.00%	70.00%	70.00%
SCP Flamboyant	69.00%	69.00%	69.00%
SCP Ilha Vitória	95.00%	95.00%	95.00%
SCP Ipadu Spazio Russeau	71.00%	71.00%	71.00%
SCP Oliveiras E Palmeiras	33.50%	33.50%	33.50%
SCP Paçuaré	33.50%	33.50%	33.50%
SCP Parque Chapada	58.00%	58.00%	58.00%
SCP Parque Rossete	33.50%	33.50%	33.50%
SCP Portal do Bosque	34.00%	34.00%	34.00%
SCP Positano	50.00%	50.00%	50.00%
SCP Pq Conquista S.	65.00%	65.00%	65.00%
SCP Reale	70.00%	70.00%	70.00%

SCP Reality E Renovare	32.00%	32.00%	32.00%
SCP Recanto das Águas	33.50%	33.50%	33.50%
SCP Recanto Das Pedras	50.00%	50.00%	50.00%

Equity interest	2013	2012	2011
SCP Redentore	70.00%	70.00%	70.00%
SCP Regence	70.00%	70.00%	70.00%
SCP Renault	70.00%	70.00%	70.00%
SCP Richmond Cond.	70.00%	70.00%	70.00%
SCP Ritz	34.50%	34.50%	34.50%
SCP Riv Do Campo	71.00%	71.00%	71.00%
SCP Riveira do Sol E Costa	34.50%	34.50%	34.50%
SCP Rodin	75.00%	75.00%	75.00%
SCP Rossini	75.40%	75.40%	75.40%
SCP Rotterdan	75.40%	75.40%	75.40%
SCP Roy Palm,R.Star	70.00%	70.00%	70.00%
SCP Royal Palms Club	70.00%	70.00%	70.00%
SCP São Pedro	70.00%	70.00%	70.00%
SCP Spazio Classique	65.00%	65.00%	65.00%
SCP Spazio Niteroi Garden	70.00%	70.00%	70.00%
SCP Spazio Recriart	70.00%	70.00%	0.00%
SCP Spz Boulevard	66.00%	66.00%	66.00%
SCP St Afonsos	66.00%	66.00%	66.00%
SCP Tingui	34.00%	34.00%	34.00%
SCP Top Life Goiania	65.50%	65.50%	65.50%
Chapada Imperi SPE Ltda.	58.00%	58.00%	58.00%
Citylife/C.Vig SPE Ltda.	65.50%	65.50%	65.50%
Copa Do Serrad SPE Ltda.	65.00%	65.00%	66.00%
Gi Empreed. SPE Ltda.	41.67%	41.67%	41.67%
Gran Classe In SPE Ltda.	66.00%	66.00%	66.00%
Gran Olympus SPE Ltda.	65.00%	65.00%	65.00%
MRV MDI Df I I SPE Ltda.	65.00%	65.00%	99.00%
MRV MDI Go Iv SPE Ltda.	65.00%	65.00%	99.00%
MRV MDI Ms I SPE Ltda.	65.00%	65.00%	99.00%
MRV MRL Patri Rj SPE Ltda.	33.50%	33.50%	0.00%
MRV MRL Xiv SPE Ltda.	70.00%	70.00%	70.00%
MRV MRL Xv SPE Ltda.	65.00%	65.00%	0.00%
MRV MRL Xxiii Inc. SPE Ltda.	65.00%	65.00%	70.00%
MRV MRL Xxiv Inc SPE Ltda.	65.00%	65.00%	70.00%
MRV MRV Xviii SPE Ltda.	65.00%	65.00%	70.00%
MRV Prim A Goia SPE Ltda.	65.00%	65.00%	65.00%
MRV PRIME Parati Luiz SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Pq Chap Ma SPE Ltda.	65.00%	65.00%	99.00%
MRV PRIME Seminario SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Silc SPE Ltda.	41.67%	41.67%	41.67%
MRV PRIME Soter Ant SPE Ltda.	65.00%	65.00%	0.00%
MRV PRIME Xix Inc SPE Ltda.	65.00%	65.00%	65.00%

Parque Sevilha SPE Ltda.	65.00%	65.00%	65.00%
Pq Cast Monaco SPE Ltda.	65.00%	65.00%	65.00%
Pq Castelo De Lu SPE Ltda.	65.00%	65.00%	65.00%

Equity interest	2013	2012	2011
Pq Chap Guimarães SPE Ltda.	58.00%	58.00%	58.00%
Pq Chapada Dia SPE Ltda.	67.00%	67.00%	67.00%
Pq Crhonos Inc SPE Ltda.	65.00%	58.00%	58.00%
Pq. Castelo De Andor SPE Ltda.	65.00%	65.00%	65.00%
Pq. Castelo De Gibraltar SPE Ltda.	65.00%	65.00%	65.00%
Pq. Castelo San SPE Ltda.	65.00%	65.00%	65.00%
Spazio Cristal SPE Ltda.	58.00%	58.00%	58.00%
Taguatinga QI SPE Ltda.	41.67%	41.67%	41.67%
Top Taguatinga LI SPE Ltda.	70.00%	70.00%	70.00%
Top Taguatinga SPE Ltda.	70.00%	70.00%	70.00%
Village Gran Castel SPE Ltda.	65.00%	65.00%	65.00%

The most relevant economic companies are LOG Commercial Properties e Participações S.A., MRL Engenharia e Empreendimentos S.A. and Prime Incorporações e Construções Ltda.

Through our subsidiary LOG Commercial Properties, we focus in the construction and leasing of industrial and logistic condominiums, besides the development of commercial properties such as shopping centers, strip malls and offices.

MRL operates in the Low Income homebuilding segment, focused in the state of Rio de Janeiro and the city of Belo Horizonte.

Prime operates in Low Income homebuilding segment, mainly in the Brasília city and the Mid-West region.

For more information regarding these companies, please see item 6.1 of this reference Form.

c) Company's interest in companies comprising the group

The Company does not hold interest in companies other than the described above, on item 8.1 (b).

d) Group's shareholding interest in the Company

Not applicable once the Company's shareholders are not societies. The Company's shareholder structure is:
Rubens Menin Teixeira de Souza holds 33.4% of the Company's capital stock;
Orbis Investment Management Limited holds 10.8% of the Company's capital stock;
Black Rock Inc. holds 5.13% of the Company's capital stock;
Janus Capital Management LLC holds 5.13% of the Company's capital stock;
Other shareholders holds 44.62% of the Company's capital stock;
Treasury shares holds 2.0% of the Company's capital stock;

e) Companies under Common control
Not applicable once the Company does not have Companies under Common control.

Equity Interest	2013	2012	2011
Intermedium Crédito Financiamento e Investimento S.A.	74.52%	58.63%	58.71%

8.2. Economic group's flowchart

For further information on our shareholding interest in the economic group's flowchart, please see item above

8.3. Restructuring, mergers, spin-offs, stock mergers and acquisitions of shareholding controls and acquisitions and disposals of important assets

Operation Date:	December 10, 2013
Corporate Event:	Other
Corporate Event Description:	Corporate Control Alienation or Acquisition
Operation description:	Acquisition of 40%of the capital of Parque Torino Imóveis S.A. by our jointly controlled entity LOG CP, amounting R$73 million, which will be paid in ten monthly installments amounted R$7.3 million, starting on December 2013.

Operation Date:	May 17, 2013
Corporate Event:	Other
Corporate Event Description:	LOG CP share issuance
Operation description:	On May 17, 2013, the current shareholders of LOG together with Bradesco BBI signed an Investment Agreement for the acquisition of 36,945,672 common shares to be issued by LOG, totaling R$ 278 million, being R$ 150 million for the current shareholders and R$128 million as part of FIP Multisetorial Plus.

Operation Date:	July 9, 2012
Corporate Event:	Other
Corporate Event Description:	Fouding of URBAMAIS
Operation description:	Transformation of the company Amazonas Park Incorporações SPE LTDA. into URBAMAIS PROPERTIES E PARTICIPAÇÕES S.A., to be engaged in the development of large urban areas for residential and/or residential/office use. The Board of Directors also approved the initial contribution of R$ 2.990 million of the estimated R$ 50 million capital, of which the Company holds 60%.

Operation Date:	July 15, 2011
Corporate Event:	Other
Corporate Event Description:	LOG CP share issuance
Operation description:	On July 15, 2011 the current shareholders of LOG together with Starwood Capital Group signed an Investment Agreement for the issuance of 62,650,009 common shares to be issued by LOG, totaling R$ 350 million, being R$ 250 million as Starwood‟s part and R$ 100 million for the current shareholders of LOG.

Operation Date:	November 09, 2010
Corporate Event:	Corporate Control Alienation or Acquisition
Corporate Event Description:	/
Operation description:	A new shareholder joined MRV Logística e Participações S.A. without the other shareholders exercising their preemptive rights, and thus the Company's equity interest decreased from 65.0% to 63.05%.

Operation Date:	May 1st, 2010
Corporate Event:	Incorporation
Corporate Event Description:	/
Operation description:	On May 1, 2010, jointly controlled entity Blas Engenharia e Empreendimentos S.A. ("Blas") fully merged LGB Construções Ltda. ("LGB"). On the same date, the latter's name was changed to MRL Engenharia e Empreendimentos S.A. ("MRL"). Merged net assets amounted to R$2,793. As a result, on this date the Company's interest in the capital of MRL Engenharia e Empreendimentos S.A. decreased from 49 to 37.73 percent.

8.4. Provide other information deemed relevant by the issuer

All relevant and applicable information on this matter was disclosed in the items above.

Relevant assets

9.1. Assets comprising the non-current assets deemed relevant for the development of the Company's activities:

a) property, plant and equipment (including those subject to rental or leasing)

The Company does not have property, plant and equipment of relevance for the development of the Companies activities.

b) patents, trademark, concessions, franchises and IT transfer agreements

Registered trademarks (Brazil)

Holder	Trademark	Proceeding	Class	Deposit	Effective period
MRV SERVIÇOS DE ENGENHARIA LTDA.	MRV Engenharia	816554587	37.05	11/29/1991	10/13/2017
MRV SERVIÇOS DE ENGENHARIA LTDA.	MRV Engenharia	821587137	27.5.1	04/15/1999	09/23/2017
MRV SERVIÇOS DE ENGENHARIA LTDA.	MRV Engenharia	821587129	37/05.40	04/14/1999	10/14/2017
MRV SERVIÇOS DE ENGENHARIA LTDA.	MRV Engenharia	200039202	27.5.1	04/15/1999	10/14/2017

As set forth in item 7.5 (c), we entered into with MRV Serviços de Engenharia Ltda., on January 5, 2007, the Trademark Use License Agreement, through which MRV Serviços de Engenharia granted us, freely and exclusively, the use license in Brazil of the mixed trademark "MRV Engenharia", duly registered with INPI. The Trademark Use is valid for ten years as from the date of execution of the respective agreement and must not be assigned by any of the parties to third parties, except under prior approval. We are not the owners of any registry or request for registration of any trademark with INPI. The Company can lose its trademark's rights in the event of no renovation of the ten year term when it finishes, or in the event of the expiration or rescission, prematurely or not, of the Trademark Use License Agreement.

We believe that the chances of not renewal of the trademark use license are remote. Rubens Menin Teixeira de Souza, our controlling shareholder, has shared shareholding control of MRV Serviços de Engenharia, holding 50% of the shares and does not intent to change the current situation. In the event of loss of the Trademark Use License, the Company will not be able to use the trademark.

c) Companies in which the Company holds interest and that are relevant for the development of the business

For information on our Company's shareholding interest in the companies provided below, see item 8.1 (b) of this Reference Form. The market value of the shareholding interest and the respective variation were not informed because the companies below do not have shares traded in organized-over-the-counter markets. The Company did not receive dividends of the companies in which has shareholding interest over the last three periods.

Corporate name	Main place of business	Activities developed	Company	Partici-pation (%)	CVM Registry	Interest equity value (PL) (R$ thousand)			Dividends (R$ thousand)			Reason for acquisition
						2012	2011	2010	2012	2011	2010	
MRL ENGENHARIA E EMPREENDIMENTOS S.A.	BELO HORIZONTE, MG - BRAZIL	Civil construction	Companies - shared shareholding control	37.66%	N/A	3,431	1,959	5,176	0.00	0.00	0.00	Expand the operations in the Popular Residential Development sector in the States of Belo Horizonte and Rio de Janeiro
PRIME INCORPORAÇÕES E CONSTRUÇÕES LTDA.	BELO HORIZONTE, MG - BRAZIL	Civil construction	Companies - shared shareholding control	60.00%	N/A	36,103	32,189	23,297	0.00	0.00	0.00	Expand the operations in the Popular Residential Development sector in Brasília and neighborhoods
LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.	BELO HORIZONTE, MG - BRAZIL	Implementation and management of distribution centers	Companies - shared shareholding control	42.03%	N/A	183,006	179,492	46,929	0.00	0.00	0.00	Development of the real estate sector directed to the incorporation and rental of distribution centers, industrial condominiums, hubs and logistics condominiums
MDI DESENVOLVIMENTO IMOBILIÁRIO	BELO HORIZONTE, MG - BRAZIL	Management of own assets; commercialize property; and participation in other companies	Controlled Company	100.00%	N/A	3,630	10,066	31,786	0.00	0.00	0.00	Management of own assets, development, construction and sale of own or third-party properties, the purchase, sale or barter of own or third-party properties, and holding equity interests in other companies
URBAMAIS PROPERTIES E PARTICIPAÇÕES S.A.	BELO HORIZONTE, MG - BRAZIL	Development of large urban areas	Companies - shared shareholding control	60.00%	N/A	2,742	-	-	-	-	-	Development of large urban areas for residential and/or residential/office use

The shareholders' equity and the equity in the earnings of 2012, 2011 and 2010 were derived from the financial statements for the years ended December 31, 2011, 2010 and 2009.

9.2. Other relevant information

As from 2006, a number of companies and shareholding interest changed in the period analyzed. These transactions resulted from the increase in the Company's incorporation and construction activities. The creation of these new companies comprises the construction business, since this activity allows to better allocate the funds and reduce the tax burden.

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A

LOG Commercial Properties ("LOG") was established in June 2008 by our Company and by Autonomy Investimentos to operate in the real estate market for the merger and rental of distribution centers, industrial condominiums, hubs (center of companies which use our hangars to perform the transactions in certain regions) and logistics condominiums (development for rental of logistics operators – carriers – which partially rent the hangars and divide the common parts such as refectories, restaurant, dormitory and supporting facilities, among others).

As from November 2008, our Company, together with Autonomy Investimentos, became the holder of 65% and 35%, respectively, of LOG's capital stock. On November 9, 2010, a new shareholder joined LOG Commercial Properties without the other shareholders exercising their preemptive rights, and thus the Company's equity interest decreased from 65.0 to 63.05 percent.

On July 15, 2011, the current shareholders of LOG together with Starwood Capital Group signed an Investment Agreement for the issuance of 62,650,009 common shares to be issued by LOG, totaling R$ 350 million, being R$ 250 million as Starwood's part and R$ 100 million for the current shareholders of LOG, of which R$ 63.050 million as the Company's part. In August and October of 2011 the installment of the agreement of R$ 140 million and R$ 210 million, respectiviely, were paid. After these paymentsthe Company's part decreased to 42.03% from 63.05%.

At the shareholders meeting held in January 2012 the change of the corporate name and corporate brand of the former MRV Logística e Participações S.A. to LOG Commercial Properties e Participações S.A. ("LOG") was approved. This amendment aims to reflect the company's business and to strengthen its strategy as commercial and industrial property builder.

On May 17, 2013, the current shareholders of LOG together with Bradesco BBI signed an Investment Agreement for the acquisition of 36,945,672 common shares to be issued by LOG, totaling R$ 278 million, being R$ 150 million for the current shareholders and R$ 128 million as part of FIP Multisetorial Plus ("FIP MPLUS"). R$63,050 million are from the Company.
In June 2013, the investments were subscribed. After the subscription, the Company's share went from 42.03% to 37.87%. Despite this share reduction, due to the subscription have been done at fair price, higher than the accounted equity, there was a gain of R$22,681, net of operation costs, registered in our result in "Other operational revenues

MRL e Prime

Prime and Blas were acquired with the strategic purpose to improve the performance channel in the Brazilian construction market.

In November 2007, we became shareholders of Blás', through the subscription of shares, holding 49% of its capital stock. Blás operates in the low-income developments, focused mainly in the State of Rio de Janeiro and in the city of Belo Horizonte. On May 1, 2010, jointly controlled entity Blas Engenharia e Empreendimentos S.A. ("Blas") fully merged LGB Construções Ltda. ("LGB"). On the same date, the latter's name was changed to MRL Engenharia e Empreendimentos S.A. ("MRL"). Merged net assets amounted to R$2.793 million. As a result, on this date the Company's interest in the capital of MRL Engenharia e Empreendimentos S.A. decreased from 49 to 37.73 percent.

In September 2007, we acquired, through the subscription of shares, 50% of Prime Incorporações e Construções Ltda.'s capital stock, which company operates in the Popular Real Estate Development industry, mainly in the Mid-West region. In November 2008, we increase our interest in Prime's capital stock to 60.0%.

MDI

On July 1, 2009, the Company established, together with its subsidiary LOG Commercial Properties, MDI Empreendimentos Ltda., a company engaged in the management of own assets, development, construction and sale of own or third-party properties, the purchase, sale or barter of own or third-party properties, and holding equity interests in other companies. The Company holds 99.90% of its shares and LOG Commercial Propertiesholds 0.10%.

Urbamais

The Board of Directors approved on July 9, 2012 the transformation of the company Amazonas Park Incorporações SPE LTDA. into URBAMAIS PROPERTIES E PARTICIPAÇÕES S.A., to be engaged in the development of large urban areas for residential and/or residential/office use. The Board of Directors also approved the initial contribution of R$ 2.990 million of the estimated R$ 50 million capital, of which the Company holds 60%.

Executive Officers' comments

10.1. Executive Officers' comments

a) General financial and equity conditions

The management understands that the Company has proper financial and equity conditions to implement the business plan and comply with its short- and long-term obligations.

The management's view is based on the following main aspects:

- Solid cash position – on December 31, 2013, the sum of our cash and cash equivalents totaled R$1,689 million, an increase of 9.7% compared to December 31, 2012 (R$ 1,539 million);
- Good financial capacity – based on the analisys of liquidity ratios, the Company has good financial capacity comparing to its obligations and has been improving the analyzed ratios, keeping liquity ratios above 1.0x, as demonstrated in the table below:

	12/31/2013	12/31/2012
General liquidity	1.75	1.65
Current liquity	2.29	1.88
Quick liquidity	1.61	1.35

- Low leverage and conservative capital structure – on December 31, 2013, our net debt was negative in R$1,329 million, which represents a leverage of 30.4% of shareholders' equity, that represents a decrease of 20.1% in net debt (R$ 1,663 million) and a 10.2 bps in leverage (40.7%) compared to December 31, 2012. When we compare net debt to EBITDA (earnings before interest, taxes, depreciation and amortization), which refers to the Company's operational cash generation, there is also an improvement: on December 31, 2012 this ratio was equivalent to 2.11x and on December 31, 2013, this ratio went to 2.07x.
- Lower working capital need due to a faster financial cycle, compared to the sector's average, and also due to the wide use of associative credit system as a financing mechanism (financing system in which the client obtains the mortgage during construction phase) of our projects and clients. Additionally, the receivables cycle (receivables / net operating revenue) of the Company has been decreasing: from 447 days on December 31, 2012, to 401 days on December 31, 2013
- Lower exposure to the consumers' risk since we transferred to the banks the most part of the financing to the clients, both through the associative credit system mentioned above and the traditional bank financing. On December 31, 2013, only 4.2% of the total Company's accounts receivables refer to clients' installments paid directly to the Company;
- Operational margins is one of the best in the industry due to: (a) expertise of 34 years and leadership in the low-income real estate sector; (b) strict control of operational costs and expenses; (c) high quality of project development; (d) expertise in land acquisition; and (e) efficient construction method.

b) capital structure and possible redemption of shares or quotas

The current capital structure, measured mainly by the ratio between net income and shareholders' equity, provides currently conservative leverage levels, according to the Executive Officers' understanding.

The Total Company's shareholders' equity changed from R$3,670 million on December 31, 2011 to R$4,088 million on December 31, 2012 and to R$ 4,365, on December 31, 2013.

Our net indebtness was R$ 1,329 million on December 31, 2013, compared to the net indebtness of R$1,663 million as of December 31, 2012 and to R$ 1,425million as of December 31, 2011.

Our net debt to total shareholders' equity ratio was 30.4% as of December 31, 2013. On December 31, 2011, this ratio was 38.8% and on December 31, 2012, it was 40.7%.

The Company focuses on construction financing in its debt composition due to lower cost and lower exposure to inflation, since it is indexed to TR (reference rate). The stake of this type of financing increased when compared to the Company's total debt from 19.6% on December 31, 2011, to 29.2% on December 31, 2012, and to 29.3% on December 31, 2013.

On the table below we demonstrate the Weighted Average Debt Cost of the Company on December 31, 2013:

(R$ million)	Balance Due Dec/13	Balance Due / Total (%)	Average Cost
CDI	1,888	62.6%	CDI + 1.4%
TR	1,124	37.2%	TR + 8.1%
Others (fixed rate)	6	0.2%	4.5%
Total	**3,018**	**100.0%**	

The ratios below are also monitored by the Company, showing that the debt structure is healthy and conservative:

General debt (Current liabilities + noncurrent liabilities) / Total Assets			
	12/31/2013	12/31/2012	12/31/2011
Current liabilities (R$ thousand)	2,560,666	3,286,108	2,515,347
Noncurrent liabilities (R$ thousand)	3,272,383	2,966,124	2,428,635
Total assets (R$ thousand)	10,198,449	10,340,205	8,614,071
	57.2%	**60.5%**	**57.4%**

Debt Composition **Current liabilities / (Current liabilities + noncurrent liabilities)**			
	12/31/2013	12/31/2012	12/31/2011
Current liabilities (R$ thousand)	2,560,666	3,286,108	2,515,347
Noncurrent liabilities (R$ thousand)	3,272,383	2,966,124	2,428,635
	43.9%	**52.6%**	**50.9%**

There is no intention to perform any redemption of shares or quotas.

c) payment capacity as regards to the financial obligations assumed

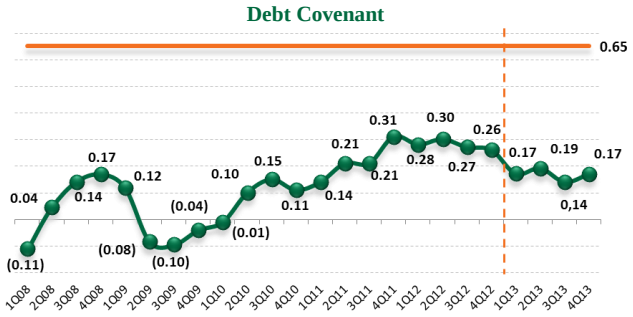
The Executive Officers' believe the Company has liquidity and capital resources sufficient to cover the investments, expenses, debts and other amounts to be paid over the next years, although we are not able to assure that this scenario will be maintained. The Executive Officers understand that in the event we consider necessary to raise additional resources to fund investments and acquisitions, the Company will be able to do so.

Moreover, our financial cycle is shorter as compared to the industry's average and the wide use of the "*Credito Associativo*" makes our accounts receivables an important source of liquidity to the Company, according to the Executive Officers' understanding.

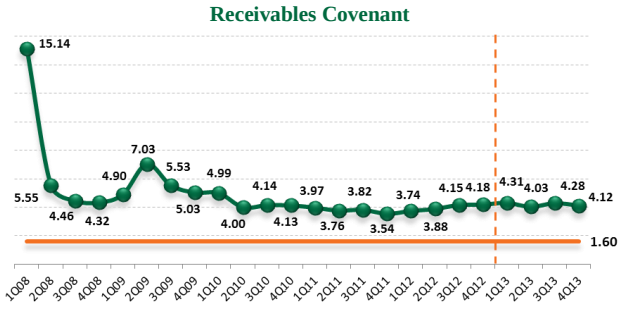
The Company is focused on operational cash generation (measured by the variation of the net debt, excluding capital increases, buyback-shares held in treasury and dividends paid, when applicable), which has lead to decrease the Copany's leverage, as verified in the evolution of the ratio net debt / equity. In 2013, the Company generated R$ 548 million of operational cash, an important improvement when compared to 2012, when the Company burned R$ 28 million in cash. Since 2013, the Company is prepared to continuous operational cash generation.

Another important fact to be highlighted is the financing type that is prioritized by the Company: construction financing in the associative credit model. In this model the construction financing is amortized as clients obtain its mortgages with the banks during construction phase. In associative credit, *"crédito associativo"* model, after the client has been transferred to the bank, this in turn transfers the amount financed by the client to the homebuilder according to the construction progress and those amounts are used to amortize the construction financing installments due by the hombuilder to build the project. Thus, the need for working capital decreases and it is possible to finish the project without debt balance with the bank.

Finally, the Company is within the parameters required by our lenders, called covenants. In the table below we show the receivables and debt coveants of the Company's debentures.



$$\frac{\text{Net Debt} + \text{Properties Payable}}{\text{Equity}} < 0.65$$



$$\frac{\text{Receivables} + \text{Unearned Income} + \text{Inventories}}{\text{Net Debt} + \text{Properties Payable} + \text{Unincurred Costs}} > 1.6$$

d) financing for working capital and investments in non-current assets used and e) financing for working capital and investments in non-current assets to be used to cover liquidity shortages

We raise funds through loan agreements, when necessary, which are allocated to fund our working capital needs and short- and long-term investments, as well as to maintain our cash funds at a level the Executive Officers believe to be adequate for the performance of our activities.

We raised loans, mainly through the Brazilian Housing Financing System ("*Sistema Financeiro da Habitação" – SFH*), which, according to the Executive Officers view, offers lower interest rates as compared to the private market, prepayment options and the possibility of transfering our debt to our clients.

Moreover, whenever necessary, we also access the capital market to issue securities, such as debentures. The Executive Officers always seek to maintain a reduced level of exposure to interest rate and foreign exchange risks.

Our indebtness was comprised as follows for the periods indicated:

Consolidated (In R$ thousands)	December 31		
	2013	2012	2011
Loans	3,017,723	3,202,194	2,412,112
(+) Obligations with related companies	0	0	0
(-) Cash and cash equivalents	1,422,595	1,385,307	790,226
(-) Marketable securities	266,059	154,029	196,615
Net debt	**1,329,069**	**1,662,858**	**1,425,271**
Total net debt/total shareholders' equity	**30.45%.**	**40.68%.**	**38.84%.**

The Company does not have significant investments in non-current assets; therefore, we do not require working capital for this purpose, according to the Executive Officers' understanding.

LOG Commercial Properties e Participações S.A's investments in investment property are finance both through own capital and third parties capital (construction and debentures financing).

f) Indebtness level and debt description

Consolidated (R$ thousands)	12/31/2013	Maturity Date	Index	Annual average spread
Debentures – 3rd series – single series	269,562	2/1/2014	CDI	1.60%
Debentures – 4th series – single series	241,693	12/1/2015	TR	8.25%-10.25%
Debentures – 5th issuance – single series	526,199	7/1/2016	CDI	1.50%
Debentures – 6th issuance – single series	508,284	5/03/17	CDI	1.50%
Working Capital – CDI	417,651	Until Jun/17	CDI	1.02%-2.80%

CCB which backed the CRI transaction	167,471	Mar/13 to Mar/15	CDI	1.15%
Construction financing	883,360	Until Dec/18	TR	8%-10.5%
FINAME	3,751	Until Apr/20	Previously-fixed	4.50%
Leases	5,980			
Costs with the issuance of debentures	-4,978			
Costs with the issuance of CCB	-1,250			
Total	**3,017,723**			

Debentures:

1st issue

The first issue carried out on June 15, 2008 totaled R$300,000 in simple, nonconvertible debentures, in two registered, book-entry, unsecured series, with the following additional features:

(i) The nominal value of first series debentures, amounting to R$271,400 represented by 27,140 debentures, is not adjusted, and these debentures bear interest, charged on nominal value or outstanding balance, if applicable, equivalent to 100% of the accumulated change in the average daily rates of extragroup *DI Over* (one-day interbank deposits), calculated and disclosed by the *CETIP* (organized over-the-counter market for assets and derivatives), plus a spread of 1.5% per year.

(ii) The nominal value, or outstanding balance, of second series debentures, amounting to R$28,600 represented by 2,860 debentures, adjusted as from issuance based on the extended consumer price index (*IPCA*) and such adjustment is automatically added to the nominal value of second series debentures, which bear interest of 10.80% per year.

Interest on first series debentures is paid semiannually and on second series debentures annually, as from issuance date up to maturity date on June 15, 2013.

In May 2011, LOG issued simple, nonconvertible, registered, book-entry, unsecured debentures, in a single series, with unsecured guarantees (bond), with nominal face value of R$1,000 (one million Brazilian reais) amounting to, on issuance date, R$108,000 (R$45,392 for consolidation purposes), which pay equivalent to 100% of the CDI fluctuation plus spread of 2.20% per year (effective interest rate of 100% of CDI fluctuation plus 2.69% per year). These debentures mature on February 16, 2014 and interest is payable semiannually. These agreements do not contain any restrictive covenants requiring compliance with financial ratios. The Company and other LOG's shareholders guarantee the transactions. Accordingly, the balances at December 31, 2011 incorporate this first issue of this subsidiary, referring to principal (R$45,392) and interest (R$735) amortizable in 2014 and 2012, respectively, and unrecognized issue costs (R$437).

2nd issue

The second issue of 100 debentures, amounting to R$100,000 and maturing within two (2) years, was made on May 25, 2009, in a single series and bears interest, charged on nominal value or outstanding balance, equivalent to 100% of the accumulated change in the average daily rates of extragroup DI Over (one-day interbank deposits), calculated and disclosed by the CETIP (organized over-the-counter market for assets and derivatives), plus a spread of 3.70% per year. This issue was settled on May 25, 2011.

3rd issue

On January 14, 2010, the Board of Directors approved the third public issue of single series simple, nonconvertible, registered, unsecured debentures, within the authorized capital cap.

On February 1, 2010, the Company conducted the third issue of simple, nonconvertible, registered, book-entry unsecured debentures, amounting to R$516,400 represented by 51,640 single series debentures, under CVM registration number CVM/SER/DEB/2010/007.

These debentures were settled on March 10, 2010 for a total amount of R$521,475 - as adjusted by the security's unit price (UP) disclosed by the trustee - represented by 51,640 (fifty one thousand, six hundred and forty) debentures in the nominal unit value of ten thousand reais, maturing on February 1, 2014, and redeemable in two semiannual payments, on February 1, 2013 and February 1, 2014, respectively. These debentures bear interest, charged on nominal value or outstanding balance, equivalent to 100% of the accumulated change in the average daily rates of extragroup *DI Over* (one-day interbank deposits), calculated and disclosed by the *CETIP* (organized over-the-counter market for assets and derivatives), plus a spread of 1.60% per year. Interest started to be paid on August 1, 2010.

4th issue

On December 23, 2010, the Company conducted the fourth issue of nonconvertible debentures, amounting to R$300,000 represented by 300 debentures with nominal value of one R$1,000.

These debentures mature on December 1, 2015 and will be redeemed semiannually in five installments, starting December 1, 2013. These debentures are collateralized by: (i) the investment fund of the undisbursed proceeds that will finance the projects (ii) the receivables from the sale of units that will be financed with the debentures' proceeds; (iii) the escrow accounts of each

project being financed with this proceeds; and (iv) the land of each financed project. As of December 31, 2010, the only outstanding collateral was the investment fund of the undisbursed proceeds that will finance the construction of some defined projects. Additionally, this debenture bears interest charged on its nominal value or outstanding balances, when applicable, equivalent to the *"Taxa Referencial" - TR* (a managed prime rate), plus a spread of 8.25% for the funds used to finance units with a sales price equal to the price set out in a Resolution of the Severance Pay Fund ("*Fundo de Garantia por Tempo de Serviço" - FGTS*) Board or lower, and 10.25% for the funds used to finance units with a sales price higher than the price set out in a Resolution of the Severance Pay Fund (*FGTS*) Board. Interest will be paid semiannually, beginning June 1, 2011.

5th issue

On July 15, 2011, the Company completed the fifth public issuance of simple, nonconvertible debentures, with unsecured guarantees, in a single series, amounting to R$500,000, represented by 500,000 debentures with nominal face value of one thousand reais (R$1,000), maturing on July 1, 2016. The nominal face value of these debentures will be repaid in two equal installments maturing on July 1, 2015 and July 1, 2016. These debentures pay interest, charged on the face value or the outstanding balance, in applicable, equivalent to the CDI rate plus spread of 1.5% per year, payable semiannually starting January 15, 2012.

6th issue

On May 3, 2012, the Company completed the sixth public issuance of simple, nonconvertible debentures, with unsecured guarantees, amounting to R$500,000, represented by 500,000 debentures with nominal face value of one thousand reais (R$1,000), maturing on May 3, 2017. The nominal face value of these debentures will be repaid in two equal installments maturing on May 3, 2016 and May 3, 2017. These debentures pay interest, charged on the face value or the outstanding balance, in applicable, equivalent to the CDI rate plus spread of 1.5% per year, payable semiannually.

CCB

On February 18, 2011, the Company issued two Bank Credit Notes ("CCB") totaling R$240,900, which backed the transaction with Certificates of Real Estate Receivables ("CRI") issued by Brazilian Securities Companhia de Securitização on March 15, 2011. The aggregate balance of principal and interest at December 31, 2011 was R$242,109. Costs incurred on CCB issuances totaled R$3,895 and the balance at December 31, 2011 was R$3,239. These funds will be used to acquire land, and the construction and development of certain housing projects. This transaction has a two-year grace period, will be amortized in nine (9) quarterly installments, with final maturity on March 16, 2015, and pays interest equivalent to interbank rate (DI), plus spread of 1.15% per year, paid on a quarterly basis. This transaction is not guaranteed by collaterals or fiduciary guarantees.

Working Capital

Working capital and construction financing agreements are collateralized by receivables, disposal of land, or promissory notes, some of which guaranteed by the controlling shareholders.

FINAME

The FINAME financing agreement refers to the purchase of an aircraft, totaling R$5,665, through the FINAME Program. Principal will be repaid in monthly, consecutive installments, starting in May 2012 and ending in April 2020. Interest will be paid in quarterly, consecutive installments during the grace period for principal repayment (May 2012) and on a monthly basis after such grace period. This financing bears interest set at the fixed rate of 4.50% per year. The financing is collateralized by a lien in favor of the lender and a promissory note in an amount corresponding to 130% of principal.

Restrictive Clauses (Covenants):

Covenants	December 31		
	2011	2012	2013
(Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65)	0.31	0.26	0.17
(Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0	3.54	4.18	4.12

Level of subordination between debts

According to debt contracts incurred by the Company, none of them has precedency over the other, even in eventual universal contest of creditors.

Whereas there is no order of precedency in the contracts of the Company's debts in the case of universal contest of creditors, the Company complies with the terms set out in the Civil Code.

g) Utilization limits of contracted financing

The 4th debentures issue resources, in the amount of R$300,000 thousand, as mentioned on item 10.01 f), are released for utilization according to the physical-financial schedule of the financed project. Until December 2013, R$298,783 were already released to the Company, with the remaining R$1,217 yet to be released.

h) Material changes in each line of the financial statements

FINANCIAL INFORMATION

These consolidated financial statements are the first prepared and presented in accordance with the International Financial Reporting Standards (IFRS), applicable to real estate development entities, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities and Exchange Commission (CVM), and the Federal Accounting Council (CFC), and in accordance with all the the individual financial statements, the Company adopted the changes in Brazilian accounting practices identifyied as Consolidated.

Net operating revenue

Our net operating revenues increased from R$ 3.804 billion for the year ended December 31, 2012, to R$3.871 billion for the year ended December 31, 2013. An increase of 1.8% compared to 2012.The increase is mainly because of the decrease of units built and an increase cancellations impacted the revenue growth of the year, according to the Executive Officers' understanding.

Cost of properties sold and services

The cost of properties sold and services increased from R$ 2737 million for the year ended December 31, 2012 to R$2,849 for the year ended December 31, 2013. An increase of 4.1% over 2012. The increase resulted from inflationary adjustments of materials and services, according to the Executive Officers' understanding.

Gross profit

By virtue of the reasons above, our consolidated gross profit in 2013 reached R$ 1,021 million, a decrease of 4.2% compared to R$ 1,066 million in 2012. Gross margin reached 26.4% in 2013.

In 2013, the consolidated gross profit decreased when compared to 2012 due to a lower gross margin (older projects recognition through POC). Throughout 2013, the gross margin improved gradually, as older projects were being concluded and newer projects started to have more representativity in the financial statements.

The Executive Officers' understanding is that the level of maintenance provisions is adequate and we concluded, on the 2H13, the inclusion of ongoing projects eligible to (RET).

Selling expenses

The Company's selling expenses increased, in 2013 from R$251 million in 2012 to R$270 million in 2013. As percentage of Net Revenue the selling expenses grew from 6.6% in 2012 to 7.0% in 2013. Our selling expenses grew 8% over 2013 manily due to the strong growth in the sales volume and the increase of our own sales team. We believe the increase in our own sales team will bring advantages to our operation, since there is an aligment of interests on the quality of the sales.

General and administrative expenses (including management's fees)

Our general and administrative expenses (including administration fees) grew by 13.8% compared to 2012, from R$215 million in 2012 to R$244 million in 2013. As a percentage of our net revenue, the general and administrative expenses went from 5.6% in 2012 to 6.3% in 2013. Relevant investments were made in our administrative structure in order to respond to the Company's operations growth, with efficiency and quality improvement. The Executive Officers believe that the Company's administrative structure is assembled and able to absorb the operation's growth.

Other operating income, net

Our other net operating income went from R$ 40 million in 2012 to R$ 39 million in 2013. In 2013 this item presented gains with the capital transaction, equivalent to R$23 million measured in the second private equity round of LOG Commercial Properties S.A.

Financial income (expenses)

Financial expenses

Our financial expenses increased from R$ 129 million in 2012 to R$ 137 million in 2013. An increase of 6.4% compared to 2012. This increase resulted from the growth of the the SELIC rate during 2013, according to the Executive Officers' understanding.

Financial income

Our total financial income increased from R$ 91 million for the year ended December 31, 2012 to R$129 million for the year ended December 31, 2013. An increase of 40.9% compared to 2012, mainly due to the strong cash generation in the period and partially explained by the increase of SELIC rates.

Our financial income from receivables from real estate development went from from R$ 13 million for the year ended December 31, 2012 to R$39 million for the year ended December 31, 2013. An increase of 203.6% compared to 2012 mainly due to the variation in the indexes which adjust our receivables. - *INCC and IGP-M,* as well as the variation of the balance to be adjusted.

Income before income tax and social contribution

Due to the reasons mentioned above, our income before income tax and social contribution went from R$ 596 million for the year ended December 31, 2012 to R$ 499 million for the year ended December 31, 2013. A decrease of 16.3% compared to 2012.

Income tax and social contribution

The expenses with income tax and social contribution went from R$ 21 million for the year ended December 31, 2012 to R$ 49 million for the year ended December 31, 2013.

The accounted taxes and contributions on 2012 were fundamentally impacted by two factors:

Two government resolutions, which were released by the end of 2012, changed the RET (Special Taxes Regime) tax rates. The first relevant change was the increase of the unit value from R$85 thousand to R$100 thousand to be eligible to the RET tax rate of 1%. For the other RET eligible units, the tax rate went from 6% to 4% as of 2013 and there was a tax reversion. The taxes were impacted mainly by the changes of projects that were taxed by real income and presumed profit to RET. As a practical effect of the tax rates reduction, in 2013 there was a reversion of the deferred taxes.

Gradually, due to the framing of every new project in the RET, the Company's effective tax rate (PIS / COFINS / IRPJ / CSLL) will tend to 4%.

Net Income

Our profit attributable to shareholders of the Company went from R$ 528 million for the year ended December 31, 2012 (representing 13.9% of our net operating income) to R$ 423 million for the year ended December 31, 2013(representing 10.9% of our net operating income).

MAIN CHANGES IN THE BALANCE SHEET ACCOUNTS

Current assets

Cash and cash equivalents and investment securities

The table below describes our cash and cash equivalents and investment securities for the dates indicated:

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Cash and cash equivalents	790,226	1,385,307	1,422,595	2.7%	80.0%
Investment Securities – current account	196,615	154,029	266,059	72.7%	35.3%
Investment Securities – non-current account	-	-	-	-	-
Total	**986.841**	**1.539.336..**	**1.688.654..**	**75,4%**	**115,3%**

Cash and cash equivalents

On December 31, 2013, our cash and cash equivalents totaled R$ 1,423 million, as compared to the R$ 1,385 million on December 31, 2012 and R$790 million on December, 2011. This increase is a result of the increase in our operations volume, which can be seen in the net operating revenues, as described before, according to the Executive Officers' understanding.

Investment Securities

On December 31, 2013, our investment securities totaled R$ 266 million, as compared to R$ 154 million on December 31, 2012 and R$196 million on December 31, 2011. The increase of 72.7% compared to 2012 and of 35,3% compared to 2011 resulted mainly from the normal movements of the Company's resources,according to the Executive Officers' understanding.

Receivables from real estate developments

The table below describes our receivables from real estate developments, for the dates indicated:

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Receivables from real estate developments	4,211,492	4,681,294	4,269,708	(8.8%)	1.4%
Discounts to present value	-24,642	-19,590	-23,207	18.5%	(5.8%)
Total	**4,186,850**	**4,661,704**	**4,246,501**	(-8.9%)	1.4%
Current	2,581,579	2,733,147	2,294,413	(16.1%)	(11.1%)%
Non-current	1,605,271	1,928,557	1,952,088	1.2%	21.6%
Total	**4,186,850**	**4,661,704**	**4,246,501**	(8.9%)	1.4%

The receivables from real estate development on December 31, 2012, 2011 and 2010 were deducted based on the adjustment at present value as set forth in CPC Pronouncement 12.

On December 31, 2013, the balance of receivables from real estate developments totaled R$4,247 million compared to R$ 4,662 million on December 31, 2012 and to R$ 4,187 million on December 31, 2011. This decrease of 8.9% compared to 2012 resulted from the higher efficiency in transferring Clients, considering that a significant portion of the sales is received from the client financing transfer to the Financial Institutions, according to the Executive Officers' understanding.

Receivables from services provided

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Receivables from services provided	1,363	1,706	1,269	(25.6%)	(6.9%)
Total	**1,363**	**1,706**	**1,269**	**(25.6%)**	**(6.9%)**

On December 31, 2013, the balance of receivables from services provided totaled R$1.269 million, a decrease of 25.6% and 6.9% as compared to R$ 1.706 million on December 31, 2012 and R$ 1.363 million on December 31, 2011, respectively.

Real Estate for sale

The balance of properties for sale is composed as follows for the dates indicated:

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Properties under construction	960,943	1,151,196	1,192,978	3.6%	24.1%
Completed Units	29,427	38,805	54,878	41.4%	86.5%
Land bank	1,495,360	1,847,318	1,926,022	4.3%	28.8%
Advances to suppliers	66,414	36,658	44,880	22.4%	-32.4%
Inventories of supplies	7,828	10,670	6,659	-37.6%	-14.9%
Total	**2,559,972**	**3,084,647**	**3,225,417**	**4.6%**	**26.0%**

On December 31, 2013, our balance of real estate for sale totaled R$ 3,225 million, an increase of 4.6% and 26.0% compared to On December 31, 2012 and December 31, 2011, mainly due to the expansion of the land acquired, according to the Executive Officers' understanding.

Non-current assets

Credit with related parties

On December 31, 2013, our credits with related companies totaled R$ 51 million as compared to R$ 64 million on December 31, 2012 and R$68 million on December, 2011. The decrease of 21.6% in 2013 compared to 2012 mainly occurred due to loans paid to Magis Incorporação e Desenvolvimento Imobiliário in the amount of R$6.7 million. The decrease of 25.2% compared to 2011 mainly resulted from the normal flow of the operations

Liabilities

Trade Payables

On December 31, 2013, our trade payables balance totaled R$188 million, a decrease of 21.8% compared to the R$ 240 million on December 31, 2012 and 12.6% when compared to R$ 215 million on December 31, 2011. This increase resulted from the increase in the volume of properties under construction, which affected directly the supply of materials and services, according to the Executive Officers' understanding.

Borrowings, financing and debentures – current and non-current

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Leases	7,266	10,082	5,980	(40.7%)	(40.7%)
Debentures	1,578,168	1,960,549	1,540,760	(21.4%)	(2.4%)
Bank Loans for Working Capital	109,027	51,961	417,651	703.8%	283.1%
Financing	478,781	940,278	887,111	(5.7%)	85.3%
CCB	238,870	239,324	166,221	(30.5) %	(30.4%)-
Total	2,412,112	3,202,194	3,017,723	(5.8%)	25.1%
Current	446,426	898,548	774,692	(13.8%)	73.5%
Non-current	1,965,686	2,303,646	2,243,031	(2.6%)	14.1%
Total	2,412,112	3,202,194	3,017,723	(5.8%)	25.1%

Consolidated (R$ thousands)	12/31/2013	Maturity Date	Index	Annual average spread
Debentures – 3rd series – single series	269,562	2/1/2014	CDI	1.60%
Debentures – 4th series – single series	241,693	12/1/2015	TR	8.25%-10.25%
Debentures – 5th issuance – single series	526,199	7/1/2016	CDI	1.50%
Debentures – 6th issuance – single series	508,284	5/3/17	CDI	1.50%
Working Capital – CDI	417,651	Until Jun/17	CDI	1.02%-2.80%
CCB which backed the CRI transaction	167,471	Mar/13 to Mar/15	CDI	1.15%
Construction financing	883,360	Until Dec/18	TR	8%-11.5%
FINAME	3,751	Until Apr/20	Previously-fixed	4.50%
Leases	5,980			
Costs with the issuance of debentures	-4,978			
Costs with the issuance of CCB	-1,250			
Total	**3,017,723**			

On December 31, 2013, our borrowings, financing and debentures totaled R$ 3,018 million, a decrease of 5.8% as compared to the R$ 3,202 million on December 31, 2012 and an increase of 25.1% when compared to the R$2,412 on December 31, 2011.

On December 31, 2013, our debentures balance totaled R$ 1,541 million, an increase of 21.4% as compared to the R$ 1,961 million on December 31, 2012 and 2.4% when compared to R$ 1,578 million on December 31, 2011, due to the ending of the 1st Debentures Issuance in June, 2013.

Payroll and related taxes

On 31 December, 2013, our payroll, related taxes and benefits totaled R$ 92 million, an increase of 3.2% as compared to R$89 million on 31 December, 2012 and of 5.6% when compared to the R$87 million December 31, 2011. This increase was primarily due to the annual increase in the number of our employees by virtue of the increase in our operations, according to the Executive Officers' understanding.

Taxes payable

On December 31, 2013, our taxes payable totaled R$ 48 million, an increase of 16.9% when compared to R$58 million on December 31, 2012 and an increase of 13.3% when compared to R$43 on December 31, 2011. This increase was mainly due to increased balance of PIS and COFINS payable related to the higher volume of the Company's operating revenues, according to the Executive Officers' understanding.

Land Payables – current and non-current

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Current	262,260	211,940	292,495	38.0%	11.5%
Non-current	111,958	204,086	264,361	29.5%	136.1%

Total	**374,218**	**416,026**	**556,856**	33.9%	48.8%

On December 31, 2013, land payables totaled R$ 557 million, an increase of 33.9% when compared to R$416 of December 31, 2012 and 48.8% when compared to R$374 on December 31, 2011. This increase resulted from the land acquisitions in 2013, partially compensated by the amortization of debts and increase on the land acquired through swaps, according to the Executive Officers' understanding.

Advances from customers – current and non-current

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Current	1,058,865	1,476,629	933,464	(36.8%)%	(11.8%)
Non-current	103,753	199,497	576,386	188.9%	455.5%
Total	**1,162,618**	**1,676,126**	**1,509,850**	(9.9%)	29.9%

On December 31, 2013, our advances from customers totaled R$ 1,510 million, a decrease of 9.9% when compared to December 31, 2012 and an increase, 29.9% higher than December 31, 2011.

These increases resulted from the amounts received from the sale of the Units of the developments launched and not constructed, or the receipts of which exceed the recognized revenues, reflecting the greater volume of land acquired by swap and the strategy of raising the downpayment at the selling time, aiming to improve the client's quality/commitment, according to the Executive Officers' understanding

Accrual for property maintenance – current and non-current

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Current	13,975	19,026	32,853	72.7%	135.1%
Non-current	116,177	145,511	89,988	(38.2%)	(22.5%)
Total	**130,152**	**164,537**	**122,841**	**(25.3%)**	**(5.6%)**

On December 31, 2013, our accrual for property maintenance, in view of the guarantee of five years after the completion of the development, totaled R$ 123 million, an increase of 25.3% as compared to December 31, 2012 and 5.6% higher than December 31, 2011. This variation reflected the increase in the developments under construction for the period as well as the provisioning percentage. Due to the investments made in quality of our projects, we believe that the level of provisioning set in 2012 can be lowered because of the improvemnts in process efficiency that the Company had in 2013 and 2013, and therefore reduced the current provisioning level from 3% to 1.85.

Obligations with related companies

As from 2007, our obligations with related companies were recorded in other accounts payable (see "Other accounts payable"). In accordance with the applicable standards for the preparation of the financial statements, our obligations with related companies were subject to disclosure in the note to the financial statements.

As from 2007, our obligations with related companies were significantly reduced mainly due to the settlement of the balances payable with MRV Serviços de Engenharia and CVG, former companies comprising the MRV Group.

Deferred tax liabilities

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Deferred liability taxes	302,487	220,277	142,894	(35.1%)	(52.8%)
Total	**302,487**	**220,277**	**142,894**	**(35.1%)**	**(52.8%)**

Our deferred tax liabilities comprise temporary differences calculated based on the difference between the cash method and the accrual method of accounting. Another measure that favored the homebuilding industry were two government resolutions, which were released by the end of 2012, changed the RET (Special Taxes Regime) tax rates. The first relevant change was the increase of the unit value from R$85 thousand to R$100 thousand to be eligible to the RET tax rate of 1%. For the other RET eligible units, the tax rate went from 6% to 4% as of 2013.

Other payables

The balance of other payables is as follows for the dates indicated:

Consolidated (R$ thousands)	December 31			% Variation	% Variation
	2011	2012	2013	2013/2012	2013/2011
Current	6,748	24,381	17,318	-29.0%	156.6%
Non-current	23,899	18,415	13,543	-26.5%	-43.3%
Total	**30,647**	**42,796**	**30,861**	**-27.9%**	**0.7%**

Our other payables totaled R$ 31 million on December 31, 2013, an increase of 27.9% compared to R$ 43 million on December 31, 2012.

Provisions for civil, labor and tax risks

Consolidated (In R$ thousands)	Balance on 31/12/12	Additions	Reversions	Payments	Monetary adjustments	Balance on 31/12/13
Civil	9,157	13,005	(3,339)	(6,678)	1,249	13,394
Labor	8,426	6,352	(1,826)	(4,371)	1,332	9,913
Tax	95	7	(5)	(11)	10	96
Administrative	-	5	-	(5)	-	-
Total	**17,678**	**19,369**	**(5,170)**	**(11,065)**	**2,591**	**23,403**

Based on the opinion of our legal counsel, our management recorded provisions for estimated civil and labor losses. The tax contingencies, under liabilities, refer mainly to municipal taxes payable by the potential purchasers of the Units.

Moreover, we are party to other claims/contingencies deemed by our legal advisors with a probability of possible losses. In accordance with the Accounting Practices Adopted in Brazil, we have not recorded provisions for possible losses.

Shareholders' equity

On December 31, 2013, our capital stock totaled R$ 3,198 million, an increase of 20.6% as compared to the R$ 2,651 million on December 31, 2012and 20.7% when compared to the amount of 2,650 million on December 31, 2011, basically related to the capital increaseat the E/OSM of April 30, 2013, according to the Executive Officers' understanding.

The shareholders' equity totaled R$ 4,365 million on December 31, 2013, compared to the R$ 4,088 million on December 31, 2012 and R$3,670 on December 31, 2011. According to the Executive Officers, this increase in 2013 is basically related to the net income of R$423 million for the year.

Liquidity and capital resources

Our main sources of liquidity derived from the cash generated by our operations and, when necessary, from the real estate financing and loans, which are guaranteed by land and accounts receivable. From 2007to 2013 the expansion of our activities was financed by real estate loans and issuance of fixed income debt – debentures - in the capital market.

According to the Executive Officers' understanding, the financing and management of our cash flow are essential for our long-term activities. We seek to reduce our cash exposure for each real estate development project by adopting the following strategies: (i) swapping land for units to be built on the land or swapping land for part of the receivables from the units to be built; and (ii) financing of the construction with *SHF* proceeds. We believe that these sources will continue to be sufficient to meet our current resource needs, including investment capital, lending amortizings and working capital.

Cash flows

Our cash flows from the investment operating activities and financing activities in 2010, 2011 and 2012 are described below:

Consolidated (R$ thousands)	December 31		% Variation
	2012	2013	2013/2012
Net cash used in operating activities	257,954	568,892	120.5%
Net cash used in investment activities	(126,179)	(170,262)	34.9%
Net cash useed in financing activities	(361,342)	463,306	(178.0%)
Increase (decrease) in cash and cash equivalents	**595,081**	**37,288**	**(93.7%)**

In 2013, we recorded an increase in our cash of R$ 37 million resulting mainly from timprovement in the Company's cash cycle, according to the Executive Officers' understanding.

Investments

In 2013, 2012, we invested R$75 andR$ 73, respectively, in property and equipment and intangible assets and investment property, to the building of commercial stands and acquisition of software licenses.

Transactions not registered in the financial statements

Currently, our operating revenues are recorded in the statement of income based on the percentage of completion of each development, being this percentage determined based on the total cost of the respective developments. In view of this accounting practice, at the end of each period, we have unrecorded gross operating revenues from sales transactions of properties already contracted, as regards to the properties not concluded yet. For further information, see item 10.8.

Quantitative and qualitative evaluation of the market risks

We are exposed to market risks inherited to the normal course of our activities. These market risks may affect the value of our financial liabilities and our equity condition. In 2012, we had no financial liabilities at amounts considered relevant against our assets and activities, according to the Board of Directors' understanding.

Interest rates

Our revenues and expenses may be affected by the changes in interest rates due to the effects of these changes against the following accounts: (i) receivables from real estate development; (ii) interest expenses from debt instruments at floating rates; and (iii) interest revenues generated from the cash and cash equivalents and financial investments.

Liquidity

We manage our liquidity risk based on our cash flows, by keeping a solid capital structure and low leverage levels. Moreover, our assets and liabilities levels are continuously monitored by our management.

Foreign exchange

Our operational results may also be affected indirectly by foreign exchange variations. Although almost all of our revenues are expressed in Brazilian reais, some of our inputs, such as cement and steel, are products with specific prices at the international market. Therefore, foreign exchange variations may affect the prices of these products. Moreover, the devaluation of the Brazilian real against the US dollar may result in additional inflationary pressures in Brazil and increase the interest rates. On the other hand, the devaluation of the Brazilian real against the US dollar may represent high inflationary levels, which could reduce the interest rates and increase the demand in real estate industry.

10.2. Executive officers' comments

a) Company's operational results

Our operating revenues resulted mainly from the real estate development, construction and sales activities and include the amounts from the units sold in connection with our developments.

Our operating revenues are recorded in the statement of income based on the percentage of completion of each development, net of discounts and cancelations, in accordance with the accounting practices adopted in Brazil.

The Executive Officers believe that since 2007 our operating results have been positively affected by the increase in sales and volume of units built, reflecting the market conditions in our segment and our Company's execution capacity. In 2013, when compared to 2012, we had a 27% increase in pre-sales and a 5% decrease in built units, alongside with an increase of cancellations resulted in a 6% increase in net revenue.

In addition to the risks which affect the real estate market as a whole, such as the interruption of raw material supply, the price variation of raw materials and equipment, the availability of labor, the supply and demand for developments in specific regions, strikes, and environmental and zoning regulations, the Executive Officers understand that our activities are affected by the following risks:

(i) Our ability to maintain the continuous success of our sales efforts and our ability to implement successfully our operational strategy;
(ii) Our ability to realize our PSV;

(iii) Changes in the laws and regulations applicable to the real estate industry, as well as the enactment of future laws and regulations on the real estate, tax or zoning matters;
(iv) Increase in our costs and expenses, including the costs with land acquisition and construction of developments;
(v) Changes in real estate prices, attractiveness of our developments and competition conditions;
(vi) Our ability to transfer a portion of our receivables portfolio held by our clients at attractive rates;
(vii) The economic, political and business scenario in Brazil, including the economic growth indices, changes in foreign exchange, interest or inflation rates;
(viii) The effects of the international economic and financial crisis in Brazil;
(ix) Our ability to maintain labor, products, materials and service providers available continuously and at reasonable prices;
(x) The concession of permits and governmental authorizations for our projects and developments;
(xi) Our indebtness level, other financial obligations and our ability to contract loans whenever necessary and under reasonable terms;
(xii) Credit availability and real estate credit granting policies by the public banks;

(xiii) Interests of our Controlling Shareholder; and
(xiv) Other risks presented in item 4.1. of this Reference Form.

The Executive Officers believe that in the event any of the risks above take place, our activities, financial condition and operational results may be adversely affected.

The Company's Executive Officers assure the intention to keep dedicated to the Real Estate acquisition, devolpment, administration, building, sale and financing.

b) Variations in revenues attributable to changes in prices, foreign exchange rates, inflation, volumes and introduction of new products and services

The Executive Officers believe that the operating revenues may be affected by the variation in the inflation indices according to which our sales agreements are adjusted. As regards to the long-term sales agreements, our accounts receivables with clients, in most part, are adjusted as follows: (i) up to the client's bank finance sign with the financial institution (during the construction stage) by INCC, and (ii) upon the concession of the Occupancy Permit (post-construction), at the interest rate of 12.0% per year, plus IGP-M rate.

In 2013, the average sale price per square metre was 4% higher than 2011 average. See chapter 5.1 for 2013 inflation and interest indices performance.

In addition to the inflation impacts under the Company's receivables. our Executive Officers indicate that the market conditions have relevant impact, which may cause the changes in the volume and sale price of new projects and significant change in the Company's revenues

c) Effects from inflation, changes in the price of the main inputs and products, and foreign exchange and interest rates against the issuer's operational and financial results

According to the Executive Officers, the changes in the inflation and interest rates affect the real estate market to the extent such changes impact the economic activities, the consumption and the investment levels. Moreover, the Executive Officers believe the relative growth of the inflationary indices, specifically INCC which, in general, is the index applied to the construction costs, may affect the profitability of the real estate activities.

Currently, the Company does not have relevant exposure to foreign currencies and the exchange rate impacts indirectly, through the impact in the Brazilian economy.

See chapter 5.1 for 2013 inflation and interest indices performance.

10.3. Material events and effects on the Company's financial statements and results

a) Introduction or disposal of the operational segment

LOG Commercial Properties ("LOG") was established in June 2008 by our Company and Autonomy Investimentos to operate in the real estate industry focused on the development and rental of distribution centers, industrial condominiums, hubs (central units of the companies which use our hangars to centralize their operations in specific regions) and logistics condominiums (development for the rental of logistics operator companies – carriers – which rent a portion of the hangars and divide the common places, such as refectory, restaurant, room, support, among others).

Urbamais was founded in July, 2012 by our Company, with the goal to develop large urban areas in a sustainable way for residential and/or mixed products. Clear lines were drawn to segregate the companies of the Group, setting Urbamais' business apart from LOG's and MRV's. The Company"s nature itself and the business focus are different, suppressing potential interest conflicts.

The Executive Officers believe the introduction of this operational segment will be positive for the Company's Financial Statements, following the growth of its operations and maturation of its assets. The benefits over the years will positively impact net income and the value of our assets.

b) Formation, acquisition or disposal of shareholding interest

MRL Engenharia e Empreendimentos (Previously Blás Engenharia Empreendimentos S.A.- "Blás")

In November 2007, we became the shareholders of Blás, through the subscription of shares, with a shareholding interest of 49% in Blás' capital stock. Blás operates in the affordable housing industry, focused mainly in the State of Rio de Janeiro and in the city of Belo Horizonte.

On May 1, 2010, Blás fully merged with LGB Construções Ltda. ("LGB"). On the same date, the latter's name was changed to MRL Engenharia e Empreendimentos S.A. ("MRL"). The incorporated net assets were of R$2,793 thousand. As a result, on this date the Company's interest in the capital of MRL Engenharia e Empreendimentos S.A. decreased from 49% to 37.73%.

The Executive Officers believe these operations do not have relevant impacts in the Company's financial statements.

In 2012, the Company had a decrease of 0.08% of its participation at MRL due to capital increase through call options by the employees. In virtue of this increase, the Company has gone from 37.73% to 37.65% of MRL's capital stock.

Prime

In September 2007, we acquired, through the subscription of shares, 50% of Prime's capital stock, which operates in the Popular Real Estate Developments industry, mainly in the Mid-West region. In November 2008, we increased our shareholding interest in Prime's capital stock to 60.0%.

The Executive Officers believe these operations do not have relevant impacts in the Company's financial statements.

LOG Commercial Properties

As from November 2008, our Company, together with Autonomy Investimentos, became the holder of 63.05% and 36.95%, respectively, of LOG's capital stock.

On March 15, 2010, the 35 percent interest in LOG, previously held by Autonomy Investimentos S.A., was acquired by Conedi Participações Ltda., a company controlled by the shareholder Rubens Menin Teixeira de Souza.

On July 15, 2011, the current shareholders of LOG together with Starwood Capital Group signed an Investment Agreement for the issuance of 62,650,009 common shares to be issued by LOG, totaling R$ 350 million, being R$ 250 million as Starwood's part and R$ 100 million for the current shareholders of LOG, of which R$ 63 million as the Company's part. In August and October of 2011 the installment of the agreement of R$ 140 million and R$ 210 million, respectiviely, were paid. After these payments the Company's part decreased to 42.03% from 63.05%. In 2011, this operation resulted in an "other net revenues" gain of R$ 65.7 million.

At the shareholders meeting held in January 2012 the change of the corporate name and corporate brand of the former MRV Logística e Participações S.A. to LOG Commercial Properties e Participações S.A. ("LOG") was approved. This amendment aims to reflect the company's business and to strengthen its strategy as commercial and industrial property builder.

On May 17, 2013, the current shareholders of LOG together with Bradesco BBI signed an Investment Agreement for the acquisition of 36,945,672 common shares to be issued by LOG, totaling R$ 278 million, being R$ 150 million for the current shareholders and R$ 128 million as part of FIP Multisetorial Plus ("FIP MPLUS"). FIP MPLUS is a private equity fund managed by Bradesco BBI. After these payments the Company's part decreased to 37.87% from 42.03%. The completion of this transaction is subject to specific customary conditions, including approval of the Administrative Council for Economic Defense - CADE.

In June 2013, the investments were subscribed. After the subscription, the Company's share went from 42.03% to 37.87%. Despite this share reduction, due to the subscription have been done at fair price, higher than the accounted equity, there was a gain of R$22,681, net of operation costs, registered in our result in "Other operational revenues".

Urbamais Properties e Participações S.A

Urbamais was founded in July, 2012 by our Company, participating with 60% of the capital stock.

c) Unusual events or transactions

Not applicable.

10.4. Executive Officers' comments

a) Significant changes in accounting practices

The Company's Executive Officers believe the financial statements for the year ended on December 31st, 2013 were elaborated considering the new accounting policies according to the responsible institutions' provisions described as follows.

For the consolidated financial statements, according to the International Financial Reporting Standards (IFRS) applicable to real-estate development entities in Brazil as approved by CPC, CVM including technical guideline OCPC 04 – appliance of the technical interpretation ICPC 02 to the real-estate development entities in Brazil and by CPC, named IFRS, and according to the Accounting Practices Adopted in Brazil with all the pronouncements, technical interpretations and technical guidelines issued by CPC and approved by CVM.

For the individual financial statements – according to the pronouncements and the respective technical interpretation and technical guidelines issued by CPC and approved by CVM as Accounting Practices Adopted in Brazil (BR GAAP).

Additionally, for comparison purposes, the balance sheet on December 31 and January 1 ,2012, and the balance of reported results, of cash flow demonstration and value added that correspond to 2012 were restated.

The present accounting information must be read with our audited consolidated financial statements, regarding the fiscal year ended on December 31st , 2013, and its respective notes.

The mentioned consolidated financial statements were extracted from our financial statements, individual and consolidated, for the year ended in December 31, 2013, and comprise the balance sheets on December 31, 2013 and 2012 and January 1, 2012, and the respective financial statements, changes in equity, cash flows and value added statements for the years ended on December 2013 and 2012.

The balance sheets for the years ended in December 31st, 2013 and 2012 and respective statements of income, comprehensive income, changes in equity, cash flows and value added corresponding to those dates were audited by Ernst & Young Terco Auditores Independentes in accordance with international and Brazilian auditing rules. The balance sheet for January 1, 2012, presented for comparison purposes with the financial statements of 2013, presented as a result of the subjects mentioned abouve, were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with international and Brazilian auditing rules.

2013

The change in the accounting norms in 2013 was a result of new accounting pronouncements that entered into force on January 1, 2013, and that were adopted by the Company, as follows:

CPC 19 (R2) – Joint Arrangements (IFRS 11): removed the option of consolidating projects that were jointly arranged using the proportional consolidation method. Thus, as of January 1, 2013, these projects will be recognized in the consolidated balance by the equity method. There were no changes on the individual financial statements, since they were already recognized by the equity method.

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

The first-time adoption of CPC 19 (R2) resulted in the restatement of prior years'comparative balances for comparative purposes and as required by CPC 23 these are listed below in the item 10.4 (b) below:

2011 and 2012

As stated above, all the accounting information in the Reference Form were obtained in the financial statements on December 31, 2013, in which the balance sheet of December 31 and January 1, 2012, the balance of the financial statements, cash flows and value added for the fiscal year of 2012 were restated for comparative purposes. The Company has chosen not to present

the the balance of the financial statements, cash flows and value added for the fiscal year of 2011, for those were not prepared in accordance with the new accounting norms that were adopted as of January 1, 2013.

Thus, the Executive Officers believe that the the balance sheet of December 31 and January 1, 2012 and the balance of the financial statements, cash flows and value added for the fiscal year of 2012 restated on the financial statements of December 31, 2013, are comparable to the balance of the financial statements, cash flows and value added for the fiscal year of 2013.

b) Significant effects of the changes in accounting practices:

As mentioned on item 10.04 (a) the Executive Officers inform that the financial statements for the year ended on December 31st, 2013 were elaborated considering the new accounting policies that resulted from the adoption of new pronouncements that entered into force as of January 1, 2013. Thus, for comparative matters the financial statements for the year ended on December 31st, 2012 and the initial equity of January 1st, 2012, the balance of the financial statements, cash flows and value added were adjusted, as follows:

	Consolidated					
	01/01/2012			12/31/2012		
Balance sheet:	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated
ASSETS						
Current assets						
Cash and cash equivalents	930,496	(140,270)	790,226	1,522,862	(137,555)	1,385,307
Receivables from real estate development	2,856,493	(274,914)	2,581,579	3,098,666	(365,519)	2,733,147
Real estate for sale	1,855,548	(156,924)	1,698,624	1,965,550	(231,156)	1,734,394
Other current assets	356,303	8,071	364,374	325,883	790	326,673
Total current assets	5,998,840	(564,037)	5,434,803	6,912,961	(733,440)	6,179,521
Noncurrent assets						
Receivables from real estate development	1,809,343	(204,072)	1,605,271	2,113,282	(184,725)	1,928,557
Real estate for sale	869,936	(8,588)	861,348	1,356,936	(6,683)	1,350,253
Receivables from related parties	65,694	1,838	67,532	61,760	2,693	64,453
Other noncurrent assets	81,922	(14,558)	67,364	120,694	15,679	136,373
Investments - interests in jointly controlled entities	-	476,621	476,621	-	553,615	553,615
Investment property	222,903	(222,903)	-	402,991	(402,991)	-
Property and equipment	77,809	(7,417)	70,392	95,466	(9,120)	86,346
Intangible assets	34,199	(3,459)	30,740	44,652	(3,565)	41,087
Total noncurrent assets	3,161,806	17,462	3,179,268	4,195,781	(35,097)	4,160,684
Total assets	9,160,646	(546,575)	8,614,071	11,108,742	(768,537)	10,340,205
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Trade payables	249,619	(34,824)	214,795	251,893	(11,906)	239,987
Loans, financing and debentures	532,489	(86,063)	446,426	1,004,189	(105,641)	898,548
Land payables	286,660	(24,400)	262,260	246,875	(34,935)	211,940
Advances from customers	1,234,160	(175,295)	1,058,865	1,645,535	(168,906)	1,476,629

Deferred tax liabilities	224,520	(22,578)	201,942	158,944	(15,958)	142,986
Proposed dividends	180,524	-	180,524	125,297	-	125,297
Other current liabilities	165,123	(14,588)	150,535	213,173	(22,452)	190,721
Total current liabilities	2,873,095	(357,748)	2,515,347	3,645,906	(359,798)	3,286,108
Noncurrent liabilities						
Loans, financing and debentures	2,144,517	(178,831)	1,965,686	2,678,645	(374,999)	2,303,646
Advances from customers	115,204	(11,451)	103,753	216,211	(16,714)	199,497
Provision for maintenance of real estate	130,127	(13,950)	116,177	165,783	(20,272)	145,511
Deferred tax liabilities	108,076	(7,531)	100,545	84,984	(7,693)	77,291
Other noncurrent liabilities	119,538	22,936	142,474	229,240	10,939	240,179
Total noncurrent liabilities	2,617,462	(188,827)	2,428,635	3,374,863	(408,739)	2,966,124
Total liabilities	5,490,557	(546,575)	4,943,982	7,020,769	(768,537)	6,252,232
Shareholders' equity						
Share capital	2,650,220	-	2,650,220	2,650,615	-	2,650,615
Reserves	772,686	-	772,686	1,151,018	-	1,151,018
Equity attributable to Company shareholders	3,422,906	-	3,422,906	3,801,633	-	3,801,633
Noncontrolling interests	247,183	-	247,183	286,340	-	286,340
Total shareholders' equity	3,670,089	-	3,670,089	4,087,973	-	4,087,973
Total liabilities and shareholders' equity	9,160,646	(546,575)	8,614,071	11,108,742	(768,537)	10,340,205

	Consolidated		
	2012		
	Originally stated	Adjustments	Restated
Statement of Income:			
Net operating revenue	4,265,885	(462,077)	3,803,808
Cost of properties sold and services	(3,074,431)	336,824	(2,737,607)
Gross profit	1,191,454	(125,253)	1,066,201
Operating income (expenses)			
Operating expenses	(549,837)	44,907	(504,930)
Results from equity participation	-	59,431	59,431
Operating profit before financial income (expenses)	641,617	(20,915)	620,702
Financial income (expenses)	(35,341)	10,668	(24,673)
Income before income tax and social contribution	606,276	(10,247)	596,029
Income tax and social contribution	(31,439)	10,247	(21,192)
Net income	574,837	-	574,837
Net income attributable to:			
Company owners	527,566	-	527,566
Noncontrolling interests	47,271	-	47,271
	574,837	-	574,837
Statements of cash flows:			
Cash flows from operating activities:			
Net income	574,837	-	574,837
Adjustments to reconcile net income to cash to cash used in operating activities:			
Results from equity participation	-	(59,431)	(59,431)
Other adjustments to reconcile net income	166,980	178,192	345,172
	741,817	118,761	860,578
Increase in operating assets	(721,843)	181,336	(540,507)
Decrease in operating liabilities:	(74,286)	12,169	(62,117)
Net cash generated by (used in) operating activities	(54,312)	312,266	257,954
Cash flows from investing activities:			
Acquisition of investment property	(162,027)	162,027	-
Other changes in investing activities	21,683	(147,862)	(126,179)
Net cash used in investing activities	(140,344)	14,165	(126,179)
Cash flows from financing activities:			
Net cash generated by financing activities	787,022	(323,716)	463,306
Increase in cash and cash equivalents, net	592,366	2,715	595,081
Cash and cash equivalents			
At the beginning of the year	930,496	(140,270)	790,226
At the end of the year	1,522,862	(137,555)	1,385,307
Increase in cash and cash equivalents, net	592,366	2,715	595,081
Statement of value added:			
Revenues	4,665,531	(650,458)	4,015,073
Cost of properties sold and services: materials, land, electricity, outsourced services and other	(2,897,582)	448,796	(2,448,786)
Gross value added	1,767,949	(201,662)	1,566,287
Depreciation and amortization	(27,853)	4,412	(23,441)
Net value added generated by the company	1,740,096	(197,250)	1,542,846
Wealth received in transfer:			
Results from equity participation	-	59,431	59,431
Financial income	112,724	(8,669)	104,055
Total value added for distribution	1,852,820	(146,488)	1,706,332
Value added distributed:			
Personnel	447,912	(56,673)	391,239
Taxes, charges and contributions	359,775	(46,873)	312,902
Lenders and lessors	470,296	(42,942)	427,354
Shareholders:			
Dividends	125,297	-	125,297
Earnings retained in the year	402,269	-	402,269
Noncontrolling interests	47,271	-	47,271
Value added distributed	1,852,820	(146,488)	1,706,332

c) exceptions and emphasis paragraph included in the auditor's opinion

2013 and 2013 (restated)

The Executive Board informs that the financial statements for the year ended in December 31st, 2013 were audited by Ernst & Young Terco. The Executive Officers understands that the report reflects the standard norm for developers and homebuilders in Brazil, since the auditor's opinion was issued following the guidance of technical communicate IBRACON which is the Brazilian Independent Auditors Institute, guidances to be adopted by all real-estate development entities.

Basically, we inform that the audit report mentions that the financial statements developed in accordance with accounting practices adopted in Brazil and with IFRS applicable to real-estate development entities, additionally considering the guidance OCPC 04 edited by CPC, which deals with revenue recognition of this sector and involves subjects related to the meaning and application of the concept of continuous risk transference, benefits and units' sales control, as well as highlights the restatements of values correspondent to the fiscal year of 2013, as a result of the accounting norms change, which entered into force on January 1, 2013. The auditor's opinion is not safeguarded due to these matters.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the financial position of MRV Engenharia e Participações S.A. as of December 31, 2013 and 2012, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

2011

The Executive Board informs that the financial statements for the year ended in December 31st, 2011 were audited by Deloitte Touche Tohmatsu Auditores Independentes. The Executive Officers understands that the report reflects the standard norm for developers and homebuilders in Brazil, since the auditor's opinion was issued following the guidance of technical communicate IBRACON which is the Brazilian Independent Auditors Institute, guidances to be adopted by all real-estate development entities. Basically, we inform that the audit report mentions that the financial statements developed in accordance with accounting practices adopted in Brazil and with IFRS applicable to real-estate development entities, additionally considering the guidance OCPC 04 edited by CPC, which deals with revenue recognition of this sector and involves subjects related to the meaning and application of the concept of continuous risk transference, benefits and units' sales control. The auditor's opinion is not safeguarded due to these matters.

Basically, we inform that the audit report mentions that the financial statements developed in accordance with accounting practices adopted in Brazil and with IFRS applicable to real-estate development entities, additionally considering the guidance OCPC 04 edited by CPC. Additionally, it mentions that this guidance contains subjects related to the meaning and application of the concept of continuous risk transference, benefits and units' sales control. The auditor's opinion is not safeguarded due to these matters.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the financial position of MRV Engenharia e Participações S.A. as of December 31, 2011, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

10.5. Company's main accounting policies

General Comments

The Executive Board understands that the critical accounting practices are important to describe the Company's financial condition and operational results and require difficult, subjective or complex judgments, often due to the need to make estimatives about the effect of questions with inherent uncertainty. As the number of variables and premises which affect the possible uncertainties future resolution increase, the judgements become more subject and complex. To understand how administration evaluates future events, including variables and premises inherent to the estimatives, besides the sensitivity of such evaluation regarding varied circunstances, the critical accounting principles were identified.

Basically the critical accounting policies are due to the fact that they involve estimatives and assumptions of the Board of Directors best assumptions, based on historical experience, among which (i) total projects budgeted cost to revenue to be recognized; (ii) loss assumption in accounts receivable realization; (iii) swaped land sale's price assumption and expectation of beginning of project to real state for sale and development; (iv) assumptions for conclusion of lawsuits for provisions for civil, labor and tax risks, and (v) estimate of spending on property maintenance. Moreover, the complexity of calculation in the determination of current and deferred taxes (PIS, COFINS, income tax and social contribution), depending on existing schemes in the Company and subsidiaries such as real income, deemed income and the special taxation - RET, and depending on a cash basis tax adopted for the calculation of current taxes, and the accrual basis of accounting adopted which involves calculation of deferred taxes.

The Executive Officers understand different use of premises may significantly change the Copany's Financial Statements.

In preparing our financial statements our Executive Officers use estimates and premises in their best judgments and based on our accounting records and other factors considered relevant, which affect the amount of assets and liabilities presented, as well as the revenues, cost and expenses values. The liquidation of the transactions involving these estimates can result in different values from the presented in the financial statements.

The Executive Officers revises its estimates and premises at least, once a year. The effects from these revisions are recognized in the period when the estimates are revised if the revision affects at least this period if the revisions affect only this period, or also in further periods if the revisions affect both current and future periods.

Recognition of revenues and costs

The policies adopted for calculating and recognizing income and recording the amounts in the line items 'Revenue from real estate development', 'Properties for sale', 'Receivables from real estate development', and 'Advances from customers' follow the procedures and standards established by Guidance OCPC 04 of the Accounting Pronouncements Committee, which addresses the application of Interpretation ICPC 02 to Brazilian real estate entities, approved by CVM Resolution 653/10, as follows:

- For sales of uncompleted units, income is recognized based on the following criteria:
  (i) Operating revenues and land and construction costs inherent to the related developments are allocated to profit or loss as construction progresses, as the incidental risks and rewards are transferred on a continuously basis. Accordingly, we adopt the percentage of completion method ("POC") for each project, i.e., revenue and expenses are recognized as construction progresses. Under this method, contract revenue is matched with cost incurred as compared to total budgeted costs of the related projects on contracted sales;
  (ii) Operating revenues calculated according to item (i), including inflation adjustment, net of installments already received, are recognized as accounts receivable or advances from customers, according to the ratio between recorded revenues and received amounts.

- For installment sales of completed units, income is fully recognized at the time the sale is performed, regardless of the term for receiving the amount established by contract.

- Interest adjustment to present value are allocated to the income statement, in line item 'Revenue from real estate development' during the period before the delivery of the units and in line item 'Financial income' during the period after the delivery of the units, on the accrual basis, regardless of actual receipts.

- Revenue and expenses are recorded on the accrual basis.

The allowance for doubtful accounts is recognized based on management's evaluation of possible losses on the realization of receivables. No allowance for doubtful accounts was recognized as at December 31, 2013, 2012 and 2011, considering that the credit risk was evaluated as "very low" due to guaranteed claiming of the units in case of clients' default.

Estimates on value of bartered land

For land swaps, the land acquired under barter agreements is valued at the sales price of the bartered land and exceptionally at the sales price of the bartered units and were classified as inventory units, in counterpart of advances from customers in the passive, at the moment of risks assumption and sales project definition. For those transactions the same criteria of appropriation applied for real estate development prevail.

Expectation of Real estate for sale and development

The division of short and long term for the real estate for sale is performed due to the expectation of launchings of the projects and the estimated construction curve.

Provisions

Provisions for civil, labor and tax risks are recognized when there is a present obligation (legal or constructive) as a result of a past event, when a reliable estimate can be made of the amount of the obligation, and its settlement is probable. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, considering the risks and uncertainties inherent to such obligation.

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

Accrual for property maintenance

The accruals for the expected cost of property maintenance of are recognized in the income statement using the same criterion for the allocation of real estate development revenue, from the date the related real estate units are sold, based on management's best estimate of the disbursements required to settle the Company's obligation.

Taxation

Current and deferred income tax, social contribution and taxes on sales arerecognized in profit or loss, except when they correspond to items recognized in 'Other comprehensive income', or directly in shareholders' equity, in which case current and deferred taxes are also recognized in 'Other comprehensive income' or directly in shareholders' equity, respectively. When current and deferred taxes result from the initial accounting of a business combination, the tax effect is accounted for upon the recognition of the business combination.

The income tax and social contribution, and taxes on sales expenses represent the sum of current, deferred taxes and deferred payments.

Deferred tax assets and liabilities are measured using the tax rates applicable for the period in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates set forth in the tax law prevailing at the end of each reporting period, or when new legislation has been substantially approved. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Income tax and social contribution

Current taxes

As allowed by prevailing tax legislation, the Company and its subsidiaries adoptthe cash basis to calculate income from real estate development, and this incomeis used to determine taxable income.

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

The Company determines the Income Tax (IRPJ) and social contributution (CSLL) based on real income and the controlled companies adopt the fiscal income systematic of assumed income or segregated estates with RET ("Special Tax Regime") as detailed below:

- Real Income

Under the deemed income taxation system, each company's income forincome tax and social contribution purposes is calculated based on the taxrates set for their activities, which correspond to 8 and 12 percent of grossrevenue, respectively. The income tax and social contribution rates prevailingat the end of the each reporting period (15% plus 10% surtax on income exceeding R$240 per year for income tax, and 9% for social contribution) are levied on deemed income.

- Assumed Income

Based on this system, the results for IRPJ and CSLL purposes of each Company was calculated by puting the defined rates for these activies (which are 8% and 12%, respectively) under the revenue. Over the assumed result, the applied rates of were the income tax and social contribution rates vaild on the date each fiscal year ended (15% plus an additional of 10% for income higher than an annual R$240 for income tax and 9% for social contribution).

- Special Tax Regime (RET)

As permitted by Law 12024 of August 27, 2009, which amends Law 10931/2004 that created the RET, for certain Company projects and the projects of certain subsidiaries, it was elected to subject these projects to taxation based on the earmarked assets and, consequently, to the RET. For these projects, the consolidated income tax and social contribution, and the security funding tax on revenue (COFINS) and the social integration program tax on revenue (PIS) charges are calculated at the total overall tax rate of 4% (6% in 2012) on gross revenue or 1% on gross revenue on contracts eligible for the *Minha Casa Minha Vida Program* (PMCMV) (Federal social housing program), within the statutory ceiling. The total income tax and social contribution rate is 1.92% under the RET and 0.47% under the RET – PMCMV.
Deferred taxes

Deferred income tax and social contribution are recognized on temporary differences at the end of each reporting period between the balances of assets and liabilities recognized in the financial statements and the related tax bases adopted to calculate taxable income, including tax loss carryforwards, when applicable. Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences, when, and only when, it is

probable that the entity will report future taxable income in a sufficient amount to allow the utilization of these deductible temporary differences. The recovery of deferred tax assets is reviewed at the end of each reporting period, and when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets, these are adjusted to the expected recoverable amount.

The recovery of deferred tax assets is reviewed at the end of each reporting period, and when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets, these are adjusted to the expected recoverable amount..

Taxes on sales

Revenue is carried net of taxes on sales (PIS and COFINS). For PIS and COFINS calculation purposes, total tax rate is 9.25% for taxation based on actual taxable income, 3.65% for deemed income, 2.08% under the RET, and 0.53% under the RET - PMCMV contracts.

10.6. Internal controls adopted to assure the preparation of the reliable financial statements

a) level of efficiency of such controls, indicating the possible weaknesses and measures adopted to resolve them

The Executive Officers believe that the level of efficiency of the internal control adopted to assure the preparation of the financial statements is fully adequate. As regards to the construction projects, which are the Company's main item in terms of costs, our managers closely and continuously perform the physical and financial monitoring of the costs of each individual project. Our main management tool is SAP, which is an integrated system, the main features of which are the integration of all operations and tracking devices.

Our systems (SAP, inclusive) do not have technical imperfections. There is a continuous work of Governance, Risk and Compliance (GRC), which promotes the revision of set rules and the adoption of improvements, so that identified needs are immediately addressed.

We currently have automatic controls implemented by market tools, for example, Risk Management from Módulo, , and are implementing risk management tools from SAP itself (GRC) to increase the efficiency of access controls.

The Company continuously seeks for new technologies and the personal development of its associates, as well as invests in its internal controls in order to further improve them.

The following item provides some recommendations on the controls provided by the independent auditor.

b) weaknesses and recommendations on the internal controls included in the independent auditor's report

Our auditors did not developed their work aiming to issue comments on our internal controls. The objective of their work was to issue comments on the Financial Statements. However, linked with the audit of the financial statements of December 31 ,2013, our auditors issued a "Comment Letter" indicating the following recommendation:

Internal policy for cancellation registration

It was recommended that an internal policy was formalized, with the definition of an event trigger to be a base for the accounting recognition of the performed cancellations.

The Company understands that such reccomendation is not adequate for this process, since it is the Company's best interest to recover its clients, without raising the risk of its business; Several actions are taken by the Company before the performing of a cancellation, such as: the offer of changing units to a more affordable one, in cases that the client is having difficulties to obtain the mortgage grant and/or settle the originally purchased unit. Additionally, the Company carefully analyzes the reasons behind the cancellations: analyzes the clients' conditions (eg. Available income, size of the risk to be undertaken, possibility of claiming additional warranties – guarantees), the time remaining for keys delivery, among others. We understand that this process must be annalitycal, with diferent sollutions for each case, if necessary.

10.7. Aspects related to possible public offerings for the distribution of marketable securities

a) allocation of the proceeds from the offering

The proceeds from our initial public offering of shares carried out in 2007, in connection with our public offering of shares in 2009 and the offering of the Company's debentures were or are still being allocated for the acquisition of land, construction of developments and working capital increase, in accordance with the proposals for allocation disclosed in the prospectuses of the respective distributions.

b) in the event of significant deviations between the effective allocation of the proceeds and the proposals for allocation disclosed in the prospectuses of the respective distributions.

There were no significant deviations in connection with the allocation of the funds presented in our initial public offering of shares carried out in 2007 and the public offering of shares carried out in 2009, as well as the proceeds from the first,second, third, fourth, fifth and sixth issuance of debentures.

c) in the event of deviations, the reasons for such deviations

Not applicable.

10.8. Material items not recorded in the Company's financial statements

a) the assets and liabilities held by the Company, directly or indirectly, not included in the balance sheet (including leasing, assets and liabilities, receivables portfolios on which the company is subject to risks and responsibilities, indicating the respective liabilities, agreements for the future purchase and sale of products or services, construction agreements not terminated and future loan agreements)

Currently, the operating revenues are recorded in the statement of income based on the proportional percentage of conclusion of each development, being such percentage measured in view of the total cost of the respective developments. Based on this accounting practice, at the end of each period, we have balances of Gross Operating Revenues to be recorded from the sale of properties already contracted, as regards to the properties not concluded, which were disclosed in the notes to the financial statements.

b) other items not recorded in the financial statements

There is no material item not recorded in our Consolidated Financial Statements.

10.9. As regards to each one of the items not recorded in the financial statements indicated in item 10.8

a) how such items change or may change the revenues, expenses, operational results, financial expenses or other items of the Company's financial statements

The unrecognized revenues affect or may affect the operating revenues based on the expansion of such developments.

b) nature and purpose of the operation

Not applicable.

c) nature and value of the obligations assumed and of the rights generated on behalf of the issuer in connection with the operation

R$ thousand	12-31-2013	12-31-2012
Gross Operating Revenues not recorded	3,172,485	2,782,944

10.10 Company's main business plan elements

a) investments (including the quantitative and qualitative description of the investments in progress and estimated investments, financing sources of relevant investment and divesture in progress and estimated divesture)

The financing of our investments in property and equipment and intangible assets was funded through own and third parties resources.

In 2013 and 2012 we invested R$ 74 million and R$ 72 million, respectively, in property and equipment and intangible assets, mainly allocated to the construction of sales stands and acquisition of software.

No significant divestures were performed in 2012 and 2013.

In the Executive Officers' understanding there are no estimated significant investments or divestures for the next years. The investments are aimed at maintaining operating conditions consistent with the operation, showing no significant changes in operating and financial results of the Company.

b) acquisitions already disclosed of blueprints, equipment, patents or other assets which may materially affect the Company's production capacity

Not applicable.

c) New products and services

Not applicable.

10.11. Other factors which affected significantly the operational performance and were not identified or commented on the other items of this section.

All material and applicable information on this matter was disclosed in the items above.

Projections and Assumptions

11.1. The projections must indicate

From 2013, the Company decided to no longer provide guidance on margins or sales. We decided the change after several studies and benchmarks, in our and other sectors, both in domestic and international markets, which found that the vast majority of companies does not provide guidance. The company thinks this is especially a reason for a very long cycle industry like ours, in the case of MRV of four years. To manage a long cycle, but being directed by a specific quarter, in our view, can not be the best combination.

a) Projection purpose

Financial and operational indicators, as described in item 11.1(d).

b) Projected period and effective period of the projection

The projections indicated in item 11.1(d) were disclosed, effective for one year.

c) Projection assumptions, including the indication of which projections can be affected by the management of the issuer and which are not under control

The projections disclosed by our Company are based on the expectations of our management about our future business, considering mainly:

- The performance of the national and international economy mainly as regards to the inflation, interest rate, employment level and GDP growth;
- The market and real estate market in general, such as competition, availability and land price, among others;
- The period for authorization of the projects and regulation of the real estate industry;
- The financing availability for the Company and final consumer; and
- The governmental incentives and programs for the housing industry;
- All assumptions indicated above are subject to changes out of the Management's control.
- In the event of significant change in the abovementioned assumptions, the projections may be reviewed.

d) Values of the indicators in connection with the projection

Guidance 2010	Original (3Q09)		Ratified (1Q10)		1º Revision (3Q10)		Realized
	Min,	Max,	Min,	Max,	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	3,700	4,300	3,700	4,300	3,700	4,300	3,753
Adjusted Ebitda Margin (%)	25.0%	28.0%	25.0%	28.0%	26.0%	29.0%	26.3%

Guidance 2011	Original (1Q11)		Realized
	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	4,300	4,700	4,322
Adjusted Ebitda Margin (%)	25.0%	28.0%	26.0%

Guidance 2012	Original (1Q12)		Realized
	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	4,500	5,500	4,005
Adjusted Ebitda Margin (%)	24.0%	28.0%	19.0%

11.2. In the event of disclosure, during the last three years, of projections on the evolution of the indicators

(i) indicate which projections will be replaced for new projections included in the form and which projections are repeated in the form

The projections indicated in item 11.1 (d) were fully disclosed through notice to the market, public conferences with analysts and investors and quarterly reports, among others.

The projections indicated in item 11.1 (d) were not changed.

(ii) as regards to the projections related to the periods already elapsed, compare the projected information with the effective performance of the indicators, clearly indicating the reasons for the deviations in the projections

Guidance 2010	Original (3Q09)		Ratified (1Q10)		1º Revision (3Q10)		Realized
	Min,	Max,	Min,	Max,	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	3,700	4,300	3,700	4,300	3,700	4,300	3,753
Adjusted Ebitda Margin (%)	25.0%	28.0%	25.0%	28.0%	26.0%	29.0%	26.3%

Guidance 2011	Original (1Q11)		Realized
	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	4,300	4,700	4,322
Adjusted Ebitda Margin (%)	25.0%	28.0%	26.0%

Guidance 2012	Original (1Q12)		Realized
	Min,	Max,	
Contracted Sales (%MRV) (R$ million)	4,500	5,500	4,005
Adjusted Ebitda Margin (%)	24.0%	28.0%	19.0%

The projection for the Adjusted EBITDA Margin for the year 2012 was not achieved.

The projection for Pre-sales for the year 2012 was not achieved.

Regarding projections indicated in item 11.1 (d) "Projections II" above, the Company clarifies that did not reach the projected sales for the year 2012 due to a combination of factors: 1) Deterioration of the Brazilian economy, when compared to the expectations at the end of 2011. The forecast for 2012, according to Focus Newsletter - Market Report of the Central Bank of Brazil from December 30, 2011, was an increase of 3.3% of Brazil's GDP in 2012 and on December 28, 2012 the Focus Newsletter published a new forecast for GDP growth in 2012 of 0.98%. 2) The Company had earlier in the year, in line with measured inflation by the INCC, an expectation of a minimum price correction of the MCMV program at an earlier date than actually happened. 3) Finally, the Company started to be more selective in its launches to optimize inventory management.

Regarding projections indicated in item 11.1 (d) "Projections II" above, the Company clarifies that did not reach the projected Adjusted EBITDA Margin for the year 2012 due to a combination of factors. In 2012, the Adjusted EBITDA Margin was compressed compared to previous years due to several reasons, among which we can highlight:

I. Signature of a Conduct Adjustment Agreement (TAC) at Campinas worth R$31 million in 1Q12;
II. Higher efficiency of “crédito associativo”, reducing monetary revenues together with higher cost inflation exposure (higher efficiency of “crédito associativo” has a negative impact on the gross margin. However, it has a positive impact on cash flow and net margin);
III. Company’s change in the delivery process aiming to exceed its clients’ expectations, has incurred additional costs at the final construction and delivery phases;
IV. Investments on improvements and monitoring of labor conditions in our construction sites and lodgings (own and sub-contractors’) aiming to be a national reference in social and labor relations;
V. According to CPC 17 and 30, revenue recognition of the homebuilding industry follows the POC (Percentage of Completion) methodology and, therefore, confers a heavier weight to projects commercialized in previous periods and that are still under construction. In MRV, older projects have lower profitability than the newer projects; and
VI. Due to less sales, as mentioned above, SG&A expenses were not diluted.

(iii) as regards to the projections related to the periods in progress, inform whether the projections are valid on the form delivery date and, however the case may be, explain why such projections were disregarded or replaced

There are no projections related to the period in progress

General meeting and management

12.1. Company's administrative structure, in accordance with its bylaws and internal regulation

a) Responsibilities of each body and committee

The Company's management is exercised by the Board of Directors and the Executive Board. Moreover, we are supported by advisory committees which work together with the Board of Directors.

Board of Directors

The Board of Directors shall have at least 5 (five) and at most 7 (seven) members, all of them shareholders of the Company, elected by General Assembly, whose terms of office shall be unified and have a duration of 2 (two) years, as of the date of election, reelection being allowed.

The Board of Directors shall have 1 (one) Chairman and 1 (one) Vice-Chairman, who shall be elected by absolute majority of votes from those attending, during the first meeting of the Board immediately after the investment into office of such members, or whenever such offices become vacant.

The Board of Directors primary purpose is towards providing general directives regarding the Company's business, as well as controlling and supervising its performance thereof, particularly deciding on the following matters: (a) to approve of and/or to make any alterations to the Company's Business Plan; (b) to approve of the yearly operational and investment budgets and supervision of their performance; (c) to appoint and to dismiss members of the Executive Directors / Chief Officers and to determine their powers, duties and pay; (d) to control the Executive Directors' / Chief Officers' management; to examine, at any time, the Company's books and documents; to demand information on agreements consummated or about to be consummated, and any other matters with respect to the chief officers management; (e) to summon General Assemblies of Shareholders when deemed to be appropriate; (f) to express its opinion on the management's report and the Executive Directors' / Chief Officers' accounts and to submit the Company's Financial Statements for approval by the General Assembly of Shareholders; (g) to decide on any business transacted with parties related to the shareholders; (h) to decide on acquisition of, disposal of and/or encumbrance on any interest in capital stock, except the constitution of corporations which are Controlled by the Company and which have been constituted as a corporation with the specific purpose to implement one or more of the Company's real estate projects (i) to decide on divestiture of or encumbrance on, in any way, of any of the Company's real estate property, the value of which exceeds R$30,000,000.00 (thirty million Reais); (j) to decide on divestiture of or encumbrance on, in any way, of any of the Company's other assets, the value of which exceeds, in one or more such operations of the same kind during a period 12 (twelve) months, the amount of R$2,000,000.00 (two million Reais); (l) to hire employees whose yearly pay exceeds the amount of R$500,000.00 (five hundred thousand Reais); (m) to consummate agreements with service rendering companies whose yearly pay exceeds the amount of R$2,000,000.00 (two million Reais); (n) to grant and to obtain loans, financings and/or factoring or securitization of receivables, the value of which exceeds the amount of R$30,000,000.00 (thirty million Reais); (o) to appoint and dismiss the independent auditors, who shall be required to be registered with the Securities and Exchange Commission and shall perform the yearly auditing of the Company with quarterly reviews; (p) to issue common non-stock-convertible debentures without face value, the manner of subscription or placing thereof and the kind of debentures to be issued, their pay, terms of payment for interest thereon, share in profits and reimbursement bonus of such debentures, if any, as well as term and conditions of maturity, amortization or redemption of such debentures; (q) to acquire shares issued by the Company for cancellation or remaining in treasury, as well as on their re-sale or re-placement on the market, in compliance with the regulations issued by CVM and other applicable legal provisions; (r) to hire the financial depositing entity to render services with regard to the book entry shares; (s) to issue debt securities on the international market and of common, non-stock-convertible debentures without lien, for public or private distribution, as well as on the terms and conditions of such issue; (t) to issue commercial papers for public distribution in Brazil or abroad, as well as on the terms and conditions of such issue; (u) to propose to the General Assembly the declaration of interim and intercalary dividends, as well as interest on the stock, pursuant to the Law of Business Corporations and other applicable laws; (v) to manifest about any share acquisition public offering which have, as object, the Company's share issuance through previous reasoned opinion, released in up to 15 (fifteen) days of the public offering notice publication, which must contain, at least (i) the share acquisition public offering convenience and opportunity regarding the common shareholder concern and their securities liquidity; (ii) the share acquisition public offering repercussion over the Company's interests; (iii) the strategic planning released by the provider regarding the Company; (iv) other subjects the Board of Directors consider relevant, as well as the required information of the CVM's applicable established rules; and (w) to identify three companies specializing in economical valuation to prepare the Company's shares valuation report in the case of public offering acquisition to cancellation of the Company's registration as a publicly-held company or withdrawal from the New Market.

Executive Board

The Board of Executive Officers shall consist of ten (10) Officers, whether shareholders or not, subject to election and removal on any time by the Board of Directors and / or Chairman, of which one (1) Chief Executive Officer Region I, one (1) Chief Executive Officer Region II, one (1) Chief Financial Officer, one (1) Chief Investor Relations Officer, one (1) Chief Legal Officer, one (1) Chief Commercial Officer, one (1) Chief Production Officer, one (1) Chief Real Estate Credit Officer, one (1) Chief Real

Estate Development Officer and one (1) Chief Management and Shared Service Center Officer, all elected and removable by the Board of Directors on any time.The Executive Board is responsible for the management of corporate business in general and the performance, for this purpose, of all acts required or appropriate, except those for whose responsibility, whether pursuant to law or to these Bylaws, lies with the General Assembly or the Board of Directors. In the performance of their duties, the Chief Officers may carry out all transactions and do all acts of ordinary management required to obtain the aims of their office, pursuant to the provisions of these Bylaws as to manner of representation, competence for doing certain acts, and the general guidelines for business determined by the Board of Directors, including deliberating on and approving of investment of resources, compromising, waiving, assigning rights, confessing debts, making agreements, signing commitments, contracting obligations, consummating contracts, purchasing, disposing of and encumbering effects and real estate, render escrow, sureties and guarantees, issuing, endorsing, escrowing, discounting, drawing and guaranteeing securities in general, as well as opening, operating and closing accounts in credit establishments, according to the legal restrictions and those set forth in these Bylaws. Additionally, the Executive Board is responsible for: (a) complying with and causing to comply with these Bylaws and the resolutions of the Board of Directors and the General Assembly; (b) submitting, yearly, to the appreciation of the Board of Directors, the Management Report and the accounts of the Executive Board, together with the report from the independent auditors, as well as the proposal for allocation of profits cleared during the last fiscal year; (c) preparing and submitting, to the Board of Directors, the Company's plans of business, operations and investments, including strategies for implanting such business and those with respect to entering new business; (d) deciding on any matter which is not sole responsibility of the General Assembly or of Board of Directors; (e) preparing and submitting, to the Board of Directors, the Company's strategic planning, the plans, programs and budgets for investments and operations, whether half-yearly, yearly or multiannual; (f) submitting to the Board of Directors the opportunities for investment and business which exceed the range of competence of each executive office; (g) approving hiring or promotion of employees to be invested in positions with management attributions, or their dismissal; (h) approving filing of suits or judicial actions for taxes or compensation or those which due to their consequences or contingencies involved are deemed to be of great relevance to the Company, according to the terms of the Shareholders' Agreement; (i) preparing and submitting during each fiscal year, to the Board of Directors and the General Assembly, the Yearly Management Report and the Company's Financial Statements and propose allocation of the income of such fiscal year; (j) authorizing the creation and extinction of branches, establishments, storage places and offices which the Company maintains within the national territory and abroad; (k) granting leaves of absence to the chief officers and appointing a substitute officer to assume the pertaining attributions of such officers during their period of absence; (l) deciding on all matters within the range of competence of the chief officers, as long as there is a vacancy, and on all other ones which could not be settled by the respective chief officers and which do not constitute matters of sole responsibility of the Board of Directors or the General Assembly; and (m) submitting to the Board of Directors the list of names of such employees as shall be invited to take part in the Stock Option Program respecting the yearly global amount of options already granted by the General Assembly for such fiscal year.

Human Resources Committee

The main assignment and responsibility of the Human Resources Committee is to establish the strategies to attract and retain the company's talents, by proposing development programs, training and remuneration. The Human Resources Committee is comprised of three Directors (Rubens Menin Teixeira de Souza, Levi Henrique and Rafael Nazareth Menin Teixeira de Souza) and two Chief Officers of the Company (Júnia Maria de Souza Lima Galvão, Leonardo Guimarães Corrêa).

Corporate Governance Committee

The main assignment and responsibility of the Corporate Governance Committee is to monitor the improvement of the best international corporate governance practices and propose the adjustments and improvements in the Company's corporate governance system whenever deemed necessary. The Corporate Governance Committee is comprised of one Director (Levi Henrique), and two Chief Officers (Júnia Maria de Souza Lima Galvão and Maria Fernanda Nazareth Menin Teixeira de Souza Maia).

Customer Relations Committee

The main assignment and responsibility of the Customer Relations Committee is to reduce or resolve the general situations which are causing problems to the clients. Moreover, it is responsible for defining strategic process improvements towards customer satisfaction. The Customer Relations Committee is comprised of one Director (Marcos Alberto Cabaleiro Fernandez), one Chief Officer (Eduardo Paes Barretto) and one Executive Manager (Flávio Vidal Cambraia).

Real Estate Development Committee

The main assignment and responsibility of the Real Estate Development Committee is to define the strategy of geographic expansion and acquisition of land. The Real Estate Development Committee is comprised of three Directors (Rubens Menin Teixeira de Souza, Rafael Nazareth Menin Teixeira de Souza and Marcos Alberto Cabaleiro Fernandez) and two Chief Officers (Hudson Gonçalves Andrade and Eduardo Fischer Teixeira De Souza).

Risk Management Committee

The main assignment and responsibility of the Risk Management Committee is to assess financial and operating risks, and define strategies to mitigate those risks. The Risk Management Committee is comprised of two Directors (Rubens Menin

Teixeira de Souza and Marcos Alberto Cabaleiro Fernandez), and two Chief Officers (Leonardo Guimarães Corrêa and Maria Fernanda Nazareth Menin Teixeira de Souza Maia).

Ethics Committee

The main assignment and responsibility of the Ethics Committee is to manage the Company's commitment to ethical behavior. The Ethics Committee is comprised of two Directors (Marcos Alberto Cabaleiro Fernandez and Rafael Nazareth Menin Teixeira de Souza) and four Chief Officers (Júnia Maria de Souza Lima Galvão, Leonardo Guimarães Corrêa and Maria Fernanda Nazareth Menin Teixeira de Souza Maia). The Ethics Committee reports to the Board of Directors.

b) date of creation of the Supervisory Board, if not permanent, and other committees

We do not have a permanent Supervisory Board.

The Human Resources Committee, Corporate Governance Committee and Clients Relationship Committee were created by our Board of Directors, at the meeting held on November 6, 2006.

The Real Estate Development Committee was created by our Board of Directors, at the meeting held on April 9, 2007.

The Risk Management Committee was created by our Board of Directors, at the meeting held on February 8, 2010.

The Ethics Committee was created by our Board of Directors, at the meeting held on June 11, 2012.

c) systems to evaluate the performance of each body or committee

There is no formal evaluation of the bodies and committees

d) as regards to the members of the Executive Board, their individual responsibilities and powers

The Chief Executive Officer Region I, in addition to the duties conferred by the Board of Directors, shall, implement the Company's business strategy in his respective regional office (Regions Midwest and Northeast, throughout the State of Minas Gerais, throughout the State of Espírito Santo and throughout the State of Rio de Janeiro), aiming at attaining the Company's growth and profitability goals: (i) define the short-term strategy and goals, (ii) define the commercial and marketing strategies, to answer for the development and implementation of commercial measures and initiatives, aiming the business development, (iii) define strategies and technology research for the Construction business divisions, as well as for the Supplies, Safety, Engineering and Technical Assistance areas, (iv) define strategies and measures to optimize the Company's funding by financial institutions, ensure the customer base's quality and enable client financing; (v) define real estate development and construction strategies, aiming the business development, in accordance with the guidelines set out by the Board of Directors; (vi) organize and supervise, in accordance with the guidelines of the Board of Directors, the implementation of the Region's activities.

The Chief Executive Officer Region II, in addition to the duties conferred by the Board of Directors, implement the Company's business strategy in his respective regional office (Regions South and throughout the State of São Paulo), aiming at attaining the Company's growth and profitability goals: (i) define the short-term strategy and goals, (ii) define the commercial and marketing strategies, to answer for the development and implementation of commercial measures and initiatives, aiming the business development, (iii) define strategies and technology research for the Construction business divisions, as well as for the Supplies, Safety, Engineering and Technical Assistance areas, (iv) define strategies and measures to optimize the Company's funding by financial institutions, ensure the customer base's quality and enable client financing; (v) define real estate development and construction strategies, aiming the business development, in accordance with the guidelines set out by the Board of Directors; (vi) organize and supervise, in accordance with the guidelines of the Board of Directors, the implementation of the Region's activities.
Functions of the Financial Officer: In addition to the duties conferred by the Board of Directors, the Chief Financial Officer shall define the Company's financial strategies in line with the current business plans, and monitor and supervise the accounting, treasury, financial planning and investor relations processes.

Functions of the Chief Investor Relations Officer: In addition to the duties conferred by the Board of Directors, the Investor Relations Officer shall represent the Company before the Brazilian Securities and Exchange Commission, shareholders, investors, stock exchanges, Central Bank of Brazil and any other agencies governing capital market activities, and shall define strategies and measures to optimize the Company's funding and fulfill the investors' interests.

Functions of the Chief Legal Officer: In addition to the duties conferred by the Board of Directors, the Chief Legal Officer shall develop legal strategies to monitor administrative and legal proceedings, carry out the engagement and management of third-party law firms, ensure the legal safety of any and all business transacted, be held liable for any and all legal matters involving the Company.

Functions of the Chief Sales Officer: In addition to the duties conferred by the Board of Directors, the Chief Sales Officer shall define the business and marketing strategies and be held liable for the development and implementation of business measures and initiatives, aiming at the business growth.

Functions of the Chief Production Officer: In addition to the duties conferred by the Board of Directors, the Chief Production Officer shall define the technology strategies and researches for the Construction business divisions and the corporate real estate supply, safety, engineering and technical support areas.

Functions of the Chief Real Estate Credit Officer: In addition to the duties conferred by the Board of Directors, the Chief Real Estate Credit Officer shall define the strategies and measures to optimize the Company's funding with financial institutions, ensure the quality of the customer portfolio and make the customers' financing possible.

Functions of the Chief Real Estate Development Officer: In addition to the duties conferred by the Board of Directors, the Chief Real Estate Development Officer shall define the real estate development and construction strategies, aiming at the business growth, in accordance with the guidelines set out by the Board of Directors.

Functions of the Chief Management and Shared Service Center Officer: In addition to the duties conferred by the Board of Directors, the Chief Management and Shared Service Center Officer shall define the Company's administrative, human resources, customer relationship and Information Technology strategies, in line with current business plans, in accordance with the guidelines set out by the Board of Directors.

e) mechanisms for the performance evaluation of the members of the Board of Directors, committees and Executive Board

The Company's Executive Officers are annually evaluated, based on goals and indicators established from the achievement and overcoming of the Company, the area and individual goals, aligned with the strategic planning and the competition. The evaluation results have direct impact on the Executive Officers' variable remuneration. The Company's main performance indicators considered to determine the variable compensation are: Net Margin, Adjusted EBITDA Margin, Contracted Sales, Constructed Units, Client Satisfaction, Available Land Bank, Launches and Transfer to Clients.

There are no evaluation mechanisms for the Board of Directors and Committees performance.

12.2. Rules, policies and practices related to the general meetings

a) request periods

The Company's General Meetings are requested within, at least, 15 (fifteen) consecutive days in advance in the first call and within 8 (eight) consecutive days in advance in the second call.

b) responsibilities

The shareholders, at the general meetings, must resolve the following matters, without prejudice to the other obligations:

- Amendments to the Bylaws;
- Split-off of shares;
- Stock option plans;
- Delist from Novo Mercado;
- Selection of specialized company responsible for the determination of the Company's economic value in connection with the public offerings set forth in our Bylaws, amongst the triple list of companies indicated by our Board of Directors;
- Issuance of convertible and/or guaranteed debentures;
- Suspension of the exercise of the rights of the shareholder which was not able to comply with the obligations set forth in applicable law or our Bylaws;
- Evaluation of the assets as regards to which the shareholder intends to subscribe the shares;
- Approval of the transformation into a limited-liability company or any other type of company set forth in the Brazilian Corporate Law;
- Merger, incorporation or other company or spin-off;
- Dissolution and liquidation, election and removal of the liquidators, as well as approval of the accounts presented by the liquidators and also election of the members of the Supervisory Board, which must operate during the liquidation period; and
- Authorization of the request for bankruptcy or judicial or extrajudicial recovery.

c) addresses (physical or electronic) where the documents related to the general meeting will be at the disposal of the shareholders for analysis

Electronic: www.mrv.com.br/ri; www.cvm.gov.br; www.bmfbovespa.com.br.
Physical: Avenida Raja Gabaglia, nº 2.720, Belo Horizonte, Minas Gerais

d) identification and management of conflict of interests

Under applicable law, the conflict of interests are identified and managed by the Chairman of the Board of Directors, through analysis of the purpose and contra-parties of the agreement.

In the event the interests of any shareholder conflict with the subject of the day, in accordance with the Brazilian legislation, such shareholder must not vote.

In this regard, this rule is applicable to the Company, considering that, generally speaking, the shareholders, whose interests conflict with the subject of the day, must not vote.

Moreover, the Company has a Related Parties Trading Policy, in which criteria were established on conflicts of interest between its shareholders and managers. As a matter of this subject is identified, the Management shall immediately manifest their conflict of interest. Additionally, they shall leave the discussions over the matter and abstain themselves from voting. If requested by the President of the Board of Directors or the President Director, according to each case, those managers may partially participate in the discussion, aiming at proportioning more information on the operation and the related parts. In such case, they shall leave by the end of the discussion, including the voting process of the matter.

e) request of proxies by management for the exercise of the voting right

The Company accepts the vote of the shareholders' representative provided that such representative was duly established and the proxy includes the vote to be granted.

f) formal procedures necessary for acceptance of the proxies granted by the shareholders, indicating whether the issuer accepts proxies granted by the shareholders through electronic media

The shareholder may be represented at the General Meeting by an attorney-in-fact appointed in less than 1 (one) year, which is a shareholder, administrator, lawyer, financial institution or administrator of the investment funds representing the members. To attend to the General Meeting, the shareholder must deliver to the Company, on the date of the respective meeting, the respective proxy, duly regularized under applicable law and in accordance with these Bylaws, in the event of representation of the shareholder. The shareholder or the legal representative must attend to the General Meeting with the documents to confirm his/her identity. The Company does not accept proxies granted by shareholders through electronic media.

g) maintenance of forums and pages in the Internet directed to receive and share the shareholders' comments on the subjects covered at the meetings

The Company does not have forums and pages in the Internet directed to receive and share the shareholders' comments on the subjects covered at the meetings. However, the Company has open communication means with its analysts and shareholders throught theInvestor Relations' website (http://www.mrv.com.br/ri) and email (ri@mrv.com.br) used to clarify doubts and any other type of information regarding the Company.

h) live and/or audio transmission of the meetings

The Company does not use the system of live and/or audio transmission of the meetings. However, the Company is evaluating ways to make the meetings access easier.

i) systems directed to allow the inclusion, in the subject of the day, of the proposals presented by the shareholders

There are no systems to allow such inclusion. The Company may allow such requirements, according to the legal and regulamental disposals. The Company's Investor Relations communication mean, as indicated on item 12.2 (g) of this reference

Form, receives investors and shareholders requests and forwards them to the qualified institutions. The Company understands that the legal instruments and shareholders communication channel are sufficient to meet the needs related to General Meetings participation.

12.3. Dates and newspapers for disclosure

Fiscal Year	Publication	Newspaper - UF	Date
12/31/2013	Financial statements	Official Gazette of the State of Minas Gerais - MG	03/27/2014
		Hoje em Dia - MG	03/27/2014
		Estado de São Paulo - SP	03/27/2014
	Notice to the shareholders about the available financial statements	Official Gazette of the State of Minas Gerais - MG	03/14/2014
		Hoje em Dia - MG	03/14/2014
		Estado de São Paulo - SP	03/14/2014
	Request of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	04/02/2014
		Hoje em Dia - MG	04/02/2014
		Estado de São Paulo - SP	04/02/2014
	Minutes of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	05/07/2014
		Hoje em Dia - MG	05/03/2014
		Estado de São Paulo - SP	05/03/2014
12/31/2012	Financial statements	Official Gazette of the State of Minas Gerais - MG	04/12/2013
		Hoje em Dia - MG	04/12/2013
		Estado de São Paulo - SP	04/12/2013
	Notice to the shareholders about the available financial statements	Official Gazette of the State of Minas Gerais - MG	03/15/2013
		Hoje em Dia - MG	03/15/2013
		Estado de São Paulo - SP	03/15/2013
	Request of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	04/13/2013
		Hoje em Dia - MG	04/13/2013
		Estado de São Paulo - SP	04/13/2013
	Minutes of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	05/03/2013
		Hoje em Dia - MG	05/03/2013
		Estado de São Paulo - SP	05/03/2013
12/31/2011	Financial statements	Official Gazette of the State of Minas Gerais - MG	04/10/2012
		Hoje em Dia - MG	04/10/2012
		Jornal da Tarde - SP	04/10/2012
	Notice to the shareholders about the available financial statements	Official Gazette of the State of Minas Gerais - MG	03/16/2012
		Hoje em Dia - MG	03/16/2012
		Jornal da Tarde - SP	03/16/2012
	Request of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	04/03/2012
		Hoje em Dia - MG	04/03/2012
		Jornal da Tarde - SP	04/03/2012
	Minutes of the general meeting which analyzed the financial statements	Official Gazette of the State of Minas Gerais - MG	05/03/2012
		Hoje em Dia - MG	05/03/2012
		Jornal da Tarde - SP	05/03/2012

12.4. Rules, policies and practices related to the Board of Directors

The Board of Directors is comprised of at least five members and at most seven members, of which 20% must be independent members, all elected at the General Meeting for two-year mandates, reelection allowed.

In the event the percentage of 20% results in a fraction in terms of number of Directors, such fraction must be rounded to the: (i) immediately number above, in the event the fraction is equivalent to or greater than 0.5, or (ii) immediately number below, in the event the fraction is lower than 0.5.

The Chairman and the Vice-Chairman of the Board of Directors are elected by the majority of the effective directors who attended to the first meeting of the Board of Directors subsequently to the entrance into office of such directors. The current members of the Company's Board of Directors are as follows:

Member	Title	Reelection date
Rubens Menin Teixeira de Souza	Chairman of Board of Directors	04/30/2013
Marcos Alberto Cabaleiro Fernandez	Vice-Chairman of Board of Directors	04/30/2013
Levi Henrique	Independent director	04/30/2013
Fernando Henrique da Fonseca	Independent director	04/30/2013
João Batista de Abreu	Independent director	04/30/2013
Rafael Menin Teixeira de Souza	Director	04/30/2013

a) frequency of the meetings

Under the terms of article 17 of the Company's Bylaws, the Board of Directors will meet, ordinarily, at each three months and, extraordinarily, whenever requested by the Chairman or any of its members, upon notice in writing delivered within 5 (five) business days in advance, including the subject of the day.

In urgency, meetings of the Board of Directors may be convened by its Chairman without compliance with the deadline above, provided that all other members of the Council are unequivocally aware. The calls can be made by letter with acknowledgment of receipt, fax or by any means, electronic or otherwise, that allows proof of receipt.

Regardless of the procedures provided herein, shall be deemed a regular, a meeting attended by all directors.

b) if any, the provisions of the shareholders' agreement establishing restriction or limitation to the voting rights of the members of the board

Currently, there is no shareholders' agreement entered into with the Company

c) rules for the identification and management of conflict of interests

Under the terms of paragraph 4, of article 15, of the Company's Bylaws, the members of the Board of Directors must have good reputation and must not be elected as the member of the Board of Directors, except for the waiver of the majority of the members, the member which: (i) is in charge of other title in another company which is deemed as a competitor of the Company; or (ii) has or represents conflict of interests as regards to the interests of the Company. The voting right must not be exercised by the member of the Board of Directors if the events indicated in this paragraph are verified.

Under the terms of paragraph 5, article 15, of our Bylaws, the members of the Board of Directors may not access the information or attend to the meetings of the Board of Directors, which members have or represent conflict of interests as regards to the interests of the Company. The seats of the Board of Directors are occupied by the Independent Director and shareholders and/or representatives of the shareholders, in accordance with the Company's interests.

It is forbidden to the Directors, Officers and Members of the Committee to intervene in corporate transactions in which they have conflicting interests with the Company; as well in the deliberation that in this respect the other administrators might take. It is for the person who is subject to a conflict of interest to declare the occurrence of such fact, if he considers that any Council decision on a particular subject on the agenda for a vote would result in benefit or that of others, with or without prejudice to the Company. The person should declare himself barred at the time of the Board meeting or by notifying the Chairman of the Board, informing him of the reason of his barring and write in the minutes of meeting of the Council the nature and extent of his interest. After the declaration of an impediment, that person can not participate in the discussion or voting on matters in which he has a conflict of interest and should absent himself from the meeting room when the Council is discussing this matter.

The information sent to the Board by the Company or by third parties relating to the particular matter in which certain Director to declares a conflict of interest, will not be sent to such Director, officer, or member of committee, nor will he be given access to such information by other members of the participating body. Regardless of the notification referred to above, always when the Company identifies a situation where conflicts of interest might arise with a particular member with respect to any matter to be decided by the Board, the President shall notify such person so he can, within established term, speak up in this respect.

Following article 48 of MRV's Bylaws, the Company, its shareholders, Senior Managers and members of the Fiscal Council (if installed) undertake to refer to arbitration any and all disputes or controversies between them, related to or arising from, in particular, the application, validity, efficiency, interpretation, violation and its results, of the provisions stated in the Law of Business Corporation, these By-Laws, the rules edited by the National Monetary Council, by the Central Bank of Brazil and by CVM, as well as in all other regulations applicable to the operation of capital markets in general, additionally to those stated in

the New Market Regulation, de Arbitration Rules of the Arbitration Panel of the Market and the New Market Participation Agreement.

12.5. Commitment clause of the bylaws for resolution of conflicts amongst the shareholders and amongst the shareholders and the Company through arbitration

In accordance with the Novo Mercado Regulation and article 48 of our Bylaws, our Company, shareholders, directors, executive officers and members of the Supervisory Board, when installed, agree to resolve, through arbitration, all and any dispute or difference amongst them, specifically related to or resulting from the application, validity, effectiveness, interpretation, violation and related effects of the provisions set forth in the Brazilian Corporate Law, our Bylaws, rules issued by CMN, BACEN and CVM, as well as the other rules applicable to the capital market in general, in addition to those included in the Novo Mercado Regulation, Arbitration Regulation of the Market Arbitration Chamber and the Novo Mercado Participation Agreement.

12.6. Directors, executive officers and members

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Rubens Menin Teixeira de Souza	57	Engineer	315.836.606-15	Chairman of the Board of Directors	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	2 years	Real Estate Development Committee; Risk Management Committee and Human Resources Committee	Yes
Marcos Alberto Cabaleiro Fernandez	61	Lawyer	139.359.336-49	Vice-Chairman of the Board of Directors	04/30/2013	04/30/2013	2 years	Real Estate Development Committee; Clients Relationship Committee; Risk Management Committee; Ethics Committee	Yes
Rafael Nazareth Menin Teixeira de Souza	33	Engineer	013.255.636-76	Director and Chief Executive Officer – Region I	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	2 years	Real Estate Development Committee; Human Resources Committee; Ethics Committee	No
Fernando Henrique da Fonseca	74	Economist	199.017.396-91	Independent Director	04/30/2013	04/30/2013	2 years	No	No
João Batista de Abreu	70	Economist	094.017.097-34	Independent Director	04/30/2013	04/30/2013	2 years	No	No
Levi Henrique	73	Engineer	029.704.148-72	Independent Director	04/30/2013	04/30/2013	2 years	Human Resources Committee; Corporate Governance Committee	No
Eduardo Fischer Teixeira de Souza	40	Engineer	000.415.476-24	Chief Executive Officer – Region II	05/02/2013	05/02/2013	2 years	Real Estate Development Committee	Board
Eduardo Paes Barretto	57	Administrator	006.078.718-06	Chief Commercial Officer	05/02/2013	05/02/2013	2 years	Clients Relationship Committee	Board
Homero Aguiar Paiva	53	Engineer	566.916.456-34	Chief Production Officer	05/02/2013	05/02/2013	2 years	No	Board
Hudson Gonçalves de Andrade	54	Engineer	436.094.226-53	Chief Real Estate Development Officer	05/02/2013	05/02/2013	2 years	No	Board
José Adib Tomé Simão	66	Engineer	071.004.346-53	Chief Real Estate Financing Officer	05/02/2013	05/02/2013	2 years	No	Board
Júnia Maria de Sousa Lima Galvão	43	Accountant	878.532.996-72	Chief Management and Shared Service Center Officer	05/02/2013	05/02/2013	2 years	Human Resources Committee; Corporate Governance Committee	Board
Leonardo Guimarães Corrêa	55	Economist	275.939.836-68	Chief Financial and Investor Relations Officer	05/02/2013	05/02/2013	2 years	Risk Management Committee; Human Resources Committee; Ethics Committee	Board
Maria Fernanda Nazareth Menin Teixeira de Souza Maia	33	Lawyer	040.415.096-96	Chief Legal Officer	05/02/2013	05/02/2013	2 years	Risk Management Committee; Ethics Committee	Board

12.7. Committee Members

Human Resources Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Levi Henrique	73	Engineer	029.704.148-72	Independent Director	08/14/2007	08/14/2007	Undetermined	Board of Directors	No
Júnia Maria de Sousa Lima Galvão	43	Accountant	878.532.996-72	Chief Management and Shared Service Center Officer	08/14/2007	08/14/2007	Undetermined	Executive Board; Corporate Governance Committee; Ethics Committee	Board
Leonardo Guimarães Corrêa	55	Economist	275.939.836-68	Chief Financial and Investor Relations Officer	04/23/2012	04/23/2012	Undetermined	Executive Board; Risk Management Committee; Ethics Committee	Board
Rafael Nazareth Menin Teixeira de Souza	33	Engineer	013.255.636-76	Director and Chief Executive Officer – Region I	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	Undetermined	Real Estate Development Committee; Human Resources Committee; Ethics Committee	No
Rubens Menin Teixeira de Souza	57	Engineer	315.836.606-15	Chairman of the Board of Directors	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	Undetermined	Real Estate Development Committee; Risk Management Committee and Human Resources Committee	Yes

Corporate Governance Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Levi Henrique	73	Engineer	029.704.148-72	Independent Director	08/14/2007	08/14/2007	Undetermined	Board of Directors; Human Resources Committee	No
Júnia Maria de Sousa Lima Galvão	43	Accountant	878.532.996-72	Chief Management and Shared Service Center Officer	08/14/2007	08/14/2007	Undetermined	Executive Board; Human Resources Committee; Ethics Committee	Board
Maria Fernanda Menin Teixeira de Souza Maia	33	Lawyer	040.415.096-96	Chief Legal Officer	08/14/2007	08/14/2007	Undetermined	Executive Board; Risk Management Committee; Ethics Committee	Board

Clients Relationship Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Marcos Alberto Cabaleiro	61	Lawyer	139.359.336-49	Vice-Chairman of the Board of	12/01/2008	12/01/2008	Undetermined	Board of Directors Risk	Yes

Fernandez				Directors				Management Committee; Ethics Committee	
Eduardo Paes Barretto	56	Administrator	006.078.718-06	Chief Commercial Officer	12/01/2008	12/01/2008	Undetermined	Executive Board	Board
Flávio Vidal Cambraia	37	Engineer	037.813.246-64	Executive Manager	04/07/2010	04/07/2010	Undetermined	Executive Manager	Board

Real Estate Development Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Rubens Menin Teixeira de Souza	57	Engineer	315.836.606-15	Chief Executive Officer and Chairman of the Board of Directors	04/09/2007	04/09/2007	Undetermined	Board of Directors; Executive Board	Yes
Marcos Alberto Cabaleiro Fernandez	61	Lawyer	139.359.336-49	Vice-Chairman of the Board of Directors	04/09/2007	04/09/2007	Undetermined	Board of Directors; Client Relationship Committee; Ethics Committee	Yes
Eduardo Fischer Teixeira de Souza	40	Engineer	436.094.226-53	Chief Operational Officer – Region II	03/08/2010	03/08/2010	Undetermined	Executive Board	Board
Hudson Gonçalves de Andrade	53	Engineer	436.094.226-53	Chief Real Estate Development Officer	06/08/2009	06/08/2009	Undetermined	Executive Board	Board
Rafael Nazareth Menin Teixeira de Souza	33	Engineer	013.255.636-76	Director and Chief Executive Officer – Region I	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	Undetermined	Real Estate Development Committee; Human Resources Committee; Ethics Committee	No

Risk Management Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Marcos Alberto Cabaleiro Fernandez	61	Lawyer	139.359.336-49	Vice-Chairman of the Board of Directors	02/08/2010	02/08/2010	Undetermined	Board of Directors; Client Relationship Committee; Ethics Committee; Real Estate Development Committee	Yes
Leonardo Guimarães Corrêa	55	Economist	275.939.836-68	Chief Financial and Investor Relations Officer	02/08/2010	02/08/2010	Undetermined	Executive Board; Human Resources Committee; Ethics Committee	Board
Maria Fernanda Menin Teixeira de Souza Maia	33	Lawyer	040.415.096-96	Chief Legal Officer	02/08/2010	02/08/2010	Undetermined	Executive Board; Corporate Governance Committee; Ethics Committee	Board
Rubens Menin Teixeira de Souza	57	Engineer	315.836.606-15	Chairman of the Board of Directors	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	Undetermined	Real Estate Development Committee; Risk Management Committee	Yes

								and Human Resources Committee	

Ethics Committee

a) Name	b) Age	c) Profession	d) CPF / Passport	e) Title	f) Election date	g) Investure date	h) Mandate term	i) Other titles exercised	j) Elected by the Controller
Marcos Alberto Cabaleiro Fernandez	61	Lawyer	139.359.336-49	Vice-Chairman of the Board of Directors	06/25/2012	06/25/2012	Undetermined	Board of Directors; Client Relationship Committee; Risk Management Committee; Real Estate Development Committee Committee	Yes
Júnia Maria de Sousa Lima Galvão	43	Accountant	878.532.996-72	Chief Management and Shared Service Center Officer	06/25/2012	06/25/2012	Undetermined	Executive Board; Human Resources Committee; Corporate Governance Committee	Board
Leonardo Guimarães Corrêa	55	Economist	275.939.836-68	Chief Financial and Investor Relations Officer	06/25/2012	06/25/2012	Undetermined	Executive Board; Human Resources Committee; Risk Management Committee	Board
Maria Fernanda Menin Teixeira de Souza Maia	33	Lawyer	040.415.096-96	Chief Legal Officer	06/25/2012	06/25/2012	Undetermined	Executive Board; Corporate Governance Committee; Risk Management Committee	Board
Rafael Nazareth Menin Teixeira de Souza	33	Engineer	013.255.636-76	Director and Chief Executive Officer – Region I	04/30/2013 and 05/02/2013	04/30/2013 and 05/02/2013	Undetermined	Real Estate Development Committee; Human Resources Committee; Ethics Committee	No

12.8. a) Resume of the directors, executive officers and members of the Supervisory Board

Board of Directors:

Rubens Menin Teixeira de Souza – Chairman of the Board of Directors. He was elected member of the Board of Directors on Extraordinary Shareholders Meeting on June 1, 2006, position which he holds until today. He holds a degree in civil engineering from the Federal University of Minas Gerais - UFMG, where he graduated in 1978. He is a founding partner of the MRV group in 1979 and the main executive, currently serves as Chairman of the Board of Directors. He is also a founding partner of Intermedium, multiple bank, and has been Chairman of its Board of Directors since its establishment in 1994, Chairman of the Board of Directors of LOG Commercial Properties SA, a commercial and industrial properties company, since its founding in 2008, and Chairman of the Board of Directors of Urbamais Properties e Participações S.A., with purpose of the development of large urban areas for residential and/or residential/office use, since its founding in 2012. In addition to MRV, he has not worked at other publicly-held companies.

Marcos Alberto Cabaleiro Fernandez. He was elected member of the Board of Directors on Extraordinary Shareholders Meeting on June 1, 2006, position which he holds until today. Graduated with a law degree from the Milton Campos Law School in 1981. He founded Construtora Becker Cabaleiro, civil construction company, in 1977 and CVG developer in 1986. He was Vice-Chairman of the Real Estate Market Chamber of Belo Horizonte and the Civil Construction Union from 1999 to 2002. He is a founding partner of Intermedium and has been a member of its Board of Directors since the company was established in 1994, and member of the Board of Directors and Chief Executive Officer of LOG Commercial Properties SA, a commercial and industrial properties company, since its founding in 2008, and member of the Board of Directors and Chief Executive Officer of Urbamais Properties e Participações S.A., with purpose of the development of large urban areas for residential and/or residential/office use, since its founding in 2012. In addition to MRV, he has not worked at other publicly-held companies.

Fernando Henrique da Fonseca. He was elected member of the Board of Directors on general Shareholders Meeting on October 5, 2006, position which he holds until today. He holds a degree in economics from the Federal University of Minas Gerais - UFMG, having pursued specialized courses in the areas of finance, economics and business. He has been CFO of Celulose Nipo-Brasileira S.A. (CENIBRA) since September 2001. He has 42 years of experience in the financial divisions of public and private companies, having held the following positions: President of the financial companies Intermedium, a multiple bank, and Credicon from 1994 to 2001; President of Banco Agrimisa between 1988 and 1993. Vice-President of BEMGE Bank from 1987 to 1988; President of Agrimisa Bank from 1988 to 1993; Executive Officer of Minas Gerais State Financial Policy Committee from 1983 to 1985; and Manager of the Companhia Siderúrgica Belgo-Mineira from 1967 to 1975. In addition to MRV, during his career, he worked for more three publicly-held companies: as Regional Sales Planning and Exportation Manager at Companhia Siderúrgica Belgo-Mineira between 1967 and 1975; as Vice-President at Banco BEMGE between 1987 and 19988; and as President at Banco Agrimisa between 1988 and 1993.

João Batista de Abreu. He was elected member of the Board of Directors on Extraordinary Shareholders Meeting on September 30, 2009, position which he holds until today. He holds a degree in Economic Sciences from the Federal University of Minas Gerais – UFMG and a master's degree from FGV. He was a professor at Pontifícia Universidade Católica do Rio de Janeiro (PUC/RJ) and Instituto Militar de Engenharia (IME). He was admitted at Instituto de Pesquisa Econômica Aplicada (IPEA), under the Planning, Budget and Management Ministry, exercising, as specialized technician, the titles of Economic Assistant Head of the Minister of Planning, Executive Secretary of the Treasury Ministry, Treasury State Secretary of the State of Minas Gerais and, finally, State Chief Minister of Planning and Coordination of the President of Brazil. After his career at the public level, he was the President of Banco de Desenvolvimento de Minas Gerais (BDMG), member of EMBRAER's Board of Directors, executive officer at BMG Leasing between 1999 and February 2009 and, for seventeen years, he was the Vice Executive President of Banco BMG S/A.

Levi Henrique. He was elected member of the Board of Directors on Extraordinary Shareholders Meeting on June 1, 2006, position which he holds until today. Holds an engineering degree from the Instituto Tecnologico de Aeronautica - ITA. After graduating, he entered Cofap S.A. (company operating in the autoparts industry) in 1959, where he reached the position of Director of the Shock Absorber Factory and remained with the company for 19 years. In 1978, he joined Eluma S.A., company operating in the steel industry, where he reached the position of Superintendent of the Non-Ferrous Division. He worked at that company for 8 years, up to1984, and then, between 1985 and 1993, he worked as a Superintendent at LaFonte Fechaduras S.A. Between 1987 and 1990, he worked as a Superintendent at Metalpo Indústria e Comércio Ltda., a company operating in the steel industry; and between 1990 and 1993, he worked as a Superintendent at Protendit Indústria e Comércio Ltda., a company operating in the civil construction industry. He established Geminids, his business management consulting firm, in 1994, where he presently remains. Over the last five years, he worked at Suggar Eletrodomésticos Ltda. (2002–2006), manufacturer and seller of exhausters of kitchens and semi-automatic washing machines, as the CEO's Assistant. In addition to MRV, during his career he worked at other two publicly-held companies: as Superintendent at LaFonte Fechaduras S.A., an integral part of the holding LaFonte Participações (1985–1986) and as Superintendent of the Non-Ferrous Division at Eluma S.A. (1978–1984).

Rafael Nazareth Menin Teixeira de Souza – Chief Executive Officer – Region I. He was elected member of the Board of Directors on Annual and Extraordinary Shareholders Meeting on April 30, 2013, position which he holds until today. He holds a degree in civil engineering from Federal University of Minas Gerais in 2003. He joined MRV Serviços de Engenharia Ltda. in 1999, as a civil engineer intern. He has large experience in real estate homebuilding sector. During this period, he worked as site engineer, coordinator of engineering and technical director. He is member of the Board of Directors of Urbamais Properties

e Participações S.A., with purpose of the development of large urban areas for residential and/or residential/office use, since its founding in 2012. He was elected MRV´s Chief Regional Officer at the meeting of the Board of Directors held on March 8, 2010, and afterwards appointed as Chief Executive Officer – Region I at the meeting of the Board of Directors held on March 27, 2014, position which he holds until today.

Executive Board:

Eduardo Fischer Teixeira de Souza - Chief Executive Officer – Region II. He holds a degree in civil engineering from FUMEC in 2000 and a MBA in Finance from IBMEC MG in 2003. He joined MRV Serviços de Engenharia Ltda. in 1993, as a civil engineer intern. He has large experience in real estate homebuilding sector. During this period, he worked as site engineer, coordinator of development sites and production director of Campinas and São Paulo. He was electet MRV´s Chief Regional Officer at the meeting of the Board of Directors held on March 8, 2010, and afterwards appointed as Chief Executive Officer – Region II at the meeting of the Board of Directors held on March 27, 2014, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Eduardo Paes Barretto – Chief Commercial Officer. He has a degree in business administration from FMU - Faculdades Metropolitanas Unidas, having specialized in market administration and marketing at both FGV and ESPM. He was director of the Association of Sales Managers of Brazil - ADVB and Chairman of the Retail Commission of that association. He is a lecturer and speaker at seminars of the Brazilian Advertisers Association. He was Chief Operating Officer of the Companhia Brasileira de Distribuição - Grupo Pão de Açúcar, from May 1986 to July 1993. He has been working with companies of the MRV group since September 2000, being in charge of commercial policy, supervision of real estate sales, market research, development of new business and corporate strategy. Mr. Barretto was elected our Chief Commercial Officer at the meeting of the Board of Directors held on June 2, 2006, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Homero Aguiar Paiva – Chief Production Officer. In 1984, he received a degree in civil engineering from PUC - MG, and in 1991 he received a graduate degree in quality and productivity engineering from the Sociedade Mineira de Engenharia - MG. He earned an MBA in business management from IBMEC/BH in 2000. He joined the MRV Group in 1987 as an engineer, and became supervisor of engineering in 1989. In 1996, he became technical director, and since 2004 he has served as our Chief Production Officer. Mr. Paiva was elected our Chief Production Officer at the meeting of the Board of Directors held on June 2, 2006, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Hudson Gonçalves de Andrade – Chief Real Estate Development Officer. He earned a degree in civil engineering from the Kennedy School of Engineering in 1993. He began his career in 1980 at the MRV Group as buildings technician. He was appointed Projects Officer in 2000, and occupied the position of Chief Real Estate Development Officer in 2005. Mr. Andrade was elected our Chief Real Estate Development Officer at the meeting of the Board of Directors held on June 2, 2006, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Jose Adib Tomé Simão – Chief Real Estate Financing Officer. He earned a degree in civil engineering in 1969 from the Engineering School of the Federal University of Minas Gerais. In 1972, he was professor of the former Kennedy School of Engineering in Belo Horizonte. From 1973 to 1986, he was the director of the São Paulo branch of Delphos Engenharia S.A., which is based in Belo Horizonte. From 1987 to 1988, he was a special advisor to the Chief Minister for the Secretariat of Planning and Co-ordination of the Presidency of the Republic. He joined the MRV Group in 1989, working in the technical, administrative and commercial sectors, becoming our chief administrative officer in 1999 . Mr. Simão was elected MRV's Chief Administration Officer at the meeting of the Board of Directors held on June 2, 2006. In 2007 was elected Chief Financial Officer and in 2009, Chief Real estate Credit Line Officer, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Júnia Maria de Sousa Lima Galvão – Chief Administrative and Comptrolling Officer. She holds a degree in accounting and a graduate degree in financial management and international business from the Fundação Dom Cabral, as well as in human resources and in information systems. She worked at RM Sistemas between 1996 and January 2007, recently sold to Totvs S.A., as administrative and financial executive officer, in the administration, finance and accounting sectors, having been the responsible officer and attorney-in-fact for RM Sistemas between 1996 and 2006. Mrs. Lima was elected our Chief Administrative Officer and Controller at the meeting of the Board of Directors held on January 24, 2007, position which he holds until today. In addition to MRV, she has not worked at other publicly-held companies.

Leonardo Guimarães Corrêa –Chief Financial and Investor Relations Officer. He earned a degree in economics from the Federal University of Minas Gerais – UFMG in 1980, and a graduate degree in finance from FGV in 1986. He worked from 1982 to 1990 at Lloyds Bank as Treasury Manager. From 1990 to 2000 he worked at JP Morgan, where his last post held was treasury officer for Brazil. He was a partner at Banco Pactual from 2000 to 2003. Between 2003 and 2006 he was a partner at Perfin Administração de Recursos, an independent fund manager, specialized in investment funds. He joined us in March 2006 as Vice President Executive Officer. In January 2007 was elected Chief Investor Relations Officer and, in June 2009, Chief Financial and Investor Relations Officer, at the meeting of the Board of Directors held on May 2, 2011, was elected Chief Financial Officer and at the meeting of the Board of Directors held on December 01, 2014, started to accumulate the position of Chief Investor Relations Officer, position which he holds until today. In addition to MRV, he has not worked at other publicly-held companies.

Maria Fernanda Nazareth Menin Teixeira de Souza Maia - Chief Legal Officer. She earned a law degree from Milton Campos Law School in 2001, and postgraduate in Economics and Business Law from FGV in 2003. She is an effective member of the Commissions Corporate Advocacy OAB / MG. She joined MRV Serviços de Engenharia Ltda. in 1997, as an intern of Billing Department. During this period she held positions as an intern in the Legal Department, Legal Assistant, Coordinator of the Legal Department, Legal Superintendent and Legal Manager. Mrs. Maia was elected MRV's Chief Legal Officer at meeting of the Board of Directors held on May 4, 2010, position which she holds until today.

Rafael Nazareth Menin Teixeira de Souza – Chief Executive Officer – Region I. See the section above including the members of our Board of Directors.

12.8. b) Legal and administrative claims (inclusive criminal claims) involving the directors, executive officers and members of the Supervisory Board

I, Rubens Menin Teixeira de Souza, Chairman of the Company's Board of Directors, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Marcos Alberto Cabaleiro Fernandez, Vice-Chairman of the Company's Board of Directors, reelected on April 30, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Fernando Henrique da Fonseca, Company's director, reelected on April 30, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, João Batista de Abreu, Company's director, reelected on April 30, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Levi Henrique, Company's director, reelected on April 30, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Rafael Nazareth Menin Teixeira de Souza, Company's director, elected on April 30, 2013, and Chief Executive Officer – Region I, elected on March 27, 2014, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Eduardo Fischer Teixeira de Souza, Chief Executive Officer – Region II, elected on March 27, 2014, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Eduardo Paes Barretto, Chief Commercial Officer, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Homero Aguiar Paiva, Chief Production Officer, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Hudson Gonçalves de Andrade, ***Chief Real Estate Development Officer***, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal

and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, José Adib Tomé Simão, ***Chief Real Estate Credit Line Officer***, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Júnia Maria de Sousa Lima Galvão, ***Chief Administrative Officer and Controller***, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Leonardo Guimarães Corrêa, Chief Financial Officer and Investor Relations Officer, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

I, Maria Fernanda Nazareth Menin Teixeira de Souza Maia Chief Legal Officer, reelected on May 2, 2013, declare, for all legal purposes that, over the last five years, **I was not** subject to the effects in connection with any criminal claim, plea or fine resulting from any administrative proceeding with CVM, as well as subject to any final and unappealable decision, at the legal and administrative levels, which resulted in the suspension or lack of qualification to exercise any professional or commercial activity.

12.9. Marital relationships, stable unions or relatives up to the second degree amongst

a) Company's directors and executive officers

Nº	Name	CPF	Title	Kinship
1A	Rubens Menin Teixeira de Souza	315.836.606-15	Chairman of the Board of Directors	Father (1º degree of consanguinity)
1B	Rafael Nazareth Menin Teixeira de Souza	013.255.636-76	Director and Chief Executive Officer – Region I	Son (1º degree of consanguinity)
1C	Maria Fernanda Nazareth Menin Teixeira de Souza Maia	040.415.096-96	Chief Legal Officer	Daughter (1º degree of consanguinity)

b) Company's directors and executive officers and directors and executive officers controlled directly or indirectly by the Company

Not applicable

c) Company's directors and executive officers or its direct or indirect subsidiaries and Company's direct or indirect controllers

Not applicable

d) Company's directors and executive officers and directors and executive officers controlled directly or indirectly by the Company

Not applicable

12.10 Relations of subordination, rendering of services or control held, over the last three years, amongst the Company's directors and executive officers

a) Company controlled directly or indirectly by the Company

Not applicable

b) Company's direct or indirect controller

Not applicable

c) Company's supplier, client, debtor or creditor, or of the Company's subsidiary or parent companies, or controlled by any of these persons, if relevant

Not applicable

12.11. Agreements (including insurance policies) establishing the payment or reimbursement of expenses assumed by the directors and executive officers, in connection with the reimbursement of damages caused against third parties or the Company, penalties imposed by state agents and agreements executed in order to terminate the administrative or judicial proceedings, by virtue of the exercise of the respective duties

The Company contracted the Civil Liability insurance to cover the directors and executive officers, in order to assure the reimbursement to the directors and executive officers of the expenses assumed by these persons in connection with the recovery of damages against third parties or to the issuer. The coverage of the current policy amounts to R$ 80.0 million, with a premium of R$ 149.1 thousand.

The Company has not entered into any agreement in order to terminate the administrative or judicial proceedings, filed against the Company's directors and executive officers in connection with the exercise of their respective duties.

12.12. Other information deemed relevant by the issuer

General Shareholders' Meeting

	EGSM 2013	EGSM 2012	EGSM 2011
(i) the date of the meeting	04/30/2014	04/30/2013	04/30/2012
(ii) cases of installation on the second call	None	None	None
(iii) the quorum for each meeting	Not available	Not available	Not available

Posts of members of the Board of Directors

Attending to item 4.5 of the *Regulamento do Novo Mercado da BM&FBovespa - Bolsa de Valores, Mercadorias e Futuros*, we inform below the list of posts that the members of the Board of Directors occupy in the: (i) Board of Directors, (ii) Fiscal Council, (iii) Committees, and (iv) Executive bodies of other companies or entities.

Members of the Board of Directors	Title at MRV	Company	Title
Rubens Menin Teixeira de Souza	Chairman of the Board of Directors	Banco Intermedium	Chairman of the Board of Directors
		LOG Commercial Properties S.A.	Chairman of the Board of Directors
		Urbamais Properties e Participações S.A.	Chairman of the Board of Directors
Marcos Alberto Cabaleiro Fernandez	Vice-President	Banco Intermedium	Director
		LOG Commercial Properties S.A.	Director and CEO
		Urbamais Properties e Participações S.A.	Director and CEO
Levi Henrique	Independent Director	/	/
Fernando Henrique da Fonseca	Independent Director	Cenibra	Director
		Camara de Florestas Plantadas do Ministerio da Agricultura	President
		Fiesp	Executive Officer
		ABRAF - Associação Brasileira de Produtores de Florestas Plantadas	Director
João Batista de Abreu	Independent Director	/	/
Rafael Menin Teixeira de Souza	Directo and Chief Executive Officer Region Ir	Urbamais Properties e Participações S.A.	Director

Note: in September, 2014 an effective member of the Board of Directors resigned.

ABRASCA *(Brazilian Association of Listed Companies)*

ABRASCA Code of Self-Regulation and Good Practice of Listed Companies ("Code") establishes principles, rules and recommendations in order to contribute to the improvement of corporate governance practices in order to promote investor confidence, facilitate capital market access and reduce the cost of capital, promoting sustainability and durability of Brazilian companies, as well as the creation of long-term value.

MRV Engenharia e Participacoes SA states applying the principles and rules established in this Code, and acceded to the code on August 15, 2011, except: (as per item 1.4 of the ABRASCA Code).

- Rule 5.1. -
The Company maintains systems of internal controls and risk management systems that provide its sustainability and longevity. These internal controls allow management to monitor financial and operational processes. The Company has a Risk Management Committee, approved by the Board of Directors of the Company on February 8, 2010, which has responsibility for assigning and evaluating the financial and operational risks of the Company, and setting strategies to mitigate them, following thus, item 5.1. of the ABRASCA Code.

- Rule 8.2. -
The administration adopts procedures to control material information, including a disclosure policy for material acts or facts defined by the Board of Directors deliberated and approved by the Board of Directors of the Company on June 8, 2009. The item 3.1 of this Policy elects the Chief IR Officer as responsible for implementing and monitoring this Disclosure Policy, in order to prevent leakage and use of material or privileged information, thus following item 8.2. of the ABRASCA Code.

Practice of Corporate Governance and the Recomendations of Brazilian Institute of Corporate Governance - IBGC

Corporate Governance is the system whereby organizations are run and overseen. It involves relationships between the shareholders, the Board of Directors, the Officers, the independent auditors and the Fiscal Counsil. The main principles are: (i) Transparency; (ii) Fairness; (iii) accountability; and (iv) Corporate Responsibility.

Among the practices of corporate governance recomended by IBGC in its Code of Best Practice of Corporate Governance, we adopt, among others:

(i) Emission of ordinary shares, exclusively;

(ii) “One share one vote” policy;

(iii) Clear Bylaws regarding (a) Call Notice and fulfillment of the General Meeting; (b) Board of Directors and Officers main powers; and (c) voting system, election, dismissal and terms of office of the members of the Board of Directors and Officers;

(iv) Elaboration of annual reports regarding the Company’s activities in the ended fiscal year, in comparison with the previous years and according to the international financial reporting standarts;

(v) Transparancy in public disclosure of the annual administration report;

(vi) Prevision in Bylaws regarding Fiscal Counsil instalation;

(vii) Pertinent Genereal meeting call and documentation, available since the date of the first call, detailing the agenda and always considering the realization of the meeting on time and date which allow the participation of the highest amount of shareholders;

(viii) Well defined voting rules, avaiable since the publication of the General Meeting call;

(ix) Prevision in Bylaws regarding that, in the hypothesis of the complete disposal of the controlling shareholders, the acquirer must conduct a public offer of share acquisition to all shareholders, in the same condition given to the controller (tag along);

(x) Share dissipation (free float), aiming the securities´ liquidity; and

(xi) Conflit resolution that may arise between the Company and its Shareholders through an arbitration procedure.

Compensation of Directors and Executive Officers

13.1. Compensation policy and practice of the Board of Directors, Executive Board, Supervisory Board and Audit, Risk, Financial and Compensation Committees

a) compensation policy or practice

Board of Directors:
The compensation policy of the Board of Directors includes: (i) a fixed monthly compensation by way of pro-labore and a variable compensation for the Chairman and Vice-Chairman as a result of their participation on the Executive Committees of the Company, (ii) an indirect compensation, represented by the benefits and (iii) a compensation based on stocks, of stocks granted under the Stock Option Plan.

Executive Board:

The compensation of the executive officers is determined in accordance with (i) the duties and responsibilities of each one and as regards to the other executives of the real estate industry, and (ii) the collective performance of the executive management staff to meet our purpose to increase the value of our shares.

We enter into with each of our directors and executive officers the Management Agreement, which sets forth, in addition to the fixed monthly compensation, paid as pro labore compensation, a variable compensation subject to the performance of the director and/or executive officer and in accordance with the compliance with certain goals of the area.

Some of our executive officers were granted with stock option plans to be exercised in accordance with the terms and conditions set forth in the Stock Option Plan.

Therefore, the compensation policy of our directors and executive officers includes: (i) a basic compensation and a variable compensation, related to the goals in accordance with the title and area of the director and/or executive officer; (ii) an indirect compensation, represented by the benefits indicated in the paragraph above; and (iii) a stock based compensation, in connection with the Stock Option Plan. This policy aligns short-, medium- and long-term purposes.

Non-Statutory Executive Board:

The compensation of the members of the Executive Board is based on the market practices, depending on the results of our Company. The compensation practice aims at contracting and assuring the retention of the highly qualified personnel. The compensation policy of the Executive Board is based on applicable legislation, since all executive officers are contracted based on the CLT legislation, in order to determine the compensation of each executive officer. Moreover, the members of our Executive Board receive stock based compensation, in connection with our Stock Option Plan.

Supervisory Board:

We do not have a Supervisory Board installed currently. The compensation policy of the members of the Supervisory Board, when installed, will be determined in accordance with applicable legislation. The Brazilian Corporate Law requires that the members of the Supervisory Board receive compensation of, at least, 10% of the average amount paid yearly to the executive officers.

Committees:

The members of the advisory committees under the Board of Directors do not receive compensation.

MRV's compensation policy considers the three related perspectives, as follows:

i. Employer perspective: promote the knowledge, skills and the behaviors necessary for successful business;
ii. Employee perspective: the compensation is a portion of an attractive proposal which is understood and supported by the employee;
iii. Cost perspective: the compensation costs are sustainable and do not affect the other investments.

b) compensation composition

i) Description of the compensation elements and purposes of each one:

a. Fixed compensation: base salary (Board of Directors, statutory and non-statutory Executive Board). Purpose: recognize and reflect the value of the title internally (company) and externally (market);

b. Short-term incentives: bonus (statutory Executive Board) and profit sharing (non-statutory Executive Board). Purpose: compensate for the Company's goals achieved and exceeded, at the department and individual levels, aligned to budget, strategic planning and competition;

c. Benefits: life insurance, health and odontological plan (non-statutory Executive Board). Purpose: supplement the corporate benefits;

d. Long-term incentives: stock option plan (statutory and non-statutory Executive Board). Purpose: reinforce the retention of employees and align the interests with the shareholders as regards to the creation of value for the business in a sustainable manner in the long term.

ii) Percentage of each element in the total compensation:

a. Board of Directors: until 2013, 100% fixed compensation. As of 2014, same format of the Executive Board.

b. Statutory Executive Board: 42% fixed compensation, 42% short-term incentives and 16% long-term incentives.

c. Non-statutory Executive Board: 42% fixed compensation, 16% short-term incentives, 6% benefits and 36% long-term incentives.

d. Supervisory Board: We do not have a Supervisory Board installed.

e. Committees: The members of the advisory committees under the Board of Directors do not receive compensation.

iii) Methodology for calculation and adjustment of the compensation elements:

Board of Directors

The compensation elements and the respective adjustments are defined at the shareholders' general meeting. The proposal is based on market research with Brazilian companies of about the same size and different sectors. Based on that the adjustments are then analyzed by the Board of Directors and taken to General Assembly to be approved by the shareholders.
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Statutory Executive Board

The compensation elements and the respective adjustments are defined at the shareholders' general meeting. The proposal is based on market research with Brazilian companies of about the same size and different sectors. . Based on that the adjustments are analyzed by the Board of Directors and taken to General Assembly to be approved by the shareholders.

Non-statutory Executive Board

The negotiation between the civil construction employees' trade union of the State of Belo Horizonte and the civil construction employers' trade union of the State of Minas Gerais agreed an annual salary increase (percentage) to the Company's employees. As regards to the non-statutory Executive Board, this negotiation between the trade unions is followed. The Company authorized to adjust each element of the total compensation.

Supervisory Board:

We do not have a Supervisory Board installed currently. The compensation policy of the members of the Supervisory Board, when installed, will be determined in accordance with applicable legislation. The Brazilian Corporate Law requires that the members of the Supervisory Board receive compensation of, at least, 10% of the average amount paid yearly to the executive officers.

Committees:

The members of the advisory committees under the Board of Directors do not receive compensation.

Adjusment Methodology:

The adjustment methodology is the same to all the Company's managers and is done as described below:

Fixed Compensation: it is based on the average compensation of the market considering same size companies. The adjustment is done annually and, at least, by INPC (national consumer price index).

Variable compensation: it is linked to the manager performance. It is payed annually and it is calculated using salary multiples.

Compensation based in shares: the price option is based on the average share's market price. The individual volumes are awarded annually and approved by the Board of Directors.

iv) Reasons which would justify the compensation composition:

The reason for the fact that most part of the total compensation is variable (short- or long-term) is the Company's focus on the results. Therefore, the attraction and retention strategy is also focused on the results.

c) main performance indicators considered in the determination of each compensation element

a. Fixed compensation: no performance indicators are considered;

b. Short-term incentives: the Company's main performance indicators considered to determine the variable compensation are: Net Margin, Adjusted EBITDA Margin, Contracted Sales, Constructed Units, Client Satisfaction, Available Land Bank, Launches and Transfer to Clients;

c. Benefits: no performance indicators are considered;

d. Long-term incentives: the Company's main performance indicators considered to determine the variable compensation are: Net Margin, Adjusted EBITDA Margin, Contracted Sales, Constructed Units, Client Satisfaction, Available Land Bank, Launches and Transfer to Clients.

d) compensation structure to reflect the growth of the performance indicators

a. Fixed compensation: no performance indicators are considered;

b. Short-term incentives: The monitoring of the indicators is performed at least monthly, and the final determination of the results is performed on the year subsequent to the year under discussion and approved by the Board of Directors. Each indicator has a specific weight which, as measured, consolidates the total variable compensation;

c. Benefits: no performance indicators are considered;

d. Long-term incentives: The monitoring of the indicators is performed at least monthly, and the final determination of the results is performed on the year subsequent to the year under discussion and approved by the Board of Directors. Each indicator has a specific weight which, as measured, consolidates the total variable compensation.

e) relation between the compensation policy or practice and the Company's interests

As set forth in item b (i), each compensation aspect performs a specific role in the short-, medium- and long-term. Since there is a strong relation with the results, the Company assures a sustainable compensation, without affecting any other investments.

a. Fixed compensation: base salary (Board of Directors, statutory and non-statutory Executive Board). Purpose: recognize and reflect the value of the title internally (company) and externally (market);

b. Short-term incentives: bonus (statutory Executive Board) and profit sharing (non-statutory Executive Board). Purpose: compensate for the Company's goals achieved and exceeded, at the department and individual levels, aligned to budget, strategic planning and competition;

c. Benefits: life insurance, health and odontological plan (non-statutory Executive Board). Purpose: supplement the corporate benefits;

d. Long-term incentives: stock option plan (statutory and non-statutory Executive Board). Purpose: reinforce the retention of employees and align the interests with the shareholders as regards to the creation of value for the business in a sustainable manner in the long term.

f) Compensation supported by subsidiaries, associated companies or direct or indirect controllers

See item 13.15.

g) compensation or benefits related to corporate events

There is no compensation or benefits related to corporate events.

13.2. As regards to the compensation recognized in the statement of income and the compensation estimated for the current year payable to the Board of Directors, Statutory Executive Board and Supervisory Board

Total Compensation estimated to the current fiscal year 12/31/2014 – Annual Amounts	Board of Directors	Executive Board	Supervisory Board	Total
Number of members	7.00	10.00	/	17,00
Annual fixed compensation (R$)	2,460,372	7,032,683		9,493,055
Salary / Pró-labore	2,050,310	5,860,569		7,910,879
Direct and indirect benefits	-			
Participation in committees	-			
Other	410,062	1,172,114		1,582,176
Notes – other fixed compensation	Social Security (INSS): as per the guidelines of Circular/CVM/SEP/N. 1/2014, item 13.2, the INSS amount was shown separately. The social security (INSS) is not included in the overall Management compensation proposed for approval at the Annual Shareholders' Meeting. The amounts shown in this table refer to information that is different from the overall management compensation proposed for approval at the Annual Shareholders' Meeting, given that the proposed amount does not include INSS payments made by the employer.			
Variable compensation	2,050,310	5,860,569		7,910,879
Bonus	2,050,310	5,860,569		7,910,879
Profit sharing				
Participation in meetings				
Commissions				
Other				
Post-employment benefits				
Benefits due to dismissal				
Stock based compensation	562,000	1,586,000		2,148,000
Observation		In 2014, according to the Executive Board restructuring, the Company now has 10 officers, 2 are co-CEO		
Total compensation	**5,072,682**	**14,479,252**		**19,551,934**

Total compensation of the fiscal year of 12/31/2013 – Annual amounts	Board of Directors	Executive Board	Supervisory Board	Total
Number of members	7.00	11,00	/	18.00
Annual fixed compensation (R$)	1,152,032	7,526,712		8,678,744
Salary / Pró-labore	960,027	6,272,260		7,232,286
Direct and indirect benefits		-		-
Participation in committees		-		-
Other	192,005	1.254.452		1,446,457
Notes – other fixed compensation	Social Security (INSS): as per the guidelines of Circular/CVM/SEP/N. 1/2014, item 13.2, the INSS amount was shown separately. The social security (INSS) is not included in the overall Management compensation proposed for approval at the Annual Shareholders' Meeting. The amounts shown in this table refer to information that is different from the overall management compensation proposed for approval at the Annual Shareholders' Meeting, given that the proposed amount does not include INSS payments made by the employer.			
Variable compensation		3,992,886-		3,992,886
Bonus		3,992,886-		3,992,886
Profit sharing		-		-
Participation in meetings		-		-
Commissions		-		-
Other		-		-
Post-employment benefits		-		-
Benefits due to dismissal		-		-
Stock based compensation	-	2,116,000		2,116,000
Observation		The compensation increased in 2013, compared to 2012, due to bonus payment according to item 13.1 – b of this form.		
Total compensation	**1,152,032**	**13,635,598**		**14,787,630**

Total compensation of the fiscal year of 12/31/2012 – Annual Amount	Board of Directors	Executive Board	Supervisory Board	Total
Number of members	7.00	11.25	/	18.25
Annual fixed compensation (R$)	1,084,800	6,466,800		7,551,600
Salary / Pró-labore	904,000	5,389,000		6,293,000
Direct and indirect benefits	-	-		-
Participation in committees	-	-		-
Other	180,800	1,077,800		1,258,600
Notes – other fixed compensation	Social Security (INSS): as per the guidelines of Circular/CVM/SEP/N. 1/2014, item 13.2, the INSS amount was shown separately. The social security (INSS) is not included in the overall Management compensation proposed for approval at the Annual Shareholders' Meeting. The amounts shown in this table refer to information that is different from the overall management compensation proposed for approval at the Annual Shareholders' Meeting, given that the proposed amount does not include INSS payments made by the employer.			
Variable compensation	-	-		-
Bonus	-	-		-
Profit sharing	-	-		-
Participation in meetings	-	-		-
Commissions	-	-		-
Other	-	-		-
Post-employment benefits	-	-		-
Benefits due to dismissal	-	-		-
Stock based compensation	-	1,585,000		1,585,000
Observation	(12 months x 7 members) = 84. 84/12 months = on average 7.00 members	(12 months x 11 members+ 1 member x 3 months) = 135. 135/12 months = on average 11.25 members		
Total compensation	**1,084,800**	**8,051,800**		**9,136,600**

Total compensation of the fiscal year of 12/31/2011 – Annual Amount	**Board of Directors**	**Executive Board**	**Supervisory Board**	**Total**
Number of members	7.00	12.00	/	19.00
Annual fixed compensation (R$)	1,008,000	6,079,200		7,087,200
Salary / Pró-labore	840,000	5,066,000		5,906,000
Direct and indirect benefits	--			0,00-
Participation in committees	--			0,00-
Other	168,000	1,013,200		1,181,200
Variable compensation	-	4,366,000		4,366,000
Bonus	-	-		-
Profit sharing	-	4,366,000-		4,366,000
Participation in meetings	-	-		-
Commissions	-	-		-
Other	-	-		-
Notes – other fixed compensation	Social Security (INSS): as per the guidelines of Circular/CVM/SEP/N. 1/2014, item 13.2, the INSS amount was shown separately. The social security (INSS) is not included in the overall Management compensation proposed for approval at the Annual Shareholders' Meeting. The amounts shown in this table refer to information that is different from the overall management compensation proposed for approval at the Annual Shareholders' Meeting, given that the proposed amount does not include INSS payments made by the employer.			
Post-employment benefits	-	-		-
Benefits due to dismissal	-	-		-
Stock based compensation	-	1,438,000		1,438,000
Observation	(12 months x 7 members) = 84. 84/12 months = on average 7.00 members	(12 months x 12 members) = 144. 144/12 months = on average 12,00 members		
Total compensation	**1,008,000**	**11,883,200**		**12,891,200**

13.3. As regards to the variable compensation for the last year and the current year and the compensation estimated for the current year for the members of the Board of Directors, Statutory Executive Board and Supervisory Board

Variable compensation expected for the current fiscal year - 2014	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	7.00	10.00	na	17.00
Bonus				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	0	na	0
Estimated value established in the compensation plan in the event the goals are met	0	0	na	0
Value recognized in the statement of income (in R$ thousand)	na	na	na	0
Profit Sharing				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	2,050,310	5,860,569	na	7,910,880
Estimated value established in the compensation plan in the event the goals are met	2,050,310	5,860,569	na	7,910,880
Value recognized in the statement of income (in R$ thousand)	na	na	na	na

Note: the Company does not forecast bonuses payment for 2014.

Variable compensation – for the fiscal year ended on 12/31/2013	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	7.00	11.00	na	18.00
Bonus				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	0	na	0
Estimated value established in the compensation plan in the event the goals are met	0	0	na	0
Value recognized in the statement of income (in R$ thousand)	na	na	na	0
Profit Sharing				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	6,272,260	na	6,272,260
Estimated value established in the compensation plan in the event the goals are met	0	6,272,260	na	6,272,260
Value recognized in the statement of income (in R$ thousand)	na	3,992,886	na	3,992,886

Note: the Company did not pay bonuses in 2013.

Variable compensation - – for the fiscal year ended on 12/31/2012	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	7.00	11.25	na	18.25
Bonus				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	0	na	0
Estimated value established in the compensation plan in the event the goals are met	0	0	na	0
Value recognized in the statement of income (in R$ thousand)	na	na	na	0
Profit Sharing				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	5,389,000	na	5,389,000
Estimated value established in the compensation plan in the event the goals are met	0	5,389,000	na	5,389,000
Value recognized in the statement of income (in R$ thousand)	0	220,000	na	220.000

Note: the Company did not pay bonuses in 2012.

Variable compensation - – for the fiscal year ended on 12/31/2011	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	7.00	12.00	na	19.00
Bonus				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	0	na	0
Estimated value established in the compensation plan in the event the goals are met	0	0	na	0
Value recognized in the statement of income (in R$ thousand)	0	0	na	0
Profit Sharing				
Minimum value established in the compensation plan	0	0	na	0
Maximum value established in the compensation plan	0	4,366,000	na	4,366,000
Estimated value established in the compensation plan in the event the goals are met	0	4,366,000	na	4,366,000
Value recognized in the statement of income (in R$ thousand)	0	4,366,000	na	4,366,000

Note: the Company did not pay bonuses in 2011.

13.4. As regards to the stock-based compensation plan of the Board of Directors and Statutory Executive Board, effective on the last year and estimated for the current year

a.	General terms and conditions

On April 2, 2007, our shareholders at the General Meeting approved the general conditions of our Stock Option Plan and the respective regulation, comprising 4,701,723 shares, equivalent to 5% of the total shares issued by our Company on such date and established the number of options and shares to be granted, as well as the exercise conditions, including the respective terms. The exercise price of the Stock Option Plan will be equivalent to the shareholders' equity value determined by the Board of Directors on the date of acceptance and approval of each program.

Our executives and employees, including the executives and employees of our subsidiaries, directly or indirectly, may be entitled to participate in such plan. In the event the labor agreement or the mandate of the associate is terminated due to (a) request for dismissal or waiver; or (b) dismissal (with or without just cause) or removal (with or without just cause), in accordance with, however the case may be, the definition of just cause set forth in the corporate legislation or the definition of just cause set forth in the labor legislation, as applicable; the options which exercise rights (i) were not acquired, up to such date, will be cancelled; and (ii) were already acquired on such date, may be exercised within 90 days, as from the termination date of the respective labor agreement or mandate, upon notice in writing submitted to the Chairman of our Board of Directors, being understood that, upon elapse of such period, the rights will be cancelled.

On December 17, 2009, the shareholders approved at a Shareholders Meeting the amendment of the Stock Option Plan to reflect the 1:3 stock split made on that date.
On October 15, 2013, the Company's shareholders approved at an Extraordinary Shareholders Meeting the amendment of the Stock Option Plan in which the option included in the plan will correspond to the amount resulted of incidence of, at most, 5% (five percent) of the total shares corresponding to the Company's Capital according to the Company Bylaws.

(i) Program 1
On April 09, 2007, the "Program 1" was approved. This program involves the Company's middle management in addition to its officers and senior management. The option exercise price is R$1.004, corresponding to 2,846,687 stock options (equivalent to 8,540,061 common shares after the stock split), differentiated per participant by the number of options received and the related vesting period.

(ii) Program 2:
On December 04, 2007, the "Program 2" was granted. totaling 467,400 stock options (equivalent to 1,402,200 common shares after the stock split) with exercise price of R$10.00, differentiated by the number of options received and the related vesting period. Eligibility for this program includes the same employee levels of program 1.

(iii) Program 3:
On March 8, 2010, a new stock option plan was approved with exercise price of R$11.80, equivalent to 1,700,631 common shares, differentiated by the number of options received, but maintaining the same five-year vesting period. Options can be exercised within up to three years after the date of the last year. The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including May 10, 2010.
Eligibility for Program 3 includes, in addition to the executive officers, executives and managers considered key management personnel of the Company, who are elected by the executive committee and approved by the Board of Directors.

(iv) Program 4:
On June 11, 2012, a new stock option plan named "Program 4" was approved with exercise price of R$11.56, equivalent to 1,945 common shares, maintaining the same five-year vesting period. Options can be exercised within up to three years after the date of the last year. The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including August 31, 2011.
Eligibility for Program 4 includes, in addition to the executive officers, executives and managers considered key management personnel of the Company, who are elected by the executive committee and approved by the Board of Directors.

v) Program 5:
On August 20, 2013, a new stock option plan named "Program 5" was approved with exercise price of R$5.91, equivalent to 1,521,572 common shares, with five-years vesting period. Options can be exercised within up to three years after the vesting period. The exercise price is based on the lowest quotation of the Company´s shares in the last 20 stock market sessions before July 05, 2013.

Up to December 31, 2012, the Company had granted 96.47% of the total approved stock options.

b.	main plan's purposes

The purpose of this Stock Option Plan of shares of MRV Engenharia e Participacoes SA ("Company"), established under art. 168, § 3 of Law No. 6.404/76, approved by the General Assembly of the Company, hereinafter referred to as the Plan is to

stimulate growth, success and performance of the Company's corporate purposes and shareholders' interests, allowing certain executives and employees to opt to purchase shares of the Company on the terms and conditions of the Plan.

c. plan's contribution to these purposes

Once most part of the options is available in long term, the executive officers trend to work in the company at least up to such period and are able to obtain the results in the long term.

d. how the plan is included in the issuer's compensation policy

As referred to in item 13.1b, the stock option plan is one of the four groups of compensation, being a long term incentive to enhance employee retention and to align interests with shareholders in value creation for the business in a sustainable manner and in long-term.

e. how the plan aligns the interests of the directors, executive officers and issuer in the short, medium and long terms

The plan aligns the interests of the directors, executive officers, Company and shareholders through the benefits to the directors and executive officers in accordance with the performance of the shares issued by the Company. Through the plan, we seek to improve our management and retention of our executives, aiming at the gains resulting from our commitment with the long-term results and short-term performance. Moreover, the plan allows the Company to obtain and maintain the services rendered by specialized executives, by providing to such executive officers, as an additional advantage, the possibility of becoming the shareholders of our Company, under the terms and conditions set forth in the plan.

f. maximum number of shares

On April 2, 2007, our shareholders, at the General Meeting, approved the general conditions of our Stock Option Plan and its respective regulation, which plan comprises 4,701,723 options or 4,701,723 shares, equivalent to 5% of the total shares issued by our Company on such date and establishes the number of options and shares to be granted, as well as the exercise conditions, including terms.

On December 17, 2009, the shareholders approved at a Shareholders Meeting the amendment of the Stock Option Plan to reflect the 1:3 stock split made on that date. The split was also applied to the executives Stock Option Plan, so that one option of Plan 1 and 2 correspond to three ordinary shares, while one option of Plan 3 correspond to one ordinary share, totaling 14,105,169 shares post split.

On October 15, 2013, the Company's shareholders approved at an Extraordinary Shareholders Meeting the amendment of the Stock Option Plan in which the option included in the plan will correspond to the amount resulted of incidence of, at most, 5% (five percent) of the total shares corresponding to the Company's Capital according to the Company Bylaws.

g. maximum number of options to be granted

The stock option plan and its respective regulation approved include 4,701,723 shares equivalent to 5% of our capital stock, on April 2007 and include the number of options and shares to be exercised, as well as the conditions of the exercised, including terms.

On December 17, 2009, the shareholders approved at a Shareholders Meeting the amendment of the Stock Option Plan to reflect the 1:3 stock split made on that date. The split was also applied to the executives Stock Option Plan, so that one option of Plan 1 and 2 correspond to three ordinary shares, while one option of Plan 3 correspond to one ordinary share.

On October 15, 2013, the Company's shareholders approved at an Extraordinary Shareholders Meeting the amendment of the Stock Option Plan in which the option included in the plan will correspond to the amount resulted of incidence of, at most, 5% (five percent) of the total shares corresponding to the Company's Capital according to the Company Bylaws.

h. conditions for the acquisition of shares

The participation in such program includes, in addition to the senior executive officers and managers, our medium-level managers.

Our executive officers and employees, inclusive the executive officers and employees of our subsidiaries, directly or indirectly, may be eligible to participate in such plan. The Board of Directors indicates, in accordance with such plan and for each program, those persons eligible to the options, which persons are duly invited in writing to participate in the plan.

The exercise price must be paid as determined by each program, according to the price indicated in item 13.4. (i) below. The option shall solely be exercised under the terms of the plan and each program, during the dates and periods established.

The person participating in the plan must be an active associate on the exercise date.

i.	criteria to determine the acquisition or exercise price

(i) Program 1:
The exercise price of the Stock Option Plan is equivalent to the shareholders' equity value determined by the Board of Directors on the release and approval of each program, being R$ 1.004.

(ii) Program 2:
The exercise price of the Stock Option Plan is equivalent to the shareholders' equity value determined by the Board of Directors on the release and approval of each program, being R$ 10.00.

(iii) Program 3:
The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including May 10, 2010, being R$ 11.80.

(iv) Program 4:
The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including August 31, 2011, being R$ 11.56.

(v) Program 5:
The exercise price is based on the lowest quotation of the Company´s shares in the last 20 stock market sessions before July 05, 2013, being R$ 5.91.

Observation: When Program 1 and 2 were released and approved, the Company did not yet have securities negociated on the stock market. When Program 3 and 4 were released and approved, the Company did already have securities negociated on the stock market, and as such, the criterium of price setting adopted by the Company should, necessarily, observe the stock quotes.

j.	criteria for determination of the exercise period

Relevance of the associate and alignment with the plan's long-term purposes.

k.	liquidation method

In stock.

l.	restrictions to the transfer of shares

The holder of the shares originally acquired in connection with the Plan must not sale, transfer or dispose such shares issued by the Company, as well as those shares acquired by virtue of bonus, split-offs, subscriptions or any other form of acquisition, provided that such rights have expired for the purchaser of the ownership of the shares in connection with the plan (referred to herein as "Shares"), for the minimum period set forth in the Invitation Letter. This transfer restrictive period only applies to the shares of program 1 being of 6 (six) months after the last exercise. Shares from Programs 2, 3, 4 and 5 do not have restriction periods.The Invitation Letter is a document signed by the Company and the participant, where the exercise periods, number of options and exercise price, amongst others, are established.

The holder of the Shares also agrees not to provide such Shares in guarantee or subject such Shares to any burden or encumbrance.

The Company will include in the respective Book of Transfer of Shares the restrictions to the disposal of Shares.

Upon elapse of the restriction period above, in the event any beneficiary intends to, directly or indirectly, dispose or otherwise transfer the total or a portion of the shares to a third party, this beneficiary must notify the Company, in writing, including the name of the third party, the term, the payment conditions and the number of shares offered, as well as all information necessary for the Company to decide, within 30 (thirty) days, at most, whether the Company intends to exercise the preemptive right to

acquire the shares of the beneficiary under the same terms and conditions. In the event the Company is not able to exercise the preemptive right within the above mentioned period of 30 (thirty) days, the beneficiary will be entitled to the right to sale the shares, within 90 (ninety) days as from the termination of such period, under the terms and conditions not less favorable than those offered to the Company.

m.	criteria and events which, upon verification, will cause the plan to be suspended, changed or terminated

In the event the number of the shares issued by the Company is increased or decreased or in the event the shares are changed by different types or classes, as a result of stock premiums, split-offs of shares or reverse split-offs of shares, the necessary adjustments will be made to the number of Shares as regards to which the options were granted and not exercised yet. Any adjustments to the options will be performed without changing the total purchase value applicable to the portion not exercise of the option, including the adjustments corresponding to the exercise price for each share or any unit of the share in connection with the option.

The Board of Directors will stablish the applicable rules for the dissolution, transformation, incorporation, merger, spin off or reorganization cases in the Company.

n.	effects in connection with the removal of the director from the bodies of the issuer as regards to the rights set forth in the stock based compensation

In the event the labor agreement or the mandate of the associate is terminated due to (a) request for dismissal or waiver; or (b) dismissal (with or without just cause) or removal (with or without just cause), in accordance with, however the case may be, the definition of just cause set forth in the corporate legislation or the definition of just cause set forth in the labor legislation, as applicable; the options which exercise rights (i) were not acquired, up to such date, will be cancelled; and (ii) were already acquired on such date, may be exercised within 90 days, as from the termination date of the respective labor agreement or mandate, upon notice in writing submitted to the Chairman of our Board of Directors, being understood that, upon elapse of such period, the rights will be cancelled.

In the event of death of the beneficiary, its successors will be entitled with the right to exercise possible options not exercised, regardless of the compliance with the restriction periods related to the sale of the shares in connection with the Program and irrespective of the fact that the exercise right was not acquired, immediately and during the exercise period set forth in the Program, being understood that the number of shares to which the beneficiary is entitled is calculated based on the number of full days between the date the option was granted to the date of termination of the labor agreement or mandate, in accordance with the following formula:

(Shares x D) / P = Options Pro Rata

Where:
D is equivalent to the number of full days counted as from the date the option was granted to the date of termination of the labor agreement or mandate, or waiver.
P is equivalent to the period, in days, for the exercise of the Option in accordance with the respective Program.
In the event of retirement due to contribution period or age, after 60 (sixty) year old and provided that the services are discontinued, the options which exercise right (i) was not acquired up to such date, will be cancelled; and (ii) were already acquired on such date, may be exercised within 90 (ninety) days, as from the termination date of the respective labor agreement or mandate, upon notice in writing submitted to the Chairman of our Board of Directors, being understood that, upon elapse of such period, the rights will be cancelled.

13.5. Shares or quotas directly or indirectly held in Brazil or abroad and other marketable securities convertible into shares or quotas, issued by the Company, its direct or indirect controllers, companies controlled or under common control, by members of the Board of Directors, Executive Board or Supervisory Board, gathered by body, on the termination date of the last year

MRV ENGENHARIA E PARTICIPAÇÕES S.A.	Shares held directly	Shares held indirectly	Total
Controller	152,553,916	3,696,974	156,250,890
Board of Directors	5,153,827	112,845	5,266,672
Executive Board	4,278,239	42,617	4,320,856
	161,985,982	**3,852,436**	**165,838,418**

The member of the Board of Directors and the Executive Board hold the following shares of LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.	Shares held directly	Shares held indirectly	Total
Board of Directors	5.506.910	255,320	5,762,230
Executive Board	4.005.026	0	4,005,026
	9.511.936	**255,320**	**9,767,256**
Total number of shares			**171,844,444**

13.6. As regards to the stock based compensation recognized in the statement of income for the last three years and the estimated stock based compensation for the current year of the Board of Directors and of the Statutory Executive Board

stock based compensation in fiscal year	Board of Directors	Statutory Executive Board				
31/12/2013	/	Program 1	Program 2	Program 3	Program 4	Program 5
Number of members	-	6	1	11	11	11
Granting of Buy Options						
Granting date	-	04-20-07	12-04-07	05-17-10 and 06-18-10	09-11-12	08-21-2013
Number of options granted (post split)	-	0	0	0	798.146-	780.666
Term in which they become exercisable	-	Up to 04-20-2014	Up to 12-31-2014	Up to12-31-2015	Up to 08-31-2016	Up to12-31-2017
The maximum term for the exercise of the options	-	Up to 2014	Up to 2014	Up to 2018	Up to 2019	Up to 2020
The restrictive term for the transfer of the shares	-	6 months	na	na	na	na
Average exercise price						
(a) of the options to be exercised at the beginning of the fiscal year	-	0.33	3.33	11.80	11.56	5.91
(b) of the lost options during the the fiscal year	-	na	na	na	na	na
(c) of the exercised options during the the fiscal year	-	0.33	3.33	11.80	11.56	5.91
(d) of the expired options during the the fiscal year	-	na	na	na	na	na
Option fair value at Granting date	**-**	**2.58**	**7.84**	**5.25**	**4.17**	
Potential dilution in case of exercising all options	**-**	**1.6%**	**0.01%**	**0.2%**	**0.2%**	

stock based compensation in fiscal year	Board of Directors	Statutory Executive Board			
12/31/2012	**/**	**Program 1**	**Program 2**	**Program 3**	**Program 4**
Number of members	-	6	1	12	5
Granting of Buy Options					
Granting date	-	04-20-07	12-04-07	05-17-10 and 06-18-10	09-11-12
Number of options granted (post split)	-	0	0	0	798.146-
Term in which they become exercisable	-	Up to 04-20-2014	Up to 12-31-2014	Up to 12-31-2015	Up to 08-31-2016
The maximum term for the exercise of the options	-	Up to 2014	Up to 2014	Up to 2018	Up to 2019
The restrictive term for the transfer of the shares	-	6 months	na	na	na
Average exercise price					
(a) of the options to be exercised at the beginning of the fiscal year	-	0.33	3.33	11.80	11.56
(b) of the lost options during the the fiscal year	-	0.33	3.33	11.80	nd
(c) of the exercised options during the the fiscal year	-	0.33	3.33	11.80	nd
(d) of the expired options during the the fiscal year	-	0.33	3.33	11.80	nd
Option fair value at Granting date	**-**	**2.58**	**7.84**	**5.25**	**4.17**
Potential dilution in case of exercising all options	**-**	**1.6%**	**0.01%**	**0.2%**	**0.2%**

stock based compensation in fiscal year	Board of Directors	Statutory Executive Board		
12/31/2011	**/**	**Program 1**	**Program 2**	**Program 3**
Number of members	-	6	1	13
Granting of Buy Options				
Granting date	-	04-20-07	12-04-07	05-17-10 and 06-18-10
Number of options granted (post split)	-	0	0	0
Term in which they become exercisable	-	Up to 04-20-2014	Up to 12-31-2014	12-31-2015
The maximum term for the exercise of the options	-	Up to 2014	Up to 2014	Up to 2018
The restrictive term for the transfer of the shares	-	6 months	na	na
Average exercise price				
(a) of the options to be exercised at the beginning of the fiscal year	-	0.33	3.33	11.80
(b) of the lost options during the the fiscal year	-	0.33	3.33	11.80
(c) of the exercised options during the the fiscal year	-	0.33	3.33	11.80
(d) of the expired options during the the fiscal year	-	0.33	3.33	11.80
Option fair value at Granting date	**-**	**2.58**	**7.84**	**5.25**
Potential dilution in case of exercising all options	**-**	**1.6%**	**0.01%**	**0.2%**

Observation 1 : There were no grantings of Options for Program 1 and 2 in the years 2009, 2010 and 2011. There were no grantings of Options for Program 3 in the year 2011.
Observation 2 : The meeting of the Board of Directors on July 7, 2011 approved the change of the terms of program 2 of the company's stock option Plan, in order to allow immediate liberation of the shares to the shareholder, after the exercise of the options.

13.7. As regards to the outstanding options of the Board of Directors and of the Statutory Executive Board at the end of the last year, prepare the table with the following contents:

stock based compensation in fiscal year	Board of Directors	Statutory Executive Board				
31/12/2013	/	Program 1	Program 2	Program 3	Program 4	Program 5
Number of members	-	6	1	11	11	11
Options not yet exercisable						
Quantity		2,609,091	27,000	656,036	753,314	838,171
Exercise date		Up to 04-20-14	Up to 12-31-14	Up to 12-31-15	Up to 08-31-16	Up to 12-31-2017
Term in which they become exercisable		04-20-14	12-31-14	12-31-18	08-31-19	12-31-2020
The maximum term for the exercise of the options		6 months	na	na	na	na
Average exercise price		0.33	3.33	11.80	11,56	5.91
Option fair value at last fiscal year date		10.92	8.04	4.60	4.73	
Exercisable Options						
Quantity		0	0	64,255	44,832	44,144
The maximum term for the exercise of the options		-	-	12-31-18	08-31-19	12-31-2020
The restrictive term for the transfer of the shares		-	-	na	na	na
Average exercise price		-	-	11.80	11.56	5,910
Option fair value at last fiscal year date		-	-	4.60	4.73	
Total fair value of the options at last fiscal year date		-	-	295,573	212,055	0

Observation 1: All the amounts and prices are post-split from December 17th, 2009.
Observation 2: All five plans have several intermediate dates on which small quantities, which were previously established. The majority of the options become exercisable on the last day, indicated in the table above. In Plan 1 and 2 the options have to be exercised immediately on maturity, while in Plan 3, 4 and Plan 5 exists a 3 year term to exercise the options.

13.8. As regards to the options exercised and shares delivered related to the stock based compensation of the Board of Directors and of the Statutory Executive Board for the last three years, prepare the table with the following contents:

Exercised Options – fiscal year	Board of Directors	Statutory Executive Board			
12/31/2013	/	Program 1	Program 2	Program 3	Program 4
Number of members	-	5	1	1	-
Exercised Options					
Number of Shares		186,363	3,000	224	
Average exercise price		0.33	3.33	11.80	
Difference between the acquisition value and the market value					
Delivered Shares					
Delivered Shares		186,363	3,000	224	
Average purchase price		0.33	3.33	11.80	
Difference between the acquisition value and the market value		6.60	3,60	4.86	

Exercised Options – fiscal year	Board of Directors	Statutory Executive Board			
12/31/2012	/	Program 1	Program 2	Program 3	Program 4
Number of members	-	6	1	-	-
Exercised Options					
Number of Shares		744,975	600		
Average exercise price		0.33	3.33		
Difference between the acquisition value and the market value		11.97	8.97		
Delivered Shares					
Delivered Shares		744,975	600		
Average purchase price		0.33	3.33		
Difference between the acquisition value and the market value		11.97	8.97		

Exercised Options – fiscal year	Board of Directors	Statutory Executive Board			
12/31/2011	/	Program 1	Program 2	Program 3	Program 4
Number of members	-	6	-	1	-
Exercised Options					
Number of Shares		221,277		3,313	
Average exercise price		0.33		11.80	
Difference between the acquisition value and the market value		13.45		1.80	
Delivered Shares					
Delivered Shares		221,277		3,313	
Average purchase price		0.33		11.80	
Difference between the acquisition value and the market value		11.97	8.97		

Observation: The numbers published in our Financial Statements and in Minutes of meetings of the Board of Directors contemplate all of our employees and not only our Statutory Executive Board.

13.9. Necessary information to understand the information disclosed in items 13.6 to 13.8 (including the pricing method of the value of shares and options)

a) Pricing model

The option pricing model used by the Company is the Black-Scholes model, using the simplified assumption that dividends are paid continuously.

b) Information and assumptions used in the pricing model, including the average weighted price of the shares, exercise price, estimated volatility, option useful life, estimated dividends and risk-free interest rate

Exercise Price

(i) Program 1:
The exercise price of the Stock Option Plan is equivalent to the shareholders' equity value determined by the Board of Directors on the release and approval of each program, being R$ 1.004.

(ii) Program 2:
The exercise price of the Stock Option Plan is equivalent to the shareholders' equity value determined by the Board of Directors on the release and approval of each program, being R$ 10.00.

(iii) Program 3:
The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including May 10, 2010, being R$ 11.80.

(iii) Program 4:
The exercise price is based on the average quotation of the Company´s shares in the last 20 stock market sessions before and including August 31, 2011, being R$ 11.56.

(v) Program 5:
The exercise price is based on the lowest quotation of the Company´s shares in the last 20 stock market sessions before July 05, 2013, being R$ 5.91.

Observation: When Program 1 and 2 were released and approved, the Company did not yet have securities negociated on the stock market. When Program 3 and 4 were released and approved, the Company did already have securities negociated on the stock market, and as such, the criterium of price setting adopted by the Company should, necessarily, observe the stock quotes.

Weighted average price of shares

The Company's share price considered as basis for calculating the value of its options is the value of the shareholders' equity for Programs 1 and 2, and is based on market value for Program 3, for calculating the exercise price.

Expected volatility

To calculate the expected volatility of Programs 1 and 2 we used the annualized standard deviation of the natural logarithms of the daily variations of the historical share price of four major companies in the industry, due to the fact that the company had no securities traded on an exchange.

To calculate the expected volatility of Program 3 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2010.

To calculate the expected volatility of Program 4 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2011.

To calculate the expected volatility of Program 5 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2013.

Exercise Date

For grants of Programs 1 and 2, the deadline for exercising the option is one month from the date on which the options have become exercisable.

For grants of Program 3, the deadline for exercising the option is up to 2018, counting for the date the options have become exercisable.

For grants of Program 4, the deadline for exercising the option is up to 2019, counting for the date the options have become exercisable.

For grants of Program 5, the deadline for exercising the option is up to 2020, counting for the date the options have become exercisable.

Expected dividends

The dividend distribution rate represents the ratio of the dividend per share paid in a given period and the share price in the market. We use the simplified assumption that dividends are paid continuously at a 5% rate.

Risk-free Interest rate

The risk-free rates were obtained from the BM&FBovespa and refer to the Special System of Clearance and Custody (Selic) on the respective dates of grant.

c) Method adopted and assumptions assumed to consider the estimated advanced effects for the year

We did not incorporate the expected effects of early exercise, whereas the Stock Option Plan Stock does not include the right to early exercise, except in case of the death of the beneficiary.

d) Determination of the estimated volatility

To calculate the expected volatility of Programs 1 and 2 we used the annualized standard deviation of the natural logarithms of the daily variations of the historical share price of four major companies in the industry, due to the fact that the company had no securities traded on an exchange.

To calculate the expected volatility of Program 3 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2010.

To calculate the expected volatility of Program 4 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2011.

To calculate the expected volatility of Program 5 we used the annualized standard deviation of natural logarithms of the daily variations of the historical price of our shares in the year 2013.

e) If any other characteristic of the option was considered in the measurement of the fair value

Not applicable, as no other characteristic of the option was considered in the measurement of the fair value

13.10. As regards to the effective social security plans granted to the members of the Board of Directors and Statutory Executive Board, include the following information in the table:

Not applicable, given that there are no social security plans granted to the members of the Board of Directors and Statutory Executive Board.

13.11. Indicate, for the three last years, as regards to the Board of Directors, Statutory Executive Board and Supervisory Board, the following

		12-31-2013	12-31-2012	12-31-2011
Board of Directors	Number of members	7.00	7.00	7.00
	Highest individual compensation	229,200	217,200	201,600
	Lowest individual compensation	132,000	124,800	115,200
	Average value of the individual compensation	164,576	154,971	144,000

		12-31-2013	12-31-2012	12-31-2011
Executive Board	Number of members	11.00	11.25	12.00
	Highest individual compensation	2,989,200	1,442,400	2,539,200
	Lowest individual compensation	772,938	318,000	580,800
	Average value of the individual compensation	1,239,600	715,716	990,267

13.12. Agreements, insurance policies and other instruments which structured the compensation systems or indemnities on behalf of the directors and executive officers in the event of removal or retirement (including the financial effects against the Company)

The Company does not have agreements, insurance policies and other instruments which structured the compensation systems or indemnities on behalf of the directors and executive officers in the event of removal or retirement.

13.13. Percentage of the total compensation of each body recognized in the Company's statement of income related to the members of the Board of Directors, Executive Board or member of the Supervisory Board which are related to the direct or indirect controllers, as set forth in the accounting rules on the matter

Not applicable, given that there is no compensation recognized in the Company's statement of income related to the members of the Board of Directors, Executive Board or member of the Supervisory Board which are related to the direct or indirect controllers, as set forth in the accounting rules on the matter.

13.14. Values recognized in the statement of income of the issuer as compensation to the members of the Board of Directors, Executive Board or Supervisory Board, gathered by body, by any reason other than the title exercised, such as commissions and consulting or advisory services rendered

Not applicable, given that there are no values recognized in the statement of income of the issuer as compensation to the members of the Board of Directors, Executive Board or Supervisory Board, by any reason other than the title exercised.

13.15. Amounts recognized in the statement of income of direct or indirect controllers, companies under common control and subsidiaries of the issuer, as compensation of the members of the Board of Directors, Executive Board or Supervisory Board of the issuer, gathered by body, including the reason why such marketable securities were attributed to such persons

The Company does not have amounts recognized in the statement of income of direct or indirect controllers, companies under common control and subsidiaries of the issuer, as compensation of the members of the Board of Directors, Executive Board or Supervisory Board.

The amounts recognized below were paid due to participation on the Executive Boards of the subsidiaries.

Fiscal Year 2013	Board of Directors	Executive Board	Supervisory Board	Total
direct or indirect controllers	960,026.52	6,272,260.21	-	7,232,286.73
subsidiaries of the issuer	-	-	-	-
companies under common control	-	440,918.40	-	440,918.40

Fiscal Year 2012	Board of Directors	Executive Board	Supervisory Board	Total
direct or indirect controllers	904,000	5,389,000	-	6,293,000
subsidiaries of the issuer	-	-	-	-
companies under common control	-	1,391,000	-	1,391,000

Fiscal Year 2011	Board of Directors	Executive Board	Supervisory Board	Total
direct or indirect controllers	840,000	10,870,000	-	11,710,000
subsidiaries of the issuer	-	-	-	-
companies under common control	-	1,130,000	-	1,130,000

13.16. Provide other information deemed relevant by the issuer

All relevant and applicable information on this item was disclosed in the items above.

Human Resources

14.1. Human Resources

a) Number of employees (total, per groups based on the activities performed and per geographic location):

STATE	ACTIVITY	12/31/2011	12/31/2012	12/31/2013
AL	Administrative		1	1
	Administrative – Construction		1	17
	Commercial		3	6
	Production		5	48
AL Total		**0**	**10**	72
BA	Administrative	21	24	47
	Administrative – Construction	13	20	132
	Commercial	7	16	20
	Production	236	340	571
BA Total		**277**	**400**	770
CE	Administrative	2	16	38
	Administrative – Construction	1	2	182
	Commercial	3	6	15
	Production	736	789	645
CE Total		**742**	**813**	880
DF	Administrative			83
	Administrative – Construction			96
	Commercial	4	3	5
	Production	131	29	178
DF Total		**135**	**32**	362
ES	Administrative	20	28	48
	Administrative – Construction	5	18	276
	Commercial	44	53	62
	Production	294	234	233
ES Total		**363**	**333**	619
GO	Administrative			54
	Administrative – Construction			53
	Commercial	2	3	5
	Production	403	327	133
GO Total		**405**	**330**	245
MA	Administrative			1
	Administrative – Construction			12
	Commercial			1
	Production		1	35
MA Total		**0**	**1**	49
MG	Administrative	969	953	1278
	Administrative – Construction	287	313	639
	Commercial	353	366	331
	Production	1.647	1.724	785
MG Total		**3.256**	**3.356**	3033
MS	Administrative			33
	Administrative – Construction			60
	Production			125
MS Total				218
MT	Administrative			29
	Administrative – Construction			77
	Production	3	53	218
MT Total		**3**	**53**	324
PB	Administrative		1	10
	Administrative – Construction	3	4	61
	Commercial		4	9
	Production	6	80	223
PB Total		**9**	**89**	303
PE	Administrative	4	4	18

STATE	ACTIVITY	12/31/2011	12/31/2012	12/31/2013
	Administrative – Construction	3	2	77
	Commercial	3	5	5
	Production	99	307	194
PE Total		**109**	**318**	294
PR	Administrative	58	49	176
	Administrative – Construction	61	128	196
	Commercial	38	40	40
	Production	674	570	290
PR Total		**831**	**787**	702
RJ	Administrative		71	234
	Administrative – Construction		1	224
	Commercial	54	71	69
	Production	293	456	340
RJ Total		**347**	**528**	867
RN	Administrative		12	23
	Administrative – Construction		14	102
	Commercial		7	8
	Production	520	404	246
RN Total		**520**	**437**	379
RS	Administrative	4	4	32
	Administrative – Construction	23	20	75
	Commercial	2	1	11
	Production	172	154	74
RS Total		**201**	**179**	192
SC	Administrative			15
	Administrative – Construction			21
	Commercial			3
	Production	157	41	21
SC Total		**157**	**41**	60
SE	Administrative		1	4
	Administrative – Construction		1	26
	Commercial		1	1
	Production		6	76
SE Total		**0**	**9**	107
SP	Administrative	273	254	714
	Administrative – Construction	443	512	1046
	Commercial	155	186	220
	Production	1.989	1.988	957
SP Total		**2.860**	**2.940**	2937
Total MRV ENGENHARIA		**10.215**	**10.656**	**12.413**

Group	12-31-2011	12-31-2012	12-31-2013
Administrative	1,351	1,347	2838
Administrative - Construction	839	1,036	3372
Commercial	665	765	811
Production	7,360	7,508	5392
Total MRV ENGENHARIA	**10,215**	**10,656**	**12,413**

b) Number of outsourced employees (total, per groups based on the activities performed and per geographic location)

Total employees in the construction:

Regional	12-31-2011	12-31-2012	12-31-2013
Regional Minas Gerais	2,225	2,650	1,280
Regional Rio de Janeiro + Espírito Santo	1,306	2,000	1,046
Regional São Paulo	6,796	6,563	3,185

Regional Centro-Oeste	1,531	1,879	1,049
Regional Nordeste	1,436	2,150	1,564
Regional Sul	1,228	1,202	766
Total MRV ENGENHARIA	**14,522**	**16,444**	**8,889**

c) Rotation index

	12/31/2011	12/31/2012	12/31/2013
Rotation index	7.60%	7.20%	12.10%

Our rotation index is calculated as follows:

Rotation index: (hired + dismissed)/2 / (initial number / final number)/2

d) Exposure of the issuer to liabilities and labor contingencies

For further information, see item 4.3. of this Reference Form.

14.2. Relevant changes as regards to the figures disclosed in item 14.1 above

The increase in the number of employees over the last year resulted from the increase in our operations.

14.3. Compensation policies applied to the Company's employees, including

a) policy of salaries and variable compensation

Our salary policy is managed internally in accordance with the structure of the areas and labor market variations. Therefore, in accordance with the internal policy of titles and salaries, in which the salary of the employees is calculated under applicable law, being comprised of fixed salary, which may be added by profit sharing.

The annual profit sharing and Company's results depend on the minimum results of the Adjusted EBITDA Margin. The margin is defined yearly in the first quarter of the year by the Executive Board and registered with the trade union.

The selling staff has differentiated compensation, including salary based on sales commission, mixed salaries (fixed and variable salaries) and profit sharing. The sales commission is determined in accordance with the number of Units sold by the brokers.

Participation in our stock option plan to purchase shares includes, besides the executive officers, directors and managers, considered key employees of the Company, who are elected by the Executive Board and approved by the Board of Directors. Each participant is given a maximum of options. The actual amount to be exercised is linked directly and proportionately to performance (goal achievement) in the program of Profit sharing - PLR.

b) benefit policy

We offer the following benefits to our employees: life insurance, health plan, including dependents, odontological plan, meal ticket and transportation ticket.

The policy for assignment of these benefits is adopted as from the admission date, regardless of the title exercised or the registry period.

As from the admission date, all employees are entitled to meal ticket, transportation ticket, health and odontological plans (when requested and without grace period) and life insurance.

c) characteristics of the stock based compensation plans of the employees other than directors and executive officers; (ii) exercise conditions; (iii) exercise prices; (iv) exercise terms; (v) number of shares in connection with the plan

Our employees other than directors and executive officers may be entitled to participate in our Stock Option Plan for the purchase of Shares.

(i) Beneficiaries
Key employees, not necessarily linked to a function (can be directors, managers, supervisors, engineers, analysts, etc.) provided they are regarded as important for the company, for their knowledge and delivery capabilities.

(ii) Exercise Conditions
Participants should follow the deadlines to exercise programs

	(iii) Exercise Price	(iv) Exercise Date	(v) Number of shares in the plan	(v) Number of exercised shares in the plan
Program 1:	R$ 1.004	Until 2014	645,960,	645,960
Program 2:	R$ 10.00	Until 2014	940,800,,	940,800
Program 3:	R$ 11.80	Until 2015	1,089,099,	1,089,099
Program 4:	R$ 11.56	Until 2016	1,553,748	1,553,748
Program 5:	R$ 5.91	Until 2017	630,639,,	630,639

14.4. Relationship between the Company and the trade unions

We believe we have a good relationship with several trade unions to which our employees are affiliated in the cities where we operate. The labor agreements are renegotiated on a yearly basis and, in the main cities, we maintain direct communication channels together with the Employees' and Employers' Civil Construction Trade Unions.

We list below the trade unions which represent our employees in the annual collective agreements, including other matters such as working hours, benefits, profit sharing and approvals, in addition to the traditional collective agreements per category:

Trade Union	State	City
GO-SINDUSCON-SINDICATO DA INDUSTRIA DA CONSTRUÇAO NO ESTADO DE GOIAS*	GO	Goiânia
BH SIND. DOS TRAB. DAS IND. CONST. BELO HORIZONTE*	MG	Belo Horizonte
BH SIND. DOS TEC. ANALISTA DE SISTEMAS	MG	Belo Horizonte
BH SIND. DAS SECRETARIAS DOS ESTADO MG*	MG	Belo Horizonte
BH SIND. DOS ENGENHEIROS DO ESTADO MG*	MG	Belo Horizonte
BH SIND. TECNICOS DE SEGURANÇA TRABALHO*	MG	Belo Horizonte
BH SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	MG	Belo Horizonte
BH SIND. RURAL DE MONTE AZUL	MG	Monte Azul
BH SIND. DOS ESTAGIARIOS (BELO HORIZONTE)*	MG	Belo Horizonte
BH SIND. NACIONAL DOS AERONAUTAS	RJ	Rio de Janeiro
BH SINTICOMC - SIND. DOS TRAB. DAS IND. CONSTR. MOB. CONTAGEM*	MG	Contagem
CE SINDUSCON - CE*	CE	Fortaleza
RN-SIND.DOS TRABALHADORES NA IND.DA CONST.CIVIL E DO MOB.DO ESTADO DO RIO G.DO NORTE*	RN	Natal
SINDICATO DA INDUSTRIA DA CONSTRUÇÃO CIVIL DE JOINVILLE (SITICOM)*	SC	Joinville
PE - SINDICATO DA IND DA CONSTRUCAO CIVIL NO ESTADO DE PE*	PE	Recife
SINDICATO TRABS IND CONST CIVIL MOB DE IPOJUCA & LITORAL SUL*	PE	Ipojuca
SIND DO TRABALHADORES NA IND CONST CIVIL E MONTAGEM E MANUNTENÇÃO - SINDTICCC - LAURO DE FREITAS*	BA	Lauro de Freitas
SIND. DOS TRAB. DAS IND. CONST. MOBIL DE BETIM*	MG	Betim
SINDICATO TRABALHADORES DA INDUSTRIA DA CONSTRUCAO CIVIL CUIABÁ*	MT	Cuiabá
Sindicato dos trabalhadores nas Industrias da Construção e do Mobiliário de Vespasiano e São José da Lapa*	MG	Vespasiano
BH SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)		Belo Horizonte
BH SIND. DOS TRAB. DAS IND. CONST. DE BH*	MG	Nova Lima
SIND DOS TRAB NAS INDUSTRIAS DA CONST CIVIL DE CARUARU*	PE	Caruaru
RP SIND. TRAB INDUSTRIA CONST CIVIL DE RIBEIRÃO PRETO*	SP	Ribeirão Preto
RP SIND. TRAB.INDUSTRIA CONST.CIVIL DE SÃO JOSÉ DO RIO PRETO*	SP	São José do Rio Preto
RP SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	SP	Ribeirão Preto
RP SIND. DOS ENGENHEIROS DO ESTADO DE SÃO PAULO*	SP	São Paulo
RP SIND. DOS ESTAGIARIOS (RIBEIRÃO PRETO)*	SP	Ribeirão Preto
RP SIND. TRAB INDUSTRIA CONST CIVIL DE ARAÇATUBA*	SP	Araçatuba
RP SIND. DOS TRAB NAS IND DA CONSTRUÇÃO E DO MOBILIARIO DE FRANCA*	SP	Franca
RP SIND. DOS TRAB NAS IND DA CONST E DO MOBILIÁRIO E MONTAGEM IND DE SÃO CARLOS*	SP	São Carlos
SINDICATO DOS TECNICOS DE SEGURANÇA DO TRABALHO NO ESTADO DE SÃO PAULO*	SP	São Paulo
SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DA CONSTRUÇÃO E DO MOBILIARIO DE PRESIDENTE PRUDENTE*	SP	Presidente Prudente
RP SINTEGE - SIND TRAB EMPR GDES ESTRU CPS	SP	Campinas
RP SIND. DA CONSTR CIVIL DO MOB. DE BOTUCATU*	SP	Botucatu
RP SINDICATO TRAB. INDUSTRIA CONST. CIVIL DE ARARAQUARA*	SP	Araraquara
RP SINDICATO TRAB. INDUSTRIA CONST.E DO MOBILIARIO DE BAURU E REGIAO*	SP	Bauru
RP SIND. TRAB INDUSTRIA CONST CIVIL DE BARRETOS*	SP	Barretos
SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA CONSTRUÇÃO E DO MOBILIÁRIO DE MARÍLIA*	SP	Marília
RP SIND. TRAB INDUSTRIA CONST CIVIL DE OURINHOS*	SP	Ourinhos
RP SIND. TRAB INDUSTRIA CONST CIVIL DE MIRASSOL*	SP	Mirassol
TR SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	MG	Uberlândia
TR SIND. DOS ESTAGIARIOS (TRIANGULO)*	MG	Uberlândia
TR SIND. TRAB CONST MOB DE UBERABA*	MG	Uberaba
TR SIND. TRAB CONST MOB DE UBERLANDIA*	MG	Uberlândia

Trade Union	State	City
SP SIND. DOS ENGENHEIROS DO ESTADO DE SÂO PAULO*	SP	São Paulo
SP-SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DA CONSTR.E DO MOB. DE ARAÇATUBA*	SP	Araçatuba
SP SIND. TRAB IND CONSTRUÇÕES CIVIL SAO PAULO*	SP	São Paulo
SP SIND. DOS ARQUITETOS E URBANISTA NO ESTADO DE SÃO PAULO	SP	São Paulo
SP SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	SP	São Paulo
SP SIND. DOS ESTAGIARIOS (SÃO PAULO)*	SP	São Paulo
SIND. TRAB IND CONSTRUÇÕES CIVIL GUARULHOS*	SP	Guarulhos
SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DA CONSTRUÇÃO E DO MOBILIARIO DE JACAREI*	SP	Jacareí
SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DA CONSTRUÇÕA E DO MOBILIARIO DE SANTO ANDRE*	SP	Santo André
SP SINDICATO DOS TRABALHADORES NAS IND. DA CONS. E DO MOBILIARIO DE MOGI DAS CRUZES*	SP	Mogi das Cruzes
SP SINDICATO DOS TRABALHADORES NAS IND. DA CONS. E DO MOB. DE SÃO BERNARDO DO CAMPO E DIADEMA*	SP	São Bernardo do Campo
SINDICATO DOS TRABALHADORES NAS IND. DA CONS. E DO MOB. DE TAUBATE*	SP	Taubaté
SP Sindicato da Industria e Construção e do Mobiliario de Guaratingueta*	SP	Guaratinguetá
SP Sindicato da Industria e Construção e do Mobiliario de Guaratingueta*	SP	Guaratinguetá
CR SIND. DOS ENGENHEIROS DO ESTADO DO PARANA*	PR	Curitiba
CR SIND. SINDUSCON*	PR	Curitiba
CR SIND. DOS TRAB. NA IND. DA CONST. E DO MOB. - CURITIBA SINTRACON*	PR	Curitiba
CR SINDICATO DOS TRAB NA CONSTRUÇÃO E MOBILIÁRIO DE FLORIANÓPOLIS E SÃO JOSÉ*	PR	Curitiba
CR SINDICATO DOS TRAB NA CONSTRUÇÃO E MOBILIÁRIO DE PONTA GROSSA*	PR	Ponta Grossa
CR SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	PR	Curitiba
SIND DOS TRAB NAS IND DA CONST E DO MOB DE ARAPONGAS*	PR	Arapongas
CR SIND. DOS ESTAGIARIOS (CURITIBA)*	PR	Curitiba
CR SIND. TRAB. IND. CONST. E MOB. LONDRINA*	PR	Londrina
CP SSEI- SIND. EMP EM EMP DE COMPRA,VENDA,LOC E ADM IMOVEIS (CORRETORES)	SP	Campinas
CP SIND. DOS ESTAGIARIOS (CAMPINAS)*	SP	Campinas
SIND. TRAB INDUSTRIA CONST CIVIL DE ARARAS*	SP	Araras
CP SIND. DA CONSTR CIVIL DE CAMPINAS E AMERICANA*	SP	Campinas
CP SIND. DA CONSTR CIVIL DE SOROCABA*	SP	Sorocaba
CP SIND. DA CONSTR CIVIL DE JUNDIAI*	SP	Jundiai
SP SIND. DA CONSTR CIVIL DE SAO JOSE DOS CAMPOS*	SP	São José dos Campos
CP SIND. DA CONSTR CIVIL DE PIRACICABA*	SP	PIRACICABA
CP SIND. TRAB. IND. CONST. E MOB. LONDRINA*	PR	Londrina
CP FEDERAÇÃO TRAB. IND. CONST. E MOBILIARIO DE MARINGA*	PR	Maringá
SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA CONSTRUÇÃO E DO MOBILIÁRIO DE LIMEIRA*	SP	Limeira
Sindicato dos Trabalhadores nas Indústrias da Construção Civil, do Mobiliário e de Cerâmicas de Itu e Região*	SP	Itu
SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA CONSTRUÇÃO E DO MOBILIÁRIO DE LIMEIRA/RIO CLARO*	SP	Rio Claro
Sindicato dos Trabalhadores nas Industrias da Construção e do Mobiliário de Salto*	SP	Salto

Control

15.1. Shareholders or group of controlling shareholders

a) Shareholder	b) Country of birth	c) CNPJ	d) Number of common shares[1]	e) and f) %	g) Party to the shareholders' agreement	i) Date of the last update
Rubens Menin Teixeira de Souza	Brazil	315.836.606-15	157,762,678	35.13%	No	01/15/2015
Orbis Investment Management Limited	Bermuda		51,410,761	11.45%	No	01/15/2015
Janus Capital Management LLC	USA		24,469,700	5.45%	No	01/15/2015
Treasury Shares			3,723,400	0.83%		01/26/2015
Other Shares			211,773,145	47.14%		01/26/2015
Total			**449,139,684**			

(1) The Company does not issue preference shares.

h) Information on the individuals controlling the legal entities controlling the Company

Not applicable.

15.2. Information on the shareholders or groups of shareholders acting collectively or representing the same interests with participation equivalent to or greater than 5% of the same class or type of shares and not included in item 15.1

Not applicable.

15.3. Distribution of the capital stock, as determined in the last shareholders' general meeting

Description	Composition based on the General Meeting held on April 30, 2013
Number of shareholders - individuals	3,708
Number of shareholders – legal entities	47
Number of institutional investors	980

Number of outstanding shares, per class and type	274,947,629	61.2%

15.4. Flowchart of the Company's shareholders (not mandatory)

See items 15.1/15.2 for shareholders and distribution of the capital stock.

15.5. Information of the shareholders' agreement governing the exercise of the voting rights or the transfer of the Company's shares, filed with the Company's main place of business and to which the controller is a party

There is no shareholders' agreement filed with the Company's main place of business.

15.6. Relevant changes in the shareholding interest of the members of the controlling group and the Company's directors and executive officers

On December 21, 2009 the controlling shareholder sold, by auction at BM&FBovespa, 10,500,000 shares of the Company.
On December 14, 2010 the controlling shareholder sold, by auction at BM&FBovespa, 12,000,000 shares of the Company.

15.7. Other relevant information

All relevant information on this item was disclosed in the items above.

Related-Party Transactions

16.1. Rules, policies and practices adopted by the Company as regards to the performance of related-party transactions (as set forth by the accounting rules on the matter)

On May 16, 2013 our Board of Directors approved the Related Parties Trading Policy.

I – PURPOSE AND SCOPE
This present Policy aims at assuring that the decisions, especially those involving Related Parties and other potential situations with conflict of interest, are taken bearing in mind the interest of MRV ENGENHARIA E PARTICIPAÇÕES S.A. (the "Company" or "MRV") and its shareholders. It applies to all employees and Management of the Company and its subsidiaries.

II – RELATED PARTIES DEFINITION
According to the Technical Pronouncement CPC no. 5, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) through CVM Deliberation no. 560, of December 11, 2008, the trading with related parties are described as "transfer of resources, services or obligations between related parties, regardless of any value being allocated, or not, to the transaction. For the purposes of this Policy, "Related Parties" shall be considered as those ones in this Pronouncement.

III – DEFINITION OF SITUATIONS INVOLVING CONFLICTS OF INTEREST
Within this Policy, it is defined that the potential conflicts of interest are those in which the personal objectives of the decision makers, by any reason, might not be aligned with those of the Company in specific matters.
Bearing in mind the potential conflicts of interest in those situations, MRV seeks to assure that all the decisions that may grant a private benefit to any of its managers, family members, entities or persons related to them are taken with total integrity, respecting the Company's interest.

IV – RULES FOR DECISIONS INVOLVING RELATED PARTIES OR OTHER CONFLICTS OF INTEREST
As a matter of this subject is identified, the Management shall immediately manifest their conflict of interest. Additionally, they shall leave the discussions over the matter and abstain themselves from voting. If requested by the President of the Board of Directors or the President Director, according to each case, those managers may partially participate in the discussion, aiming at proportioning more information on the operation and the related parts. In such case, they shall leave by the end of the discussion, including the voting process of the matter
In case of any Director or Executive Director who might have potential private gains originated from a decision does not manifest their conflicts of interest, any other member of the entity he/she is a part of who has knowledge about the matter may do so
In such case, the fact that the manager did not voluntarily manifested himself or herself, is considered a violation of this Policy and of MRV's Code of Ethics, being taken to the Ethics Committee to be assessed and to be proposed potential corrective action to the Board of Directors .
The manifestation of the situation of conflict of interest and the subsequent abstention shall be included in the meeting's Minute.
On taking office, MRV's Managers shall sign a document affirming that they received, read and committed themselves to follow the Related Parties Trading Policy.

V – Policy alignment with the Corporation Law
This Policy is in accordance with the demands of Law 6.404 of 1976, particularly regarding the Managers' Duty of Loyalty towards the Company. According to article 155, the manager must loyally serve the Company, demanding that the Company's interests always takes precedence over the decision makers' personal ones.
Moreover, Article 156 determines that, when there are conflicts of interest it is up to the Manager to communicate the others, as well as the Board of Directors, of the conflict, therefore becoming prevented to intervene in the operation, and there shall be written in the Minute of the Board of Directors' Meeting the nature and extension of the interest.

VI – Transparency and periodical review of the Policy
MRV shall annually make available to external audiences, information about transactions between the Company and Related Parties, in accordance with the demands of Novo Mercado and CVM's regulations.
As a way to ensure the continuous evolution of the practices, the Ethics Committee will periodically review this Policy.

16.2. Regarding the related-party transactions (Parent Company's balances)

Item	a) Related parties	b) Relationship of the parties with the Company	c) Transaction date	d) Agreement purpose	f) Existing balance R$ thousand	e) Amount involved - R$ thousand	g) Related-party amount	h) Guarantees and insurance	i) Duration	j) Termination or extinguishment	k) Loans and debts
01	Construtora Verde Grande S/A, Expar Exito Participações Ltda., MRV Seviços de Engenharia Ltda.	Companies related to the controller.	07/01/06	Revenue from the provision of construction services is calculated from 15% of the incurred cost, in case of contracts for construction, and 7.6% (Expar and CVG) and 8.5% (MRV Serviços) of the sales price, in the cases of contracts for sales of units and administrative support. The contracts are for the duration after completion of construction and upon completion of the sales of units. The controlled MRV Logísticas e Participações S.A. holds contracts with the company to provide administrative services. Revenue from the provision of administrative services to MRV Logística e Participações S.A. is calculated from 7.52% of projected revenue of the controlled. The contracts has undetermined expiration date.	1,608 (receivable on base date)	1,608 (receivable on base date)	Undeter-mined	Not applicable	Undeter-mined	End of construction and end of sales of units	See column d
02	Prime Incorporação e Construção Ltda.	Affiliated Company	09/12/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Prime Incorporação e Construção Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	4,120	4,120	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
03	MRL Engenharia e Empreendimentos S.A.	Affiliated Company	09/01/2007	MRV Engenharia e Participações S/A holds contract of intercompany loans with MRL Engenharia e Empreendimentos S.A.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	88	88	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
04	Ancona Engenharia Ltda.	Partner in development of projects	11/30/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Ancona Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011..	18,201	18,201	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
05	Habit Empreendimentos Imobiliários Ltda.	Partner in development of projects	11/30/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Habit Empreendimentos Imobiliários Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	1,404	1,404	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
06	S. Figueiredo Construtora Ltda.	Partner in development of projects	11/30/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with S. Figueiredo Construtora Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	1,654	1,654	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
07	Topos Engenharia e Projetos Ltda.	Partner in development of projects	11/30/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Topos Engenharia e Projetos Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	2,787	2,787	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
08	Collem Construtora Mohallem Ltda.	Partner in development of projects	11/30/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Collem Construtora Mohallem Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	5,693	5,693	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d

Item	a) Related parties	b) Relationship of the parties with the Company	c) Transaction date	d) Agreement purpose	f) Existing balance R$ thousand	e) Amount involved - R$ thousand	g) Related-party amount	h) Guarantees and insurance	i) Duration	j) Termination or extinguishment	k) Loans and debts
09	Patrimar Engenharia Ltda.	Partner in development of projects	01/31/2008	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Patrimar Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	1	1	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
10	Seitec Serviços de Engenharia e Instalações Técnicas Ltda.	Partner in development of projects	01/31/2008	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Seitec Serviços de Engenharia e Instalações Técnicas Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	217	217	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
11	Magis Incorporação e Desenvolvimento Imobiliário Ltda.	Partner in development of projects	12/31/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with Magis Incorporação e Desenvolvimento Imobiliário Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	3,506	3,506	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
12	LCG Engenharia e Representações Ltda.	Partner in development of projects	12/31/2007	MRV Engenharia e Participações S/A. holds contract of intercompany loans with LCG Engenharia e Representações Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	3,045	3,045	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
13	Construtora QBHZ Ltda.	Partner in development of projects	01/31/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with Construtora QBHZ Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	1,213	1,213	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
14	Boulder Engenharia Ltda.	Partner in development of projects	01/31/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with Boulder Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	2,571	2,571	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
15	Construtora Fibracon Ltda.	Partner in development of projects	01/31/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with Construtora Fibracon Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	1	1	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
16	Caieiras Engenharia	Partner in development of projects	04/25/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with Caieiras Engenharia. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	3,441	3,441	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
17	Unit Engenharia Ltda.	Partner in development of projects	05/15/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with Unit Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	4,877	4,877	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
18	TGD Arquitetura e Engenharia Ltda.	Partner in development of projects	05/26/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with TGD Arquitetura e Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	3,352	3,352	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
19	MJP Engenharia Ltda.	Partner in development of projects	05/26/2008	MRV Engenharia e Participações S/A holds contract of intercompany loans with MJP Engenharia Ltda.. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	3,458	3,458	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
20	EBL Participações	Partner in development	05/01/2011	MRV Engenharia e Participações S/A holds contract of intercompany loans with EBL Participações. Interest rate	141	141	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest	See column d

Item	a) Related parties	b) Relationship of the parties with the Company	c) Transaction date	d) Agreement purpose	f) Existing balance R$ thousand	e) Amount involved - R$ thousand	g) Related-party amount	h) Guarantees and insurance	i) Duration	j) Termination or extinguishment	k) Loans and debts
		of projects		based on CDI + 3.30% in 2012 and 3.04% in 2011.						calculated pro rata die up to the scheduled payment date.	
21	IMA	Partner in development of projects	31/12/2012	MRV Engenharia e Participações S/A holds contract of intercompany loans with Silco Participações. Interest rate based on CDI + 3.30% in 2012 and 3.04% in 2011.	4,683	4,683	Undetermined	Not applicable	Undetermined	Anticipated settlement or partial amortization of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
22	MRL Engenharia e Empreendimentos S/A	Affiliated Company	28/02/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary MRL Engenharia e Empreendimentos S/A. Floating interest based on 1.8% per annum + CDI.	9,436	22,000	Undetermined	Not applicable	08/21/2013	/	See column d
23	MRL Engenharia e Empreendimentos S/A	Affiliated Company	06/10/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary MRL Engenharia e Empreendimentos S/A. Floating interest based on 1.7% per annum + CDI.	15,070	20,000	Undetermined	Not applicable	06/10/2014	/	See column d
24	MRL Engenharia e Empreendimentos S/A	Affiliated Company	09/02/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary MRL Engenharia e Empreendimentos S/A. Floating interest based on 1.15% per annum + CDI.	15,954	14,000	Undetermined	Not applicable	09/02/2014	/	See column d
25	MRL Engenharia e Empreendimentos S/A	Affiliated Company	09/06/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary MRL Engenharia e Empreendimentos S/A. Floating interest based on 1.15% per annum + CDI.	31,877	28,000	Undetermined	Not applicable	09/02/2014	/	See column d
26	MRL Engenharia e Empreendimentos S/A	Affiliated Company	06/11/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.8% per annum + CDI.	26,243	25,000	Undetermined	Not applicable	03/24/2014	/	See column d
27	MRL Engenharia e Empreendimentos S/A	Affiliated Company	04/20/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.8% per annum + CDI.	7,457	7,000	Undetermined	Not applicable	04/20/2014		See column d
28	Prime Incorporações e Construções S/A.	Affiliated Company	02/07/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 2.8% per annum + CDI.	4,800	8,000	Undetermined	Not applicable	02/07/2014		See column d
29	Prime Incorporações e Construções S/A.	Affiliated Company	05/27/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.99% per annum + CDI.	24,792	35,000	Undetermined	Not applicable	05/27/2014		See column d
30	Prime Incorporações e Construções S/A.	Affiliated Company	09/02/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.15% per annum + CDI.	17,000	17,000	Undetermined	Not applicable	09/02/2014		See column d
31	Prime Incorporações e Construções S/A.	Affiliated Company	09/06/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.15% per annum + CDI.	49,000	49,000	Undetermined	Not applicable	09/06/2014		See column d

Item	a) Related parties	b) Relationship of the parties with the Company	c) Transaction date	d) Agreement purpose	f) Existing balance R$ thousand	e) Amount involved - R$ thousand	g) Related-party amount	h) Guarantees and insurance	i) Duration	j) Termination or extinguishment	k) Loans and debts
32	Prime Incorporações e Construções S/A.	Affiliated Company	11/28/2011	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.8% per annum + CDI.	13,334	20,000	Undetermined	Not applicable	11/12/2014		See column d
33	Prime Incorporações e Construções S/A.	Affiliated Company	04/20/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.705% per annum + CDI.	8,000	8,000	Undetermined	Not applicable	04/20/2014		See column d
34	Prime Incorporações e Construções S/A.	Affiliated Company	06/11/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.50% per annum + CDI.	25,000	25,000	Undetermined	Not applicable	03/24/2014		See column d
35	Prime Incorporações e Construções S/A.	Affiliated Company	09/06/2012	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary Prime Incorporações e Construções S/A. Floating interest based on 1.80% per annum + CDI.	10,571	25,000	Undetermined	Not applicable	10/28/2013		See column d
36	MRV Logística e Participações S/A.	Partner in development of projects	10/14/2010	MRV Engenharia e Participações S/A endorsed banking credit notes to its subsidiary MRV Logística e Participações S/A. Floating interest based on 1.8% per annum + CDI.	40,014	40,765	Undetermined	Not applicable	06/26/2013		See column d
37	MRV Logística e Participações S/A.	Affiliated Company	05/16/2011	MRV Engenharia e Participações S/A, intervening guarantor of debentures to its subsidiary MRV Logística e Participações S/A. Floating interest based on 2.2% per annum + CDI.	109,155	108,000	Undetermined	Not applicable	02/16/2014		See column d
38	Construtora Verde Grande S/A, Expar Exito Participações Ltda., MRV Seviços de Engenharia Ltda.	Companies related to the controller.		Revenue from the provision of construction services is calculated from 15% of the incurred cost, in case of contracts for construction, and 7.6% (Expar and CVG) and 8.5% (MRV Serviços) of the sales price, in the cases of contracts for sales of units and administrative support. The contracts are for the duration after completion of construction and upon completion of the sales of units. The controlled LOG Commercial Properties e Participações S.A. holds contracts with the company to provide administrative services. Revenue from the provision of administrative services to LOG Commercial Properties e Participações S.A. is established by the monthly payment of R$5,500.00 per project to LOG or its controlleds.	729,096.70	729,096.70)	Undetermined	Not applicable	Undetermined	End of construction and end of sales of units	See column d
39	Habit Empreendimentos Imobiliários Ltda.	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with Habit Empreendimentos Imobiliários Ltda.. Interest rate based on CDI + 2.57% p.a..	1,644,047.00	35,775,399.10	Undetermined	Not applicable	Undetermined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
40	LCG Engenharia e Representações Ltda.	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with LCG Engenharia e Representações Ltda.. Interest rate based on CDI + 2.57% p.a.	16,698,057.16	4,700,498.33	Undetermined	Not applicable	Undetermined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
41	Prime	Affiliated	01/04/2010	MRV Engenharia e Participações S/A. holds contract of	45,000,000.	1,488,476.7	Undeter-	Not	Undeter-	Anticipated settlement of the debt with	See column

Item	a) Related parties	b) Relationship of the parties with the Company	c) Transaction date	d) Agreement purpose	f) Existing balance R$ thousand	e) Amount involved - R$ thousand	g) Related-party amount	h) Guarantees and insurance	i) Duration	j) Termination or extinguishment	k) Loans and debts
	Incorporações e Construções S/A.	Company		intercompany loans with Prime Incorporações e Construções S/A. Interest rate based on CDI + 2.57% p.a.	00	5	mined	applicable	mined	interest calculated pro rata die up to the scheduled payment date.	d
42	S.Figueiredo Construtora Ltda	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with S.Figueiredo Construtora Ltda. Interest rate based on CDI + 2.57% p.a.	7,658,397.21	2,058,650.19	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
43	Seitec Serviços de Engenharia e Instalações Técnicas Ltda.	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with Seitec Serviços de Engenharia e Instalações Técnicas Ltda. Interest rate based on CDI + 2.57% p.a.	5,692,656.90	232,683.50	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
44	Caieiras Engenharia	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with Caieiras Engenharia. Interest rate based on CDI + 2.57% p.a.	17,276,104.13	3,116,748.20	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
45	Topos Engenharia e Projetos Ltda.	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with Topos Engenharia e Projetos Ltda.. Interest rate based on CDI + 2.57% p.a.	38,847,523.52	1,725,688.49	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
46	Unit Engenharia Ltda.	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with TUnit Engenharia Ltda.. Interest rate based on CDI + 2.57% p.a.	6,145,861.13	6,429,084.12	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
47	EBL participações	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with EBL participaçõesa.. Interest rate based on CDI + 2.57% p.a.	1,060,800.56	79,807.97	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
48	IMA	Partner in development of projects		MRV Engenharia e Participações S/A. holds contract of intercompany loans with IMA. Interest rate based on CDI + 2.57% p.a.	6,787,215.45	6,787,215.45	Undeter-mined	Not applicable	Undeter-mined	Anticipated settlement of the debt with interest calculated pro rata die up to the scheduled payment date.	See column d
49	Intermedium Crédito Financiamento e Investimento S.A.	Companies related to the controller.	12/27/2010	MRV Engenharia e Participações S/A endorsed banking credit notes Intermedium Crédito Financiamento e Investimento S.A. Floating interest are in average 111.03% of CDI.	43,264,232.26	43,264,232.26	Undeter-mined	Not applicable	Undeter-mined	Redemption	See column d
50	Intermedium Crédito Financiamento e Investimento S.A.	Companies related to the controller.	12/27/2010	LOG Commercial Properties e participações S.A.endorsed banking credit notes Intermedium Crédito Financiamento e Investimento S.A. Floating interest are in average 110.00% of CDI.	42,834,177.02	42,834,177.02	Undeter-mined	Not applicable	Undeter-mined	Redemption	See column d
51	Intermedium Crédito Financiamento e Investimento S.A.	Companies related to the controller.	12/27/2010	MDI Desenvolvimento Imobiliário Ltda.endorsed banking credit notes Intermedium Crédito Financiamento e Investimento S.A. Floating interest are in average 111.16% of CDI.	11,726,107.31	11,726,107.31	Undeter-mined	Not applicable	Undeter-mined	Redemption	See column d
52	Intermedium Crédito Financiamento e Investimento S.A.	Companies related to the controller.	12/27/2010	Urbamais Properties e Participações S.A.endorsed banking credit notes Intermedium Crédito Financiamento e Investimento S.A. Floating interest are in average 112.00% of CDI.	1,728,291.88	1,728,291.88	Undeter-mined	Not applicable	Undeter-mined	Redemption	See column d
53	Intermedium Crédito Financiamento e Investimento S.A.	Companies related to the controller.	12/27/2010	SPE's Sociedade de Propósito Específicoendorsed banking credit notes Intermedium Crédito Financiamento e Investimento S.A. Floating interest are in average 110.47% of CDI.	5,883,632.43	5,883,632.43	Undeter-mined	Not applicable	Undeter-mined	Redemption	See column d

16.3. Regarding single or successive transactions referred to in item 16.2 above for the last year

a) identification of the measures adopted to resolve the conflict of interests

The Company adopts the corporate governance practices and those recommended and/or required by applicable legislation.

The Company's management bodies are responsible to approve the Company's operations, in accordance with the provisions set forth in the Bylaws. Therefore, the Company's operations, specifically those performed with related parties, were duly submitted for approval by the proper bodies, under applicable rules. In the event of possible conflict of interests between the matters under analysis and the interests of any member of our resolutive bodies, the respective member must not vote, and the matter must be resolved by the other embers with no relationship with the matter under discussion.

In accordance with the Novo Mercado Regulation, we must submit to BM&FBOVESPA, however the case may be, the information of all and any agreement entered into between our Company and our subsidiaries, associated companies, controlling shareholders, directors and executive officers and subsidiaries and associated companies of the directors, executive officers and controlling shareholders, as well as other companies comprising the same economic group with such persons, whether in law or equity, totaling, in a single or successive agreements, with or without the same purpose, in any period of one year, an amount equivalent to or greater than R$ 0.2 million, or amount equivalent to or greater than 1% on our shareholders' equity, whichever is the greater. This information disclosed must include the purpose of the agreement, the term, the value, the termination conditions and the possible effects of the agreement on the management and performance of our businesses.

b) demonstrate the commutative system of the conditions agreed or proper compensation payment

Our operations and businesses are supported by the prior evaluations of the Company's conditions and interests and are performed in accordance with the conditions contracted by the parties.

Summary of the related-party transactions (parent company)

	R$ thousand
Description	**12.31.13**
Clients for services rendered	729
Related-party credits (loan agreements)	50,514
Financial Investments	105,436
Guarantees	414,107

Clients for services rendered

We have entered into a construction, sale and administrative support agreement with Construtora Verde Grande S/A (CVG), Expar Êxito Participações Ltda. (Expar), MRV Serviços de Engenharia Ltda (Serviços)..

Revenue from the provision of construction services is calculated from 15% of the incurred cost, in case of contracts for construction, and 7.6% (Expar and CVG) and 8.5% (MRV Serviços) of the sales price, in the cases of contracts for sales of units and administrative support. The contracts are for the duration after completion of construction and upon completion of the sales of units.

The controlled LOG Commercial Properties e Participações S.A. holds contracts with the company to provide administrative services.

Revenue from the provision of administrative services to LOG Commercial Properties e Participações S.A. is calculated by monthly payment of R$5,5 per project and its investments and MRL's is calculated monthly by a fixed amount (adjusted yearly) of each Company operation, multiplied by the quantitative executed for MRL. The contracts has undetermined expiration date.

Related-party credits (loan agreements)

The loan agreements represent most part of the related-party transactions, as detailed in item 16.2. These operations were mainly performed with the purpose to allow the initial stage of the developments and are compensated based on the CDI rate plus an average of 2,57% per annum for 2013 (3.30% pa in 2012 and 3.04% pa in 2011).

The related-party transactions described above were performed in view of the selling transactions maintained with the parties for the development of our incorporation and construction activities. We are not able to confirm that these operations would generate the same results had these transactions been carried out with non-related parties.

Financial Investments

The Company and its jointly controlled entities possess banking credit notes at Intermedium Crédito Financiamento e Investimento S.A. (Intermedium), a Company controlled by the shareholder Rubens Menin Teixeira de Souza (Controller).

Guarantees

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

R$ (thousand)	Start	Maturity	Amount
MRL Engenharia e Empreendimentos S.A.			
	20/04/2012	22/04/2014	3,574
	29/04/2013	13/04/2016	4,291
	30/04/2013	14/04/2016	10,188
	02/09/2011	02/03/2016	17,447
	06/09/2011	02/03/2016	34,860
	10/06/2011	10/06/2014	5,031
	30/09/2013	10/09/2016	51,300
Prime Incorporações e Construções S.A.			
	29/04/2013	13/04/2016	9,989
	29/06/2013	13/04/2016	4,876
	30/04/2013	14/04/2016	15,283
	07/02/2011	07/02/2014	1,680
	02/09/2011	02/03/2016	21,186
	06/09/2011	02/03/2016	61,005
	27/05/2011	27/05/2014	7,309
	22/04/2013	22/04/2014	5,352
	02/10/2013	12/09/2016	51,262
LOG Commercial Properties e Participações S.A.			
	16/05/2011	16/02/2014	109,474
			414,107

Capital Stock

17.1. General information on the capital stock

Type of capital	Authorization date	Type of shares	Number of shares	Value of Capital (R$)
Capital stock issued	10/14/2014	Common shares	449,139,684	3,507,205,531.77
Subscribed capital stock	10/14/2014	Common shares	449,139,684	3,507,205,531.77
Paid capital stock	10/14/2014	Common shares	449,139,684	3,507,205,531.77
Authorized capital stock	04/30/2014	Common shares		3,600,000,000.00

f) Marketable securities convertible into shares and g) Conversion conditions

Not applicable.

17.2. Company's capital increases

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
04/27/2010	Board of Directors	04/27/2010	169,200.00	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
50,760	0	50,760	0.00888888	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
04/27/2010	Board of Directors	04/27/2010	4,116.40	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
12,300	0	12,300	0.0002	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
05/27/2010	Board of Directors	05/27/2010	312,623.51	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
934,134	0	934,134	0.0163	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
10/01/2010	Board of Directors	10/01/2010	432,002,452.39	Without share issuance	n/a	n/a

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
0	0	0	n/a	n/a	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
12/23/2010	Board of Directors	12/23/2010	105,300.00	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
31,590	0	31,590	0,0045	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
12/23/2010	Board of Directors	12/23/2010	2,309.20	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
6,900	0	6,900	0,0001	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
06/16/2011	Board of Directors	06/16/2011	88,900.18	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
265,638	0	265,638	0,0038	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
07/26/2011	Board of Directors	07/26/2011	105,480.20	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
8,939	0	8,939	0,0045	11.80	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
10/17/2011	Board of Directors	10/17/2011	300,000,000.00	Without share issuance	n/a	n/a

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
0	0	0	n/a	n/a	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
01/27/2012	Board of Directors	01/27/2012	2,309.20	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
6,900	0	6,900	0,00009	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
01/27/2012	Board of Directors	01/27/2012	89,700.00	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
26,910	0	26,910	0,0034	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
06/11/2012	Board of Directors	06/20/2012	295,901.89	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
884,169	0	884,169	0,01116	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
06/11/2012	Board of Directors	06/20/2012	2,643.20	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
224	0	224	0,0001	11.80	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
03/13/2013	Board of Directors	03/13/2013	36,947.20	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
110,400	0	110,400	0,00139	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
03/13/2013	Board of Directors	03/13/2013	85,500.00	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
25,650	0	25,650	0,00323	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
04/30/2013	EGSM	04/30/2013	546,999,022.94	Without share issuance	n/a	n/a

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
0	0	0	n/a	n/a	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
05/16/2013	Board of Directors	05/16/2013	73,965.74	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
221,013	0	221,013	0.0023	0.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
05/16/2013	Board of Directors	05/16/2013	3,400.00	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
1,020	0	1,020	0.00011	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
05/16/2013	Board of Directors	05/16/2013	4,861.60	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
412	0	412	0.00015	11.80	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
01/27/2014	Board of	01/27/2014	371,560.00	Private	value per share	Cash

	Directors			Underwriting	equivalent to the exercise price of the call option	

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
111,468	0	111,468	0.011	3.33	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
01/27/2014	Board of Directors	01/27/2014	45,229.23	Private Underwriting	value per share equivalent to the exercise price of the call option	Cash

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
7,653	0	7,653	0.0014	5.91	R$ per unit

Deliberation Date	Deliberation	Issuance Date	Issuance Value (R$)	Type of increase	Criteria to determine issuance price	Payment form
04/30/2014	Board of Directors	04/30/2014	308,970,455.44	Without share issuance	n/a	n/a

Common (units)	Preferential (units)	Total (units)	Underwriting / Previous Capital	Issuance Price	Factor Price
0	0	0	n/a	n/a	R$ per unit

17.3. Split-offs, reverse split-offs and bonus

Not applicable since there were no Split-offs, reverse split-offs or bonuses over the last three years.

17.4. Regarding the issuer's capital decreases

Deliberation Date	Decrease Date	Decrease Value (R$)	Common (units)	Preferential (units)	Total (units)	Decrease/ Previous Capital	per share (R$)
06/11/2012	06/11/2012	0.00	884,393	0	884,393	n/a	0.00
01/27/2014	01/27/2014	0.00	6,000,000	0	6,000,000	n/a	0.00
06/02/2014	06/02/2014	0.00	14,081,659	0	14,081,659	n/a	0.00
10/14/2014	10/14/2014	0.00	14,000,000	0	14,000,000	n/a	0.00

17.5. Other relevant information

We understand that there is no other relevant information related to the composition of our capital stock, specifically as regards to the capital increases and decreases, as well as split-offs, reverse split-offs or bonus.

Marketable securities

18.1. Rights of each class and type of shares issued

Species	common shares
Tag along	100%
Dividend right	In accordance with the Bylaws and Brazilian Corporate Law, the holders of the shares issued by the Company are entitled to receive dividends or other distributions carried out as regards to the shares issued by the Company, proportionally to their shareholding interest in the capital stock. Under the terms of article 33, paragraph 4, of our Bylaws, our shareholders are entitled with the right to receive mandatory annual dividends of at least 25% of our net income for the year, less or plus the following values: (i) amount allocated to the legal reserve; (ii) amount allocated to the reserve for contingencies and reversal of these reserves established in prior years; and (iii) amount from the reversal of the unrealized revenue reserve established in prior years, as set forth in article 202, item II, of Brazilian Corporate Law.
Voting right	Full
Conversion into another class or type of share	No
Capital reimbursement rights	Yes
Description of the Capital reimbursement rights	In the event of liquidation of the Company, the shareholders will receive the payments related to the capital reimbursement, proportionally to their shareholding interest in the capital stock, upon the payment of all Company's obligations. The shareholders who do not agree with certain resolutions at the general meeting may withdraw from the Company, upon reimbursement of the value of the shares based on the equity value, as set forth in Brazilian Corporate Law. In the event the Company' shares (i) are liquid, that is, comprise the BM&FBOVESPA's general index or an index of any other stock exchange, as determined by CVM; and (ii) are diluted in the market in a way that the controlling shareholders, parent company or other companies under common control hold less than 50% of the shares, the shareholders will not be entitled with withdrawal rights in the following cases: (a) Company's merger; (b) Company's merger into another company; and (c) comprising a group of companies.
Lock-up agreements	No
Right to participate in the public offering in connection with the disposal of the shareholding control	In accordance with the Novo Mercado Regulation, the Company's shareholding control, both through a single transaction and successive transactions, must be contracted under the suspensive or resolutive condition that the purchaser is obligated to perform the public offering for the acquisition of the other shares held by the other Company's shareholders, in order to assure the same conditions provided to the selling controlling shareholders. A declaration must be submitted to BM&FBOVESPA including the price and the other conditions of the disposal of the Company's shareholding control. This offering is also required in the event of assignment of the rights for subscription of shares or rights related to marketable securities convertible into shares, which would result in the disposal of the Company's shareholding control and, in the event of disposal of shareholding control of a company which holds the shareholding control over the Company, in this case, the selling controlling shareholders must report to BM&FBOVESPA the value attributed to the Company in connection with such disposal and attach the supporting documents to confirm such value. As set forth in Brazilian Corporate Law and the Novo Mercado Regulation, in the event of the disposal of the Company's shareholding control, all holders of the common shares must be entitled with the right to include their shares in the public offering for the acquisition of shares, which offering must be performed by the respective purchaser, as well as to receive 100% of the value paid per share with voting right, comprising the control block.
Conditions to change the rights assigned in connection with such marketable securities	In accordance with the Brazilian Corporate Law, neither the Company's Bylaws nor the resolutions at the general meeting may prohibit the shareholders from exercising the following rights: (i) profit sharing; (ii) participate, in the event of liquidation of the Company, in the distribution of any remaining assets, proportionally to their interest shareholding in the capital stock; (iii) inspect the Company's management, in accordance with Brazilian Corporate Law; (iv) preemptive right in the subscription of future capital increases, except for certain cases set forth in the Brazilian Corporate Law; and (v) withdraw from the Company in accordance with the cases set forth in the Brazilian Corporate Law.
Other relevant characteristics	There are no additional relevant characteristics.

18.2. Statutory rules limiting the voting rights of significant shareholders or obligating such shareholders to perform the public offering

In accordance with the Novo Mercado Regulation, the disposal of the Company's Control, directly or indirectly, whether by one single transaction or by a series of successive transactions, shall be carried out on suspensive or resolutory conditions that the buyer undertakes to tender a public offer for acquisition of all further shares held by the other shareholders, in compliance with the terms and conditions provided in the current law and in the New Market Regulation, so that they may be accorded the same treatment as given to the Selling Controlling Shareholder.

The public tender offer referred to in article 38 of the Company's bylaws shall be required: (i) whenever there has been a remunerated assignment of subscription rights for shares and other securities, or rights related to securities convertible into shares, resulting in disposal of the Company's Control; and (ii) whenever there has been the disposal of a controlling interest in a company that holds the Company's Control; in this case, the Selling Controlling Shareholder shall advise BM&FBOVESPA of the value ascribed to the Company under the aforesaid disposal transaction, attaching supporting documentation in this regard.

The Selling Controlling Shareholder or the Group of Selling Controlling Shareholders shall not transfer title to their shares nor shall the Company make annotation of any transfer of shares to the Buyer, until the latter signs the Statement of Consent from Controlling Shareholders referred to by the New Market Regulations. The Company shall not make annotation of any transfer of shares to any the buying shareholder or to those shareholder(s) who may hold the Power of Control, until the latter sign(s) the Statement of Consent from Controlling Shareholders referred to in the New Market Regulation. No Shareholders' Agreement which provides on the exertion of Power of Control may be filed at the Company's headquarters until its signatories subscribe the Statement of Consent.

Whoever acquires the Power of Control by means of a private share purchase agreement entered into with the Controlling Shareholder, whatever the volume of shares involved, shall be required to: (i) tender the public offer referred to in article 38 of the Company's By-Laws; (ii) pay, in the terms described as follows, the amount equivalent to the difference between the value of the public offer and the amount paid for the acquired stock in the 6 (six) months prior to the date of acquisition of the Power of Control, properly updated until the payment date. The amount shall be distributed between everyone who sold Company's shares in the trading session the Buying Shareholder made acquisitions, relative to daily net sales of each person, being BM&FBovespa's responsibility to operationalize the distribution, according to its regulations; (iii) take the actions necessary to restore the minimum Free Float of 25% (twenty five percent) within the 6 (six) months after the acquisition of Control.

In the event the shareholders in General Extraordinary Assembly decide on (i) the Company's delisting from the New Market so that its securities may be registered from trade outside the New Market or (ii) a corporate reorganization whereby the resulting company will not have its securities listed on the New Market between 120 (one hundred and twenty) days beginning in the General Shareholders Meeting which approved the reorganization, the Controlling Shareholder shall tender a public offer for acquisition of the shares held by the other shareholders of the Company. The minimum offer price shall be equal to the Economic Value determined in the appraisal report, pursuant to article 44 of these By-Laws, in compliance with the applicable legal rules and regulations.

The delisting of the New Market due to noncompliance with the Rules of the New Market is conditioned to the effective public offer for acquisition of shares, at least, by the shares' Economic Value, to be defined in valuation report as described on Article 44 of this Bylaws, according to the applicable laws and regulations.

Any Buying Shareholder who reaches, directly or indirectly, an interest in the Float equal to or over 10% (ten percent) of the Company's stock capital, and who wishes to make a new acquisition of outstanding shares, shall be required to (i) transact each new acquisition on BM&FBOVESPA, not being allowed private business transactions or on the over-the-counter market; (ii) before each new acquisition, inform in writing the Company's Chief Officer for Investor Relations about the number of outstanding shares they intend to purchase, at least 3 (three) business days prior the actual acquisition.

In the event the Buying Shareholder does not comply with the requirement imposed in this article, the Company's Board of Directors shall convene a General Extraordinary Assembly, in which the Buying Shareholder may not vote, to decide on suspension of the Buying Shareholder's rights inherent to the shares bought in breach of the requirement imposed by this article, as provided in article 120 of the Law of Business Corporations.

18.3. Exceptions and suspensive clauses related to the equity or political rights set forth in the Bylaws

Our Bylaws sets forth the following restrictions related to the equity or political rights:

Exclusion or reduction of the preemptive right

In accordance with paragraph 3, Article 6, of our Bylaws, at the discretion of the Board of Directors, the preemptive right may be excluded or the exercise period may be reduced as regards to the issuance of common shares, debentures convertible into common shares and subscription bonus, the placement of which is performed upon the (i) sale in stock exchange or public subscription; or (ii) exchange of shares, in connection with the public offering for acquisition of the shareholding control, under the terms of applicable law, within the authorized capital stock.

Members of the Board of Directors

In accordance with paragraphs 4 and 5, of Article 15 of our Bylaws, the members of the Board of Directors must have good reputation and a person must not be elected a member of the Board of Directors, except for the express waiver of the majority of its members, the person that: (i) is in charge of companies considered competitors of the Company; or (ii) has or represents interests conflicting with the Company's interests. The voting rights must not be entitled by the member of the Board of Directors in the event the cases mentioned above take place subsequently. Moreover, the member of the Board of Director must not have access to the information or participate at the meetings of the Board of Directors, as regards to matters to which such member has or represents interests conflicting with the Company.

Shareholders

In accordance with the caput of Article 48 of our Bylaws, any purchasing shareholder holding, directly or indirectly, outstanding shares equivalent to or greater than 10% (ten percent) of the Company's capital stock, which shareholder intends to perform a new acquisition of the outstanding shares, such shareholder will be obligated to carry out such acquisition in accordance with article 46 of the Bylaws.

In accordance with sole paragraph, Article 48, in the event the purchasing shareholder is not able to comply with the obligations set forth in such article, the Company's Board of Directors will request the Extraordinary General Meeting, at which the purchasing shareholder may not vote, in order to resolve about the suspension of the purchasing shareholders' right in connection with the shares acquired in violation against the obligation set forth in article 48 of the Company's Bylaws, in accordance with article 120 of the Brazilian Corporate Law.

18.4. The trading volume and the minimum and maximum quotations of marketable securities traded in the stock exchange or organized over-the-counter market, in each of the quarters over the last three years

Trading on BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros

The quotation below was adjusted on a retroactive basis to reflect the split-off of shares in December 2009 (in R$)

Quarter ending	Volume (R$)	Maximum	Minimum
2011			
03/31/2011	4,233,307,388	16.73	12.70
06/30/2011	3,230,269,235	15.40	12.43
09/30/2011	3,964,742,660	14.89	8.70
12/31/2011	3,282,860,261	12.89	8.87
2012			
03/31/2012	5,038,821,587	15.49	10.75
06/30/2012	4,121,786,534	13.80	7.82
09/30/2012	4,128,653,976	12.84	9.19
12/31/2012	2,680,732,744	12.75	9.81
2013			
03/31/2013	3,551,494,635	12.99	8.24
06/30/2013	2,499,030,241	9.96	5.91
09/30/2013	2,519,803,306	7.48	5.98
12/31/2013	2,053,810,580	10.94	8.33

18.5. Other marketable securities (other than shares)

1st issuance Debentures

a) Identification: 1st issuance of simple debentures

b) Number: 30,000

c) Value: R$ 300 million

d) Issuance Date: June 15, 2008

e) Lock-up agreement: None

f) Conversion into shares: Not applicable

g) Advanced redemption:

The Issuer may, at its exclusive discretion, upon approval at the Board of Director's Meeting, perform, at any time, the offering for the advanced redemption of the debentures, fully or partially, addressed to the debentureholders of the 1st series, to the debentureholders of the 2nd series, or to the debentureholders of both series, being assured to all debentureholders of each series the same conditions to accept the redemption of the debentures held as regards to the other debentureholders of the same series.

The offering of the advanced redemption will be performed as follows:

The value to be paid to the debentureholders in connection with the advanced redemption offering will be equivalent to the nominal value, or nominal value balance, however the case may be, plus (i) the earnings payable and not paid up to the redemption date; and (ii) possible redemption premium to be offered to the debentureholders of each series, at the exclusive discretion of the issuer

h) In the event the marketable securities are considered as debt

i) Maturity date: June 15, 2013

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest

1st series
Adjustment: the face value of 1st series debentures shall not be adjusted.
Interest: DI (interbank deposit rate) plus spread of 1.5% per year.

2nd series
Adjustment: IPCA (extended consumer price index)
Interest: 10.80% per year

iii) Collateral No
iv) Species Unsecured
v) Restrictions: See comments above on accelerated maturity
vi) Trustee: Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A.. The trustee's compensation shall be R$3,250.00 per quarter, adjusted based on IGP-M (general market price index).

i) Conditions for changes to debentures' rights

All debenture holders are entitled to one vote, in person or represented by proxy. Matters shall be decided by majority of those present and voting, except matters for which there is a quorum established by law or indenture

- Resolve, by mutual agreement with the issuer, the new adjustment parameter for debentures in the event of discontinuance, temporary unavailability or lack of determination of DI and/or IPCA for more than 10 consecutive days

after the expected date for their determination and/or disclosure or even in case of discontinuance or impossibility of their use under legal provision or judicial order, for which quorum shall be 75% of total debentures outstanding;

- Non-declaration of accelerated maturity of debentures in the hypotheses outlined in items (i), (ii), (iii), (ix), (xi) and (xii) of clause 5.1.1 of the indenture, for which quorum for approval shall be 75% of debentures outstanding;
- Call for Meeting of Debenture Holders, for which quorum shall be 10% of debentures outstanding;
- Merger or consolidation with third parties or spin-off and/or issuer's corporate restructuring, for which quorum shall be at least 75% of 1st series debentures and 75% of 2nd series debentures outstanding;
- Changes in interest rate, type, duration, maturity and amortization, as well as changes in conditions for automatic acceleration of maturity and/or provisions regarding quorum specified by indenture, shall be approved by debenture holders representing at lest 95% of debentures outstanding; and
- Other changes, including, but not limited to, changes to characteristics and conditions of debentures and issue, shall be approved by debenture holders representing at least 75% of debentures outstanding.

j) Other significant characteristics

Debenture Interest Payment Date: 1st series debentures pay interest semiannually and 2nd series debentures pay interest annually, starting from issue date to maturity date. 2nd series debentures interest is paid on face value.

Amortization: The face value of debentures is payable by the issuer in 3 equal, annual, consecutive installments from the end of the 36th month beginning on the issue date.

Discretionary acquisition: The issuer may at any time acquire debentures outstanding for a price not higher than the face value or the face value balance, if applicable, plus interest computed on a pro rata basis from the issue date to the effective acquisition date, in accordance with paragraph 2 of article 55 of Corporate Law. The acquired debentures may be cancelled, held in treasury or placed again in the market.

Number of Debentures: 30,000, being 27,140 Debentures of the 1st Series and 2,860 of the 2nd Series.

2nd issuance Debentures

a) Identification: Simple, nonconvertible debentures

b) Quantity: 100

c) Amount: R$100 million

d) Issue date: May 25, 2011

e) Circulation restrictions: None

f) Convertibility: Not applicable

g) Possibility of early redemption: No

h) When securities are debt instruments

i) Maturity date: May 25, 2011

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest CDI + 3.7% per year
iii) Collateral Properties
iv) Species Not applicable
v) Restrictions: See comments above on accelerated maturity

vi) Trustee: Planner Trustee DTVM Ltda. The trustee's compensation is R$4,000.00 per quarter, adjusted based on the IGP-M

i) Conditions for changes to debentures' rights

Changes in interest rate, type, duration, maturity and amortization, as well as changes in conditions for automatic acceleration of maturity and/or provisions regarding established quorum shall be approved by debenture holders representing at least 95% of the debentures outstanding. Other changes, including, but not limited to, changes in characteristics and conditions of debentures and issue shall be approved by debenture holders representing at least 75% of the debentures outstanding.

j) Other significant characteristics

Interest Payment Date: quarterly

Amortization: 5 quarterly, consecutive installments starting May 25, 2010

Discretionary acquisition: The issuer may at any time acquire debentures outstanding for a price not higher than the face value or the face value balance, if applicable, plus interest computed on a pro rata basis from the issue date to the effective acquisition date, in accordance with paragraph 2 of article 55 of Corporate Law. The acquired debentures may be cancelled, held in treasury or placed again in the market.

3nd issuance Debentures

a) Identification: Simple debentures

b) Quantity: 51.640

c) Amount: R$516 million

d) Issue date: Febuary 1, 2010

e) Circulation restrictions: None

f) Convertibility: Not applicable

g) Possibility of early redemption:

After the 18th month, counted from the date of issue the Issuer shall be entitled to promote early redemption of the Debentures, in whole or in part ("Provision for Early Redemption") by (a) determination of its board of directors (b) publication of notice to debenture holders to be widely published in advance, at least 30 days from the date of redemption, stating: (i) the effective date for early redemption and payment of debenture holders, (ii) if the redemption will be total or partial, and in this case, the procedure for partial redemption, as paragraph 1 of Article 55 of the Corporations Act, and (iii) the amount payable to debenture holders as a result of early redemption. The amount payable to debenture holders as a result of the Provision for Early Redemption will be equal to the Nominal Value or balance of the Face Value, if any, plus (i) remuneration calculated on a pro rata basis from the Issue Date or the last date of payment of remuneration, as appropriate, until the actual date of redemption and (ii) the redemption premium of 0.75% on volume of debentures redeemed, calculated pursuant to the Issue Deed.

h) When securities are debt instruments

i) Maturity date: Febuary 1, 2014

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest CDI + 3.7% per year
iii) Collateral No
iv) Species Unsecured
v) Restrictions: See comments above on accelerated maturity
vi) Trustee: Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários Planner Trustee DTVM Ltda. The trustee's compensation is R$4,000.00 per quarter, adjusted based on the IGP-M.

i) Conditions for changes to debentures' rights

The deliberations to be taken in a debenture holders meeting, should be approved by debenture holders, representing at least 75% of the outstanding Debentures.

The deliberations of the meeting of debenture holders on (i) changes in the conditions of the Debentures, including, among others, remuneration, type, duration, maturity, amortization, early redemption, prepayment, quorums and (ii) authorizations or permits (waivers) with respect to obligations of the Issuer shall obtain approval of debenture holders representing at least 95% of the outstanding Debentures.

j) Other significant characteristics

Interest Payment Date: quarterly

Amortization: 5 quarterly, consecutive installments starting May 25, 2010

Discretionary acquisition: The issuer may at any time acquire debentures outstanding for a price not higher than the face value or the face value balance, if applicable, plus interest computed on a pro rata basis from the issue date to the effective acquisition date, in accordance with paragraph 2 of article 55 of Corporate Law. The acquired debentures may be cancelled, held in treasury or placed again in the market.

4th issuance Debentures

a) Identification: Simple, nonconvertible debentures

b) Quantity: 300

c) Amount: R$300 million

d) Issue date: December 23, 2010

e) Circulation restrictions: Yes

f) Restriction descriptions:

The Debentures may only be traded by qualified investors in accordance with CVM Instruction 409, from August 18, 2004, after 90 (ninety) days of their subscription or acquisition by each qualified investor, in accordance with Article 13 from CVM Instruction 476.

g) Convertibility: No

h) Possibility of early redemption:

The Debentures may be fully or partially redeemed and/or amortized in advance, and the anticipated partial amortization, if it occurs, shall comprise 100% of the outstanding debentures, restricted to 95% of the Face Value or the balance of the Face Value, at any time.

i) When securities are debt instruments

i) Maturity date: December 1, 2015

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest TR + 8.25%-10.25% per annum

TR + 8.25% per year, for the portion of the proceeds from the 4th Debenture Issue not released for Company use, equivalent to the balance of the Settlement Account, as defined in the Indenture, or for the portion to be used to finance the housing units of the Financed Projects, representing a sales price lower than or equal to that

established by Resolution 460/04 issued by the Board of Trustees of the Government Severance Indemnity Fund (FGTS) for those units falling within the area parameters established for Low Income Housing; and

TR + 10,25% per year for the portion of the proceeds from the 4th Debenture Issue used to finance the housing units of the Financed Projects, representing a sales price above that established by Resolution 460/04 issued by the Board of Trustees of the Government Severance Indemnity Fund (FGTS) for those units falling within the area parameters established for Low Income Housing, but equal to or lower than the maximum value permitted for financing housing units through the Housing Finance System (SFH) ("Remuneration").

iii) Collateral Additional Guarantees

iv) Species Unsecured
v) Restrictions: See comments above on accelerated maturity
vi) Trustee: Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. The trustee's compensation is R$ 42,000.00 per year, adjusted based on the IGP-M.

j) Conditions for changes to debentures' rights

The deliberations to be taken in a debenture holders meeting, should be approved by debenture holders, representing at least 2/3 of the outstanding Debentures.

The deliberations of the meeting of debenture holders shall obtain approval of debenture holders representing at least 90% of the outstanding Debentures; on remuneration, payment dates, renegotiation or default.

k) Other significant characteristics

Interest Payment Date: the Remuneration will be paid in 10 six-monthly installments, the first after 6 months after the issuance date, calculated pro rata temporis since the date of Issue, and the last at maturity.

Amortization: Payment of the Nominal Value of the Debentures will be in 5 successive six-monthly installments, the first installment being on the 36th month, and the final payment on the 60th, both counting from the issuance date

5th issuance Debentures

a) Identification: Simple debentures

b) Quantity: 500,000

c) Amount: R$500 million

d) Issue date: July 15, 2011

e) Circulation restrictions: None

f) Convertibility: Not applicable

g) Possibility of early redemption: No

No early redemption of the Debentures, except in case of no agreement between the Company and the Debenture holders regarding the replacement rate in case of extinction, temporary unavailability or absence of verification of the DI rate.

h) When securities are debt instruments

i) Maturity date: July 1, 2016

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest CDI + 1.5% per year

iii) Collateral No

Additional Guarantees
The debentures will be guaranteed by the fiduciary assignment of credit rights from the sale of housing units from residential construction projects ("Receivables") whether they are financed by the proceeds from the Debentures ("Financed Project") or not;and by the fiduciary sale under guarantee of accounts linked to the 4th Issue and to the permitted investment of the proceeds from said issue and the proceeds from the payment of the Receivables; and by the fiduciary sale under guarantee of the sites of the Financed Projects, except those Financed Projects which will be funded by the Caixa Econômica Federal through from Crédito Associativo ("Additional Guarantees").

iv) Species Unsecured
v) Restrictions: See comments above on accelerated maturity
vi) Trustee: SLW CORRETORA DE VALORES E CÂMBIO LTDA. The trustee's compensation is R$12,000.00 per year, adjusted based on the IGP-M.

i) Conditions for changes to debentures' rights

The deliberations to be taken in a debenture holders meeting, should be approved by debenture holders, representing at least 75% of the outstanding Debentures.

The deliberations of the meeting of debenture holders on (i) changes in the conditions of the Debentures, including, among others, remuneration, type, duration, maturity, amortization, early redemption, prepayment, quorums and (ii) authorizations or permits (waivers) with respect to obligations of the Issuer shall obtain approval of debenture holders representing at least 95% of the outstanding Debentures.

j) Other significant characteristics

Interest Payment Date: the Remuneration will be paid in six-monthly installments, the first on January 1th, 2012.

Amortization: Payment of the Nominal Value of the Debentures will be in 2 equal installments, the first installment being on the 48th month, and the final payment on the 60th, both counting from the issuance date

6th issuance Debentures

a) Identification: Simple debentures

b) Quantity: 500,000

c) Amount: R$500 million (R$1,000 each)

d) Issue date: May 3, 2012

e) Circulation restrictions: None

f) Convertibility: Not applicable

g) Possibility of early redemption: No

h) When securities are debt instruments

i) Maturity date: May 3, 2017

Accelerated Maturity
The debentures may mature in advance under the case of non-compliance, by the issuer, with any obligation related to the debentures. One of which is the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest 1st series: CDI + 1.50% per year
2nd series: CDI + 1.55% per year

iii)	**Collateral**	No
iv)	**Species**	Unsecured
v)	**Restrictions:**	See comments above on accelerated maturity
vi)	**Trustee:**	Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A.. The trustee's compensation shall be R$5,500 per annum, adjusted based on IGP-M (general market price index).

i) Conditions for changes to debentures' rights

For the deliberations of a debenture holders meeting, every debenture holder is entitled to one vote, in person or represented by proxy. The deliberations to be taken in a debenture holders meeting, should be approved by debenture holders, representing at least 75% of the outstanding Debentures.

The deliberations of the meeting of debenture holders on (i) changes in the conditions of the Debentures, including, among others, remuneration, type, duration, maturity, amortization, early redemption, prepayment, quorums and (ii) authorizations or permits (waivers) with respect to obligations of the Issuer shall obtain approval of debenture holders representing at least 95% of the outstanding Debentures.

j) Other significant characteristics

Interest Payment Date: the Remuneration will be paid in six-monthly installments up to maturity date, the first on November 3, 2012.

Amortization of the 1st Series: Payment of the Nominal Value of the Debentures will be in 2 annual, equal and sequent installments, starting from the end of the 4th year

Amortization of the 2nd Series: Payment of the Nominal Value of the Debentures will be in 2 annual, equal and sequent installments, starting from the end of the 5th year

Number of Debentures: 500,000, being 500,000 Debentures of the 1st Series and 0 of the 2nd Series.

7th issuance Debentures

a) Identification: Simple, nonconvertible debentures

b) Quantity: 30,000

c) Amount: R$300 million (R$10,000 each)

d) Issue date: December 05, 2014

e) Maturity date; December 05, 2016

f) Circulation restrictions: Yes

g) Restriction descriptions:

The Debentures may only be traded by qualified investors in accordance with Article 4 from CVM Instruction 476 and with Article 109 from CVM Instruction 409, from August 18, 2014, after 90 (ninety) days from the subscription or acquisition by each qualified investor, in accordance with article 13 from CVM Instruction 476.

h) Convertibility: No

i) Possibility of early redemption: No

j) Characteristics of the Securities:

i) Maturity date:

December 05, 2016

Accelerated maturity: The Debentures may mature in advance in the event of noncompliance, by the Company, of obligations related to the Debentures, in accordance with the Issuance Deed concluded between the Company and the Trustee. Among other events of early maturity provided in the Issuance Deed, the failure to maintain the financial indices determined and reviewed on a quarterly basis by the Fiduciary Agent: (Net Debt+Real Properties

Payable)/(Shareholders' Equity < 0.65); and (Receivables + Unearned Income + Inventories)/ (Net Debt+ Real Properties Payable + Unexpired Cost) >1.6 or < 0.

ii) Interest CDI + 1.60% per year

iii) Collateral No
iv) Species Unsecured
v) Restrictions: See comments above on accelerated maturity
vi) Trustee: Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários. The trustee's compensation shall be R$2,500 per annum, adjusted based on IGP-M (general market price index).

k) Conditions for changes to debentures' rights

For the deliberations of a debenture holders meeting, every debenture holder is entitled to one vote, in person or represented by proxy. The deliberations to be taken in a debenture holders meeting, should be approved by debenture holders, representing at least 75% of the outstanding Debentures.

The deliberations of the meeting of debenture holders on (i) changes in the conditions of the Debentures, including, among others, remuneration, type, duration, maturity, amortization, early redemption, prepayment, quorums and (ii) authorizations or permits (waivers) with respect to obligations of the Issuer shall obtain approval of debenture holders representing at least 95% of the outstanding Debentures.

l) Other significant characteristics

Interest Payment Date: the Remuneration will be paid semiannualy in June and December, from the issuance date, with the first installment on June 05, 2015 up to maturity date.

Amortization: The Face Value will be payed in full in the maturity date.

Promissory Notes

a) Identification: Nota Promissória

b) Quantity: 100

c) Amount: R$100 million

d) Issue date: March 26, 2009

e) Circulation restrictions: Yes. The Debentures may only be traded among qualified investors, as defined in terms of CVM 409 of August 18, 2004 ("Qualified Investor") after the expiration of ninety (90) days of their subscription or acquisition by each Qualified Investor, pursuant to article 13 of CVM Instruction 476

f) Convertibility: Not applicable

g) Possibility of early redemption:

Early redemption by the issuer with express consent of the respective holder, at the subscription date and payment of the simple debentures, not convertible into shares, with collateral, of the second issuance of the Issuer, which will be subject to public offering, with restricted distribution efforts under the CVM Instruction 476, outside of the first program of distribution of debentures of the Issuer, to be mediated by the Leading Coordinator, under the current regulations.

Regarding When the subscription/purchase of the Promissory Note, the holder has given his agreement with the terms and conditions of the Redemption, as described in the letter.

The Buyback will be made upon payment of the Par Value plus Remuneration, calculated pro rata from the Issue Date until the effective date of Redemption.

(i) If there is no issue of Debentures, the Issuer may apply the Early redemption of the Promissory Note, upon payment of the Par Value plus compensation calculated on a pro rata basis, provided that it communicates by writing with five (5) working days in advance.

h) When securities are debt instruments

i)	**Maturity date:**	June 24, 2009
ii)	**Interest**	CDI + 3.7% per year
iii)	**Collateral**	No
iv)	**Species**	Unsecured
v)	**Restrictions:**	See comments above on accelerated maturity
vi)	**Trustee:**	/

i) Conditions for changes to debentures' rights

No prevision

j) Other significant characteristics

In March 2009, we completed our 1st issue of promissory notes for public distribution on a restricted efforts placement basis, in conformity with CVM Instruction No. 476, in a single series, with a fixed charge over cash investments, in the total amount of R$100.0 million, due on June 24, 2009. The promissory notes were redeemed in advance on June 23, 2009, which was the subscription and payment date of 2nd series debentures issued for public distribution on a restricted efforts placement basis under the promissory notes deed.

The promissory notes paid rates of interest on face value, equivalent to 100% of the CDI (interbank deposit rate) plus spread of 3.70% per year.

The promissory notes contained restrictive covenants requiring compliance with the same financial ratios as for the 1st issue of debentures.

18.6. Brazilian markets in which Company's securities are admitted for trading

The Company's shares are admitted for trading on the BM&FBOVESPA S.A.

The 1st issuance of debentures are listed for trading on the secondary market through the SND (national debenture system), managed by CETIP.

The 2nd issuance of debentures are listed for trading in the secondary market through: 1) SND managed by CETIP and 2) BOVESPAFIX and SOMAFIX, trading markets for assets managed by BM&FBOVESPA.

The 3rd issuance of debentures are listed for trading in the secondary market i) through SDT and/or SND both managed by CETIP and/or ii) through DDA and/or BOVESPAFIX, both managed by BM&FBOVESPA.

The 4th issuance of debentures are listed for trading on the secondary market through the SND (national debenture system), managed by CETIP.

The 5th issuance of debentures are listed for trading on the secondary market through the SND (national debenture system), managed by CETIP.

The 6th issuance of debentures are listed for trading on the secondary market through the SND (national debenture system), managed by CETIP.

The 7th issuance of debentures are listed for trading on the secondary market through the CETIP21 – Securities ("CETIP21"), managed by CETIP.

18.7. Securities admitted for trading in foreign markets

On March 17, 2009, CVM approved (under No. CVM/SER/RDR/2009/006) American Depositary Receipts (ADRs) programs abroad, with issue of Level 1 sponsored depositary receipts for trading in the United States market under the symbol "MRVNY".

Under the ADR program, Bradesco is the custodian institution for our common shares in Brazil and The Bank of New York Mellon is the depositary bank in the United States responsible for issuing depositary receipts at a ratio of one depositary receipt to two common shares.

a) country

United States of America

b) market

MRV's ADRs trade on the over-the-counter market under number CUSIP 553479106, number ISIN US5534791067 and symbol MRVNY.

c) market entity in which securities are admitted for trading

OTC Markets Group, the largest electronic trading system for intermediaries and trading technology and financial information provider for over-the-counter securities.

d) date securities were admitted for trading

Trading on the OTC started on March 31, 2009.

e) indicate trading segment, if any

MRV trades on the OTCQX.

OTCQX is the top tier of the OTC market. Exclusively for companies that meet the highest financial standards and undergo a qualitative review. Investor focused companies use the quality-controlled OTCQX platform to offer investors transparent trading, superior information, and easy access through their regulated U.S. broker-dealers. The innovative OTCQX platform offers companies and their investors a level of marketplace services formerly available only on a U.S. exchange.

f) effective date of listing in the trading market

The Company began trading on the OTCQX on December 2, 2009

g) percentage of trading amount abroad in relation to total trading amount of each class and type for last year

Volume (thousand)	**2011**	**2012**	**2013**
OTCQX (US$)	$ 91,337	$ 60,695	$ 17,602
BRL/USD (12/31)	1,8758,	2,0495,	2,3426,
OTCQX (R$)	R$ 171,329	R$ 124,393	R$ 41,235
BM&FBovespa	R$ 14,711,180	R$ 15,969,995	R$ 10,624,138
OTCQX/BM&FBovespa	1.16%	0.78%	0.39%

h) depositary shares abroad, if any, in relation to each class and type of shares

The ratio is 1 depositary share to 2 common shares.

i) depositary bank, if any

The Bank of New York Mellon is the depositary bank in the United States.

j) custodian institution, if any

Banco Bradesco SA is the custodian institution for MRV's common shares in Brazil.

18.8. Public offerings made by the Company or by third parties, including controlling companies and affiliated and subsidiary companies, for Company's securities

Shares

On July 23, 2007, our shares began to trade on the *Novo Mercado* segment of the BM&FBOVESPA, under the symbol "MRVE3" under our primary and secondary offering of common shares. The offering was conducted in Brazil in the non-organized over-the-counter market for institutional and non-institutional investors, with placement efforts abroad, based on registration exemptions under Securities Act of 1933. The offering closing was announced on August 6, 2007, with the distribution of 45,900,000 common shares for the price of R$26.00 per common share, totaling R$1,193,400,000.00, as follows: (i) 41,198,277 common shares issued by the Company, amounting to R$1,071,155,202.00; and (ii) 4,701,723 common shares issued by the Company and owned by selling shareholders, amounting to R$122,244,798.

On June 24, 2009, we, together with Autonomy, conducted a primary and secondary offering of common shares in Brazil in the non-organized over-the-counter market for institutional and non-institutional investors, with placement efforts abroad, based on registration exemptions under Securities Act of 1933. The offering closing was announced on July 15, 2009, with the distribution of 29,475,000 common shares for the price of R$24.50 per common share, totaling R$722,137,500.00, as follows: (i) 24,300,000 common shares issued by the Company, amounting to R$595,350,000.00; and (ii) 5,175,000 common shares issued by the Company and owned by Autonomy, amounting to R$126,787,500.00.

Other securities

Debentures – 1st issue

In July 2008 we introduced our debenture distribution program in the amount of up to R$1.3 billion and concurrently there was the first issue of debentures not convertible into shares for public distribution. For further information, please refer to item 18.5 of this form.

Promissory notes

In March 2009, we completed our first issue of promissory notes of a single series on a restricted efforts basis under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

Debentures – 2nd issuance

In June 2009, we completed our public distribution of debentures on a restricted efforts basis under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

Debentures – 3rd issuance

In March 2010, we completed our public distribution of debentures with firm guarantee of placement under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

Debentures – 4th issuance

In December 2010, we completed our public distribution of debentures on a restricted efforts basis under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

Debentures – 5th issuance

In July 2011, we completed our public distribution of debentures on a restricted efforts basis under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

Debentures – 6th issuance

In May 2012, we completed our public distribution of debentures with firm guarantee of placement under CVM Instruction No. 476. For further information, please refer to item 18.5 of this form.

18.9. Tender offers for shares issued by third parties

Not applicable.

18.10. Other material information

No other information considered material.

Buyback Plans and Treasury Shares

19.1. Provide the following information about issuer's stock buyback plans

a) Date	Repurchase period	Available Reserves and Profits (R$)	Species	Class	Estimated Quantity (units)	% of approved in relation to total in circulation	Approved acquired quantity	Weighted average price	Quote factor	% acquired
08/10/2011	08/10/2011 – 08/09/2012	445,179,000	Common	/	10,000,000	3.34	6,347,500	10.66	R$/unit	63,5
07/09/2012	08/10/2012 – 08/09/2014	686,778,000	Common	/	9,730,000	3.30	7,495,100	6,89	R$/unit	77,0
03/17/2014	03/18/2014 - 03/17/2015	774,348,000.00	Common		15,000,000	5.17	15,000,000	6.96	R$/unit	100.0
06/02/2014	06/03/2014 – 06/02/2015	774,348,000.00	Common		20,000,000	7.15	13,091,100	7.78	R$/unit	65.46

b. with respect to each plan

BUYBACK PLAN 2011
other important characteristics:
(1) the operations will be carried out on the stock exchange at market prices and will be brokered by SANTANDER CCVM S/A with head office at Avenida Presidente Juscelino Kubitschek, 2.041, 2.235 part – 24th floor – São Paulo/SP; CREDIT SUISSE BRASIL S.A. CTVM with head office at Avenida Brigadeiro Faria Lima, 3.064 13th floor - São Paulo/SP; BRADESCO S.A. CTVM with head office at Avenida Paulista, 1.450 7th floor - São Paulo/SP; BTG PACTUAL CTVM S.A. with head office at Avenida Brigadeiro Faria Lima, 3.729 10th floor - part - São Paulo/SP; ITAÚ CV S/A with head office at Avenida Brigadeiro Faria Lima, 3.400 10th floor - São Paulo/SP; FLOW CCTVM, with head office at Rua Joaquim Floriano, 100 conjunto 121 - São Paulo/SP or H.H. PICCHIONI S.A. CCVM with head office at Avenida Bernardo Monteiro, 1.539 – Belo Horizonte/MG; without any reduction in the capital stock, using the funds available in the profit or capital reserves, and are aimed at maximizing value generation for shareholders;
(2) the sum of the total price of the Shares acquired and the product of the number of shares and the respective price will not exceed the Available Reserves.

BUYBACK PLAN 2012-2013
other important characteristics:
(1) the operations will be carried out on the stock exchange at market prices and will be brokered by SANTANDER CCVM S/A with head office at Avenida Presidente Juscelino Kubitschek, 2.041, 2.235 part – 24th floor – São Paulo/SP; CREDIT SUISSE BRASIL S.A. CTVM with head office at Avenida Brigadeiro Faria Lima, 3.064 13th floor - São Paulo/SP; BRADESCO S.A. CTVM with head office at Avenida Paulista, 1.450 7th floor - São Paulo/SP; BTG PACTUAL CTVM S.A. with head office at Avenida Brigadeiro Faria Lima, 3.729 10th floor - part - São Paulo/SP; ITAÚ CV S/A with head office at Avenida Brigadeiro Faria Lima, 3.400 10th floor - São Paulo/SP; FLOW CCTVM, with head office at Rua Joaquim Floriano, 100 conjunto 121 - São Paulo/SP or H.H. PICCHIONI S.A. CCVM with head office at Avenida Bernardo Monteiro, 1.539 – Belo Horizonte/MG; without any reduction in the capital stock, using the funds available in the profit or capital reserves, and are aimed at maximizing value generation for shareholders;
(2) the sum of the total price of the Shares acquired and the product of the number of shares and the respective price will not exceed the Available Reserves;
(3) Up to a maximum of 10,000,000 shares will be repurchased, deduced from the amount of shares bought back on the current Share Buyback Program between July 9, 2012 and its expiration on August 09, 2012;
(4) On June 18, 2013 the Meeting of the Board of Directors approved the extension for 365 days as of 10 August, 2013, of the Share Buyback Program approved on the Meeting of the Board of Directors on 9 July, 2012. The Board of Directors established that 8,580,000 is the maximum amount of Shares, deduced from the amount of shares bought back on the current Share Buyback Program between June 18 and its expiration on August 09, 2013.

BUYBACK PLAN 2014 I
other important characteristics:
(1) the operations will be carried out on the stock exchange at market prices and will be brokered by SANTANDER CCVM S/A with head office at Avenida Presidente Juscelino Kubitschek, 2.041, 2.235 part – 24th floor – São Paulo/SP; CREDIT SUISSE BRASIL S.A. CTVM with head office at Avenida Brigadeiro Faria Lima, 3.064 13th floor - São Paulo/SP; BRADESCO S.A. CTVM with head office at Avenida Paulista, 1.450 7th floor - São Paulo/SP; BTG PACTUAL CTVM S.A. with head office at Avenida Brigadeiro Faria Lima, 3.729 10th floor - part - São Paulo/SP; ITAÚ CV S/A with head office at Avenida Brigadeiro Faria Lima, 3.400 10th floor - São Paulo/SP; FLOW CCTVM, with head office at Rua Joaquim Floriano, 100 conjunto 121 - São Paulo/SP or H.H. PICCHIONI S.A. CCVM with head office at Avenida Bernardo Monteiro, 1.539 – Belo Horizonte/MG; without

any reduction in the capital stock, using the funds available in the profit or capital reserves, and are aimed at maximizing value generation for shareholders;
(2) the sum of the total price of the Shares acquired and the product of the number of shares and the respective price will not exceed the Available Reserves;

BUYBACK PLAN 2014 II
other important characteristics:
(1) the operations will be carried out on the stock exchange at market prices and will be brokered by SANTANDER CCVM S/A with head office at Avenida Presidente Juscelino Kubitschek, 2.041, 2.235 part – 24th floor – São Paulo/SP; CREDIT SUISSE BRASIL S.A. CTVM with head office at Avenida Brigadeiro Faria Lima, 3.064 13th floor - São Paulo/SP; BRADESCO S.A. CTVM with head office at Avenida Paulista, 1.450 7th floor - São Paulo/SP; BTG PACTUAL CTVM S.A. with head office at Avenida Brigadeiro Faria Lima, 3.729 10th floor - part - São Paulo/SP; ITAÚ CV S/A with head office at Avenida Brigadeiro Faria Lima, 3.400 10th floor - São Paulo/SP; FLOW CCTVM, with head office at Rua Joaquim Floriano, 100 conjunto 121 - São Paulo/SP or H.H. PICCHIONI S.A. CCVM with head office at Avenida Bernardo Monteiro, 1.539 – Belo Horizonte/MG; VOTORANTIM CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS, com endereço na Av. das Nações
Unidas, 14.171, Torre A – 14th floot – Vila Gertrudes – São Paulo/SP, CEP: 04794-000 without any reduction in the capital stock, using the funds available in the profit or capital reserves, and are aimed at maximizing value generation for shareholders;
(2) the sum of the total price of the Shares acquired and the product of the number of shares and the respective price will not exceed the Available Reserves;

19.2. With respect to acquisition of shares held in treasury, indicate quantity, total amount and weighted average acquisition price, in tabular format, segregated by type and class

01/26/2015	Quantity of Common Shares (Unidades)	Total Value (R$)	Weighted Average Price
Initial	3,323,400	24,556,949.19	7.39
Acquisition	400,000	2,824,672.00	7.06
Alienation*	0	0,00	
Cancellation	0	0,00	
Final	3,723,400	27,381,621.19	7.35

12/31/2014	Quantity of Common Shares (Unidades)	Total Value (R$)	Weighted Average Price
Initial	9,338,111	82,877,805.49	8.88
Acquisition	31,161,100	228,676,356,75	7.34
Alienation*	3,094,152	1,035,509.54	0.33
Cancellation	34,081,659	261,359,166.33	7.67
Final	3,323,400	24,556,949.19	7.39

*Observation: Transfer of shares held in treasury to the benefitiaries of Program I of the Company's Stock Options Plan.

12/31/2013	Quantity of Common Shares (Unidades)	Total Value (R$)	Weighted Average Price
Initial	5,313,011	56,487,474.96	10.63
Acquisition	4,025,100	26,390,330.53	6.56
Alienation			
Cancellation			
Final	9,338,111	82,877,805.49	8.88

12/31/2012	Quantity of Common Shares (Unidades)	Total Value (R$)	Weighted Average Price
Initial	3,092,204	36,086,217.67	11.67
Acquisition	3,255,200	31,592,976.00	9.71
Alienation	150,000	1,748,658.05	11.66
Cancellation	884,393	9,443,060.66	10,68
Final	5,313,011	56,487,474.96	10.63

12/31/2011	Quantity of Common Shares	Total Value (R$)	Weighted Average Price
Initial	0	0	n/a
Acquisition	3,092,300	36,087,338.00	11.67
Alienation	96	1,120.33	11.67
Cancellation	0	0	n/a
Final	3,092,204	36,087,217.67	11.67

12/31/2010	Quantity of Common Shares	Total Value (R$)	Weighted Average Price
Initial	0	0	n/a
Acquisition	0	0	n/a
Alienation	0	0	n/a
Cancellation	0	0	n/a
Final	0	0	n/a

19.3. Indicate shares held in treasury as of the last fiscal year-end, in tabular format, segregated by type and class.

Not applicable.

12/31/2013	Quantity of Common Shares	Total Value (R$)	Weighted Average Price	% of shares in free float
Final	9,338,111	82,877,805.49	8.88	1.96%

19.4. Other material information

No other information considered material.

Securities Trading Policy

20.1. Policy for trading of securities issued by the Company by direct or indirect controlling shareholders, members of board of directors, audit committee and any other technical or consultative committees established under bylaws

a) Date of approval

March 13, 2013.

b) Binded parties

Officers, members of the Board of Directors, Fiscal Council and bodies with technical or advisory duties to be created by Bylaws provisions, as well as executive officers, managers, employees holding the Company shares and others who in view of title and position held at the Company, its subsidiaries or associated companies have or may have access to material information
c) Principal characteristics

The Company designates the Investor Relations Officer ("IRO") as the officer liable for the execution, oversight and management of this Trading Policy and for all communication between the Company and the Brazilian Securities and Exchange Commission ("CVM") and the Stock Exchanges, as well as between the Company and the market, investors and analysts.

Doubts related to this present Trading Policy, construal of applicable rules and/or about the possibility or not of certain trades with securities issued by the Company and not provided for herein shall be clarified with the IRO.

The Personal Trading Plan means the individual plans for the trading of securities issued by the Company which may be drawn up by either Binding Party and through which these persons indicate their intention of investing with their own funds or divest in the long term in the Company securities.

Once observed the prohibitions, the Binding Parties are authorized to trade the Company securities, as long as the trade is based on the Personal Trading Plan, previously filed at the Company's head offices, with the Investor Relations Officer. For this effect, the Personal Trading Plan shall be filed at the company for more than thirty (30) days, including any amendments.

The Personal Trading Plan can neither be filed nor altered if there is any material act or fact pending that the interested party is aware of.

The Investor Relations Officer may refuse to file the Personal Trading Plan at the Company which disagrees with this present Policy or prevailing laws.

Personal Trading Plans shall mandatorily indicate if the plan is of investment or divestment, as well as the approximate volume of resources that the interested party plans to invest or the approximate number of securities to be traded, within validity term set forth in the Personal Plan, which cannot be less than twelve (12) months and once expired, the interested party shall submit a brief report on related development.

The securities acquired based on the Personal Trading Plan may not be sold before sixty (60) days as of the date of their acquisition. We understand that during the sixty-(60) day period, the shareholding may not be less than the amount acquired based on the Personal Trading Plan as of said acquisition.

The Binding Parties which failed to comply with any provision of this Trading Policy undertake to fully indemnify the Company and/or other Binding Parties for damages to be incurred directly or indirectly deriving from this default.

This present Policy may not be altered if there is any material act or fact pending disclosure.d) Blackout periods and description of procedures adopted to monitor trading in said periods

The Company and Binding Parties may not directly or indirectly trade securities issued by the Company:

a) In the period between the date they took cognizance of a material information until the date of its disclosure to the market. Material information means any and all information that may cause an economic impact on the Company or on the value of its shares;
b) If there is any intention of promoting incorporation, total or partial spin-off, merger or corporate transformation or restructuring;
c) In the period between the decision taken by the appropriate corporate body of increasing share capital, distributing dividends and paying interest on equity, bonus shares or derivatives or approving stock split and the publication of related notices or announcements;
d) within fifteen (15) days prior to the disclosure of the quarterly financial information (ITR) and annual financial information (DFP and IAN) of the Company; and

The prohibitions provided for in letters “a” and “b” of this article shall no longer be effective as soon as the Company discloses the material fact to the market, unless if the stock trading may interfere with trade conditions, to the detriment of the Company’s shareholders or the Company itself.

The prohibitions provided for in letters “a” and “b” of this article shall not apply to the acquisition of treasury shares through private trading, deriving from the call option exercise pursuant to the stock option plan approved at the shareholders’ meeting, as well as shall not apply to the trades based on the Personal Trading Plan.

For the purposes of the aforementioned, indirect trades are those in which the Company or Binding Parties, where applicable, although they do not conduct the trades, they have control and decision-making power on the trades.

For the purposes of the aforementioned and Article 20 of CVM Rule 358/02, indirect trades are not those conducted by investment funds to which the Binding Parties and other persons mentioned herein are quotaholders, as long as these are not stand-alone investment funds and fund manager’s trading decisions cannot be influenced by quotaholders.

The trading of securities issued by the Company by Binding Parties, during non-trading periods or in the occurrence of non-trade assumptions provided for herein may be exceptionally authorized by the Company’s Executive Board, by means of written request containing the justification for such trading.

The persons below are also prevented from trading securities issued by the Company, as long as they are aware of material act or fact not yet disclosed:

a) those maintaining business, professional or trust relationship with the Company, such as independent auditors, securities analysts, consultants and institutions composing the distribution system, who shall verify the disclosure of information before the trade of securities issued by the Company or referred thereto; and
b) managers to leave the Company’s Management before the public announcement of business or fact initiated during their managerial period within six (6) months after their withdrawal or disclosure of material fact to the market, prevailing which occurs first.

Likewise, the following persons are forbidden to trade:

a) investment funds and portfolio managers, companies, institutions or entities to which the Binding Parties are the sole quotaholders or shareholders or in which may influence trading decisions.
b) any legal entity directly or indirectly controlled by the Binding Parties; and
c) any person who had access to material act or fact through any Binding Parties and persons prevented from trading, such as, but not limited to their spouses, partners and descendants.

For the purposes of item (c) above, the Binding Parties undertake to make all their spouses, partners and descendants cognizant of this present Policy.

In order to ensure the aforementioned provision, the Binding Parties shall notify the Company’s Investor Relations Officer about those who had access to information referring to the Company’s Material Fact not yet disclosed and shall endeavor their best efforts so that they sign the statement of adhesion to the Company’s Trading Policy.

The Board of Directors shall be forbidden to resolve on the acquisition or sale of the Company shares, while the following information is not publicly known through a material fact:

a) execution of any agreement or contract aiming the transfer of the Company’s controlling interest;
b) granting of option or proxy in order to transfer the Company’s controlling interest; or
c) the intention of promoting incorporation, total or partial spin-off, merger, corporate transformation or restructuring.

If, once approved by the Company the stock buyback program, occurs any of the events referred to, the Company shall suspend its stock trades, until related material fact is disclosed.

20.2. Other material information

All material information pertinent to this topic has been disclosed in the items above.

Information disclosure policy

21.1. Rules, regulations or internal procedures adopted by the Company to ensure that information to be disclosed to the public is gathered, processed and published in an accurate and timely manner

The disclosure and communication of Material Information about the Company shall be made by the Investor Relations Officer who is responsible for dissemination of material information in the most efficient manner possible, considering the political-administrative, technical, business or financial-economic interests of the Company. The Investor Relations Officer promotes the material information disclosure and communication to the market and relevant public and private agencies.

The controlling shareholders, executive officers and directors, members of the fiscal council and professionals must (i) communicate to the Investor Relations Officer any material information about the Company of which they have knowledge; (ii) ensure that all documents related to the material information are circulated with confidentiality and restricted access notice and, also, that mails or e-mails are addressed to reliable persons aware of their confidential nature, observing the Company's electronic mail security standards; (iii) communicate immediately to the Investor Relations Officer any suspicion or occurrence of information leak within their restricted and determinable environment.

The controlling shareholders, executive officers and directors, members of the fiscal council and professions who have knowledge of material information about the Company that notice, after communicating the material information to the Investor Relations Officer, the unjustified omission by the Investor Relations Officer, must communicate the Material Information in question to the CVM. Omission shall not be considered unjustified when it refers to circumstances in which, in the opinion of the controlling shareholders and the Investor Relations Officer, there are reasons to keep Material Information about the Company confidential, to protect the political-administrative, technical, business or financial-economic interests of the Company.

21.2. Material fact disclosure policy adopted by the Company (including procedures for keeping undisclosed material information confidential)

Our Information Disclosure Policy was approved at the Board of Directors' meeting held on June 8, 2009.

The Investor Relations Officer must disclose the material information about the Company to the market immediately or as soon as possible (i) in any newspaper with large nationwide circulation usually used by the Company and (ii) if deemed necessary, by any other relevant means of communication.

The disclosure of material information in the manner above may, at the discretion of the controlling shareholders and the Investor Relations Officer, be in the summary form, indicating the website where the complete material information about the Company may be obtained, with the same content as that submitted to the CVM and to the trading markets.

The disclosure of material information about the Company must occur, whenever possible, before the start or after the end of transactions on trading markets. If needed, the Investor Relations Officer may disclose the material information about the Company within the trading time on trading markets and request suspension of trading for an adequate period for information dissemination.

The Investor Relations Officers and, in the event of his unjustified omission, the controlling shareholders, members of the fiscal council and other professionals must communicate the material information about the Company to the CVM and to the trading markets, in accordance with CVM Instruction No. 358.

Until disclosure to the market as indicated above, the controlling shareholders, directors, officers, members of the fiscal council and professionals must keep confidentiality of any material information about the Company of which they have knowledge, as well must their subordinates and trustworthy third parties act in the same manner, under penalty of joint liability, in conformity with Corporate Law.

At the discretion of the controlling shareholders and officers and directors and according to the provisions of the item below, material information about the Company may not be disclosed or disclosed immediately for the purpose of protecting the political-administrative, technical, business and financial-economic interests of the Company according to article 6 of CVM Instruction No. 358.

In the hypothesis of the preceding paragraph, the following shall be considered:

(i) the controlling shareholders or officers or directors who decide to keep confidentiality for the benefit of the Company must communicate immediately and formally to the Investor Relations Officer the fact considered material, with information necessary for correct understanding.

(ii) the Investor Relations Officer or also other officers or directors or controlling shareholders of the Company – the last two groups, through simultaneous communication to the Investor Relations Officer – may request confidentiality analysis by the CVM, provided that the request is addressed to the CVM's president in a registered envelope bearing a

legend stating the mail is confidential. If the CVM decides that the material information should be disclosed, it will also determine communication to the trading markets and to the organized over-the-counter market in which securities are admitted for trading;

(iii) in any hypothesis of confidentiality of material information, with occurrence of situations that fall into the item "Unusual Situations" or when the situation goes beyond control of addressees, the Investor Relations Officer must be immediately informed and must adopt the procedures set forth in item (ii) above or immediately disclose the respective material fact, which shall not exempt the controlling shareholders and directors and officers from their responsibility for disclosure.

If (i) there is any unusual fluctuation in quotation, price or trading amount of securities or (ii) the undisclosed material information is made public, the Investor Relations Officer or the persons who have access to the material information must immediately disclose the material information in accordance with the Information Disclosure Policy of the Company and prevailing legislation.

Observing the provisions of the preceding item, the Investor Relations Officer (i) must make inquiries of persons who have access to material fact or information to determine if they have knowledge of information about MRV that should be disclosed to the market, and (ii) may request suspension of trading of securities for the period necessary for adequate dissemination of material information.

21.3. Officers and directors responsible for implementing, maintaining, assessing and overseeing the information disclosure policy

Subject to compliance with provisions of the information disclosure policy and applicable legislation, the Investor Relations Officer is responsible for making decisions on disclosures to the market and communication of material information about the Company to the relevant public and private agencies.

The Board of Directors may at any time, make changes to this Disclosure Policy, which shall be promptly notified by the Director of Investor Relations to its recipients, the CVM, to Trading Markets and market entities in which the securities issued by the Company are admitted to trading, being applied to all from the data of knowledge.

If a legislative amendment might alter the rules, in particular to CVM Instruction 358, this amendment will supersede the provisions of this Disclosure Policy and the Board will provide for its amendment.

The Chief Financial Officer is responsible for this Disclosure Policy evaluation and control.

21.4. Other material information

All material information pertinent to this topic has been disclosed in the items above.

Extraordinary businesses

22.1. Acquisition or disposal of any material asset not related to the normal business activities of the Company

Not applicable, since there were no acquisitions or disposals of any material asset not related to the normal business activities of the Company.

22.2. Significant changes in the way of Company doing business

No significant changes in the way of Company doing business.

22.3. Material contracts entered into between the Company and its subsidiaries not directly related to the operating activities

There are no contracts entered into between the Company and its subsidiaries that are not directly related to their main activities.

22.4. Other material information

All material information pertinent to this topic has been disclosed in the items above.