



Belo Horizonte, May 11, 2017: LOG Commercial Properties e Participações S.A. (“LOG” or “Company”) announces today the results of the first quarter of 2017 (1Q17). The financial information is presented in thousands of Reais (R\$ thousand), except where otherwise indicated, and is based on the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS), approved by the Brazilian Securities Committee (“CVM”) and the Federal Accounting Council (CFC) and all pronouncements issued by Accounting Pronouncements Committee (CPC).

LOG COMMERCIAL PROPERTIES ANNOUNCES THE 1Q17 RESULTS

HIGHLIGHTS

- » Warehouses Vacancy rate improvement, dropping from 15.1% in the 1Q16 to 13.7% in the 1Q17;
- » Gross absorption in the first four months reached 75 thousand sq.m. of GLA, getting to a vacancy rate of 11.4% on April 30, 2017, the lowest rate since July 2012;
- » Adjusted FFO increase by 7.1% comparing 1Q17 to 4Q16;
- » Stable Adjusted EBITDA Margin in 1Q17 in relation to 4Q16 being 81.3%;
- » Accumulated net delinquency rate in the last 12 months of only 0.16% at the end of the 1Q17.

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MANAGEMENT COMMENTS

Is with great satisfaction and optimism that we present our operating and financial results to the market at the end of the first quarter of 2017.

The year began with better data for the economy specially with the perception of the market in the resumption of GDP growth. The industrial confidence index for example, increased 44% in March 2017, in comparison with March 2016, already producing impacts in the capital goods production, an important investment indicator, which increased 4% in the same period, according to the Brazilian Central Bank. The inflation measured by the IPCA reached 4.57% in the last twelve months, at the end of March 2017. The Selic rate, on the other hand, that at the end of the 4Q16 was at 13.75%, reached 11.25% in April, and according to the Focus Report the forecast is to reach 8.50% at the of the year.

This new scenario and the new market perspectives give us confidence and security to keep investing and growing, certain that we will be ready for a better economic moment. So we can be aligned with such expectations, we count on a robust portfolio of assets, of which a significant part is already licensed , which allow us to begin the construction at the moment that we identify potential demand, on top of investments in expansion are our assets that are already in operation, always considering the financial health of the Company and the value generation for the shareholders.

With the objective to improve our capital structure and to reduce our debt level, we made a R\$250 million capital increase. This increase allows us to keep investing through the year of 2017 and to reduce the Company's financial leverage. The improvement in our capital structure impacted positively in the financial revenue in the 1Q17, resulting in a 7% higher Adjusted FFO in comparison with the 4Q16.

The Company remains focused on building assets with high leasing potential and in some cases, assets which we already have pre-lease contracts. Still in the first quarter of the year of 2017, we keep seeking to qualify our customer base, considering a liquidity strategy, attracting high level clients and reducing our risks with those who evidence some sort of financial problem. Certain contracts were interrupted during the quarter, however we maintained a lower than the market vacancy rate, reaching 11.4% at the end of April, the lowest vacancy rate ever since July, 2012. Despite that, our net delinquency rate over 30 days, in the last twelve months was only 0.16% at the end of the 1Q17, despite of our net revenue has remained practically stable in comparison with 1Q16.

In 1Q17, compared with 1Q16, we saw increase demand in the Company's warehouses business. This increase shows an initial economy growth resumption, but above all, the demand of clients for assets with higher quality with lower prices. In the first four months of 2017, we had new leases and contract renewals of approximately of 75 thousand sq. m. of GLA (being 47 thousand sq.m of GLA in new contracts, and 28 thousand sq.m of GLA in renewals), corroborating the quality of our assets and clients.

The Company's diversified strategy, maintaining our presence in consolidated markets, such as Rio-São Paulo, and under development markets, such as South, Northeast, mid-West regions, and in out-of-axis states in the Southeast region, with low competition and solid potential, has shown itself successful in low economic activities periods as well as in higher growth periods, being corroborated by a vacancy rate substantially below if compared to the market, in the type A



warehouses, and a longer delinquency rate of the contracts receivables, showing our team's and our customer's quality.

The Company continues to consider additional resources, either through a new capital increase or asset divestment, depending on commercial and market conditions, or a combination of both, aiming at new investments and strengthening capital structure and financial strength.

Management remains committed to generate value, to the business and the maintenance of a long-term vision, in order to sustain growth with profitability. We are optimistic about the future, sure about the quality of our operation, focused in geographic diversification, constructing costs management and our customers operations, also in the value generation by the development of assets and in the quality of these assets among its acting markets.



OPERATING AND FINANCIAL HIGHLIGHTS

Operating Highlights (in GLA sq.m, in %LOG)	31/Mar/17 Accum.	31/Mar/16 Accum.	31/Mar/17 x 31/Mar/16
Potential Portfolio	1,558,804	1,276,099	22.2%
Warehouses	1,486,153	1,220,346	21.8%
Retail *	72,651	55,754	30.3%
Approved GLA	1,051,781	1,018,084	3.3%
Warehouses	1,031,402	997,318	3.4%
Retail *	20,379	20,766	-1.9%
Delivered GLA	654,546	621,968	5.2%
Warehouses	636,831	606,777	5.0%
Retail *	17,715	15,191	16.6%

Financial Highlights (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 x 4Q16	1Q17 x 1Q16
Net Operating Revenues	23,988	24,521	24,064	-2.2%	-0.3%
EBITDA	19,976	(6,093)	20,496	-427.9%	-2.5%
EBITDA Margin (%)	83.3%	-24.8%	85.2%	108.1 p.p.	-1.9 p.p.
Adjusted EBITDA **	19,513	19,961	19,812	-2.2%	-1.5%
Adjusted EBITDA Margin (%)	81.3%	81.4%	82.3%	-0.1 p.p.	-1.0 p.p.
FFO	8,296	10,251	10,396	-19.1%	-20.2%
FFO Margin (%)	34.6%	41.8%	43.2%	-7.2 p.p.	-8.6 p.p.
Adjusted FFO **	8,378	7,824	10,396	7.1%	-19.4%
Adjusted FFO Margin (%)	34.9%	31.9%	43.2%	3.0 p.p.	-8.3 p.p.

* Retail: Shopping Centers and Strip Malls.

** Adjusted EBITDA and FFO of the methodology applied in FFO eliminating the effects of gain or loss on disposition of property for investment or land, such as events with gains on the sale of properties and the fair value adjustments.

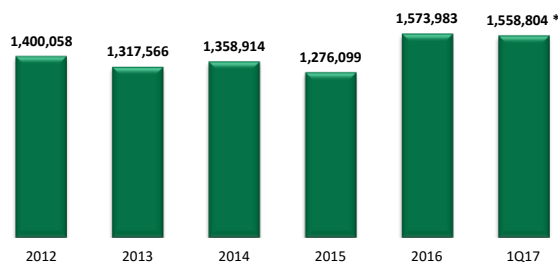
***The operating highlights considers LOG's JV's.

OPERATING PERFORMANCE

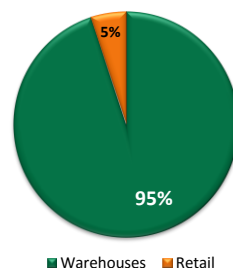
LOG's Potential Portfolio

LOG's potential portfolio as of March 31, 2017 totaled 1.6 million sq.m of GLA, with projects distributed in 25 cities and 9 states nationwide.

Potential Portfolio Evolution (%LOG, in GLA)



Potential Portfolio Composition (%LOG in GLA)



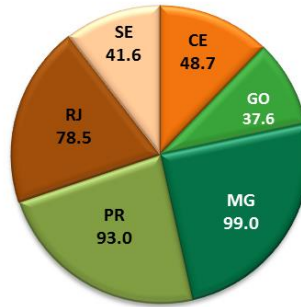
* 1% portfolio decrease due to under development projects adjustments.



Approved GLA

Beyond the 654 thousand sq.m. of Delivered GLA, the Company has an approved portfolio of projects that are not in operation, totaling approximately 400 thousand sq. m. in GLA, sprayed in the South, Southeast, Midwest and Northeast regions, allowing to expand its operations according to demand.

Approved GLA in Projects Under Development
(%LOG) - in thousands of sq. m.



Performance in Generating Assets

In the 4Q16 we started the expansions at LOG Goiânia and Parque Torino. LOG Goiânia already has over 40 thousand sq. m. of Delivered GLA (%LOG), distributed in 5 warehouses, and will have further 2 new warehouses that will add 21 thousand sq. m. to its Delivered GLA (%LOG), approximately. Parque Torino, that has nowadays 16 thousand sq.m. of Delivered GLA (%LOG) in 4 warehouses, will have an addition to its Delivered GLA of 5 thousand sq. m. (%LOG) approximately, with the delivery of the under construction warehouse. Both expansions have its delivery date forecasted to 2Q17.

Additionally, the LOG Rio Campo Grande, which was delivered in the end of last year, started to generate revenue in mid-March. It is a 25 thousand sq.m of GLA warehouse, 100% leased with the expansion possibility of additional 10 thousand sq.m. in its GLA to the same customer.



LOG Goiânia

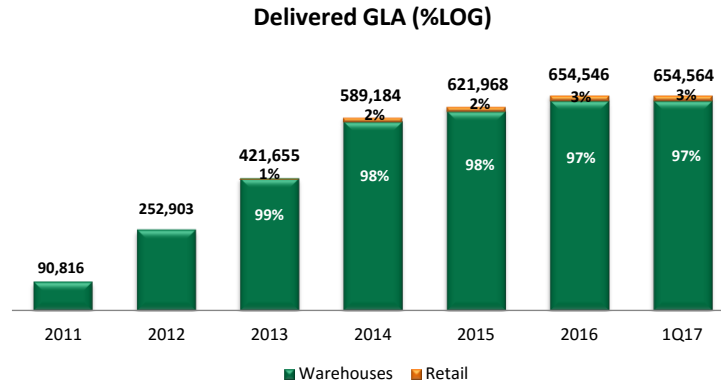


Parque Torino



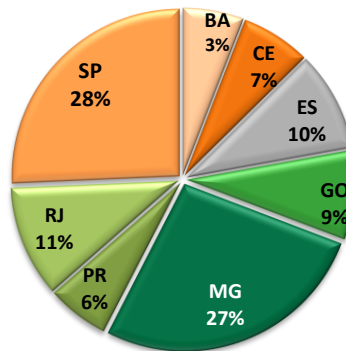
Delivered GLA

As of March 31, 2017 the Company had 654 thousand sq.m of GLA in operation distributed in 18 cities and 8 states.



The Company's strategy since its establishment is to perform in a diversified way, keeping its presence in consolidated markets as Rio de Janeiro and São Paulo, and in developing markets, such as South, Northeast, Midwest and other states in the Southeast region, where there's low competition either in low economic activities periods and growing periods. Those are locations that are dominated by obsolete warehouses, which consist among other characteristics, in lower ceiling assets, lower floor capacity, lower stock capacity and in most of cases, no logistic condominium structure. Below we present our potential portfolio composition:

Delivered GLA per State (% LOG)

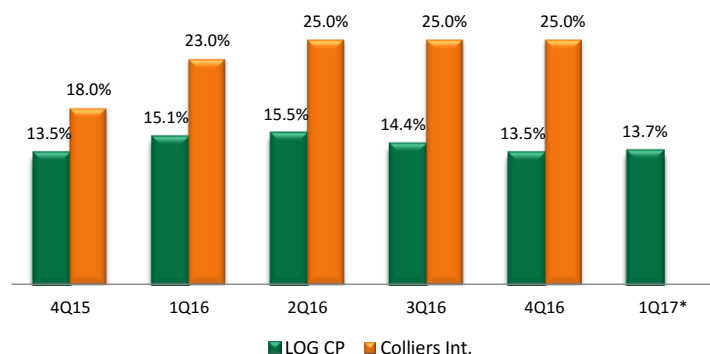


Physical Vacancy

The Company's vacancy rate remained stable at the end of 1Q17 in comparison with 4Q16, presenting a slight increase of 0.2 bps. This movement is considered natural by the Company due to the customer turn-over. If compared to the same period of last year, the Company's vacancy rate presents a 1.4 bps decrease, on top of remaining substantially below the market average, which is 25% (data base 4Q16), according to Colliers International. Below is the historical physical vacancy of the Company compared to the vacancy of the market released by the Colliers International.



Historical Vacancy - Warehouses (%)



* Until LOG's Earnings Release date, Colliers had not disclosed its 1Q17 base market report.

FINANCIAL PERFORMANCE

Operating Revenue

Net Operating Revenue (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Net Operating Revenue	23,988	24,521	24,064	-2.2%	-0.3%
Revenue from Leases	25,568	26,249	25,799	-2.6%	-0.9%
(-) Taxes	(1,580)	(1,728)	(1,735)	-8.6%	-8.9%

The Net Operating Revenue in the comparison between 1Q17 and 4Q16 presented a 2.2% decrease, mainly due to the price concessions given to the warehouses in the São Paulo region, where market currently faces unbalance of supply and demand and, consequently, impacts on prices and vacancy rate. In the comparison between 1Q17 and 1Q16, the Net Operating Revenue was stable.

Evolution of Net Operating Revenues (R\$ thousand)



* Delivered areas as of 03/31/16.

LOG Rio Campo Grande presented a slight delay in its operation start due to legal bureaucracy (Habite-se), making the revenue recognition to be postponed from January (estimated) to mid-March. The asset is already operational.



The table below shows the dropdown of total revenues from leases:

Revenue from leases (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Revenue from leases	25,568	26,249	25,799	-2.6%	-0.9%
Revenue from leases - Warehouses	24,985	25,668	25,266	-2.7%	-1.1%
Revenue from leases - Retail	583	581	533	0.3%	9.4%

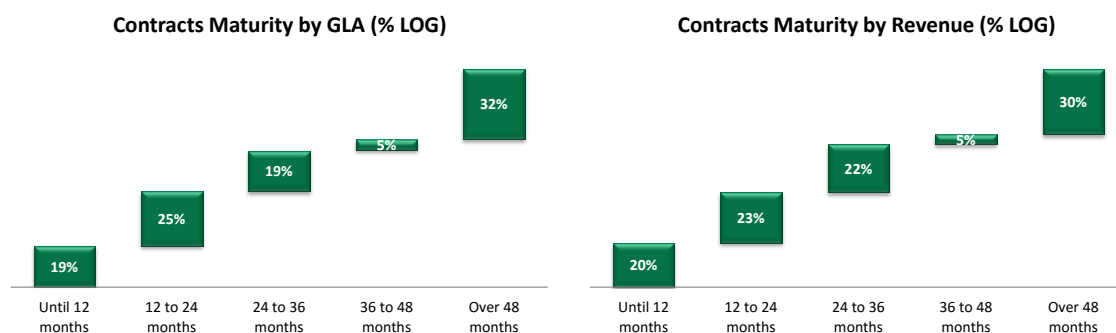
The revenue from warehouses remained stable in 98% of the total lease revenue for the 3 presented periods.

In the table below we include the segregation of revenues recognized by revenue from leasing and straight-lining.

Operating Revenue (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Total Operating Revenue	25,568	26,249	25,799	-2.6%	-0.9%
Revenue from leases	24,812	24,953	24,988	-0.6%	-0.7%
Straight-lining revenue	756	1,296	811	-41.7%	-6.8%

The spread distribution of contracts expirations allows the customer turnover without compromising the Company's revenue schedule in the long term.

Below is the maturity schedule of the Company's lease contracts on March 31, 2017, in which approximately 57% of those will mature after 24 months in the revenue view, this is the result of longer contracts and anticipated renewals, increasing our predictability of rent process.



Considering the total initial amount of all contracts, the weighted average term of our contracts by revenue went from 66 months in December 31, 2016 to 73 months at the end of March, 2017. The weighted average remaining term of our active contracts, by revenue, is 59 months, over 46 months in December 31, 2016.

Depreciation and Cost

Attending the current accounting pronouncements, regarding the allocation of investment properties fair value, the depreciation cost of investment properties which were reflected in the income statement, no longer exist, being the adjustment made solely and exclusively through the assets fair value variation. The effects of any properties appreciation or depreciation will be reflected in the account investment properties fair value variation. However, for tax purposes, the calculation of depreciation was unchanged. Therefore, for the purpose of tax calculation remains calculating of depreciation in accordance with the Brazilian IRS.



In the Income Statement, the existing depreciation refers to the Company's physical administrative structure, such as furniture, equipments and others.

Operating Expenses

Operating Expenses (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Operating Expenses	(5,768)	(5,385)	(4,711)	7.1%	22.4%
Administrative expenses	(2,669)	(2,364)	(2,564)	12.9%	4.1%
Selling expenses	(2,494)	(2,836)	(2,340)	-12.1%	6.6%
Other expenses/revenues	(605)	(185)	193	227.0%	-413.5%

The growth in total operating expenses in 1Q17 in comparison with 1Q16 is mainly due to the commercial expenses growth of 6.6%, due to the increase of the Company's commercial team, such strategy is aligned with our perspectives of the 2017 business environment.

The increase in operating expenses in the 1Q17 in comparison with the 4Q16 is mainly due to the Company's staff adjustments, and seasonal expenses in the first quarter of 2017. The increase in other expenses/revenues in the first quarter of 2017 is due to the recognition of R\$242 thousand of Allowance for Doubtful Accounts - ADA constitution of a tenant located in the São Paulo state, which does not compose our customer base anymore.

Equity in Subsidiaries

LOG has in its portfolio three subsidiaries consolidated through the equity method. They are the "Cabral Investimentos SPE" which includes, Shopping Contagem and Boulevard Cabral, the "Betim I Incorporações SPE" with the Parque Industrial Betim ("PIB") and "Parque Torino Imóveis S.A" which owns Parque Torino Project. Shopping Contagem was delivered in the fourth quarter of 2013, the Parque Torino in the second quarter of 2015 and the Boulevard Cabral in December, 2016. Parque Industrial Betim is still in pre-operating phase.

Equity in Subsidiaries (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Equity in subsidiaries	1,231	1,861	392	-33.9%	214.0%
Cabral	1,029	154	329	568.2%	212.8%
Parque Torino	202	1,707	64	-88.2%	215.6%
Loteamento Betim	-	-	(1)	0.0%	-100.0%

The increase in the equity in subsidiaries in 1Q17 in comparison with 1Q16 is due to the increase in Cabral, due to the recognition of an accounting extraordinary effect of R\$627 thousand and by the start of operation of one of our assets in December 2016.

In the comparison of 1Q17 with the 4Q16, the reduction is due to R\$1.5 million gain effect in the fair value valuation of Parque Torino, made by an external consultancy in the last quarter of 2016.

Financial Results

Financial Results (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Financial Results	(12,781)	(16,313)	(8,642)	-21.7%	47.9%
Financial expenses	(17,041)	(17,351)	(11,705)	-1.8%	45.6%
Financial revenues	4,260	1,038	3,063	310.4%	39.1%



We use third parties' capital for the development of our assets, and with their delivery, the loans charges incurred no longer are capitalized (investment properties) and start to incur in financial expenses impacting our financial results.

In the comparison between 1Q17 with 1Q16 there was a growth in financial expenses of 45.6% mainly due to higher interest balance of our loans and financing.

The 310.4% increase of financial revenues in the 1Q17 in comparison with the 4Q16 is due to the R\$250 million capital increase occurred in December 22, 2016.

Taxes

Taxes (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Income Tax/Social Contribution	1,101	32,657	(1,458)	-96.6%	-175.5%
Current	(1,409)	(1,405)	(1,381)	0.3%	2.0%
Deferred	2,510	34,062	(77)	-92.6%	-3359.7%

The decrease in tax expenses in the comparison between 1Q17 and 4Q16 is due to the variation of deferred taxes, which occurred due to the fair value of properties for investments adjustments booked in 4Q16, which generated a R\$30.5 million impact in deferred taxes.

Comparing 1Q17 with 1Q16, the current taxes were stable, and the increase in deferred tax is due to a higher fiscal loss in 1Q17 compared to 1Q16 due to a higher loss in the financial results.

Net Income

Net Income/Loss (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Net Income/Loss	8,234	10,190	10,329	-19.2%	-20.3%
Net Margin	34.3%	41.6%	42.9%	-7.2 p.p.	-8.6 p.p.

The net income decrease in 1Q17 in comparison with 4Q16 mainly due to the increase of financial expenses, due to a higher interest balance in our loans and financing.

In the comparison between 1Q17 with 1Q16, the decrease is related to the recognition of fair value adjustments to investment properties which impacted the net income of 4Q16. Below is the adjusted net income of the periods, eliminating all transactions not related to leasing activity.

Adjusted Net Income (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
Net Income	8,234	10,190	10,329	-19.2%	-20.3%
(-) Extraordinary Operation *	82	2,059	-	-96.0%	0.0%
(-) Fair Value**	-	(4,486)	-	-100.0%	0.0%
Net Income Adjusted	8,316	7,763	10,329	7.1%	-19.5%

* In the 1Q17 and 4Q16 Extraordinary operation is due to the cession of MRV LOG SP I Incorporações (Nasbe) receivables rights.

** Fair Value result's into the holding Company and it's subsidiaries, with taxes.

The 7.1% increase in the Adjusted Net Income in the 1Q17 compared to the 4Q16 is due to the increase in the financial revenue due to a higher amount in cash and cash equivalents



Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA and Adjusted EBITDA (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
(=) Net Income	8,234	10,190	10,329	-19.2%	-20.3%
(+) Income taxes and contrib.	(1,101)	(32,657)	1,458	-96.6%	-175.5%
(+) Financial results	12,781	16,313	8,642	-21.7%	47.9%
(+) Depreciation*	62	61	67	1.6%	-7.5%
EBITDA	19,976	(6,093)	20,496	-427.9%	-2.5%
EBITDA Margin	83.3%	-24.8%	85.2%	108.1 p.p.	-1.9 p.p.
(-) Investment Property Fair Value	(463)	27,151	(684)	-101.7%	-32.3%
(-) Investment Property Fair Value on Subsidiaries	-	(1,097)	-	-100.0%	0.0%
Adjusted EBITDA	19,513	19,961	19,812	-2.2%	-1.5%
Adjusted EBITDA Margin	81.3%	81.4%	82.3%	-0.1 p.p.	-1.0 p.p.

* Depreciation regarding 1Q16 restated.

The EBITDA (calculated in accordance with CVM Instruction 527/12), in 1Q17 presented an increase in comparison with 4Q16, due to a fair value adjustment recognized in the investment properties in the 4Q16, generating a negative impact of R\$27.1 million.

The Adjusted EBITDA remained stable in the comparison between 1Q17 and 4Q16, despite the slight decrease in the Net Operating Revenue, offset by efforts in the operating expenses management. Comparing 1Q17 and 4Q16, the Adjusted EBITDA Margin was basically constant. The Adjusted EBITDA Margin decrease in 1Q17 versus 1Q16 is due to the increase in operating expenses, mainly due to commercial expenses, as described above.

Adjusted FFO and Adjusted FFO Margin

FFO and Adjusted FFO (in R\$ thousand)	1Q17	4Q16	1Q16	1Q17 X 4Q16	1Q17 X 1Q16
(=) Net Income	8,234	10,190	10,329	-19.2%	-20.3%
(+) Depreciation**	62	61	67	1.6%	-7.5%
FFO	8,296	10,251	10,396	-19.1%	-20.2%
FFO Margin	34.6%	41.8%	43.2%	-7.2 p.p.	-8.6 p.p.
(-) Extraordinary Operation *	82	2,059	-	-96.0%	0.0%
(-) Investment Property Fair Value	(463)	27,151	(684)	-101.7%	-32.3%
(-) Income tax and social contribution of Fair Value	463	(30,540)	684	-101.5%	-32.3%
(-) Investment Property Fair Value on Subsidiaries	-	(1,097)	-	-100.0%	0.0%
Adjusted FFO	8,378	7,824	10,396	7.1%	-19.4%
Adjusted FFO Margin	34.9%	31.9%	43.2%	3.0 p.p.	-8.3 p.p.

* Effects due the cession of MRV LOG SP I Incorporações (Nasbe) receivables rights.

** Depreciation regarding 1Q16 restated

The 1Q17 Adjusted FFO increased by 7.1% in comparison with the 4Q16, mainly due to the increase of 310.4% in financial expenses. The Adjusted FFO Margin increased, by 3 basis points at the same comparing periods. In the comparison between 1Q17 and 1Q16, the Adjusted FFO



decreased 19.4% mainly due to the increase of 47.9% of the net financial expenses (financial result), the Adjusted FFO Margin also shared the same impact, dropping 8.3 basis points.

Cash and Cash Equivalents

Cash and cash equivalents (in R\$ thousand)	31/Mar/2017	31/Dec/2016	31/Mar/2016	31/Mar/17 x 31/Dec/16	31/Mar/17 x 31/Mar/16
Cash and cash equivalents	99,609	146,941	25,545	-32.2%	289.9%

The 32.2% reduction in March 31, 2017, comparing with December 31, 2016, is due to the debt payments in the total amount of R\$53.5 million and investments in the total of R\$16.8 million in the period.

Accounts receivable

Accounts receivable (in R\$ thousand)	31/Mar/2017	31/Dec/2016	31/Mar/2016	31/Mar/17 x 31/Dec/16	31/Mar/17 x 31/Mar/16
Accounts receivable	36,709	36,894	36,859	-0.5%	-0.4%
Warehouse and Retail leases	30,262	29,532	27,770	2.5%	9.0%
Subsidiary Sale	3,605	4,768	6,493	-24.4%	-44.5%
Other	2,842	2,594	2,596	9.6%	9.5%

As of March 31, 2017, in comparison with December 31, 2016, the decrease of 0.5% is due to subsidiary sale balance that decreased due to the proceeds occurred in the period.

Properties for Investment

Properties for Investment (in R\$ thousand)	31/Mar/2017	31/Dec/2016	31/Mar/2016	31/Mar/17 x 31/Dec/16	31/Mar/17 x 31/Mar/16
Properties for Investment	2,328,747	2,298,800	2,201,198	1.3%	5.8%

The March 31, 2017 balance increase when comparing to December 31, 2016, is due to activities of investment in the development and construction of the Company's assets.

Gross Debt and Net Debt

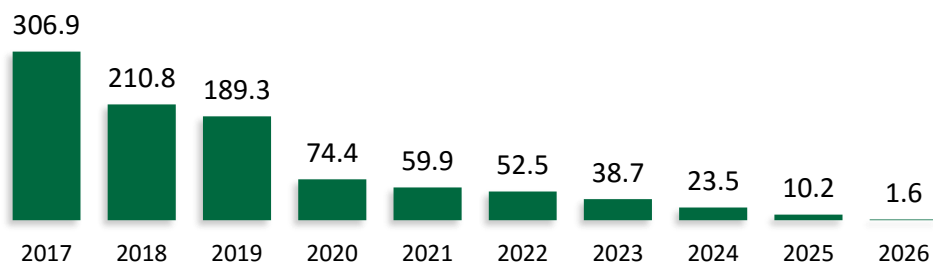
Loans, financing and debentures (in R\$ thousand)	Maturity	Effective costs*	31-Mar-17	31-Dec-16	31-Mar-17 x 31-Dec-16
Loans and financing			967,706	989,084	-2.2%
Construction financing	Dec/13 to Oct/24	CDI+1.92%	39,571	40,331	-1.9%
Construction financing	Dec/13 to Aug/26	TR +9.37% - 11.62%	376,293	385,545	-2.4%
3 rd issuance of Debentures	Jun/14 to Jun/20	CDI+1.97%	90,017	86,956	3.5%
4 th issuance of Debentures	Aug/16 to Feb/19	CDI+1.90%	80,933	94,629	-14.5%
6 th issuance of Debentures	Dec/15 to Dec/19	CDI+2.21%	88,738	85,700	3.5%
7 th issuance of Debentures	Jan/17 to Oct/18	118% CDI+0.14%	90,586	102,505	-11.6%
8 th issuance of Debentures	Nov/17 to Dec/19	119% CDI+0.29%	63,004	60,802	3.6%
9 th issuance of Debentures	Oct/17	CDI+2.36%	149,275	144,037	3.6%
(-) Debt issuance costs			(10,711)	(11,421)	-6.2%

* Effective costs: considers the contractual costs + other issuance and debt maintenance costs.



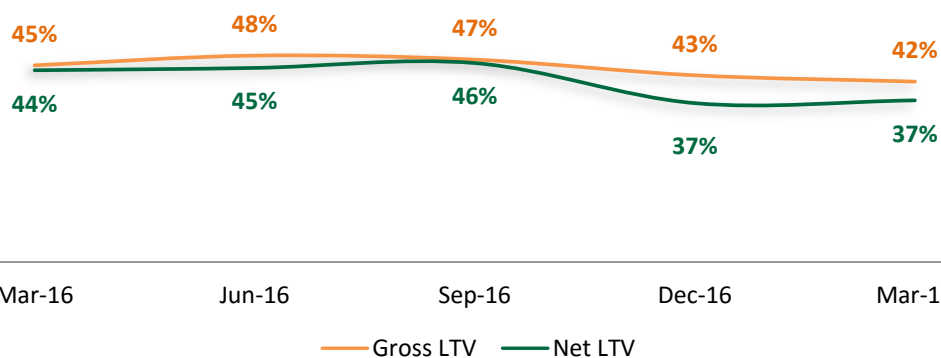
Searching for the best capital structure, the Company made a capital increase in the 4Q16 in the total amount of R\$250 million, also the payment of the 9th Debentures was postponed from the 1Q17 to the 4Q17.

Debt Maturity schedule on 03/31/17 (R\$ million)



Net Debt (in R\$ thousand)	31/Mar/17	31/Dec/2016	12/31/16 x 12/31/15
(+) Loans and financing	967,706	989,084	-2.2%
(-) Cash and cash equivalents	99,609	146,941	-32.2%
(=) Net Debt	868,097	842,143	3.1%
(=) Shareholder's Equity	1,781,263	1,774,284	0.4%
(=) Net Debt/Equity	0.49	0.47	2.7%

Loan to Value



LTV Gross: Gross Debt/Investment Properties Fair Value
 LTV Net: Net Debt/Investment Properties Fair Value



INCOME STATEMENT

Consolidated Income Statement (in R\$ thousand)

INCOME STATEMENT	1Q17	4Q16	1Q16	Chg. % 1Q16 x 4Q15	Chg. % 1Q16 x 1Q15
NET OPERATING REVENUES	23,988	24,521	24,064	-2.2%	-0.3%
GROSS PROFIT	23,988	24,521	24,064	-2.2%	-0.3%
OPERATING EXPENSES	(4,074)	(30,675)	(3,635)	-86.7%	12.1%
Selling expenses	(2,494)	(2,836)	(2,340)	-12.1%	6.6%
General & Administrative expenses	(2,669)	(2,364)	(2,564)	12.9%	4.1%
Other operatin expenses, net	(605)	(185)	193	227.0%	-413.5%
Investment Property Fair Value Variation	463	(27,151)	684	-101.7%	-32.3%
Equity in subsidiaries and JV's	1,231	1,861	392	-33.9%	214.0%
OPERATING INCOME BEFORE FINACIAL RESULTS	19,914	(6,154)	20,429	-423.6%	-2.5%
FINANCIAL RESULTS	(12,781)	(16,313)	(8,642)	-21.7%	47.9%
Financial expenses	(17,041)	(17,351)	(11,705)	-1.8%	45.6%
Financial income	4,260	1,038	3,063	310.4%	39.1%
INCOME/ LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	7,133	(22,467)	11,787	-131.7%	-39.5%
INCOME TAX AND SOCIAL CONTRIBUTION	1,101	32,657	(1,458)	-96.6%	-175.5%
Current	(1,409)	(1,405)	(1,381)	0.3%	2.0%
Deferred	2,510	34,062	(77)	-92.6%	-3359.7%
NET INCOME/LOSS	8,234	10,190	10,329	-19.2%	-20.3%
PROFIT/LOSS ATRIBUTABLE TO					
Shareholder´s of the company	8,232	10,189	10,326	-19.2%	-20.3%
Non-controlling interests	2	1	3	100.0%	-33.3%



Consolidated Cash Flow Statement (in R\$ thousand)

CASH FLOW STATEMENT	1Q17	1Q16	Chg. % 1Q17 x 1Q16
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	8,234	10,329	-20.3%
Adjustments to reconcile profit to net cash used in operating activities	13,281	12,705	4.5%
Decrease (increase) in operating assets	(1,918)	(3,488)	-45.0%
Increase (decrease) in operating liabilities	1,955	1,649	18.6%
Income tax and social contribution paid	(1,305)	(1,540)	-15.3%
Land sale receiving	1,467	803	82.7%
Dividens received from jointly controlled	1,256	-	0.0%
Net cash used in operating activities	22,970	20,458	12.3%
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (Increase) of investments	(4,497)	(252)	1684.5%
Acquisition of investment property	(10,950)	(11,598)	-5.6%
Other	(1,342)	(48)	2695.8%
Net cash used in investing activities	(16,789)	(11,898)	41.1%
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and debentures, net	-	29,937	-100.0%
Payment of loans	(33,459)	(11,605)	188.3%
Derivative financial instrument redemption	-	186	-100.0%
Interest paid	(20,060)	(18,791)	6.8%
Payment of obligations with related companies	-	(12,333)	-100.0%
Increase in obligations with related companies	-	12,333	-100.0%
Contributions from noncontrolling shareholders	6	-	0.0%
Net cash provided by financing activities	(53,513)	(273)	19501.8%
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(47,332)	8,287	-671.2%
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	146,941	17,258	751.4%
Cash and cash equivalents at end of year	99,609	25,545	289.9%



GLOSSARY

Adjusted EBITDA: Adjusted EBITDA of the methodology applied in EBITDA eliminating the effects of gain or loss on disposition of property for investment or land , such as events with gains on the sale of properties and the fair value adjustments

Adjusted EBITDA Margin : margin calculated by dividing the Adjusted EBITDA by net operating revenue

Adjusted FFO: Adjusted FFO of the methodology applied in FFO eliminating the effects of gain or loss on disposition of property for investment or land , such as events with gains on the sale of properties and the fair value adjustments.

Adjusted FFO: margin calculated by dividing the result by the FFO by the Adjusted Net Operating Revenues.

Approved GLA: corresponds to the Company's total GLA that has approved projects as well as all licensing and permits, including Delivered GLA.

Delivered GLA: corresponds to the delivered areas for lease.

EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization): net profit before financial result, income tax and social contribution, depreciation expenses.

EBITDA Margin: margin calculated by dividing the EBITDA by net operating revenue.

FFO (Funds From Operations): equal to net income before depreciation and other "non-cash" effects.

FFO Margin: margin calculated by dividing the result by the FFO by Net Operating Revenues.

GLA (Gross Leasable Area): corresponds to the areas available for lease.

Gross Absorption: includes all areas leased, either new contracts or contract renewals, in a such given period.

LOG Potential Portfolio: considers the total GLA of the projects approved, under approval and delivered. Therefore, includes all GLA owned by the Company in its different development stages.

Loan to Value: percentage rate resulting from the division of Debt by Investment Properties Fair Value.

Net Delinquency: percentage of the rent not received by the company (accumulated last 12 months)

Revisional: the rental revisional action, is the legal prerogative that the tenant or the locator have to judicially plead the rental adjustment according to the market value every 36 (Thirty-six) months, counted from the beginning of the contract or the last negotiation, following the requirements of articles 68 to 70 of law #8.245/91.

Physical Vacancy: gross leasable area available for rent.



DISCLAIMER

The statements contained in this document relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of LOG are merely projections and, as such, are based exclusively on the expectations of management to the future of the business.

These statements depend, substantially, of approvals and licenses required, market conditions, the performance of the Brazilian economy, industry and international markets and, therefore, subject to change without notice.

This performance report includes non-accounting data such as operating and financial projections based on management's expectations. Non-accounting data such as values and units of Portfolio GLA Approved, GLA Built, GLA Delivered and projections were not subject to review by the Company's independent auditors.

The EBITDA in accordance with ICVM572/12 mentioned in this report represents net income before financial result, income tax and social contribution, depreciation expenses. FFO mentioned in this report represents net income before depreciation only. The FFO and EBITDA are not measures of financial performance in accordance with accounting practices adopted in Brazil and IFRS, and should not be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to cash flows from operations, or as measure of liquidity. Because they are not considered for the calculation, the financial result, income tax and social contribution, depreciation expense and amortization, EBITDA and FFO serve as indicators of overall economic performance of the LOG, which are not affected by changes in tax burden from income tax and social contribution or levels of depreciation and amortization. EBITDA and FFO, however, have limitations that impair its use as a measure of profitability of LOG, since it does not consider certain LOG business, which could affect, significantly, the profits of LOG, such as financial results, taxes, depreciation and amortization, capital expenditures and other related charges.

RELATIONSHIP WITH INDEPENDENT AUDITORS

Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors - Ernst & Young Auditores Independentes S/S ("Ernst & Young") - did not provide any services during the first quarter of 2017 than those relating to external audit, with exception of the professional services related to public offering of shares process, issued by the Company for the amount of R\$218,000.00 (two hundred an eighteen thousand reais) The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.