



## MRV ANNOUNCES ITS 4Q13 AND 2013 RESULTS

### SUSTAINABLE GROWTH WITH CASH GENERATION

Cash generation of R\$548 million in 2013

Pre-sales in 2013 reached R\$ 5,094 million, an increase of 27% y-o-y

40,205 Finished units in 2013, an increase of 52% y-o-y

Client Financing totaled 43,465 units transferred in 2013, an increase of 20% y-o-y

**Belo Horizonte, March 13, 2014 – MRV Engenharia e Participações S.A. (BM&FBovespa: MRVE3 – ADR OTCQX: MRVNY),** announces today its results for the fourth quarter of 2013 (4Q13) and 2013. The financial information is presented in million Reais (R\$ million), except where otherwise indicated, and is based on the consolidated financial statements prepared and presented in conformity with the International Financial Reporting Standards (IFRS), which considers Guideline CPC 04 Application of Interpretation ICPC 02 to Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), consistent with the standards issued by CPC.

#### CONFERENCE CALLS EARNINGS RELEASE 4Q13

##### English

March 14, 2014

12:00 PM (Brasília) / 11:00 AM (New York)

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Code: MRV

##### Portuguese

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## Highlights

- ✓ In 4Q13 cash flow generation reached R\$162 million, totaling R\$548 million in 2013.
- ✓ Deleveraging: Net Debt / Equity reached 30.4%.
- ✓ Pre-sales record in 2013 totaling R\$ 5,094 million (38,449 units), a 27% increase compared to 2012.
- ✓ Despite the bank strike in September and October and the Holidays, 10,012 clients had their mortgages granted in the quarter. The number of clients financed in 2013 reached 43,465 units, record in the Company's history.
- ✓ 12,583 finished units in 4Q13, second best quarter in the Company's history. The number of finished units reached 40,205 in 2013, an increase of 52% compared to 2012.
- ✓ Sales over Supply of 23% in 4Q13.
- ✓ Net Revenue reached R\$3,871 million in 2013, 2% higher than 2012.



## Prizes, Recognitions and other highlights



MRV was the winner for the third time (second consecutive year) of the 2013 ITC ranking – The 100 largest homebuilders, record category, which evaluates homebuilders with the best performance by the quantity of square meters built throughout the year. MRV has also won the “Low-Income Homes” category.



MRV was one of the XV Labor Safety’s winners, by the Sinduscon-MG. The company won the award for the “Company with the Best Common Area” and was ranked as one of the five best “Preventionist Company”.

“Melhores e Maiores” of the Exame magazine, MRV was the Brazilian Company with largest growth in pre-sales over the last five years.



XV Prêmio Minas Desempenho Empresarial – Categories: Expression and Excellence – Award to business groups, Companies and institutions that stood out the most in Minas Gerais during the year.



A MARCA DO 1º APÊ É TAMBÉM A 1ª NO TOP VALE 2013.



In 2013, MRV was awarded with 15 Top of Minds, which recognized the most remembered brand by the consumers in several categories. Among those, we highlight:

- NATIONAL – National Top Of Mind / IPESO *Instituto de Pesquisa* (involving the 12 largest capitals in the Country)
- São Paulo – Top of Mind homebuilders in São Paulo state/ IPESO *Instituto de Pesquisa*
- Espírito Santo – Icon Brands award, homebuilder segment, executed by *Rede Vitória*
- Bahia – ADEMI’s Real Estate Exposition – Top seller homebuilder during the Real Estate Exposition.
- São José dos Campos, Jacareí and Taubaté / SP – most remembered brand – Top Vale 2013



MARCAS MAIS PRESTIGIADAS EM MINAS  
ESTADO DE MINAS

MRV was the highlight of the “Most Prestigious Brands of Minas”, by the newspaper Estado de Minas in the category “Real estate and Construction”.



## Management's Comments

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### Towards Sustainable Growth

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, in 19 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 a 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.



## Succession

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According to the call notice published on March 10, 2014, MRV called a Extraordinary General Meeting to be held on March 26, 2014, for the Management's Proposal for deliberation of segregation of Chairman of the Board of Directors and Chief Executive Officer positions.

In order to meet the requirements of Novo Mercado, the Company's Management hired a consultancy of The Boston Consulting Group ("BCG") with the following purposes:

- (i) Assess the profile and suitability of potential successors to the Chief Executive Officer position ("CEO");
- (ii) Determine the preferred transition model that satisfies the requirements of CVM;
- (iii) Define the future roles and responsibilities of the Chairman and the new CEO(s), specific to the context of MRV and based on models used successfully in other companies.

The work consisted in (i) the evaluation of the company's strategy, values and challenges, (ii) the evaluation of the CEO's potential successors profiles, and (iii) benchmark of successful cases in the Chairman of the Board of Directors and Chief Executive Officer transitions.

This project had a high participation of the Company's CEO and its Executives, through individual interviews, meetings and researches.

The work indicated that the succession plan should preserve the main culture of the Company, such as Collaborative Environment, Credibility and External Relations and Commitment to Results.

The profile of the current COOs ("Chief Operating Officer") was mapped and it was identified a large complementarity of their management, technical and interpersonal / relationship competencies.

It was also defined by the Company's Management that the transition model should address the following items:

- (i) Should not be disruptive;
- (ii) Should leverage the strengths of the leaders and prepare for future waves of succession. The CEO and founder should therefore continue to lead some non-transferable activities, such as government relations and strategic planning, while strengthening the successors in these competencies;
- (iii) Should provide distinction between the roles and responsibilities, considering the Executive Chairman model; and
- (iv) Should lay out a structured communication plan.

As a result of this work, the Company's Management considers and proposes that the best model to be adopted by MRV, based on BCG's work, is to have a Chairman of the Board of Directors working together with two Chief Executive Officers ("co-CEOs"). Thus, the co-CEOs model will allow:

- (i) To capitalize on the complementary skills of the co-CEOs; and
- (ii) To prepare potential successors for the COO positions.

In this new organization, the role of the Executive Chairman is:

- (i) Ensure value is generated for the shareholders and "big bets" / strategic movements;
- (ii) Manage relationships, access and influence the relevant bodies and entities for the business;
- (iii) Sustain MRV's credibility in the eyes of the market, representing the Company when needed;
- (iv) Share senior / strategic know-how (coaching CEO and future COOs);
- (v) Define and institutionalize the leadership model, people and management of MRV;
- (vi) Arbitrate potential conflicts, casting a deciding vote in the co-CEO model.



The co-CEOs will accumulate the roles of co-COOs and will be responsible for:

- (i) Ensure financial health and operational and business sustainability;
- (ii) Guide the Company towards its strategic priorities, set targets and ensure delivery of plan and budget;
- (iii) Ensure an integrated vision for the organization and look for synergies between different areas;
- (iv) Represent MRV internally and externally, to the public and the market;
- (v) Reinforce the institutionalization of MRV's DNA;
- (vi) Be the guardian of the DNA and developer of MRV;
- (vii) Ensure the operational health of the business;
- (viii) Safeguard the economics and capture synergies in the operations, maintaining business cohesion;
- (ix) Ensure growth and quality in the business' operations;
- (x) Assure safety and compliance in the workplace;
- (xi) Assure a family environment is maintained in day-to-day business;
- (xii) Represent the Company in relationships with local authorities, and
- (xiii) Identify and prepare potential successors for the COO roles.

This proposal will allow a safe transition and the continuity of MRV's success.



## Sustainability at MRV in 2013

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MRV is aware of the importance of its actions as an agent of progress and improvement of the life quality of its employees, their families and communities where it operates. Over the last years, we have added strategies towards sustainability in our daily actions.

Several areas of our business comprove this strategy, starting from the conception and execution of our products. The Company is making investments in order to provide our units with modern, functional and economically sustainable alternatives.

During the execution of our projects we also seek to implement efficient construction practices at our sites. All sites have waste management plans and a great number of waste recycling initiatives. These measures reduce operational costs, minimizing the acquisition of raw materials and avoiding unnecessary disposal on landfills. In 2013, 55,528 cubic meters of waste were recycled, representing 11.076 containers that would be destined to landfills. All wood used in our projects' construction have certified origin and its recycling or reuse is prioritized at our construction sites.

Another action that has been considered a differential in MRV's day-to-day routine is the attention given to our workers, specially in two areas: health and safety at work, and education. Regarding safety at work, we have implemented the best practices of the industry, which reflects in positive statistics. We continue to be the only homebuilder in the Country to adhere to the National Commitment for the Working Conditions in the Construction Industry, an initiative from the Federal Government and entities representing employers and workers of the construction industry. The Company has initiated its works with the "*Secretaria Geral da Presidência da República*", coordinator of the National Commitment, in August 2012 and has already implemented the Commitment's drivers in 20 construction sites, reaching the end of 2013 with more than 3.000 benefited workers.

The Company is making strong investments on education, contributing to the eradication of illiteracy at its construction sites and to the professional development. In the year of 2013 alone, 40 classrooms were implemented, benefiting more than 650 students at their construction sites thorough the country. The Company offers literacy coursers (primary school) and in-site professional qualification, so that its workers can attend to classes without having to displace. The classrooms are open to our workers' families, as well as to the neighboring communities. Our objective is to double the number of classrooms in 2014.

Thinking of the environment and the life quality of the population of the cities we operate, we have surpassed, for the third consecutive year, the yearly tree planting goal and we have invested more than R\$ 90 million in urbanization, aiming common welfare.

Additionally, in 2013 we highlight the maintenance of the biggest social Project of the Company, a partnership with the "*Cidade dos Meninos São Vicente de Paulo*", which supports more than five thousand youngsters in need, the establishment of a partnership with "*Criança Esperança*" for the construction of the "*Espaço Criança Esperança*" at the "*Aglomerado da Serra*" in *Belo Horizonte*, besides participating as patron of the "*Jornada Solidária*" project of the newspaper *Estado de Minas* and being partner of *Instituto Minas Pela Paz*.

For 2014, initiatives such as the implementation of ISO 14001 and OSHAS 18001, which were initiated in the 2H13, will further enhance our progress in the sustainability scope. We believe that MRV, with its scope, has a significant transformation potential over the value chain in which its is inserted, building solid foundations for the perennity of its operations and contributions for the development of our society.



## Main Indicators<sup>1</sup>

### Financial Highlights

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

Consolidated Financial Highlights (R\$ million)	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Net Operating Revenue	950	1,072	936	11.4% ↓	1.4% ↑	3,871	3,804	1.8% ↑
Gross Profit	249	285	265	12.5% ↓	6.0% ↓	1,021	1,066	4.2% ↓
% Gross Margin	26.2%	26.6%	28.3%	0.3 p.p. ↓	2.1 p.p. ↓	26.4%	28.0%	1.6 p.p. ↓
EBITDA	133	196	164	32.3% ↓	18.9% ↓	643	787	18.2% ↓
% EBITDA Margin	14.0%	18.3%	17.5%	4.3 p.p. ↓	3.5 p.p. ↓	16.6%	20.7%	4.1 p.p. ↓
Net Income	72	131	115	44.7% ↓	37.2% ↓	423	528	19.8% ↓
% Net margin	7.6%	12.2%	12.3%	4.6 p.p. ↓	4.7 p.p. ↓	10.9%	13.9%	2.9 p.p. ↓
Return on Equity (LTM)	10.6%	11.9%	14.5%	1.3 p.p. ↓	3.8 p.p. ↓	10.6%	14.5%	3.8 p.p. ↓
Return on Equity (annualized)	7.0%	12.9%	12.1%	5.8 p.p. ↓	5.1 p.p. ↓	10.6%	14.5%	3.8 p.p. ↓
EPS (R\$)	0.154	0.276	0.242	0.123 ↓	0.088 ↓	0.891	1.104	0.213 ↓
Unearned Sales Revenues	3,172	3,159	2,783	0.4% ↑	14.0% ↑	3,172	2,783	14.0% ↑
Unearned Costs of Units Sold	(1,821)	(1,860)	(1,565)	2.1% ↓	16.3% ↑	(1,821)	(1,565)	16.3% ↑
Unearned Results	1,352	1,300	1,218	4.0% ↑	11.0% ↑	1,352	1,218	11.0% ↑
% Unearned Margin	42.6%	41.1%	43.8%	1.5 p.p. ↑	1.1 p.p. ↓	42.6%	43.8%	1.1 p.p. ↓
Cash Generation (Cash burn)	162	208	38	22.2% ↓	331.3% ↑	548	(28)	-
Net Debt (Net Cash)	1,329	1,491	1,663	10.9% ↓	20.1% ↓	1,329	1,663	20.1% ↓
Net Debt/Shareholders' Equity	30.4%	33.8%	40.7%	3.4 p.p. ↓	10.2 p.p. ↓	30.4%	40.7%	10.2 p.p. ↓
Net Debt/EBITDA LTM	2.07x	2.21x	2.11x	6.6% ↓	2.3% ↓	2.07x	2.11x	2.3% ↓

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



## Operational Highlights

Land bank	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
<b>%MRV</b>								
Land Bank (R\$ billion)	23.3	22.7	21.8	2.5% ↑	6.7% ↑	23.3	21.8	6.7% ↑
Units	165,624	168,863	172,893	1.9% ↓	4.2% ↓	165,624	172,893	4.2% ↓
Usable Area (in thousands of sq.m.)	7,607	7,698	8,081	1.2% ↓	5.9% ↓	7,607	8,081	5.9% ↓
Average Price - R\$'000 / unit	140	134	126	4.5% ↑	11.3% ↑	140	126	11.3% ↑
Average Price - R\$'000 / sq.m.	3.1	2.9	2.7	3.7% ↑	13.3% ↑	3.1	2.7	13.3% ↑
<b>100%</b>								
Number of Projects	384	393	406	2.3% ↓	5.4% ↓	384	406	5.4% ↓
Land Bank (R\$ billion)	24.7	24.2	23.2	2.0% ↑	6.5% ↑	24.7	23.2	6.5% ↑
Units	175,816	180,138	184,533	2.4% ↓	4.7% ↓	175,816	184,533	4.7% ↓
Units per Project	458	458	455	0.1% ↓	0.7% ↑	458	455	0.7% ↑
Usable Area (in thousands of sq.m.)	8,079	8,219	8,616	1.7% ↓	6.2% ↓	8,079	8,616	6.2% ↓
Average Price - R\$'000 / unit	140	134	126	4.5% ↑	11.8% ↑	140	126	11.8% ↑
Average Price - R\$'000 / sq.m.	3.1	2.9	2.7	3.7% ↑	13.6% ↑	3.1	2.7	13.6% ↑
<b>%CPC 19 IFRS 11</b>								
Land Bank (R\$ billion)	23.8	23.4	22.5	1.6% ↑	5.9% ↑	23.8	22.5	5.9% ↑
Units	169,120	174,018	178,713	2.8% ↓	5.4% ↓	169,120	178,713	5.4% ↓
<b>Launches</b>								
<b>%MRV</b>								
Launches (R\$ million)	1,341	788	666	70.2% ↑	101.4% ↑	3,517	3,433	2.4% ↑
Units	8,879	5,501	5,523	61.4% ↑	60.8% ↑	25,516	29,665	14.0% ↓
Average Launching Size (units)	286	290	307	1.1% ↓	6.7% ↓	315	349	9.7% ↓
Usable Area (in thousands of sq.m.)	410	250	255	63.8% ↑	60.4% ↑	1,166	1,356	14.0% ↓
Average Price - R\$'000 / unit	151	143	121	5.4% ↑	25.3% ↑	138	116	19.1% ↑
Average Price - R\$'000 / sq.m.	3.3	3.2	2.6	3.9% ↑	25.5% ↑	3.0	2.5	19.1% ↑
<b>100%</b>								
Number of Projects	31	19	18	63.2% ↑	72.2% ↑	81	85	4.7% ↓
Launches (R\$ million)	1,454	827	745	75.9% ↑	95.2% ↑	3,737	3,647	2.5% ↑
Units	9,692	5,729	6,107	69.2% ↑	58.7% ↑	27,127	31,509	13.9% ↓
Usable Area (in thousands of sq.m.)	446	260	283	71.3% ↑	57.6% ↑	1,239	1,443	14.2% ↓
Average Price - R\$'000 / unit	150	144	122	3.9% ↑	23.0% ↑	138	23	491.0% ↑
Average Price - R\$'000 / sq.m.	3.3	3.2	2.6	2.7% ↑	23.8% ↑	3.0	2.5	19.4% ↑
<b>%CPC 19 IFRS 11</b>								
Launches (R\$ million)	1,375	764	745	80.0% ↑	84.7% ↑	3,554	3,560	0.2% ↓
Units	9,180	5,281	6,107	73.8% ↑	50.3% ↑	25,867	30,985	16.5% ↓
<b>Pre-Sales</b>								
<b>%MRV</b>								
Pre-Sales (R\$ million)	1,230	1,388	1,221	11.4% ↓	0.8% ↑	5,094	4,005	27.2% ↑
Units	8,832	10,250	10,050	13.8% ↓	12.1% ↓	38,449	34,214	12.4% ↑
Usable Area (in thousands of sq.m.)	407	469	456	13.2% ↓	10.9% ↓	1,749	1,548	13.0% ↑
Average Price - R\$'000 / unit	139	135	121	2.8% ↑	14.6% ↑	132	117	13.2% ↑
Average Price - R\$'000 / sq.m.	3.0	3.0	2.7	2.1% ↑	13.0% ↑	2.9	2.6	12.5% ↑
<b>100%</b>								
Pre-Sales (R\$ million)	1,353	1,522	1,313	11.1% ↓	3.1% ↑	5,575	4,348	28.2% ↑
Units	9,592	11,223	10,877	14.5% ↓	11.8% ↓	41,877	37,197	12.6% ↑
Usable Area (in thousands of sq.m.)	453	530	505	14.4% ↓	10.3% ↓	1,961	1,726	13.6% ↑
Average Price - R\$'000 / unit	141	136	121	4.0% ↑	16.9% ↑	133	117	13.9% ↑
Average Price - R\$'000 / sq.m.	3.0	2.9	2.6	3.9% ↑	14.9% ↑	2.8	2.5	12.8% ↑
<b>%CPC 19 IFRS 11</b>								
Pre-Sales (R\$ million)	1,220	1,345	1,233	9.3% ↓	1.1% ↓	5,047	4,012	25.8% ↑
Units	8,964	10,053	10,290	10.8% ↓	12.9% ↓	38,645	34,737	11.3% ↑
<b>Production and Real Estate Financing</b>								
<b>100%</b>								
Built Units	8,408	10,260	9,115	18.1% ↓	7.8% ↓	37,600	39,656	5.2% ↓
Finished units	12,583	13,123	8,163	4.1% ↓	54.1% ↑	40,205	26,457	52.0% ↑
Construction Financing	19,367	7,174	30,670	170.0% ↑	36.9% ↓	44,628	64,573	30.9% ↓
Client Financing	10,012	10,655	8,977	6.0% ↓	11.5% ↑	43,465	36,261	19.9% ↑
<b>%MRV</b>								
Built Units	7,770	9,341	8,231	16.8% ↓	5.6% ↓	34,211	35,815	4.5% ↓
Finished units	11,903	12,033	7,525	1.1% ↓	58.2% ↑	37,462	24,662	51.9% ↑
Construction Financing	17,756	6,637	28,711	167.5% ↑	38.2% ↓	41,406	60,202	31.2% ↓
Client Financing	9,289	10,153	8,327	8.5% ↓	11.6% ↑	40,622	33,170	22.5% ↑
<b>%CPC 19 IFRS 11</b>								
Built Units	7,716	9,334	7,982	17.3% ↓	3.3% ↓	33,935	34,639	2.0% ↓
Finished units	11,031	11,535	7,799	4.4% ↓	41.4% ↑	36,481	24,626	48.1% ↑
Construction Financing	18,641	6,558	29,249	184.2% ↑	36.3% ↓	42,926	59,516	27.9% ↓
Client Financing	9,348	10,740	8,158	13.0% ↓	14.6% ↑	42,503	32,580	30.5% ↑

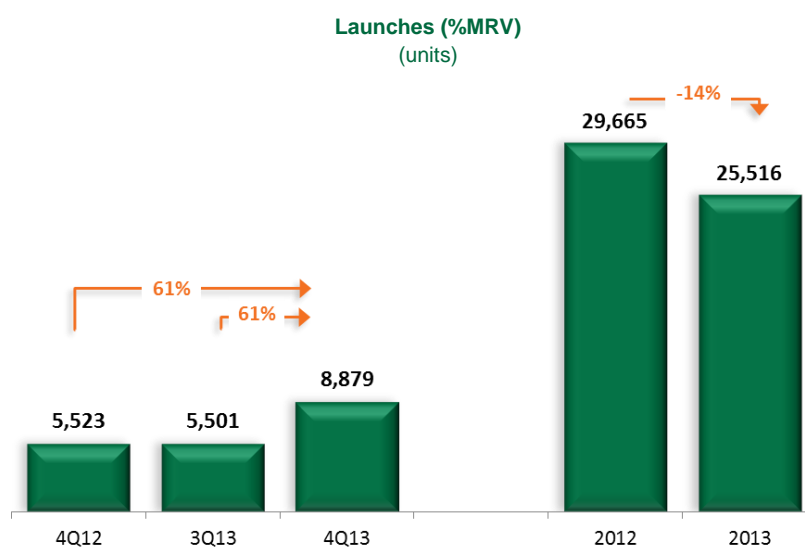
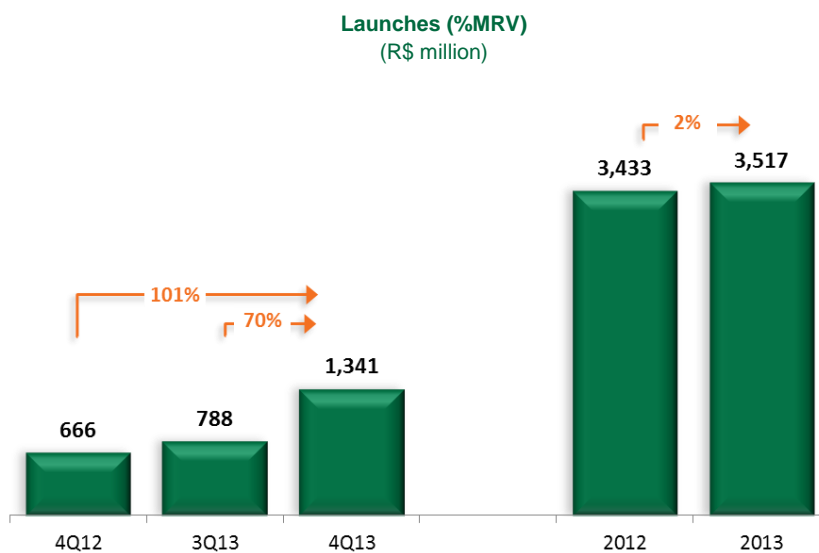


## Operational Performance - MRV

### Launches (%MRV), gross of swaps

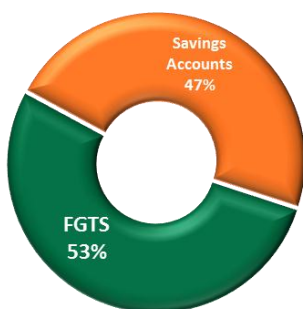
Due to the low competition and high demand for low income products, in 2013 MRV focused on selling its inventory. Launches were addressed to markets with low level of inventory. The launches growth in 4Q13 aimed to supply these markets. In 2014, the inventory management strategy will remain. Our focus remains on the low income segment. However, due to the unchanged price cap of MCMV, part of MRV's launched projects became ineligible to the Program.

By the end of 4Q13, MRV had R\$ 1,123 million of PSV already available for launching (with launching permits) that were not strategically launched due to the inventory management strategy mentioned above.

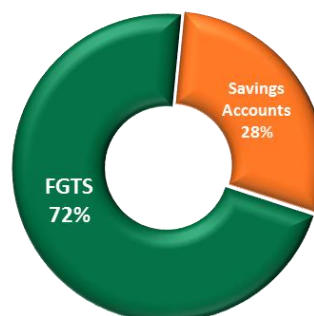




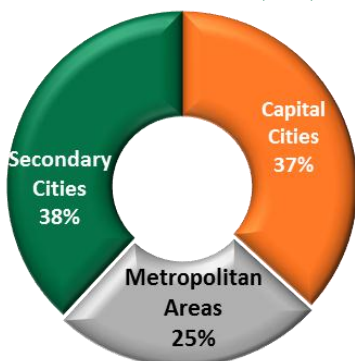
**Launches by Financing Source 4Q13**  
- %MRV (units)



**Launches by Financing Source 2013**  
- %MRV (units)



**Launches 4Q13 by Geographic Distribution** – %MRV (units)



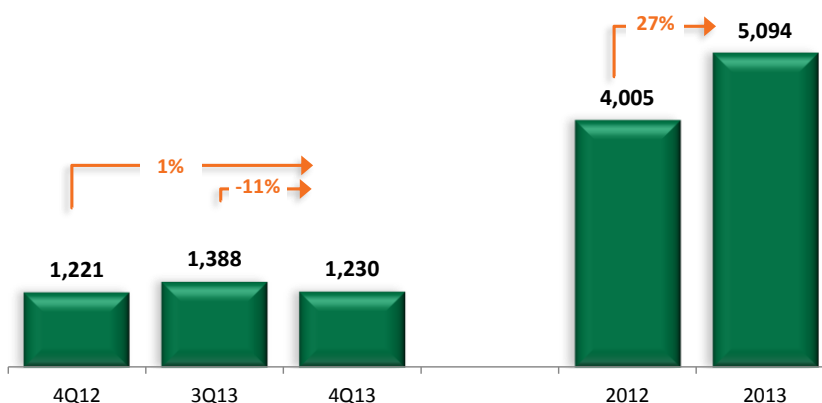
**Launches 4Q13 by State**  
- % MRV (R\$ million)

State	R\$ million	%
São Paulo	419	31.2%
Paraná	304	22.7%
Minas Gerais	154	11.5%
Rio de Janeiro	118	8.8%
Bahia	93	6.9%
Pernambuco	92	6.8%
Sergipe	48	3.6%
Mato Grosso	42	3.2%
Espírito Santo	28	2.1%
Santa Catarina	27	2.0%
Mato Grosso do Sul	16	1.2%
<b>Total</b>	<b>1,341</b>	<b>100.0%</b>

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

In 4Q13 pre-sales remained strong, as a consequence of the low competition in the low income segment and in the cities where we operate. We expect this scenario to remain over a medium to long-term. 86% of our pre-sales in 4Q13 were eligible to “*Minha Casa Minha Vida*” program, same level as in 2013 (87%).

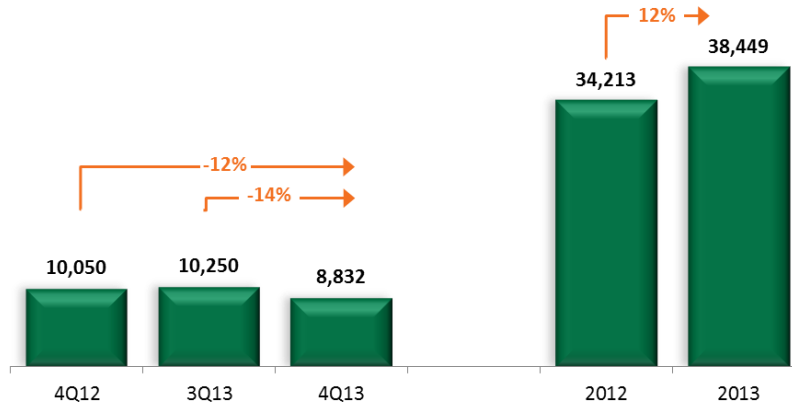
**Pre-sales (%MRV)**  
(R\$ million)



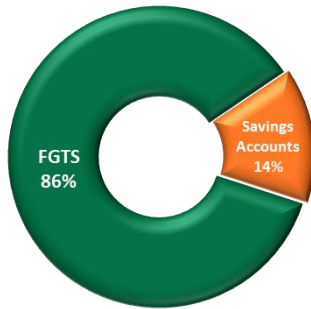


**Pre-sales (%MRV)**

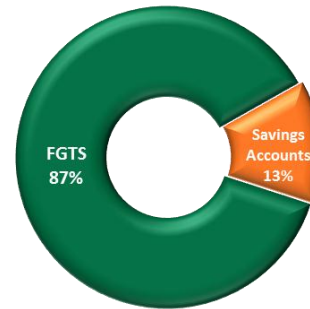
(units)



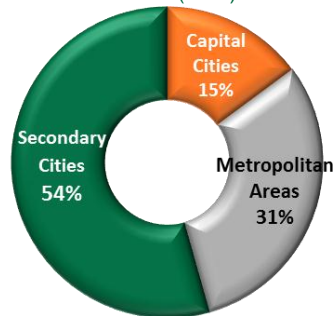
**Pre-Sales by Financing Source**  
4Q13 - %MRV (units)



**Pre-Sales by Financing Source**  
2013 - %MRV (units)



**Pre-sales 4Q13 by Geographic Distribution**  
- %MRV (units)

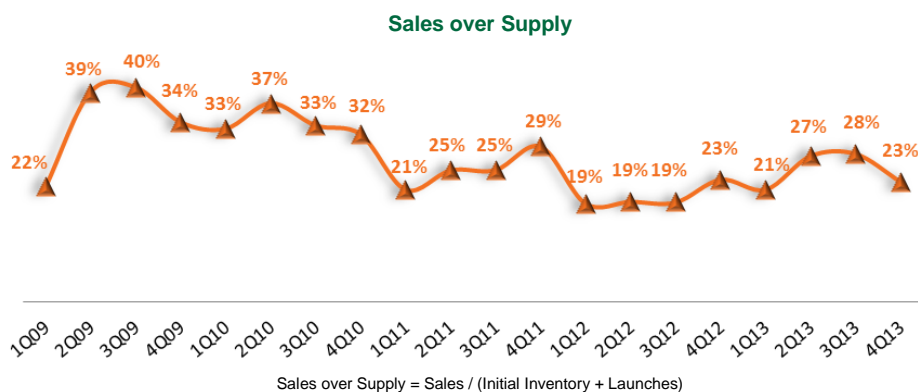




### Pre-Sales per launching period – %MRV (R\$)

Launching Period	2009	2010	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
4Q13														19%
3Q13													12%	17%
2Q13												5%	12%	8%
1Q13											7%	14%	8%	6%
4Q12										7%	15%	12%	7%	6%
3Q12									14%	20%	13%	5%	4%	5%
2Q12								14%	16%	20%	7%	7%	7%	4%
1Q12							3%	12%	10%	5%	5%	4%	2%	4%
4Q11						11%	23%	18%	16%	11%	10%	9%	9%	5%
3Q11					16%	25%	20%	12%	9%	9%	10%	9%	8%	5%
2Q11				9%	14%	8%	10%	8%	5%	5%	4%	4%	3%	2%
1Q11			17%	16%	12%	9%	8%	8%	6%	4%	2%	3%	3%	2%
2010		55%	60%	57%	38%	30%	27%	19%	16%	13%	18%	19%	14%	11%
2009	45%	27%	11%	9%	9%	8%	4%	4%	4%	3%	4%	5%	5%	4%
Before 2009	55%	18%	13%	10%	10%	9%	4%	5%	4%	4%	5%	4%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Launches in 4Q13 were concentrated in December, and most of the pre-sold units in the period came from inventory. In line with the launches' acceleration, Sales over Supply has converged to a recurrent and healthy level of operation.



### Cancellations (%MRV)

In 2013 we faced an increase in cancellations, which should persist in 2014. The more efficient client financing process, which allows the reduction of the backlog of clients to be financed (customers who purchased units and have not been financed yet) leads to the cancellations' increase for a certain period of time.

The main Company's project for 2014, named *SICAQ Project*, where pre-sales are conditioned to the approval of the client's mortgage by the bank will be expanded. As a result, cancellations' volume will decrease substantially, minimizing the Company's risks and accelerating the cash collection, essential for the free cash flow generation.

(R\$ million)	1Q13	2Q13	3Q13	4Q13	Chg. 4Q13 x 3Q13
Gross Sales	1,094,722	1,381,231	1,388,108	1,229,996	11.4% ↓
Cancellations (Contract Value)	232,615	293,669	265,548	295,952	11.4% ↑
Cancellations / Gross Sales	21.2%	21.3%	19.1%	24.1%	4.93 p.p. ↑

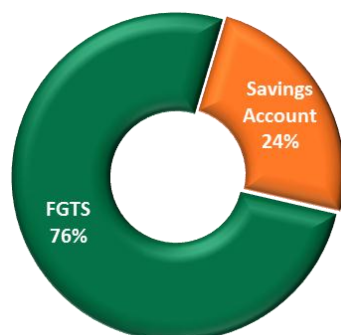
Due to the shortage of finished and semi-finished products in the low-income segment, 86.3% of the units cancelled in 2013 were resold in the same period, with an average gain on the selling price of 14.7% in real terms (compared to the original selling price adjusted by INCC).



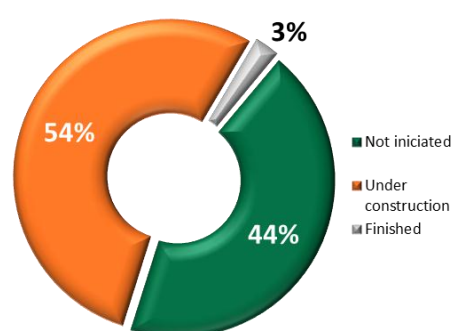
## Inventory at Market Value (%MRV)

On December 31, 2013, the inventory at market value totaled R\$ 4.67 billion (versus R\$ 4.08 billion on September 30, 2013). Units' price is regularly updated in our inventory to be sold.

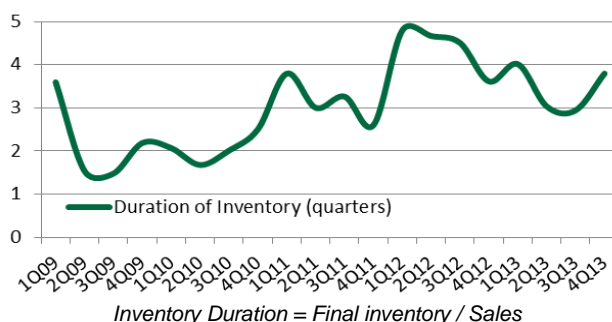
Inventory at market value 2013 by financing source  
– %MRV (units)



Inventory at market value 2013 by construction phase  
– %MRV (units)



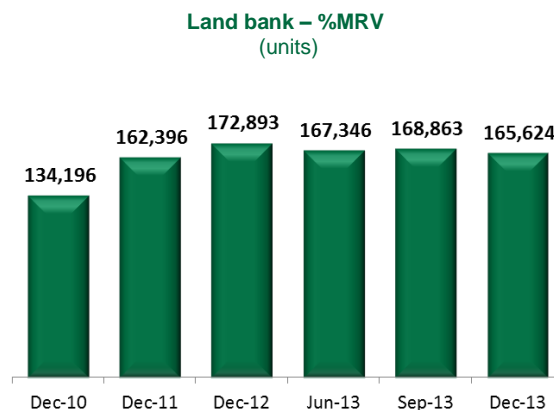
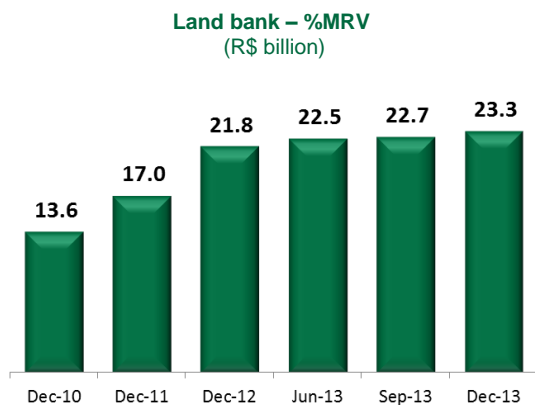
At the end of 2013 we had approximately 4 quarters of pre-sales as inventory of units to be sold. Inventory of finished units represent approximately 8 days of the pre-sales volume.



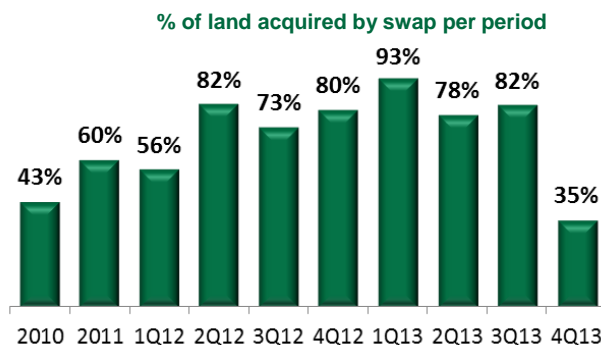
## Land Bank (%MRV)

Land bank			
	4Q12	3Q13	4Q13
Land Bank (opening balance) (R\$ million)	21,054	22,541	22,696
Acquisitions/Adjustments (R\$ million)	1,406	942	1,899
Launches (R\$ million)	(666)	(788)	(1,341)
Land Bank (closing balance) (R\$ million)	21,794	22,696	23,253
Land Bank - Units (thousands)	173	169	166
# of units per project (average)	426	430	431
Average Price (R\$ thousands)	126	134	140

Units' price of the land bank is regularly updated.

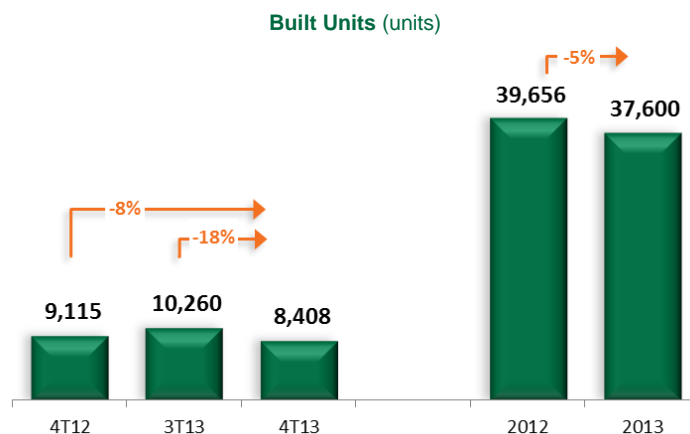


MRV's land bank is already consolidated, and new land acquisitions will be made mainly through swaps, basically to replace launched projects. Specific opportunities may cause fluctuations in the percentage of purchases through swaps at certain periods.



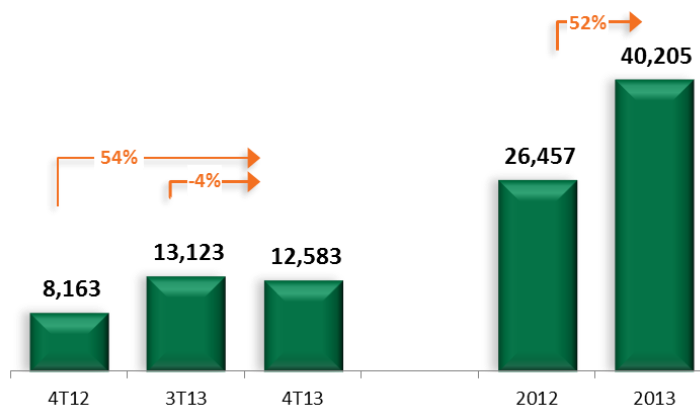
## Production (100%)

In 2013 built units reached 40,205, last operational metric to reach the annual level of 40,000 units.

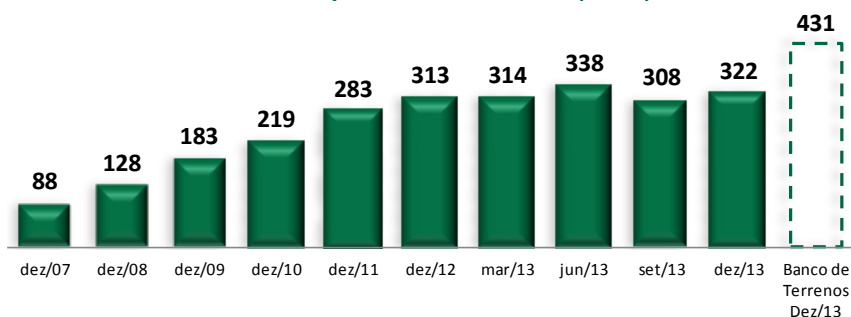




Finished Units (units)



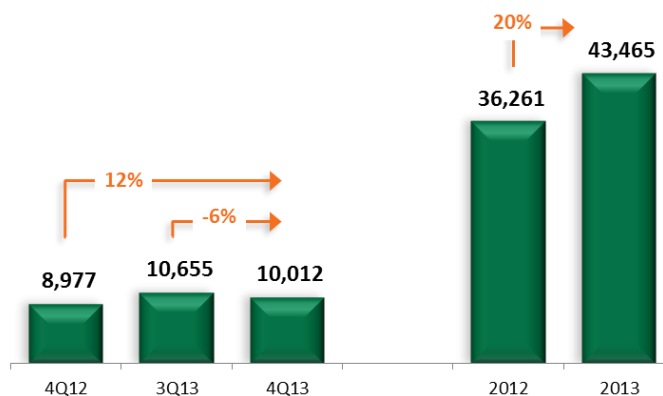
Nº of units per construction site (100%)



### Real Estate Financing (100%)

Despite of the bank's strike extended until the middle of October and the premature year- end festivities by the banks, client financing reached 10,012 units in 4Q13, an increase of 12% compared to 4Q12. In 2013, 43,465 clients had their mortgages granted, a 20% growth compared to 2012.

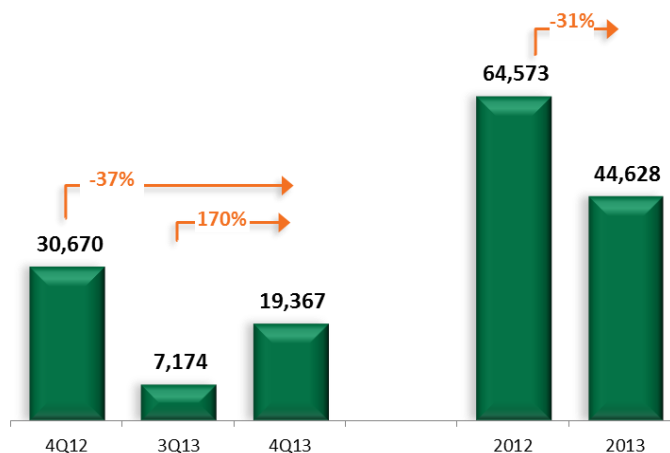
Client Financing (transferred units) <sup>2</sup>



<sup>2</sup> Client Financing: Quantity of clients (individuals) that signed their mortgages with a financial institution in the period.



### Construction Financing (Contracted Units)<sup>3</sup>

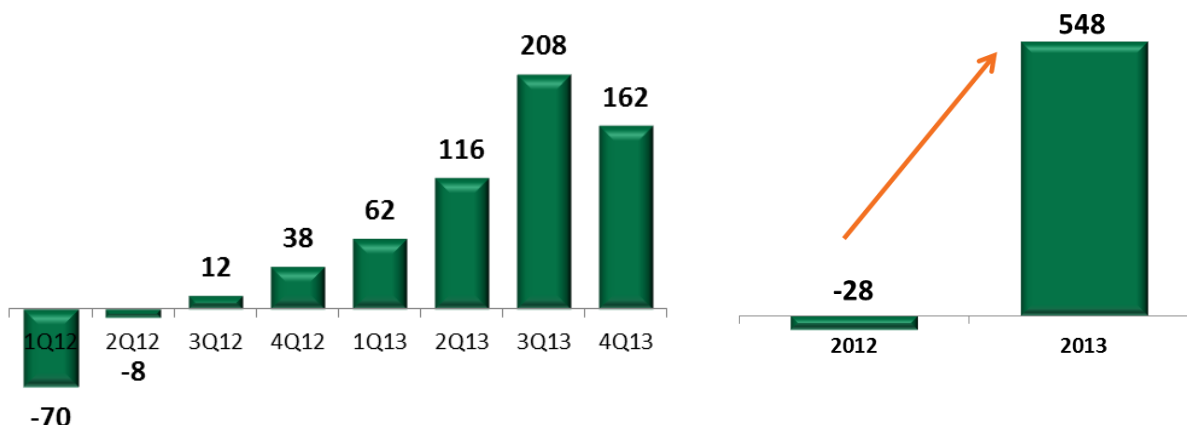


We have an inventory of 140,000 contracted units. This inventory is equivalent to more than two years of operation. Out of this total, approximately 70,000 units have not been launched yet and/or are in the inventory for sale.

### Cash Generation – Generation of R\$548 million in 2013

We have generated R\$162 million in 4Q13 of Free Cash Flow, totaling R\$548 million in 2013. Maintaining the moderate growth strategy, with land acquisition aiming to replenish launched projects and with continuous cash collection cycle improvement, we expect a consistent and sustainable free cash flow generation. The Cash Flow generation has allowed the Company to deleverage its Balance Sheet.

### Consolidated Cash Generation / Cash Burn<sup>4</sup> (R\$ million) – CPC 19 IFRS 11



The cash generation is a consequence of the client financing processed by the banks. From the day that the client signs the mortgage with the bank to the day of the effective credit at MRV's banking account, the amount to be credited to MRV, equivalent to the percentage already built of the project, remains in a "Transitory Account". Additionally to the effective cash generated in 2013, the balance of these transitory accounts increased by R\$ 240 million year-on-year, reaching R\$ 395 million on December 31, 2013, granting a continuous cash generation.

MRV considers the Securitization of Real Estate Receivables ("CRI – Certificado de Recebíveis Imobiliários") as debt until the client's mortgage is granted by the bank or the maturity of the liabilities.

<sup>3</sup> Contracted units: Units from projects that had the construction financing approved by a financial institution in the period.

<sup>4</sup> Cash Generation / Cash Burn – measured by the variation of the net debt, excluding capital increases, bought back shares held in treasury and dividends paid, when applicable. Consolidated cash generation/cash burn represents homebuilding business, considering pronouncements CPC19-IFRS11.

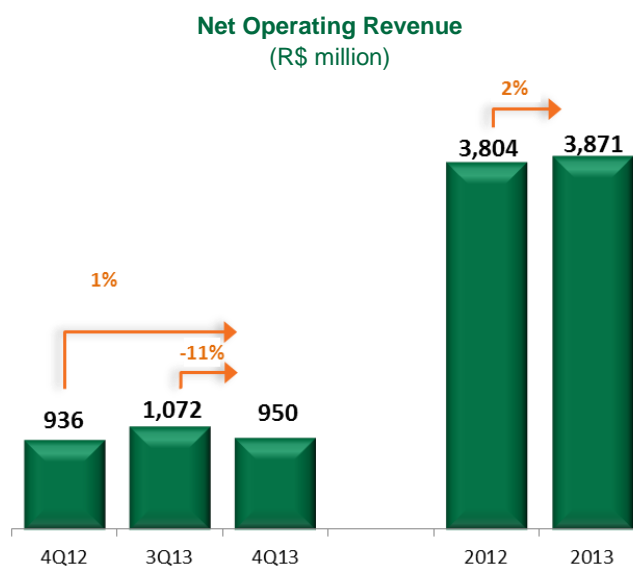


## MRV Financial Performance

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

### Net Operating Revenue

In 2013 net operating revenue increased 2%, compared to 2012. The revenue growth was impacted by a slight decrease in the number of built units and the bigger volume of cancellations. In 4Q13 revenues decreased 11% compared to 3Q13, reflecting (i) a lower volume of built units (due to the raining season), (ii) a lower pre- sales volume, (iii) a higher cancelations' volume, and (vi) a lower financial result allocated to net revenues due to the lower INCC in the period).

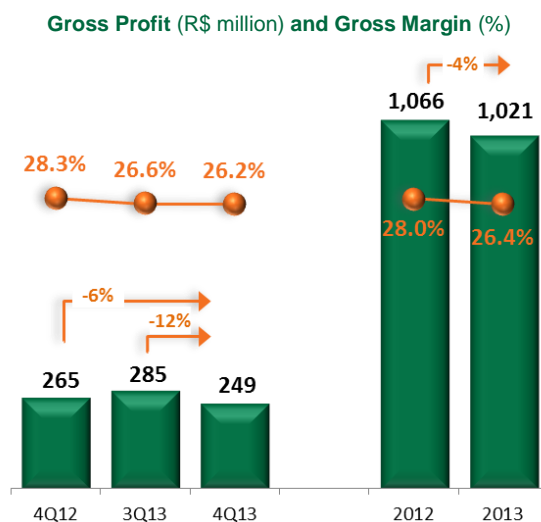


(R\$ million)	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Net Operational Revenue	929	1,010	916	8.1% ↓	1.4% ↑	3,717	3,573	4.0% ↑
Financial results allocated to Net Revenue	21	61	20	65.8% ↓	3.1% ↑	154	231	33.4% ↓
Total Net Operational Revenue	950	1,072	936	11.4% ↓	1.4% ↑	3,871	3,804	1.8% ↑



## Gross Profit

The gross margin keeps improving gradually. In 4Q13 there was no material non-recurring event. Provision for maintenance is adequate and we have concluded, in 2Q13, the change in the tax regime of the ongoing projects eligible to *RET* (special tax regime).



The gross margin in 4Q13 was impacted by 3.8 p.p. due to the financial charges allocated to COGS (Cost of Goods Sold). Excluding financial charges, the gross margin of 4Q13 would have been 30.1% compared to 29.7% in 3Q13 and to 32.0% in 4Q12. For comparative purposes, if the financial result allocated to net operational revenue from the gross profit due to the INCC variation was excluded from the revenue and the gross profit, the gross margin in 4Q13 would have improved 250 bps, when compared to 3Q13.

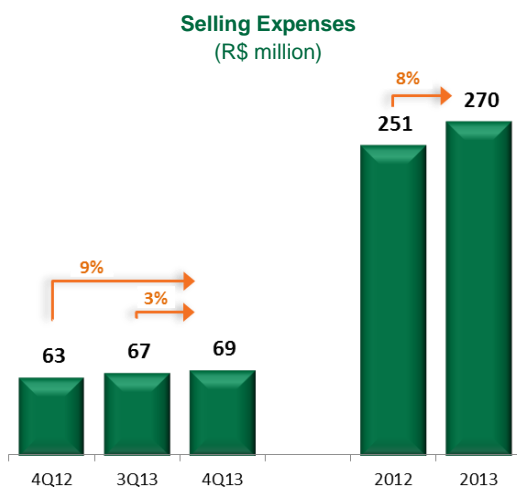
The table below demonstrates the financial charges recorded under COGS:

**Financial Cost recorded under COGS**

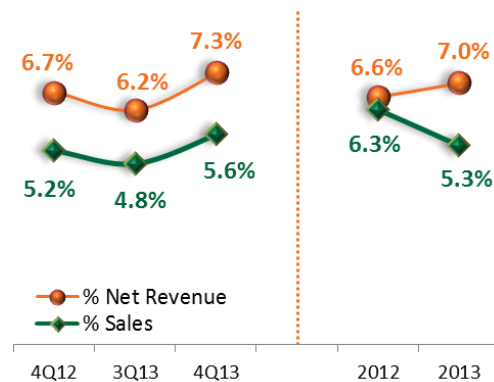
(R\$ million)	4Q13	3Q13	4Q12	2013	2012
Financial Cost recorded under COGS	36	34	34	139	142
% of Net Operating Revenue	3.8%	3.1%	3.7%	3.6%	3.7%



## Selling Expenses

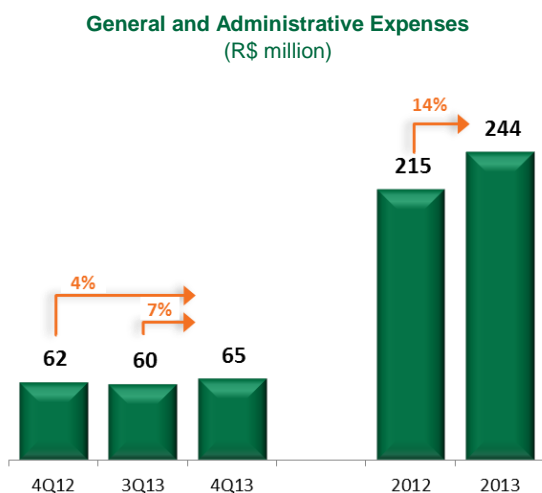


**% Selling Expenses/ Pre-Sales (%MRV)**  
and **% Selling Expenses / Net Operating Revenue**

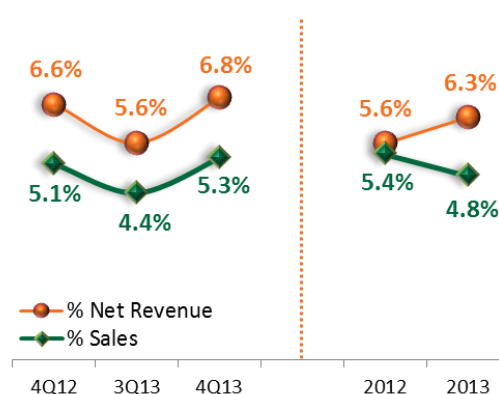


Selling expenses increased 8% in 2013 (in absolute term), mainly due to the strong pre-sales volume and the growth of our own sales force team. We believe that our own sales force team's growth will bring operational gains, as the sales quality and Company goals and priorities will be more aligned.

## General and Administrative Expenses (G&A)



**% G&A Expenses / Pre-Sales (%MRV)**  
and **% G&A Expenses / Net Operating Revenue**

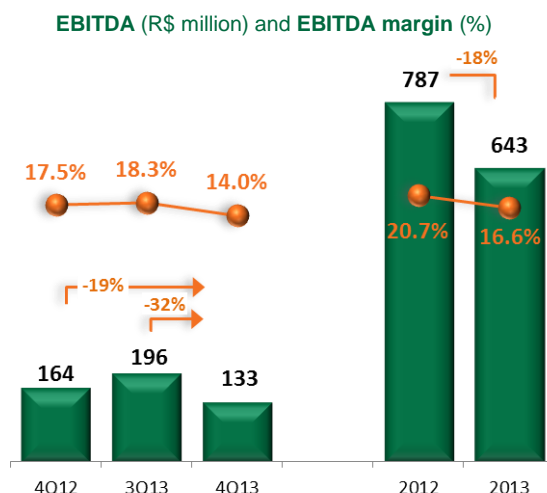


The Company administrative structure is able to support the operational growth.



## EBITDA<sup>5</sup>

The EBITDA margin evolution in 2013 reflects the reduction of the gross margin, in addition to the increase in the selling, general and administrative expenses, as mentioned previously. Specifically in 4Q13, EBITDA was negatively impacted by the equity income result coming from Prime Incorporações e Construções S.A., one of our joint controlled companies which operates in the Mid-West region of Brazil. Its result was negatively impacted by high competition in that region and by lower than expected operational performance in some of its projects. These projects are older projects whose problems were already addressed.



Find below the EBITDA calculation:

R\$ million	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Income before taxes	94	153	110	(39.0%)	(15.2%)	499	596	(16.3%)
Depreciation and Amortization	10	9	9	8.0%	12.5%	36	23	52.9%
Financial Results	(7)	(0)	10	1949.3%	-	(30)	25	-
Financial charges recorded under cost of sales	36	34	34	8.3%	6.0%	139	142	(2.6%)
<b>EBITDA</b>	<b>133</b>	<b>196</b>	<b>164</b>	<b>(32.3%)</b>	<b>(18.9%)</b>	<b>643</b>	<b>787</b>	<b>(18.2%)</b>
<i>EBITDA Margin</i>	<i>14.0%</i>	<i>18.3%</i>	<i>17.5%</i>	<i>(4.3 p.p.)</i>	<i>(3.5 p.p.)</i>	<i>16.6%</i>	<i>20.7%</i>	<i>(4.1 p.p.)</i>

## Financial Results

(R\$ million)	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Financial Expenses	(41)	(43)	(39)	3.0% ↓	5.8% ↑	(137)	(129)	6.4% ↑
Financial Income	42	32	28	31.2% ↑	51.5% ↑	129	91	40.9% ↑
Financial income from receivables from real estate development	7	11	1	38.1% ↓	415.4% ↑	39	13	203.6% ↑
<b>Total</b>	<b>7</b>	<b>0</b>	<b>(10)</b>	<b>1949.3% ↑</b>	<b>-</b>	<b>30</b>	<b>(25)</b>	<b>-</b>

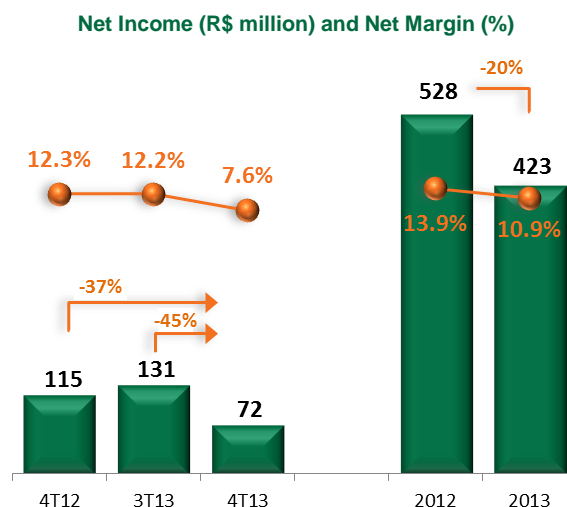
The total financial results are demonstrated below, adjusted for financial charges recorded at the Cost of Goods Sold.

(R\$ million)	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Financial result	7	0	(10)	1949.3% ↑	-	30	(25)	-
Financial Cost recorded under COGS	(36)	(34)	(34)	8.3% ↑	6.0% ↑	(139)	(142)	2.6% ↓
<b>Adjusted Total</b>	<b>(29)</b>	<b>(33)</b>	<b>(44)</b>	<b>12.9% ↓</b>	<b>34.8% ↓</b>	<b>(108)</b>	<b>(167)</b>	<b>35.1% ↓</b>

<sup>5</sup> See EBITDA definition at the Glossary



## Net Income



## Unearned Results

(R\$ million)	Dec-13	Sep-13	Dec-12	Chg. Dec-13 x Sep-13	Chg. Dec-13 x Dez-12
Unearned Sales Revenues	3,172	3,159	2,783	0.4% ↑	14.0% ↑
(-) Unearned Costs of Units Sold	(1,821)	(1,860)	(1,565)	2.1% ↓	16.3% ↑
Unearned Results	1,352	1,300	1,218	4.0% ↑	11.0% ↑
Unearned Results Margin	42.6%	41.1%	43.8%	1.5 p.p. ↑	1.1 p.p. ↓

## Balance Sheet

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

On December 31, 2013 we had Cash and Cash Equivalent and Short-term Investments of R\$1,689 million, an increase of 9.7% compared to R\$ 1,539 million on December 31, 2012. In 4Q13 we amortized R\$60 million of the notional amount and paid R\$ 14 million of interest) related to the 4<sup>th</sup> debenture issuance. In 1Q14 we made the final payment of the 3<sup>rd</sup> debenture issuance (R\$ 272 million of principal and interest), in line with our strategy to reduce the corporate debt. We maintain a solid cash position and a low leveraged balance sheet, giving us comfort to keep up with our operations even in times of global and Brazilian economic uncertainties.



## Receivables from Real Estate Development

(R\$ million)	Dec-13	Sep-13	Dec-12	Chg. Dec-13 x Sep-13	Chg. Dec-13 x Dez-12
12 months	4,604	4,805	4,576	4.2% ↓	0.6% ↑
13 to 24 months	2,471	2,415	2,479	2.3% ↑	0.3% ↓
25 to 36 months	289	284	326	1.7% ↑	11.4% ↓
37 to 48 months	49	49	58	1.5% ↑	14.1% ↓
Over 49 months	6	6	7	1.5% ↑	14.1% ↓
<b>Total</b>	<b>7,419</b>	<b>7,559</b>	<b>7,445</b>	<b>1.8% ↓</b>	<b>0.3% ↓</b>
Receivables from real estate development	4,247	4,399	4,662	3.5% ↓	8.9% ↓
Unearned sales revenue	3,172	3,159	2,783	0.4% ↑	14.0% ↑
<b>Total</b>	<b>7,419</b>	<b>7,559</b>	<b>7,445</b>	<b>1.8% ↓</b>	<b>0.3% ↓</b>

On December 31, 2013, we had a total of R\$ 312 million of receivables without the unit's warranty (*Pro-soluto*<sup>6</sup>), representing approximately 4.2% of the total R\$ 7,419 million account receivables.

<i>Pro-soluto</i> (R\$ million)	Dec/13
After Keys Delivery	59
Before Keys Delivery	253
<b>Total</b>	<b>312</b>
Receivables	7,419
Pro-soluto / Receivables (%)	4.2%

## Advances from Customers

(R\$ million)	Dec-13	Sep-13	Dec-12	Chg. Dec-13 x Sep-13	Chg. Dec-13 x Dez-12
12 months	933	925	1,477	0.9% ↑	36.8% ↓
13 to 24 months	365	376	145	2.9% ↓	152.2% ↑
Over 24 months	211	214	55	1.4% ↓	286.0% ↑
<b>Total</b>	<b>1,510</b>	<b>1,516</b>	<b>1,676</b>	<b>0.4% ↓</b>	<b>9.9% ↓</b>
Advanced receivables	397	397	550	0.0% ↑	27.9% ↓
Advances for barter	1,113	1,119	1,126	0.5% ↓	1.1% ↓
<b>Total</b>	<b>1,510</b>	<b>1,516</b>	<b>1,676</b>	<b>0.4% ↓</b>	<b>9.9% ↓</b>

## Real Estate for Sale and Development

(R\$ million)	Dec-13	Sep-13	Dec-12	Chg. Dec-13 x Sep-13	Chg. Dec-13 x Dez-12
Properties under construction	1,193	1,069	1,151	11.6% ↑	3.6% ↑
Completed Units	55	51	39	7.2% ↑	41.4% ↑
Land bank	1,926	1,902	1,847	1.2% ↑	4.3% ↑
Advances to Suppliers	45	34	37	30.2% ↑	22.4% ↑
Inventories of supplies	7	12	11	46.4% ↓	37.6% ↓
<b>Total</b>	<b>3,225</b>	<b>3,069</b>	<b>3,085</b>	<b>5.1% ↑</b>	<b>4.6% ↑</b>
Current	1,735	1,615	1,734	7.4% ↑	0.1% ↑
Non-current	1,490	1,454	1,350	2.5% ↑	10.3% ↑

<sup>6</sup> Pro Soluto: receivables from clients who have already financed their units at financial institutions.



## Total Debt

Total debt as of December 31, 2013 was R\$ 3,018 million, fully denominated in Brazilian *Reais*, and mainly indexed to the interbank deposit rate and referential rate.

### Debt Maturity Schedule

(R\$ million)	Loans -		Total
	Construction Financing*	Debentures	
12 months	351	424	775
13 to 24 months	765	368	1,133
25 to 36 months	318	499	817
37 to 48 months	41	250	291
Over 48 months	1	-	1
<b>Total Debt</b>	<b>1,477</b>	<b>1,541</b>	<b>3,018</b>

\*Include leases

On December 31, 2013 the duration<sup>7</sup> of MRV's debt was 20 months.

### Debt Breakdown

(R\$ million)	Maturity	Charges	Balance Due	
			Dec/13	Sep/13
<b>Working capital – CDI</b>			<b>1,884</b>	<b>1,886</b>
Debentures - 3rd Issuance	02/01/2014	CDI + 1.6% p.a.	269	262
Debentures - 5th Issuance	07/01/2016	CDI + 1.5% p.a.	525	511
Debentures - 6th Issuance	3/5/2017	CDI + 1.5% p.a.	506	517
Working capital – CDI	up to June/17	CDI + 1.10% to 1.60% p.a.	418	412
CCB which backed the CRI transaction	Mar/13 to Mar/15	CDI + 1.15% p.a.	166	185
<b>Construction Finance - TR</b>			<b>1,124</b>	<b>1,327</b>
Debentures - 4th Issuance	12/1/2015	TR + 8.62 p.a.	241	307
Construction Financing	up to Dec/18	TR + 8% to 10.5% p.a.	883	1,019
<b>Others</b>			<b>10</b>	<b>11</b>
Others	up to Apr/20	CDI + Spread and Fixed rate 4.5%	10	11
<b>Total</b>			<b>3,018</b>	<b>3,224</b>

### Weighted Average Debt Cost

(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 4.5%)	(6)	0.2%	4.5%
<b>Total</b>	<b>(3,018)</b>	<b>100.0%</b>	

The Company has been privileging the contracting of Construction Financing due to the efficiency it brings to the client financing (mortgage granting process) and to the lower costs when compared to the Corporate Debt.

<sup>7</sup> Duration – see attachment 8 - glossary



## Net Debt

### Consolidated MRV Net Debt

(R\$ million)	Dec-13	Sep-13	Dec-12	Chg. Dec-13 x Sep-13	Chg. Dec-13 x Dec-12
Total debt	3,018	3,224	3,202	6.4% ↓	5.8% ↓
(-) Cash and cash equivalents and Short-term investments	(1,689)	(1,733)	(1,539)	2.5% ↓	9.7% ↑
Net Debt	1,329	1,491	1,663	10.9% ↓	20.1% ↓
Total Shareholders' Equity	4,365	4,409	4,088	1.0% ↓	6.8% ↑
Net Debt / Total Shareholders' Equity	30.4%	33.8%	40.7%	3.4 p.p. ↓	10.2 p.p. ↓
EBITDA LTM	643	674	787	4.6% ↓	18.2% ↓
Net Debt / EBITDA LTM	2.07x	2.21x	2.11x	6.6% ↓	2.3% ↓

## Covenants & Corporate Risk

### Ratings

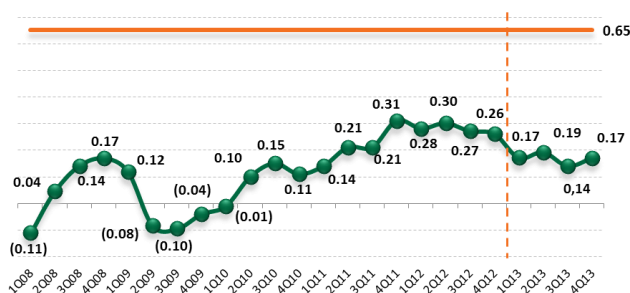


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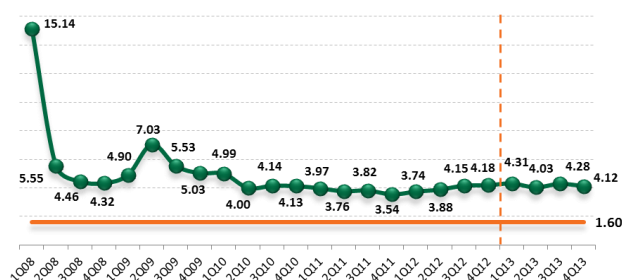
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### Debt Covenant<sup>8</sup>



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

### Receivables Covenant



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

<sup>8</sup> Debt and Recivables Covenants calculated in accordance to pronouncement CPC 19 (R2) – IFRS 11 as of 1Q13



## Dividends

According to the Company's management's proposal, to be approved at the Annual Shareholders' Meeting, 2013 dividends are as follows:

Proposed dividends - % of net income available for distribution (R\$ million)	2013	2012
Mandatory minimum dividends - 25%	100	125
Additional proposed – 10%	40	-
<b>Total proposed dividends</b>	<b>141</b>	<b>125</b>

Proposed dividends per share (R\$):	2013	2012
Mandatory minimum dividends	0.212	0.262
Additional proposed	0.085	-
<b>Total proposed dividends</b>	<b>0.297</b>	<b>0.262</b>

The additional proposed dividends for 2013, in the amount of R\$40 million, above the minimum required, will be recognized as liabilities when approved by shareholders.

## Shares

<b>MRVE3 (12/30/13)</b>
<b>483,102,222 shares</b>
<b>Market Share:</b> R\$ 4.1 billion
US\$ 1.7 billion
(12/30/13: US\$ 1 = R\$ 2.33)
<b>Average Daily Trading Volume (2013):</b>
R\$ 42.64 million

Share Buyback Plan	
Share Buyback Plan	
Term	08/09/2014
Status	Active
Approved Quantity	16,077,500
Acquired Quantity until 12/31/13	10,372,600
Buyback Available Balance (as of 12/31/13)	5,704,900
Treasury Shares (as of 12/31/13)	9,338,011

In August/2011 we have started our Share Buyback Program, with expiration date on August 9, 2012. The acquired shares should remain in Treasury, be cancelled or sold, with a maximum buyback authorized volume of 10 million common shares. In July/2012 a new Share Buyback Program was approved and, the combination of the two programs totaled an authorized share buyback volume of 16,077,500 shares, valid up to August 9, 2013. This second program was postponed for 365 additional days, to be expired on August 9, 2014 through a Board of Directors' Meeting which took place on July 18, 2013.

The Meeting of Board of Directors held on January 27, 2014, approved the cancellation of 6 million Treasury Shares. After the cancellation, MRV became represented by 477,221,343 shares, 3,338,111 held in Treasury.



## LOG Commercial Properties

LOG CP, from 3Q13 on as LOG has requested for public company in CVM's "B" category, starts to release its detailed results. LOS's earnings release is available on MRV website

([http://ri.mrv.com.br/relatorios\\_trimestrais.aspx?l=2](http://ri.mrv.com.br/relatorios_trimestrais.aspx?l=2)). Find below LOG CP main metrics:

Operating Highlights (in GLA sq.m., in %LOG)	4Q13	3Q13	4Q12	4Q13 x 3Q13	4Q13 x 4Q12	2013	2012	2013 x 2012
<b>Portfolio</b>	<b>1,317,566</b>	<b>1,282,379</b>	<b>1,400,058</b>	<b>2.7%</b>	<b>-5.9%</b>	<b>1,317,566</b>	<b>1,400,058</b>	<b>-5.9%</b>
Warehouses	1,174,798	1,137,639	1,219,794	3.3%	-3.7%	1,174,798	1,219,794	-3.7%
Retail *	48,368	48,419	75,787	-0.1%	-36.2%	48,368	75,787	-36.2%
Office	94,400	96,321	104,477	-2.0%	-9.6%	94,400	104,477	-9.6%
<b>Approved GLA</b>	<b>81,772</b>	<b>5,104</b>	<b>156,927</b>	<b>1502.1%</b>	<b>-47.9%</b>	<b>872,912</b>	<b>704,248</b>	<b>23.9%</b>
Warehouses	79,321	5,104	156,927	1454.1%	-49.5%	860,490	691,172	24.5%
Retail *	2,451	-	-	-	-	12,422	13,076	-5.0%
Office	-	-	-	-	-	-	-	-
<b>Built GLA</b>	<b>43,713</b>	<b>51,956</b>	<b>58,198</b>	<b>-15.9%</b>	<b>-24.9%</b>	<b>553,686</b>	<b>362,310</b>	<b>52.8%</b>
Warehouses	44,679	49,456	56,575	-9.7%	-21.0%	544,467	359,690	51.4%
Retail *	(966)	2,500	1,623	-	-	9,219	2,620	251.9%
Office	-	-	-	-	-	-	-	-
<b>Delivered GLA</b>	<b>57,447</b>	<b>24,268</b>	<b>114,486</b>	<b>136.7%</b>	<b>-49.8%</b>	<b>412,655</b>	<b>252,903</b>	<b>63.2%</b>
Galpões	54,803	24,268	84,276	125.8%	-35.0%	410,011	252,903	62.1%
Retail *	2,644	-	30,210	-	-91.2%	2,644	-	-
Office	-	-	-	-	-	-	-	-

Financial Highlights (in R\$ thousand)	4Q13	3Q13	4Q12	4Q13 x 3Q13	4Q13 x 4Q12	2013	2012	2013 x 2012
Net Operating Revenues	13	56	9	-77%	47%	89	28	222.7%
EBITDA	11	26	5	-60%	115%	53	17	218.3%
EBITDA Margin (%)	80.8%	46.6%	55.4%	34.2 p.p.	25.4 p.p.	59.0%	59.8%	-0.8 p.p.
Adjusted EBITDA **	8	8	5	5%	73%	28	17	71.3%
Adjusted EBITDA Margin (%)	64.9%	65.5%	55.4%	-0.6 p.p.	9.5 p.p.	62.5%	59.8%	2.6 p.p.
FFO	10	23	3	-59.3%	204.7%	44	15	190.6%
FFO Margin (%)	73.2%	41.6%	35.4%	31.5 p.p.	37.8 p.p.	49.6%	55.1%	-5.5 p.p.
Adjusted FFO **	7	6	3	3.3%	113.6%	20	15	33.7%
Adjusted FFO Margin (%)	51.2%	52.6%	35.4%	-1.4 p.p.	15.8 p.p.	44.9%	55.1%	-10.2 p.p.

\* Retail: Shopping Centers and Strip Malls.

\*\* Adjusted EBITDA and FFO: does not consider non recurrent events as land and subsidiary shares sales and Swap obligation write-off.

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



## Urbamais

Urbamais Properties e Participações S.A. (“Urbamais”) was founded in July 2012, with the goal to develop large urban areas in a sustainable way for residential and/or mixed products.

The lots development segment has been expanding in Brazil over the last years. We believe that MRV’s real estate market expertise, its strong presence in Brazil’s main regions and its consolidated corporate image in the capital market are important differentials for Urbamais to over perform in a fragmented market composed by a large number of small players.

Urbamais has been focusing on land acquisition in secondary and metropolitan cities with exponential growth opportunities, and consequently, strong demand for urban lands.

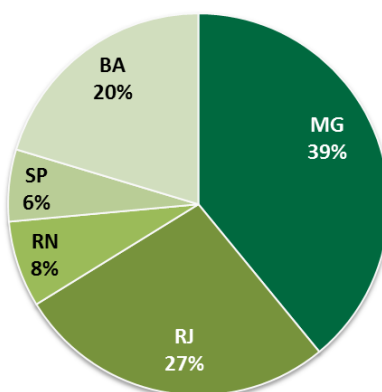
Urbamais’ lots will be focused on the primary residential market. Part of its land bank is located in urban areas and another part at rural frontier areas close to the cities.

Land has been acquired substantially through swaps, reducing the initial cash exposure.

Currently, Urbamais’ Land Bank PSV is made of approximately R\$1,986 million. The Company has 3 projects in advanced approval process.

Land Bank - Urbamais	February 28, 2014
Potential PSV	R\$ 1,986 million
Usable Area	5.4 million sq.m.

Urbamais has lands in 10 cities, located in 5 States in Brazil. On February 28, 20114, the land bank had the following distribution:





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

R\$ million	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
<b>NET OPERATING REVENUE</b>	<b>950</b>	<b>1,072</b>	<b>936</b>	<b>(11.4%)</b>	<b>1.4%</b>	<b>3,871</b>	<b>3,804</b>	<b>1.8%</b>
COST OF PROPERTIES SOLD AND SERVICES	(701)	(787)	(671)	(11.0%)	4.4%	(2,849)	(2,738)	4.1%
<b>GROSS PROFIT</b>	<b>249</b>	<b>285</b>	<b>265</b>	<b>(12.5%)</b>	<b>(6.0%)</b>	<b>1,021</b>	<b>1,066</b>	<b>(4.2%)</b>
<i>Gross Margin</i>	26.2%	26.6%	28.3%	(0.3 p.p.)	(2.1 p.p.)	26.4%	28.0%	(1.6 p.p.)
OPERATING INCOME (EXPENSES)								
Selling expenses	(69)	(67)	(63)	3.0%	9.5%	(270)	(251)	7.7%
General & Administrative Expenses	(65)	(60)	(62)	7.2%	4.2%	(244)	(215)	13.8%
Other operating income (expenses), net	(16)	(15)	(15)	7.5%	5.9%	(39)	(40)	(2.2%)
Equity Income	(14)	10	(5)	-	187.7%	0	59	(99.7%)
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>86</b>	<b>153</b>	<b>120</b>	<b>(43.7%)</b>	<b>(28.4%)</b>	<b>469</b>	<b>621</b>	<b>(24.5%)</b>
FINANCIAL RESULTS								
Financial expenses	(41)	(43)	(39)	(3.0%)	5.8%	(137)	(129)	6.4%
Financial income	42	32	28	31.2%	51.5%	129	91	40.9%
Financial income from receivables from real estate development	7	11	1	(38.1%)	415.4%	39	13	203.6%
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>94</b>	<b>153</b>	<b>110</b>	<b>(39.0%)</b>	<b>(15.2%)</b>	<b>499</b>	<b>596</b>	<b>(16.3%)</b>
Income Tax and Social Contribution	(19)	(18)	18	6.0%	-	(49)	(21)	130.5%
<b>NET INCOME</b>	<b>74</b>	<b>135</b>	<b>128</b>	<b>(45.1%)</b>	<b>(42.0%)</b>	<b>450</b>	<b>575</b>	<b>(21.7%)</b>
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	2	4	13	(55.7%)	(84.6%)	27	47	(42.6%)
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>72</b>	<b>131</b>	<b>115</b>	<b>(44.7%)</b>	<b>(37.2%)</b>	<b>423</b>	<b>528</b>	<b>(19.8%)</b>
<i>Net Margin</i>	7.6%	12.2%	12.3%	(4.6 p.p.)	(4.7 p.p.)	10.9%	13.9%	(2.9 p.p.)

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

R\$ million	4Q13	3Q13	4Q12	Chg. 4Q13 x 3Q13	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
Income before taxes	94	153	110	(39.0%)	(15.2%)	499	596	(16.3%)
Depreciation and Amortization	10	9	9	8.0%	12.5%	36	23	52.9%
Financial Results	(7)	(0)	10	1949.3%	-	(30)	25	-
Financial charges recorded under cost of sales	36	34	34	8.3%	6.0%	139	142	(2.6%)
<b>EBITDA</b>	<b>133</b>	<b>196</b>	<b>164</b>	<b>(32.3%)</b>	<b>(18.9%)</b>	<b>643</b>	<b>787</b>	<b>(18.2%)</b>
<i>EBITDA Margin</i>	14.0%	18.3%	17.5%	(4.3 p.p.)	(3.5 p.p.)	16.6%	20.7%	(4.1 p.p.)



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

ASSETS	12/31/2013	31/09/2013	12/31/2012	Chg. Dec/13 x Sep/13	Chg. Dec/13 x Dec/12
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,423	1,458	1,385	(2.4%)	2.7%
Short-term investments	266	274	154	(3.0%)	72.7%
Receivables from real estate development	2,294	2,518	2,733	(8.9%)	(16.1%)
Receivables from services provided	1	1	2	0.7%	(25.6%)
Real estate for sale and development	1,735	1,615	1,734	7.4%	0.1%
Recoverable current taxes	112	114	117	(1.9%)	(4.8%)
Other assets	39	61	54	(36.3%)	(27.0%)
<b>Total Current Assets</b>	<b>5,871</b>	<b>6,042</b>	<b>6,180</b>	<b>-2.8%</b>	<b>-5.0%</b>
<b>NONCURRENT ASSETS</b>					
Receivables from real estate development	1,952	1,882	1,929	3.7%	1.2%
Real estate for sale and development	1,490	1,454	1,350	2.5%	10.3%
Due from related parties	51	66	64	(23.4%)	(21.6%)
Deferred tax	-	-	0	-	-
Other noncurrent assets	76	65	136	15.6%	(44.5%)
Investment property	632	664	554	(4.8%)	14.2%
Property and equipment	80	85	86	(6.1%)	(7.6%)
Intangible Assets	48	44	41	8.1%	15.6%
<b>Total Noncurrent Assets</b>	<b>4,328</b>	<b>4,260</b>	<b>4,161</b>	<b>1.6%</b>	<b>4.0%</b>
<b>TOTAL ASSETS</b>	<b>10,198</b>	<b>10,302</b>	<b>10,340</b>	<b>-1.0%</b>	<b>-1.4%</b>



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

LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2013	31/09/2013	12/31/2012	Chg. Dec/13 x Sep/13	Chg. Dec/13 x Dec/12
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	188	223	240	(15.8%)	(21.8%)
Loans and financing	775	872	899	(11.2%)	(13.8%)
Payables for purchase of land	292	181	212	61.5%	38.0%
Advances from customers	933	925	1,477	0.9%	(36.8%)
Labor and social liabilities	92	92	89	0.1%	3.2%
Tax liabilities	48	50	58	(2.6%)	(16.9%)
Accrual for maintenance of real estate	33	32	19	2.2%	72.7%
Deferred tax liabilities	81	79	143	3.1%	(43.2%)
Proposed dividends	100	-	125	-	(19.8%)
Other payables	17	21	24	(18.5%)	(29.0%)
<b>Total Current Liabilities</b>	<b>2,561</b>	<b>2,475</b>	<b>3,286</b>	<b>3.4%</b>	<b>-22.1%</b>
<b>NONCURRENT LIABILITIES</b>					
Loans and financing	2,243	2,352	2,304	(4.6%)	(2.6%)
Payables for purchase of land	264	276	204	(4.1%)	29.5%
Advances from customers	576	590	199	(2.4%)	188.9%
Accrual for maintenance of real estate	90	93	146	(2.9%)	(38.2%)
Accrual for civil, labor, and tax risks	23	24	18	(2.9%)	32.4%
Deferred tax liabilities	62	68	77	(9.3%)	(20.2%)
Other liabilities	14	15	18	(9.1%)	(26.5%)
<b>Total Noncurrent Liabilities</b>	<b>3,272</b>	<b>3,418</b>	<b>2,966</b>	<b>-4.3%</b>	<b>10.3%</b>
<b>SHAREHOLDERS' EQUITY</b>					
Equity attributable to the shareholders of the Company	4,101	4,129	3,802	(0.7%)	7.9%
Non-controlling Interests	264	280	286	-5.7%	-7.7%
<b>Total Shareholders' Equity</b>	<b>4,365</b>	<b>4,409</b>	<b>4,088</b>	<b>-1.0%</b>	<b>6.8%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,198</b>	<b>10,302</b>	<b>10,340</b>	<b>-1.0%</b>	<b>-1.4%</b>



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

Consolidated (R\$ million)	4Q13	4Q12	Chg. 4Q13 x 4Q12	2013	2012	Chg. 2013 x 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income	74	128	(42.0%)	450	575	(21.7%)
Adjustments to reconcile net income to cash used in operating activities	93	174	(46.4%)	98	286	(65.8%)
Decrease (increase) in operating assets	124	(36)	-	750	(541)	-
Increase (decrease) in operating liabilities	(133)	(8)	1,468.1%	(729)	(62)	1,072.8%
<b>Net cash used in operating activities</b>	<b>159</b>	<b>258</b>	<b>(38.5%)</b>	<b>569</b>	<b>258</b>	<b>120.5%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Decrease (increase) in investment securities	14	(128)	-	(95)	(61)	56.2%
Advances to related parties	(8)	-	-	(98)	(47)	106.9%
Receipts from related parties	5	(1)	-	98	55	78.3%
Decrease in (acquisition of/contribution to) investments	8	17	(55.6%)	(34)	(18)	91.1%
Acquisition of property and equipment and intangible assets	(10)	(12)	(10.5%)	(41)	(55)	(25.0%)
<b>Net cash used in investing activities</b>	<b>9</b>	<b>(123)</b>	<b>-</b>	<b>(170)</b>	<b>(126)</b>	<b>34.9%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from shares issuance	-	-	-	0	0	(48.1%)
Treasury shares	-	-	-	(26)	(30)	(10.8%)
Proceeds from loans and financing	287	201	42.7%	1,847	1,040	77.6%
Proceeds from debentures	-	-	-	-	500	-
Payment of loans, financing and debenture	(503)	(271)	85.9%	(2,038)	(859)	137.2%
Capital transaction	(11)	-	-	(11)	-	-
Dividends paid	-	-	-	(125)	(181)	(30.6%)
Contributions to non-controlling shareholders	24	6	300.8%	(8)	(8)	(2.2%)
<b>Net cash (used in) generated by financing activities</b>	<b>(203)</b>	<b>(64)</b>	<b>219.0%</b>	<b>(361)</b>	<b>463</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(36)</b>	<b>72</b>	<b>-</b>	<b>37</b>	<b>595</b>	<b>(93.7%)</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Cash and cash equivalents at beginning of year	1,458	892	63.4%	1,385	790	75.3%
Cash and cash equivalents at end of the period	1,423	1,385	2.7%	1,423	1,385	2.7%



## Attachment 04 – Consolidated Income Statement LOG CP 100% (R\$ million) (CPC 19 – IFRS11)

INCOME STATEMENT	4Q13	4Q12	Chg. % 4Q13 x 4Q12	2013	2012	Chg. % 2013 x 2012
<b>NET OPERATING REVENUES</b>	<b>13</b>	<b>9</b>	<b>47.4%</b>	<b>89</b>	<b>28</b>	<b>222.7%</b>
Cost	(4)	(2)	65.9%	(39)	(7)	484.9%
<b>GROSS PROFIT</b>	<b>9</b>	<b>6</b>	<b>40.5%</b>	<b>50</b>	<b>21</b>	<b>139.9%</b>
<b>OPERATING EXPENSES</b>						
Selling expenses	(2)	(1)	100.0%	(8)	(3)	176.3%
General & Administrative expenses	(3)	(2)	47.9%	(11)	(8)	24.4%
Other operatin expenses, net	(1)	(1)	-1.0%	(1)	(1)	61.2%
Equity in subsidiaries and JV's	4	0	2006.3%	8	1	766.2%
<b>OPERATING INCOME BEFORE FINACIAL RESULTS</b>	<b>7</b>	<b>3</b>	<b>162.1%</b>	<b>39</b>	<b>10</b>	<b>297.0%</b>
<b>FINANCIAL RESULTS</b>						
Financial expenses	(5)	(3)	113.2%	(16)	(8)	88.7%
Financial income	5	1	744.4%	11	8	33.2%
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>6</b>	<b>1</b>	<b>1013.7%</b>	<b>34</b>	<b>10</b>	<b>252.6%</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>						
Current	(2)	(1)	187.0%	(5)	(2)	115.1%
Deferred	1	1	37.6%	1	1	10.2%
<b>NET INCOME</b>	<b>6</b>	<b>1</b>	<b>655.6%</b>	<b>31</b>	<b>9</b>	<b>260.1%</b>
<b>PROFIT ATTRIBUTABLE TO</b>						
Shareholder's of the company	6	1	655.6%	31	9	260.1%
Non-controlling interests	-	-	-	-	-	-

Financial Highlights (in R\$ thousand)	4Q13	3Q13	4Q12	4Q13 x 3Q13	4Q13 x 4Q12	2013	2012	2013 x 2012
Net Operating Revenues	13	56	9	-77%	47%	89	28	222.7%
EBITDA	11	26	5	-60%	115%	53	17	218.3%
EBITDA Margin (%)	80.8%	46.6%	55.4%	34.2 p.p.	25.4 p.p.	59.0%	59.8%	-0.8 p.p.
Adjusted EBITDA **	8	8	5	5%	73%	28	17	71.3%
Adjusted EBITDA Margin (%)	64.9%	65.5%	55.4%	-0.6 p.p.	9.5 p.p.	62.5%	59.8%	2.6 p.p.
FFO	10	23	3	-59.3%	204.7%	44	15	190.6%
FFO Margin (%)	73.2%	41.6%	35.4%	31.5 p.p.	37.8 p.p.	49.6%	55.1%	-5.5 p.p.
Adjusted FFO **	7	6	3	3.3%	113.6%	20	15	33.7%
Adjusted FFO Margin (%)	51.2%	52.6%	35.4%	-1.4 p.p.	15.8 p.p.	44.9%	55.1%	-10.2 p.p.

\*\* Adjusted EBITDA and FFO: does not consider non recurrent events as land and subsidiary shares sales and Swap obligaton write-off.



## Attachment 05 – Consolidated Balance Sheet LOG CP 100% (R\$ million) (CPC 19 – IFRS11)

ASSETS	31/dec/13	30/sep/13	31/dec/12 Restated	Chg. % dec- 13 x set-13	Chg. % dec- 13 x dec-12	LIABILITIES & SHAREHOLDER'S EQUITY	31/dec/13	30/sep/13	31/dec/12 Restated	Chg. % dec- 13 x set-13	Chg. % dec- 13 x dec-12
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	151	196	24	-22.7%	527.5%	Accounts Payable	11	12	14	-7.2%	-25.6%
Accounts receivable	21	37	5	-44.1%	351.2%	Loans and financing	245	182	62	35.1%	292.7%
Recoverable taxes	5	4	4	22.1%	23.7%	Salaries, payroll taxes and benefits	4	4	2	3.5%	136.4%
Deferred selling expenses	2	1	2	15.3%	9.0%	Taxes and contributions	4	4	2	11.8%	112.7%
Other assets	0	0	-	-96.3%	-	Land payable	14	26	73	-46.5%	-81.2%
<b>Total current assets</b>	<b>179</b>	<b>238</b>	<b>34</b>	<b>-25.0%</b>	<b>420.1%</b>	Advances from customers - Swap	7	14	13	-52.6%	-49.1%
<b>NON-CURRENT ASSETS</b>						<b>Non-current liabilities</b>					
Trade accounts receivable	14	15	3	-3.4%	386.6%	Payable Dividends	3	-	1	0.0%	260.0%
Deferred selling expenses	3	3	2	5.4%	32.7%	Credits on related parties	0	0	0	-28.2%	-50.4%
Recoverable taxes	20	19	11	6.9%	75.2%	Other liabilities	69	3	1	2163.8%	8841.6%
Deferred taxes	7	6	3	11.3%	122.6%	<b>Total current liabilities</b>	<b>357</b>	<b>244</b>	<b>169</b>	<b>46.5%</b>	<b>111.4%</b>
Other assets	0	0	0	-96.9%	0.0%	<b>Non-current liabilities</b>					
Investment in subsidiaries and jointly controlled	157	77	57	103.6%	174.8%	Land payable	-	-	9	-	-
Investment property	1,247	1,185	974	5.2%	27.9%	Loans and financing	522	540	446	-3.5%	16.9%
Property and equipment	1	1	0	6.6%	109.9%	Advances from Customers - Swap	6	17	24	-66.0%	-75.5%
<b>Total non-current assets</b>	<b>1,448</b>	<b>1,304</b>	<b>1,051</b>	<b>11.0%</b>	<b>37.7%</b>	Deferred taxes	1	4	0	-73.8%	124.0%
						Others	1	1	1	2.3%	-32.7%
						<b>Total Non-current liabilities</b>	<b>529</b>	<b>562</b>	<b>481</b>	<b>-5.8%</b>	<b>10.1%</b>
						<b>Total Liabilities</b>	<b>886</b>	<b>806</b>	<b>650</b>	<b>10.0%</b>	<b>36.4%</b>
						<b>SHAREHOLDER'S EQUITY</b>					
						Equity atributable to the shareholder's of the company	740	737	436	0.4%	69.8%
						Non-controlling interest	0	0	0	-1.1%	60.0%
						<b>Total Shareholder's Equity</b>	<b>740</b>	<b>737</b>	<b>436</b>	<b>0.4%</b>	<b>69.8%</b>
<b>TOTAL ASSETS</b>	<b>1,626</b>	<b>1,543</b>	<b>1,085</b>	<b>5.4%</b>	<b>49.8%</b>	<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>	<b>1,626</b>	<b>1,543</b>	<b>1,085</b>	<b>5.4%</b>	<b>49.8%</b>



## Attachment 06 – Consolidated Statement of Cash Flow LOG CP 100% (R\$ million) (CPC 19 – IFRS11)

CASH FLOW STATEMENT	2013	2012	Chg. % 2013 x 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	31	9	260.1%
Adjustments to reconcile profit to net cash used in operating activities:	2	14	-82.4%
Decrease (increase) in operating assets:	(9)	(24)	-61.5%
Increase (decrease) in operating liabilities:	29	2	1174.2%
<b>Net cash used in operating activities</b>	<b>53</b>	<b>1</b>	<b>6520.3%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (Increase) of investments	(26)	(4)	575.3%
Acquisition of investment property	(358)	(378)	-5.3%
Other	(0)	-	-
<b>Net cash used in investing activities</b>	<b>(384)</b>	<b>(382)</b>	<b>0.6%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and debentures, net	355	330	7.8%
Payment of loans	(115)	(71)	62.4%
Interest paid	(56)	(37)	53.6%
Contribution from shareholders	278	1	44495.8%
Spending on issue of shares	(4)	-	-
Payment of obligations with related companies	(56)	(33)	67.0%
Increase in obligations with related companies	56	33	67.0%
Distributions to non-controlling shareholders	0	0	725.0%
Dividends paid	(1)	(1)	30.8%
<b>Net cash provided by financing activities</b>	<b>457</b>	<b>222</b>	<b>106.1%</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>127</b>	<b>(159)</b>	<b>-180.0%</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year	24	183	-86.8%
Cash and cash equivalents at end of year	151	24	527.5%



## Attachment 07 – Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

**RET** – Special Tax Regime

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

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

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

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

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

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

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



## Disclaimer

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

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

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

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

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

## Relationship with Independent Auditors

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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 year of 2013 other than those relating to external audit. The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.

## About MRV

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MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 34 years of experience, active in 120 cities, in 19 Brazilian states and in the Federal District. MRV is listed on the BM&FBovespa's *Novo Mercado* under the ticker MRVE3. The ADRs are traded on OTCQX International Premier of the Over-The-Counter (OTC) Market, with ticker MRVNY.