



## MRV ANNOUNCES ITS 3Q14 RESULTS

**Strong growth of 8.3% in earnings per share compared to 3Q13**

**Gross margin increased to 28.2% in 3Q14**

**Robust Cash Generation of R\$ 136 million leading net debt / equity to 28%**

**Belo Horizonte, November 12, 2014 – MRV Engenharia e Participações S.A. (BM&FBovespa: MRVE3 – ADR OTCQX: MRVNY),** announces its results for nine months of 2014 (9M14). The financial information is presented in million Reais (R\$ million), except where otherwise indicated, and is based on the consolidated financial statements prepared and presented in accordance to the International Financial Reporting Standards (IFRS), which considers Guideline CPC 04 Application of Interpretation ICPC 02 to Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), consistent with the standards issued by CPC.

### CONFERENCE CALLS EARNINGS RELEASE 3Q14

#### English

November 13, 2014

02:00 PM (Brasília) / 11:00 AM (New York)

Phone: +1 646 843 6054

Code: MRV

#### Portuguese

November 13, 2014

02:00 PM (Brasília) / 11:00 AM (New York)

Phone: +55 (11) 2188 0155

Code: MRV

## Highlights

- ✔ Earnings per Share (EPS) of R\$ 0.299 in the quarter, 8% increase y-o-y. In 2014, accumulated EPS reached R\$ 1.334, 81% higher than the same period last year.
- ✔ Gross margin of 28.2%, an increase of 1.6 p.p. y-o-y and 0.3 p.p. q-o-q.
- ✔ Robust Free Cash Generation of R\$ 136 million, totaling R\$ 330 million in 2014, due to the good performance of the mortgage origination process and client transfers to the banks.
- ✔ Decrease in the Company's leverage: Net Debt / Equity ratio reached 28%, a 2.8 p.p. decrease q-o-q. The Company had its credit rating reiterated by the Credit Agencies Fitch Ratings and S&P and holds the best rating (brAA-) of the industry by both Agencies..
- ✔ The share buyback program contributed to R\$ 82.8 million gain to the shareholders when comparing the acquisition price versus its book value on 09/30/14. As part of the strategy to generate value to shareholders, until October 21, 2014 31.2 million shares were repurchased, equivalent to 6.5% of the total number of Company's shares on December 31, 2013, totaling R\$ 229 million. In 2014, 34.1 million shares were cancelled.
- ✔ Pre-sales record in 9M14, reaching R\$ 4,524 million (31,399 units), a 17% increase compared to the same period of the previous year. The Simultaneous Sales/Client Financing Process (SICAQ / SAC) will reduce the amount of cancellations and increases the speed transfers. In September, this sales model already represented 56% of the pre-sales volume.



## Relevant events in the quarter

---

### Strong Market

Pre-sales reached R\$ 4,524 million, a record level in 9M14 and 17.1% higher than 9M13, stimulated by the consolidation of the MRV Engenharia brand, very low competition and credit supply at attractive financing conditions to our segment.

The Company has optimized the management of the inventory of units to be sold, launching in cities and markets where demand is present.

### Operational Quality and Capital Management

In response to good market demand, the Company has improved its management in all the operational areas. We have been more efficient in our product cycle, and in a balanced way. The good sales performance combined with good speed of mortgage origination to our clients has improved our financial and cash cycle. The operational quality improvement and the reduction of the financial cycle reflect in a lower working capital need per PSV.

The effective and visible outcome has been the robust cash generation quarter after quarter, which in this 3Q amounted R\$ 136 million, totaling R\$ 330 million in 2014.

The Simultaneous Sales/Client Financing Process is still under implementation. This is an important strategy and a no way back process. This project will reduce cancellations level and the cash flow cycle, leading to a lower operational risk and greater client guarantee.

### Value Generation to Shareholders

The Company remains committed to generate value to shareholders returning to them its strong cash generation. In 2014, 31.2 million shares were repurchased (34.1 million shares were cancelled, which is equivalent to 7.1% of the capital in 12/31/13). Moreover, R\$ 40 million in extraordinary dividends were paid out to shareholders.

Repurchases' average price in 2014 amounts to R\$ 7.34, which represents a discount of 27% compared to the book value of R\$ 9.9951 on September 30, 2014.

### Long-term Vision

The Company's operational cycle is long. This year the Company completed 35 years of existence. We built a corporate culture of efficiency and flexibility that has been responsible for our growth with profitability. The controlling shareholder remains active in the Company's management, working to create space for the emergence of new leaders and managers able to lead the Company over the next 35 years. Our team combine mature professionals with high expertise and specific market knowledge with young talents full of energy and different vision of the world. This vision of perpetuity and value creation in the long-term aggregate the sustainability of the business in terms of liquidity and profitability with customer satisfaction and social responsibility. This is our commitment.



## Sustainability



MRV is aware of the importance of its role as an agent of the progress and the improvement of the life quality of its employees, their families and the community as a whole. As a result, 2014 was elected the Year of Sustainability with primary focus on actions that will help to further solidify this value in the Company's employees behavior. One of the Company's main focus related to its social responsibility consists of a higher commitment to the workforce training, qualifying hundreds of employees this year.



In October/2014, MRV received two certifications: ISO 14001 that establishes rigorous standards of environmental management and OHSAS 18001 that establishes rigorous standards of occupational health and safety management in companies. These certifications includes the legal compliance, documents control, performance indicators, approval of suppliers, controls to prevent pollution, diseases, accidents, and systems to prevent non-conformities, making MRV's operation more differentiated.

Both Certifications reaffirm the Company's commitment to sustainability, to the society, to its employees and to the environmental preservation. MRV stepped up further to sustainable development, achieving additional structural maturity.



For the third consecutive year, MRV published its Sustainability Report, an initiative that reinforces the commitment to practices and actions to the longevity of business and presents its initiatives in economic, environmental and social areas.

The 2014/2013 Report was prepared based on the Global Reporting Initiative (GRI) guidelines, international organization recognized worldwide for dedicating to the standardization and evolution of companies' performance report techniques. The document incorporates some advances from GRI-G4 version, which provides broader and friendly guidelines for organizations who wish to present their performance.



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

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

Consolidated Financial Highlights (R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Net Operating Revenue	1,093	983	1,010	11.1% ↑	8.1% ↑	2,966	2,788	6.4% ↑
Financial results allocated to Net Revenue	41	31	61	35.6% ↑	32.5% ↓	92	133	30.5% ↓
<b>Total Net Operating Revenue</b>	<b>1,134</b>	<b>1,014</b>	<b>1,072</b>	<b>11.9% ↑</b>	<b>5.8% ↑</b>	<b>3,059</b>	<b>2,921</b>	<b>4.7% ↑</b>
Financial Cost recorded under COGS	31	29	34	6.6% ↑	6.9% ↓	92	102	10.3% ↓
<b>Gross Profit</b>	<b>319</b>	<b>282</b>	<b>285</b>	<b>13.2% ↑</b>	<b>12.2% ↑</b>	<b>842</b>	<b>772</b>	<b>9.0% ↑</b>
% Gross Margin	28.2%	27.8%	26.6%	0.3 p.p. ↑	1.6 p.p. ↑	27.5%	26.4%	1.1 p.p. ↑
<b>Selling expenses</b>	<b>97</b>	<b>81</b>	<b>67</b>	<b>19.9% ↑</b>	<b>44.8% ↑</b>	<b>246</b>	<b>201</b>	<b>22.5% ↑</b>
Selling expenses / net revenues (%)	8.5%	8.0%	6.2%	0.6 p.p. ↑	2.3 p.p. ↑	8.0%	6.9%	1.2 p.p. ↑
Selling expenses / pre-sales (%)	6.6%	5.3%	4.8%	1.3 p.p. ↑	1.8 p.p. ↑	5.4%	5.2%	0.2 p.p. ↑
<b>General &amp; Administrative Expenses</b>	<b>63</b>	<b>56</b>	<b>60</b>	<b>12.7% ↑</b>	<b>4.5% ↑</b>	<b>180</b>	<b>179</b>	<b>0.4% ↑</b>
G&A expenses / net revenues (%)	5.6%	5.5%	5.6%	0.0 p.p. ↑	0.1 p.p. ↓	5.9%	6.1%	0.3 p.p. ↓
G&A expenses / pre-sales (%)	4.3%	3.7%	4.4%	0.6 p.p. ↑	0.0 p.p. ↓	4.0%	4.6%	0.7 p.p. ↓
<b>EBITDA</b>	<b>160</b>	<b>428</b>	<b>196</b>	<b>62.6% ↓</b>	<b>18.3% ↓</b>	<b>720</b>	<b>511</b>	<b>41.0% ↑</b>
% EBITDA Margin	14.1%	42.3%	18.3%	28.1 p.p. ↓	4.2 p.p. ↓	23.5%	17.5%	6.1 p.p. ↑
<b>EBITDA Adjusted (ex. non-recurring LOG)*</b>	<b>160</b>	<b>161</b>	<b>190</b>	<b>0.3% ↓</b>	<b>15.5% ↓</b>	<b>453</b>	<b>480</b>	<b>5.8% ↓</b>
% EBITDA Margin Adjusted (ex. non-recurring LOG)*	14.1%	15.9%	17.7%	1.7 p.p. ↓	3.6 p.p. ↓	14.8%	16.4%	1.6 p.p. ↓
<b>Net Income</b>	<b>135</b>	<b>401</b>	<b>131</b>	<b>66.3% ↓</b>	<b>3.3% ↑</b>	<b>617</b>	<b>351</b>	<b>76.0% ↑</b>
% Net margin	11.9%	39.6%	12.2%	27.7 p.p. ↓	0.3 p.p. ↓	20.2%	12.0%	8.2 p.p. ↑
<b>Net Income Adjusted (ex. non-recurring LOG)*</b>	<b>135</b>	<b>134</b>	<b>124</b>	<b>1.2% ↑</b>	<b>8.7% ↑</b>	<b>350</b>	<b>320</b>	<b>9.2% ↑</b>
% Net margin Adjusted (ex. non-recurring LOG)*	11.9%	13.2%	11.6%	1.3 p.p. ↓	0.3 p.p. ↑	11.4%	11.0%	0.5 p.p. ↑
<b>Earnings per share (R\$)</b>	<b>0.299</b>	<b>0.865</b>	<b>0.276</b>	<b>65.4% ↓</b>	<b>8.3% ↑</b>	<b>1.334</b>	<b>0.737</b>	<b>81.0% ↑</b>
<b>Earnings per share (R\$) Adjusted (ex. non-recurring LOG)</b>	<b>0.299</b>	<b>0.288</b>	<b>0.263</b>	<b>3.9% ↑</b>	<b>14.0% ↑</b>	<b>0.756</b>	<b>0.673</b>	<b>12.3% ↑</b>
ROE (LTM)	16.2%	16.5%	11.9%	0.3 p.p. ↓	4.4 p.p. ↑	16.2%	11.9%	4.4 p.p. ↑
ROE (annualized)	12.2%	37.6%	12.9%	25.4 p.p. ↓	0.7 p.p. ↓	19.2%	11.8%	7.4 p.p. ↑
ROE (LTM) Adjusted (ex. non-recurring LOG)*	9.9%	9.9%	11.1%	0.0 p.p. ↑	1.2 p.p. ↓	9.9%	11.1%	1.2 p.p. ↓
ROE (annualized) Adjusted (ex. non-recurring LOG)*	12.2%	12.5%	12.2%	0.3 p.p. ↓	0.0 p.p. ↓	10.2%	10.1%	0.1 p.p. ↑
Unearned Sales Revenues	3,810	3,724	3,159	2.3% ↑	20.6% ↑	3,810	3,159	20.6% ↑
Unearned Costs of Units Sold	(2,147)	(2,115)	(1,860)	1.5% ↑	15.5% ↑	(2,147)	(1,860)	15.5% ↑
Unearned Results	1,662	1,609	1,300	3.3% ↑	27.9% ↑	1,662	1,300	27.9% ↑
% Unearned Margin	43.6%	43.2%	41.1%	0.4 p.p. ↑	2.5 p.p. ↑	43.6%	41.1%	2.5 p.p. ↑
<b>Cash Generation</b>	<b>2,703</b>	<b>138</b>	<b>208</b>	<b>1865.2% ↑</b>	<b>1198.1% ↑</b>	<b>2,897</b>	<b>386</b>	<b>650.3% ↑</b>
Net Debt (Net Cash)	1,334	1,435	1,491	7.0% ↓	10.5% ↓	1,334	1,491	10.5% ↓
Net Debt/Shareholders' Equity	28.0%	30.8%	33.8%	2.8 p.p. ↓	5.8 p.p. ↓	28.0%	33.8%	5.8 p.p. ↓
Net Debt/EBITDA LTM	1.56x	1.61x	2.21x	3.1% ↓	29.3% ↓	1.56x	2.21x	29.3% ↓
Net Debt/EBITDA LTM Adjusted (ex. não recorrente LOG)	2.28x	2.33x	2.32x	2.4% ↓	1.6% ↓	2.28x	2.32x	1.6% ↓

\* Non-recurring effects from LOG CP:

3Q13: Lands sale (R\$ 6.0 million) and sale of Shopping Contagem stake (R\$ 0.5 million)

2Q14: assets recorded at market value (R\$ 267.6 million) from investment properties.

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



## Balanced operation

Balanced operation	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Construction financing*	<b>241,321</b>	239,539	201,742	0.7% ↑	19.6% ↑	<b>241,321</b>	201,742	19.6% ↑
Launched units	<b>244,095</b>	237,286	204,922	2.9% ↑	19.1% ↑	<b>244,095</b>	204,922	19.1% ↑
Sold units (gross)	<b>249,006</b>	238,252	194,844	4.5% ↑	27.8% ↑	<b>249,006</b>	194,844	27.8% ↑
Built units	<b>192,161</b>	182,538	147,969	5.3% ↑	29.9% ↑	<b>192,161</b>	147,969	29.9% ↑
Client financing	<b>180,393</b>	170,891	133,136	5.6% ↑	35.5% ↑	<b>180,393</b>	133,136	35.5% ↑
Finished units	<b>142,065</b>	134,387	95,644	5.7% ↑	48.5% ↑	<b>142,065</b>	95,644	48.5% ↑

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

\*Construction financing: contracted projects at financial institutions.

The Company has been operating in a well-balanced and very large scale. Our diversified geographic presence is already implemented. In 2014, we will deliver approximately 40k units to our clients.

## Operational Performance - MRV

### Land bank

Land bank *	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>%MRV</b>								
Land Bank (R\$ billion)	<b>23.5</b>	24.5	22.7	4.1% ↓	3.6% ↑	<b>23.5</b>	22.7	3.6% ↑
Acquisitions/Adjustments (R\$ million)	<b>(0.1)</b>	2.3	0.9	103.0% ↓	107.5% ↓	<b>3.4</b>	3.1	10.2% ↑
Units	<b>166,723</b>	172,312	168,863	3.2% ↓	1.3% ↓	<b>166,723</b>	168,863	1.3% ↓
Usable Area (in thousands of sq.m.)	<b>7,628</b>	7,904	7,698	3.5% ↓	0.9% ↓	<b>7,628</b>	7,698	0.9% ↓
Average Price - R\$'000 / unit	<b>141</b>	142	134	0.8% ↓	4.9% ↑	<b>141</b>	134	4.9% ↑
Average Price - R\$'000 / sq.m.	<b>3.1</b>	3.1	2.9	0.6% ↓	4.6% ↑	<b>3.1</b>	2.9	4.6% ↑
% Swap - land bank	<b>55%</b>	52%	58%	3.8 p.p. ↑	2.9 p.p. ↓	<b>55%</b>	58%	2.9 p.p. ↓
% Swap - acquisitions in the period	<b>41%</b>	72%	84%	31.0 p.p. ↓	42.8 p.p. ↓	<b>49%</b>	80%	30.7 p.p. ↓
By financing source - FGTS	<b>81%</b>	81%	85%	0.4 p.p. ↑	3.4 p.p. ↓	<b>81%</b>	85%	3.4 p.p. ↓
By financing source - Savings accounts	<b>19%</b>	19%	15%	0.4 p.p. ↓	3.4 p.p. ↑	<b>19%</b>	15%	3.4 p.p. ↑
<b>100%</b>								
Number of Projects	<b>369</b>	366	393	0.8% ↑	6.1% ↓	<b>369</b>	393	6.1% ↓
Land Bank (R\$ billion)	<b>24.6</b>	25.9	24.2	5.1% ↓	1.5% ↑	<b>24.6</b>	24.2	1.5% ↑
Units	<b>174,044</b>	181,875	180,138	4.3% ↓	3.4% ↓	<b>174,044</b>	180,138	3.4% ↓
Units per Project	<b>472</b>	497	458	5.1% ↓	2.9% ↑	<b>472</b>	458	2.9% ↑
Usable Area (in thousands of sq.m.)	<b>7,965</b>	8,351	8,219	4.6% ↓	3.1% ↓	<b>7,965</b>	8,219	3.1% ↓
Average Price - R\$'000 / unit	<b>141</b>	142	134	0.9% ↓	5.0% ↑	<b>141</b>	134	5.0% ↑
Average Price - R\$'000 / sq.m.	<b>3.1</b>	3.1	2.9	0.5% ↓	4.7% ↑	<b>3.1</b>	2.9	4.7% ↑
<b>%CPC 19 IFRS 11</b>								
Land Bank (R\$ billion)	<b>24.3</b>	25.5	23.4	4.7% ↓	3.9% ↑	<b>24.3</b>	23.4	3.9% ↑
Units	<b>172,388</b>	179,039	174,018	3.7% ↓	0.9% ↓	<b>172,388</b>	174,018	0.9% ↓

\* Includes the residential and allotment segments.

Out of the R\$ 23.5 billion in the land bank, R\$ 1,282 million already has the launching permits (9,380 units).

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



## Gross Launches (%MRV)

Launches *	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>%MRV</b>								
Launches (R\$ million)	924	1,047	788	11.8% ↓	17.3% ↑	3,129	2,176	43.8% ↑
Units	6,145	6,912	5,501	11.1% ↓	11.7% ↑	20,899	16,637	25.6% ↑
Average Launching Size (units)	236	346	290	31.6% ↓	18.4% ↓	286	333	14.0% ↓
Usable Area (in thousands of sq.m.)	307	316	250	2.9% ↓	22.7% ↑	978	756	29.3% ↑
Average Price - R\$'000 / unit	150	152	143	0.8% ↓	5.0% ↑	150	131	14.5% ↑
Average Price - R\$'000 / sq.m.	3.0	3.3	3.2	9.2% ↓	4.4% ↓	3.2	2.9	11.2% ↑
By financing source - FGTS	65%	68%	66%	2.8 p.p. ↓	1.3 p.p. ↓	68%	81%	13.2 p.p. ↓
By financing source - Savings accounts	35%	32%	34%	2.8 p.p. ↑	1.3 p.p. ↑	32%	19%	13.2 p.p. ↑
Per region - Capital Cities	16%	26%	19%	10.4 p.p. ↓	3.5 p.p. ↓	24%	11%	13.2 p.p. ↑
Per region - Metropolitan Areas	28%	45%	26%	17.0 p.p. ↓	1.1 p.p. ↑	30%	22%	7.7 p.p. ↑
Per region - Secondary Cities	57%	29%	54%	27.4 p.p. ↑	2.3 p.p. ↑	45%	66%	21.0 p.p. ↓
<b>100%</b>								
Number of Projects	26	20	19	30.0% ↑	36.8% ↑	73	50	46.0% ↑
Launches (R\$ million)	1,075	1,119	827	3.9% ↓	30.0% ↑	3,444	2,283	50.8% ↑
Units	6,809	7,390	5,729	7.9% ↓	18.8% ↑	22,672	17,435	30.0% ↑
Usable Area (in thousands of sq.m.)	346	338	260	2.5% ↑	32.8% ↑	1,068	792	34.8% ↑
Average Price - R\$'000 / unit	158	151	144	4.3% ↑	9.4% ↑	152	131	16.0% ↑
Average Price - R\$'000 / sq.m.	3.1	3.3	3.2	6.2% ↓	2.1% ↓	3.2	2.9	11.9% ↑
<b>%CPC 19 IFRS 11</b>								
Launches (R\$ million)	1,076	1,042	764	3.2% ↑	40.9% ↑	3,302	2,179	51.5% ↑
Units	6,809	7,010	5,281	2.9% ↓	28.9% ↑	21,844	16,687	30.9% ↑

\* Gross of swaps. Includes the residential and allotment segments.

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

Pre-sales*	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>%MRV</b>								
Launches (R\$ million)	1,467	1,519	1,388	3.4% ↓	5.7% ↑	4,524	3,864	17.1% ↑
Units	10,029	10,636	10,250	5.7% ↓	2.2% ↓	31,399	29,616	6.0% ↑
Usable Area (in thousands of sq.m.)	463	487	469	4.9% ↓	1.2% ↓	1,445	1,343	7.6% ↑
Average Price - R\$'000 / unit	146	143	135	2.4% ↑	8.0% ↑	144	130	10.4% ↑
Average Price - R\$'000 / sq.m.	3.2	3.1	3.0	1.6% ↑	7.0% ↑	3.1	2.9	8.8% ↑
By financing source - FGTS	83%	82%	84%	1.1 p.p. ↑	1.1 p.p. ↓	82%	87%	5.2 p.p. ↓
By financing source - Savings accounts	17%	18%	16%	1.1 p.p. ↓	1.1 p.p. ↑	18%	13%	5.2 p.p. ↑
Per region - Capital Cities	22%	19%	15%	2.6 p.p. ↑	7.1 p.p. ↑	20%	15%	4.8 p.p. ↑
Per region - Metropolitan Areas	28%	26%	24%	1.7 p.p. ↑	3.8 p.p. ↑	26%	26%	0.7 p.p. ↑
Per region - Secondary Cities	50%	55%	61%	4.2 p.p. ↓	10.9 p.p. ↓	54%	59%	5.5 p.p. ↓
Sales over supply (%) - gross sales	26%	26%	28%	0.5 p.p. ↓	2.0 p.p. ↓	58%	59%	1.6 p.p. ↓
Sales over supply (%) - net sales	20%	19%	23%	1.2 p.p. ↑	2.1 p.p. ↓	44%	47%	2.9 p.p. ↓
<b>100%</b>								
Launches (R\$ million)	1,582	1,648	1,522	4.0% ↓	3.9% ↑	4,899	4,222	16.0% ↑
Units	10,754	11,488	11,223	6.4% ↓	4.2% ↓	33,816	32,285	4.7% ↑
Usable Area (in thousands of sq.m.)	511	538	530	5.1% ↓	3.6% ↓	1,595	1,508	5.8% ↑
Average Price - R\$'000 / unit	147	143	136	2.6% ↑	8.5% ↑	145	131	10.8% ↑
Average Price - R\$'000 / sq.m.	3.1	3.1	2.9	1.2% ↑	7.8% ↑	3.1	2.8	9.7% ↑
<b>%CPC 19 IFRS 11</b>								
Launches (R\$ million)	1,476	1,522	1,345	3.0% ↓	9.7% ↑	4,527	3,827	18.3% ↑
Units	10,172	10,732	10,053	5.2% ↓	1.2% ↑	31,755	29,681	7.0% ↑

\* Net of swaps and gross of cancellations. Includes the residential and allotment segments.



The PSV record in 9M14 was due to the resilience of the economic segment, sustained by the demographics aspects of the country, the unemployment rate in the lowest levels in history, low market competition and the ongoing credit supply at attractive financing conditions for our segment.

The Company has a strong brand recognition from our clients, synonymous of high quality and guaranteed delivery. The investment and recognition of our brand and its attributes allows a better pricing of our units...

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

Launching Period	Pre-sales %MRV (in %)											
	2009	2010	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	
3Q14												10%
2Q14										5%		15%
1Q14									8%	15%		12%
4Q13								19%	21%	11%		6%
3Q13							12%	17%	9%	5%		4%
2Q13						5%	12%	8%	5%	4%		3%
1Q13					7%	14%	8%	6%	4%	5%		5%
2012				33%	40%	27%	21%	19%	18%	18%		12%
2011			38%	41%	26%	25%	24%	14%	15%	17%		16%
2010		55%	43%	18%	18%	19%	14%	11%	12%	13%		10%
2009	45%	27%	9%	3%	4%	5%	5%	4%	6%	6%		3%
Before 2009	55%	18%	10%	4%	5%	4%	4%	4%	2%	2%		2%
<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>

Launches in 3Q14 were concentrated in September. The Company keeps its focus on the management of the inventory of units to be sold.

#### Simultaneous Sales (SICAQ / SAC)

Simultaneous Sales (SICAQ/SAC) *	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>%MRV</b>								
Simultaneous sales (units)	10,029	10,636	10,250	5.7% ↓	2.2% ↓	31,399	29,616	6.0% ↑
Total simultaneous sales	4,290	1,759	355	143.9% ↑	1108.5% ↑	6,681	563	1086.7% ↑
% Simultaneous sales / Total	42.77%	16.54%	3.46%	26.2 p.p. ↑	39.3 p.p. ↑	21.28%	1.90%	19.4 p.p. ↑

\* Includes the residential and allotment segments.

The Simultaneous Sales/Client Financing Project (SICAQ / SAC) had a significant development in 3Q14. In September/2014, this sale model represented 56% of pre-sales volume.

With the Simultaneous Sales/Client Financing Project full implementation, cancellations shall reduce in the long term.



## Production and Real estate financing

Production and Real Estate Financing	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>100%</b>								
Built Units	9,622	8,743	10,260	10.1% ↑	6.2% ↓	26,161	29,192	10.4% ↓
Finished units	7,678	10,031	13,123	23.5% ↓	41.5% ↓	26,160	27,622	5.3% ↓
Construction sites	262	273	324	4.0% ↓	19.1% ↓	819	991	17.4% ↓
Construction Financing	1,782	12,521	7,174	85.8% ↓	75.2% ↓	18,430	25,261	27.0% ↓
Client Financing	9,502	10,796	10,655	12.0% ↓	10.8% ↓	27,743	33,453	17.1% ↓
<b>%MRV</b>								
Built Units	8,845	8,162	9,341	8.4% ↑	5.3% ↓	24,258	26,441	8.3% ↓
Finished units	7,126	8,655	12,033	17.7% ↓	40.8% ↓	23,488	25,559	8.1% ↓
Construction Financing	1,603	11,791	6,637	86.4% ↓	75.8% ↓	17,136	23,650	27.5% ↓
Client Financing	8,871	9,746	10,153	9.0% ↓	12.6% ↓	25,741	31,333	17.8% ↓
<b>%CPC 19 IFRS 11</b>								
Built Units	8,923	8,103	9,334	10.1% ↑	4.4% ↓	24,252	26,219	7.5% ↓
Finished units	6,674	7,866	11,535	15.2% ↓	42.1% ↓	22,383	25,450	12.1% ↓
Construction Financing	1,782	12,361	6,558	85.6% ↓	72.8% ↓	17,854	24,285	26.5% ↓
Client Financing	8,967	9,932	10,740	9.7% ↓	16.5% ↓	26,051	33,155	21.4% ↓

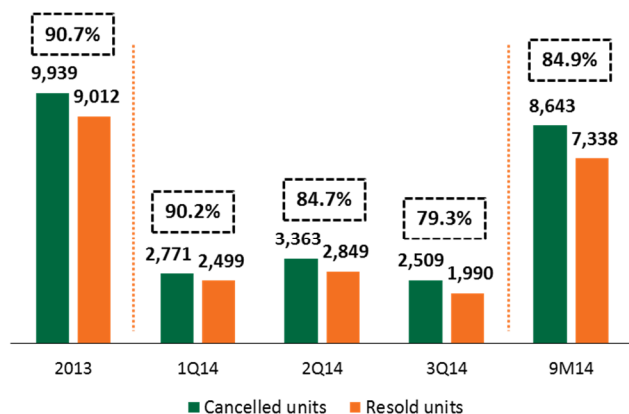
The volume of units built in 3Q14 increased due to the construction curve of the projects initiated in 2014.

## Cancellations (%MRV)

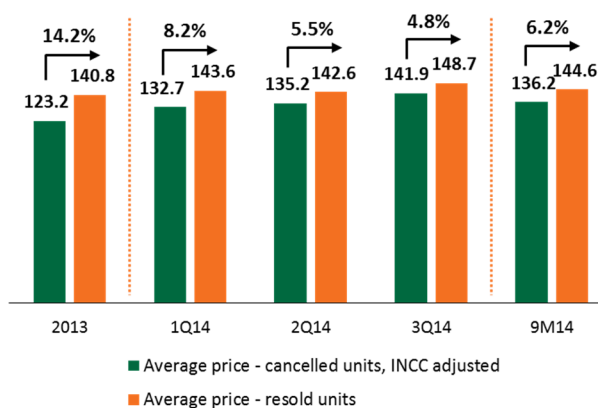
(R\$ thousand)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Gross Sales	1,466,936	1,518,808	1,388,108	3.4% ↓	5.7% ↑	4,523,804	3,864,061	17.1% ↑
Cancellations (Contract Value)	311,778	412,218	265,548	24.4% ↓	17.4% ↑	1,051,977	791,832	32.9% ↑
Cancellations / Gross Sales	21.3%	27.1%	19.1%	5.89 p.p. ↓	2.12 p.p. ↑	23.3%	20.5%	2.76 p.p. ↑
Net Sales	1,155,158	1,106,591	1,122,560	4.4% ↑	2.9% ↑	3,471,826	3,072,229	13.0% ↑
(units)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Gross units Sold	10,029	10,636	10,250	5.7% ↓	2.2% ↓	31,399	29,616	6.0% ↑
Cancelled Units	2,509	3,363	2,387	25.4% ↓	5.1% ↑	8,643	7,307	18.3% ↑
Cancellations / Gross Sales	25.0%	31.6%	23.3%	6.60 p.p. ↓	1.73 p.p. ↑	27.5%	24.7%	2.85 p.p. ↑
Net Sales (units)	7,520	7,273	7,863	3.4% ↑	4.4% ↓	22,756	22,309	2.0% ↑



Resale speed of Cancelled Units



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



Due to the resilience of the low-income segment, combined with low competition, we kept reselling cancelled units with effective price increase.

## Inventory at Market Value (%MRV)

Inventory at Market Value (%MRV)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13
<b>Inventory at Market Value (R\$ billion)</b>	<b>4.56</b>	<b>4.74</b>	<b>4.08</b>	3.7% ↓	11.8% ↑
<b>By Financing Source (units)</b>					
FGTS	71%	75%	80%	4.4 p.p. ↓	9.0 p.p. ↓
Savings Accounts	29%	25%	20%	4.4 p.p. ↑	9.0 p.p. ↑
<b>By Construction phase (units)</b>					
Not initiated	40%	53%	46%	12.6 p.p. ↓	5.6 p.p. ↓
Under construction	55%	44%	50%	11.7 p.p. ↑	5.6 p.p. ↑
Finished	4%	3%	4%	0.9 p.p. ↑	0.1 p.p. ↓
<b>Inventory Duration *</b>	<b>3.1</b>	<b>3.1</b>	<b>2.9</b>	0.6% ↓	5.5% ↑

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

Inventory units' prices are regularly updated.

At the end of September/2014, we had approximately three quarters of pre-sales volume in inventory of units to be sold. Inventory of finished units remains low and represent, approximately, only 11 days of the pre-sales volume.

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



## Cash Generation – R\$ 330 million in 9M14

### Cash Generation of R\$ 136 million in 3Q14

R\$ million	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg.9M14 x 9M13
Total Cash	1,233	1,223	1,733	0.9% ↑	28.8% ↓	1,233	1,733	28.8% ↓
Total Debt	-	(2,658)	(3,224)	100.0% ↓	100.0% ↓	-	(3,224)	100.0% ↓
Net Debt	1,233	(1,435)	(1,491)	186.0% ↓	182.7% ↓	1,233	(1,491)	182.7% ↓
<b>Δ Net Det</b>	<b>(2,668)</b>	<b>131</b>	<b>(201)</b>	-	1226.5% ↑	<b>(2,562)</b>	<b>(172)</b>	1392.8% ↑
Share issuance	-	1	-	-	-	1	0	612.2% ↑
Capital transaction	-	-	-	-	-	-	(63)	-
Dividends payment	-	(141)	-	-	-	(141)	(125)	12.3% ↑
Share Buyback	(35)	(129)	(7)	72.5% ↓	396.8% ↑	(195)	(26)	639.9% ↑
<b>Cash Generation</b>	<b>2,703</b>	<b>138</b>	<b>208</b>	1865.2% ↑	1198.1% ↑	<b>2,897</b>	<b>386</b>	650.3% ↑

The Company remains focused on generating free cash flow through seeking continuous improvement on the accounts receivables' cycle and on the mortgage origination process from the banks(client financing process), which will reflect in lower working capital needs. Consequently, the capital structure shall be optimized in the mid / long term.

On September 30, 2014, we had R\$ 473 million in the Transitory Accounts in the Accounts Receivable, which will turn into operational receivables in the short-term. From the day the client signs the mortgage with the bank to the day of the effective credit in MRV's banking account, the amount remains in a "Transitory Account".



## MRV Financial Performance

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

### Net Operating Revenue

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Net Operational Revenue	1,093	983	1,010	11.1% ↑	8.1% ↑	2,966	2,788	6.4% ↑
Financial results allocated to Net Revenue	41	31	61	35.6% ↑	32.5% ↓	92	133	30.5% ↓
Total Net Operational Revenue	1,134	1,014	1,072	11.9% ↑	5.8% ↑	3,059	2,921	4.7% ↑

The increase in the net operating revenue in 3Q14 was due to the increase in the volume of built units and lower cancellations.

### Gross Profit

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Gross Profit	319	282	285	13.2% ↑	12.2% ↑	842	772	9.0% ↑
Gross Margin (%)	28.2%	27.8%	26.6%	0.3 p.p. ↑	1.6 p.p. ↑	27.5%	26.4%	1.1 p.p. ↑

The positive evolution of the gross margin in 3Q14 q-o-q reflects the increase of new projects with better margins mix in our income statement.

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

#### Financial Cost recorded under COGS

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Financial Cost recorded under COGS	31	29	34	6.6% ↑	6.9% ↓	92	102	10.3% ↓
% of Net Operating Revenue	2.8%	2.9%	3.1%	0.0 p.p. ↑	0.0 p.p. ↓	3.0%	3.5%	0.5 p.p. ↓
Gross profit with financial cost	319	282	285	13.2% ↑	12.2% ↑	842	772	9.0% ↑
Gross profit ex.h financial cost	351	311	318	12.6% ↑	10.2% ↑	934	875	6.8% ↑
Gross Margin ex. financial cost (%)	30.9%	30.7%	29.7%	0.2 p.p. ↑	1.2 p.p. ↑	30.5%	29.9%	0.6 p.p. ↑

The gross margin in 3Q14 was impacted by the financial charges allocated to COGS (Cost of Goods Sold) as demonstrated above.

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

The selling expenses' growth reflects the new payment method of the sales brokerage. We are now paying the sales commission directly to the brokers, adding the brokerage fee on the unit price. This practice aims to eliminate doubts from the consumers as well as to improve our sales force' management and performance. This new practice accounted for an increase in selling expenses of approximately R\$ 12 million in 3Q14, when compared to the previous quarter. The increase in selling expenses shall be offset by the increase in the units' price.

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Selling expenses	97	81	67	19.9% ↑	44.8% ↑	246	201	22.5% ↑
Selling expenses / net revenues (%)	8.5%	8.0%	6.2%	0.6 p.p. ↑	2.3 p.p. ↑	8.0%	6.9%	1.2 p.p. ↑
Selling expenses / pre-sales (%)	6.6%	5.3%	4.8%	1.3 p.p. ↑	1.8 p.p. ↑	5.4%	5.2%	0.2 p.p. ↑
General & Administrative Expenses	63	56	60	12.7% ↑	4.5% ↑	180	179	0.4% ↑
G&A expenses / net revenues (%)	5.6%	5.5%	5.6%	0.0 p.p. ↑	0.1 p.p. ↓	5.9%	6.1%	0.3 p.p. ↓
G&A expenses / pre-sales (%)	4.3%	3.7%	4.4%	0.6 p.p. ↑	0.0 p.p. ↓	4.0%	4.6%	0.7 p.p. ↓



## EBITDA<sup>3</sup>

R\$ million	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Income before taxes	146	425	153	65.6% ↓	4.7% ↓	677	405	66.9% ↑
Depreciation and Amortization	10	9	9	8.7% ↑	7.1% ↑	29	26	13.8% ↑
Financial Results	(27)	(35)	(0)	22.3% ↓	7491.1% ↑	(78)	(23)	240.3% ↑
Financial charges recorded under cost of sales	31	29	34	6.6% ↑	6.9% ↓	92	102	10.3% ↓
<b>EBITDA</b>	<b>160</b>	<b>428</b>	<b>196</b>	<b>62.6% ↓</b>	<b>18.3% ↓</b>	<b>720</b>	<b>511</b>	<b>41.0% ↑</b>
<i>EBITDA Margin</i>	<i>14.1%</i>	<i>42.3%</i>	<i>18.3%</i>	<i>28.1 p.p. ↓</i>	<i>4.2 p.p. ↓</i>	<i>23.5%</i>	<i>17.5%</i>	<i>6.1 p.p. ↑</i>
<b>EBITDA Adjusted (ex. non-recurring LOG)</b>	<b>160</b>	<b>161</b>	<b>190</b>	<b>0.3% ↓</b>	<b>15.5% ↓</b>	<b>453</b>	<b>480</b>	<b>5.8% ↓</b>
<i>EBITDA Margin adjusted (ex. non recurring LOG)</i>	<i>14.1%</i>	<i>15.9%</i>	<i>17.7%</i>	<i>1.7 p.p. ↓</i>	<i>3.6 p.p. ↓</i>	<i>14.8%</i>	<i>16.4%</i>	<i>1.6 p.p. ↓</i>

## Financial Results

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Financial Expenses	(32)	(25)	(43)	29.7% ↑	24.6% ↓	(89)	(96)	6.9% ↓
Financial Income	50	36	32	40.7% ↑	57.1% ↑	123	87	41.3% ↑
Financial income from receivables from real estate development	9	24	11	61.5% ↓	15.0% ↓	44	32	39.2% ↑
<b>Total</b>	<b>27</b>	<b>35</b>	<b>0</b>	<b>22.3% ↓</b>	<b>7491.1% ↑</b>	<b>78</b>	<b>23</b>	<b>240.3% ↑</b>

The financial results were impacted by two specific items... The financial income from receivables from real estate is derived from the clients' receivables of projects that has the *living permits* issued, which are monetary adjusted by IGP-M (inflation index), were negatively affected by the deflation of such index in previous months.

Within the REFIS – Programa de Recuperação Fiscal (refinancing tax debts allowed by the Brazilian Government), the fiscal credits are monetary adjusted by the Selic rate. The negotiation of MRV's tax debt refinancing generated a net remuneration of R\$ 13.6 million to the Company (see table below on Taxes section), which affected positively the financial income in 3Q14.

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

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Financial result	27	35	0	22.3% ↓	7491.1% ↑	78	23	240.3% ↑
Financial Cost recorded under COGS	(31)	(29)	(34)	6.6% ↑	6.9% ↓	(92)	(102)	10.3% ↓
<b>Adjusted Total</b>	<b>(4)</b>	<b>6</b>	<b>(33)</b>	<b>-</b>	<b>88.5% ↓</b>	<b>(14)</b>	<b>(80)</b>	<b>82.2% ↓</b>

## Taxes

After revising the income statements used for the tax collection, the Company adhered for paying in installments the federal taxes/REFIS. With the issuance of the Provisory Measure 651/2014, the Company was able to compensate partially its fiscal debts using its tax losses, which generated a positive result in the P&L as described below.

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



REFIS and PM 651/2014	Adhering to the installment	Tax Credit	Total impact on results
PIS/COFINS	(5,681)	-	(5,681)
Financial Result			
Financial Income	17,091	-	17,091
Financial expense net of reduction from REFIS option	(3,493)	-	(3,493)
<b>Financial Result Effect</b>	<b>13,599</b>	<b>-</b>	<b>13,599</b>
IR/CS	(2,568)	27,967	25,399
<b>Total Effect on Results</b>	<b>5,350</b>	<b>27,967</b>	<b>33,317</b>

## Net Income

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>Net Income</b>	<b>135</b>	401	131	66.3% ↓	3.3% ↑	<b>617</b>	<b>351</b>	76.0% ↑
% Net margin	11.9%	39.6%	12.2%	27.7 p.p. ↓	0.3 p.p. ↓	20.2%	12.0%	8.2 p.p. ↑
Net income (ex. non-recurring LOG)	135	134	124	1.2% ↑	8.7% ↑	350	320	9.2% ↑
% Net margin (ex. non-recurring LOG)	11.9%	13.2%	11.6%	1.3 p.p. ↓	0.3 p.p. ↑	11.4%	11.0%	0.5 p.p. ↑

(R\$ million)	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Earnings per share	0.299	0.865	0.276	65.4% ↓	8.3% ↑	1.334	0.737	81.0% ↑
Earnings per share (ex. non recurring LOG)	0.299	0.288	0.263	3.9% ↑	14.0% ↑	0.756	0.673	12.3% ↑

According to the Company's strategy to create value to shareholders, the earnings per share (EPS) achieved the highest level of the year, presenting an increase of 8% compared to 3Q13.

## Unearned Results

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
Unearned Sales Revenues	3,810	3,724	3,172	2.3% ↑	20.1% ↑
(-) Unearned Costs of Units Sold	(2,147)	(2,115)	(1,821)	1.5% ↑	17.9% ↑
Unearned Results	1,662	1,609	1,352	3.3% ↑	23.0% ↑
Unearned Results Margin	43.6%	43.2%	42.6%	0.4 p.p. ↑	1.0 p.p. ↑



## Balance Sheet

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

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
Cash and cash equivalents	1,038	1,039	1,423	0.1% ↓	27.0% ↓
Short-term investments	195	184	266	6.2% ↑	26.6% ↓
Caixa total	1,233	1,223	1,689	0.9% ↑	27.0% ↓

The Company has maintained a solid cash position and a low leverage level to support its operations during unstable scenario of the global and the Brazilian economies. In 3Q14, in order to improve the efficiency of capital management and the shareholders' return, MRV disbursed R\$ 35.4 million to buy back shares.

### Receivables from Real Estate Development

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
12 months	5,034	4,966	4,604	1.4% ↑	9.3% ↑
13 to 24 months	2,591	2,606	2,471	0.6% ↓	4.9% ↑
25 to 36 months	285	291	289	2.1% ↓	1.3% ↓
37 to 48 months	48	49	49	2.6% ↓	3.0% ↓
Over 49 months	5	6	6	2.6% ↓	3.0% ↓
<b>Total</b>	<b>7,963</b>	<b>7,918</b>	<b>7,419</b>	<b>0.6% ↑</b>	<b>7.3% ↑</b>
Receivables from real estate development	4,154	4,194	4,247	1.0% ↓	2.2% ↓
Unearned sales revenue	3,810	3,724	3,172	2.3% ↑	20.1% ↑
<b>Total</b>	<b>7,963</b>	<b>7,918</b>	<b>7,419</b>	<b>0.6% ↑</b>	<b>7.3% ↑</b>

<i>Pro-soluto</i> (R\$ million)	Sep-14
After Keys Delivery	113
Before Keys Delivery	341
<b>Total</b>	<b>454</b>
Receivables	7,963
<i>Pro-soluto</i> / Receivables (%)	5.7%

### Advances from Customers

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
12 months	759	784	933	3.1% ↓	18.6% ↓
13 to 24 months	371	395	365	6.0% ↓	1.7% ↑
Over 24 months	205	164	211	25.5% ↑	2.8% ↓
<b>Total</b>	<b>1,336</b>	<b>1,343</b>	<b>1,510</b>	<b>0.5% ↓</b>	<b>11.5% ↓</b>
Advanced receivables	329	316	397	4.0% ↑	17.1% ↓
Advances for barter	1,007	1,026	1,113	1.9% ↓	9.5% ↓
<b>Total</b>	<b>1,336</b>	<b>1,343</b>	<b>1,510</b>	<b>0.5% ↓</b>	<b>11.5% ↓</b>



## Real Estate for Sale and Development

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
Properties under construction	1,203	1,175	1,193	2.4% ↑	0.9% ↑
Completed Units	63	52	55	21.7% ↑	15.2% ↑
Land bank	2,252	2,026	1,926	11.1% ↑	16.9% ↑
Advances to Suppliers	46	33	45	39.0% ↑	3.5% ↑
Inventories of supplies	9	10	7	9.7% ↓	35.7% ↑
<b>Total</b>	<b>3,574</b>	<b>3,297</b>	<b>3,225</b>	<b>8.4% ↑</b>	<b>10.8% ↑</b>
Current	1,907	1,831	1,735	4.2% ↑	9.9% ↑
Non-current	1,667	1,466	1,490	13.7% ↑	11.9% ↑

## Total Debt

Total debt as of September 30, 2014 was R\$ 2,567 million, fully denominated in Brazilian *Reais*, and mainly indexed to the interbank deposit rate and referential rate.

### Debt Maturity Schedule

(R\$ million)	Construction Financing*	Corporate Debt	Total
12 months	330	661	991
13 to 24 months	394	580	974
25 to 36 months	179	360	539
37 to 48 months	3	61	63
Over 48 months	0	1	1
<b>Total Debt</b>	<b>906</b>	<b>1,662</b>	<b>2,567</b>

\*Include leases

On September 30, 2014, the duration<sup>4</sup> of MRV's debt was 17 months.

### Debt Breakdown

(R\$ million)	Maturity	Charges	Balance Due	
			Sep/14	Dec/13
<b>Corporate Debt – CDI</b>			<b>1,656</b>	<b>1,884</b>
Debentures - 3rd Issuance	02/01/2014	CDI + 1.6% p.a.	-	269
Debentures - 5th Issuance	07/01/2016	CDI + 1.5% p.a.	515	525
Debentures - 6th Issuance	3/5/2017	CDI + 1.5% p.a.	523	506
Working capital – CDI	up to June/18	CDI + 1.15% to 1.45% p.a.	507	418
CCB which backed the CRI transaction	Mar/13 to Mar/15	CDI + 1.15% p.a.	111	166
<b>Construction Finance - TR</b>			<b>906</b>	<b>1,124</b>
Debentures - 4th Issuance	12/1/2015	TR + 8.42 p.a.	185	241
Construction Financing	up to Mar/17	TR + 8% to 10.5% p.a.	721	883
<b>Others</b>			<b>6</b>	<b>10</b>
Others	up to Apr/20	CDI + Spread and Fixed rate 4.5%	6	10
<b>Total</b>			<b>2,567</b>	<b>3,018</b>

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



#### Weighted Average Debt Cost

(R\$ million)	Balance Due Sep/14	Balance Due / Total (%)	Average Cost
CDI	(1,658)	64.6%	CDI + 1.4%
TR	(906)	35.3%	TR + 8.4%
Others (fixed rate)	(3)	0.1%	4.5%
<b>Total</b>	<b>(2,567)</b>	<b>100.0%</b>	

## Net Debt

#### Consolidated MRV Net Debt

(R\$ million)	Sep-14	Jun-14	Dec-13	Chg. Sep-14 x Jun-14	Chg. Sep-14 x Dec-13
Total debt	2,567	2,658	3,018	3.4% ↓	14.9% ↓
(-) Cash and cash equivalents and Short-term investments	(1,233)	(1,223)	(1,689)	0.9% ↑	27.0% ↓
Net Debt	1,334	1,435	1,329	7.0% ↓	0.4% ↑
Total Shareholders' Equity	4,761	4,653	4,365	2.3% ↑	9.1% ↑
Net Debt / Total Shareholders' Equity	28.0%	30.8%	30.4%	2.8 p.p. ↓	2.4 p.p. ↓
EBITDA LTM	853	889	643	4.0% ↓	32.6% ↑
Net Debt / EBITDA LTM	1.56x	1.61x	2.07x	3.1% ↓	24.3% ↓
EBITDA LTM Adjusted (ex. non recurring LOG)	585	615	613	4.8% ↓	4.5% ↓
Net Debt / EBITDA LTM (ex. non recurring LOG)	2.28x	2.33x	2.17x	2.4% ↓	5.1% ↑

The Company reached its lowest leverage ratio since 2011, reaching 28% of Net Debt/Equity. This movement is in line with the Company's conservative financial management and with a more challenging macroeconomic environment prospected for the short term. MRV's ratings were reinstated by the Fitch Ratings and S&P agencies as brAA-, on September 26th and November 3rd, respectively, maintaining MRV's position of holding the best rating in the industry since 2008.



## Covenants & Corporate Risk

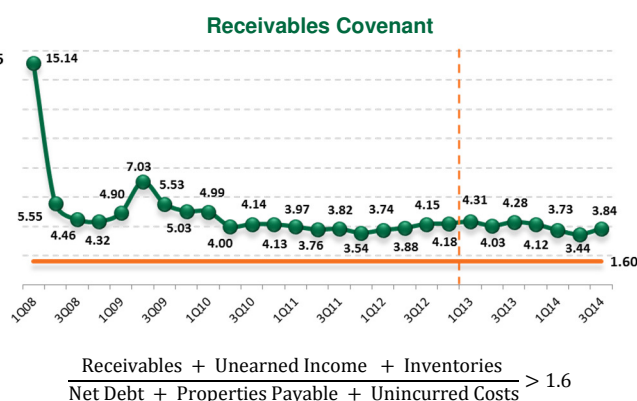
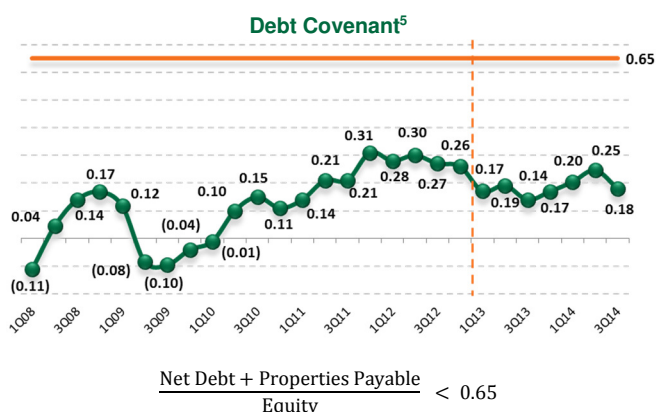
### Ratings



brAA-



brAA--



## Shares

### MRVE3 (11/11/14)

449,139,684 shares

**Market Share:** R\$ 3.5 billion  
US\$ 1.4 billion  
(11/11/14: US\$ 1 = R\$ 2.56)

**Average Daily Trading Volume (2014):**  
R\$ 29.3 million

### Share Buyback Plan

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

Term	06/02/2015
Status	Active
Approved Quantity	20,000,000
Acquired Quantity until 11/12/14	12,691,100
Buyback Available Balance (as of 11/12/14)	7,308,900
Treasury Shares (as of 11/12/14)	3,323,400

The Company's strategy is either oriented to generate value to shareholders through dividends or buyback program.

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

In 3Q14, we repurchased 5,092,300 shares, totaling R\$ 40.4 million. In 2014, until October 21 (day of the last repurchase), 31,151,100 shares were repurchased, representing 6.5% of the total shares of the Company outstanding on December 31, 2013, equivalent to R\$ 229 million.

On October 14, 2014, the cancellation of 14,000,000 shares was approved by the Company's Board of Directors, which will positively affect the earnings per share and ROE. Only in 2014, 34,081,659 shares were already cancelled. It is equivalent to a 7.1% decrease in total Company's outstanding shares, compared to December 31, 2014.

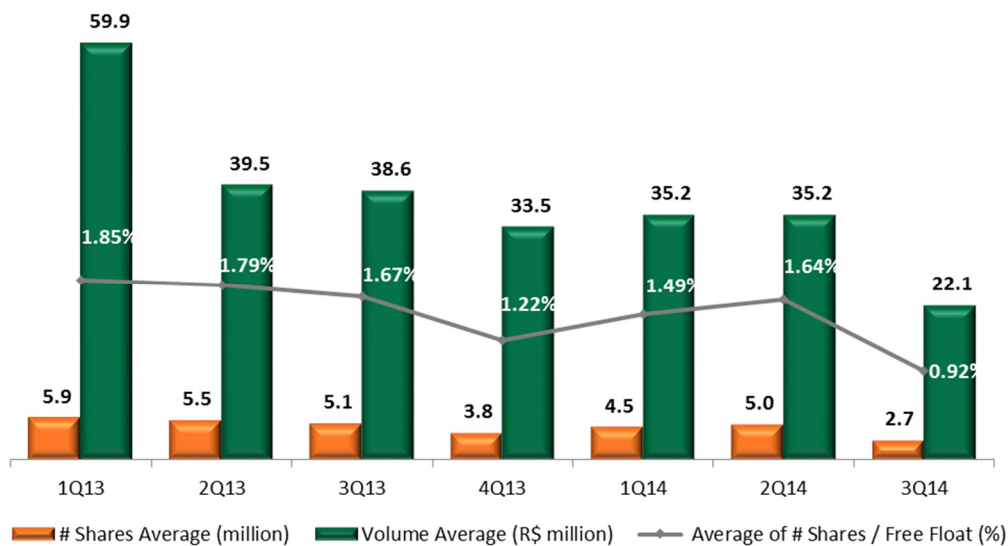
The Company is focused on value creation to shareholders and will use the consistent cash generation to repurchase its shares when the share price is low and according to cash generation collected by the Company,

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



with the subsequent cancellation. In the current program, there is a balance of 7,308,900 shares to be repurchased.

**Liquidity**





## LOG Commercial Properties

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

Operating Highlights (in GLA sq.m., in %LOG)	3Q14	2Q14	3Q13	3Q14 x 2Q14	3Q14 x 3Q13	9M14	9M13	9M14 x 9M13
<b>Portfolio</b>	<b>1,360,014</b>	<b>1,354,172</b>	<b>1,282,379</b>	<b>0.4%</b>	<b>6.1%</b>	<b>1,360,014</b>	<b>1,282,379</b>	<b>6.1%</b>
Warehouses	1,204,522	1,188,766	1,137,639	1.3%	5.9%	1,204,522	1,137,639	5.9%
Retail *	51,056	51,056	48,419	0.0%	5.4%	51,056	48,419	5.4%
Office	104,436	114,350	96,321	-8.7%	8.4%	104,436	96,321	8.4%
<b>Approved GLA</b>	<b>20,985</b>	<b>41,395</b>	<b>5,104</b>	<b>-49.3%</b>	<b>311.1%</b>	<b>937,912</b>	<b>791,140</b>	<b>18.6%</b>
Warehouses	19,513	41,395	5,104	-52.9%	282.3%	922,832	781,169	18.1%
Retail *	1,472	-	-	0.0%	0.0%	15,079	9,971	51.2%
Office	-	-	-	0.0%	0.0%	-	-	0.0%
<b>Built GLA</b>	<b>13,899</b>	<b>38,256</b>	<b>51,956</b>	<b>-63.7%</b>	<b>-73.2%</b>	<b>641,443</b>	<b>509,809</b>	<b>25.8%</b>
Warehouses	12,771	36,686	49,456	-65.2%	-74.2%	628,542	499,624	25.8%
Retail *	1,128	1,570	2,500	-28.1%	-54.9%	12,902	10,185	26.7%
Office	-	-	-	0.0%	0.0%	-	-	0.0%
<b>Delivered GLA</b>	<b>71,792</b>	<b>37,802</b>	<b>24,268</b>	<b>89.9%</b>	<b>195.8%</b>	<b>542,342</b>	<b>355,209</b>	<b>52.7%</b>
Warehouses	62,775	37,802	24,268	66.1%	158.7%	530,704	355,209	49.4%
Retail *	9,017	-	-	0.0%	0.0%	11,638	-	0.0%
Office	-	-	-	0.0%	0.0%	-	-	0.0%

Financial Highlights (in R\$ million)	3Q14	2Q14	3Q13	3Q14 x 2Q14	3Q14 x 3Q13	9M14	9M13	9M14 x 9M13
Net Operating Revenues	17	16	56	8.9%	-69.7%	47	76	-38.8%
EBITDA	13	248	26	-94.8%	-50.5%	272	42	545.3%
EBITDA Margin (%)	76.2%	1584.5%	46.6%	-1508.4 p.p.	29.5 p.p.	582.9%	55.3%	527.6 p.p.
Adjusted EBITDA **	12	11	8	12.4%	51.9%	33	21	58.7%
Adjusted EBITDA Margin (%)	71.8%	69.6%	65.5%	2.2 p.p.	6.3 p.p.	70.4%	64.1%	6.4 p.p.
FFO	5	245	23	-98.0%	-78.6%	261	35	650.3%
FFO Margin (%)	29.3%	1562.6%	41.6%	-1533.2 p.p.	-12.3 p.p.	558.6%	45.6%	513.0 p.p.
Adjusted FFO **	5	6	6	-24.4%	-26.0%	17	15	16.9%
Adjusted FFO Margin (%)	28.0%	40.4%	52.6%	-12.3 p.p.	-24.5 p.p.	36.4%	44.9%	-8.5 p.p.

\* Retail: Shopping Centers and Strip Malls.

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

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



## Urbamais

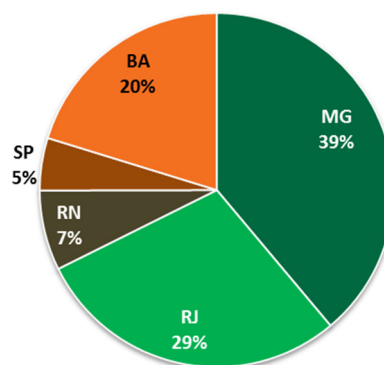
In 3Q14, Urbamais launched its first project, called *Parque Atlanta* in Araraquara/SP. The project has 335 allotments in private condominium, with green and leisure area. In Aug/14, 246 allotments were launched with 212 sq.m., on average.

Urbamais' land bank already has 13 lands in its portfolio for future projects in five different states.

### Operational Data

Urbamais (100%)	3Q14
<b>Land bank (R\$ million)</b>	<b>1,995</b>
<b>PSV Launched (R\$ million)</b>	<b>23.4</b>
Number of units	246
Average price per unit (R\$ thousand)	95
Launched area - sq.m.	52,097
<b>Pre-sales (R\$ million)</b>	<b>7.8</b>
Number of units	82
Average price per unit (R\$ thousand)	95
Area sold - sq.m.	17,341
% Urbamais	3Q14
<b>Land bank (R\$ million)</b>	<b>1,286</b>
<b>PSV Launched (R\$ million)</b>	<b>15.0</b>
Number of units	157
Average price per unit (R\$ thousand)	95
Launched area - sq.m.	33,342
<b>Pre-sales (R\$ million)</b>	<b>5.0</b>
Number of units	52
Average price per unit (R\$ thousand)	95
Area sold - sq.m.	11,098

### Land bank (in R\$) – per state



Note:

%Urbamais: percentage from Urbamais in the projects.

Parque Atlanta: the project's land was swapped with MRV. Therefore, the results presented by MRV include 36% of total pre-sales, launches and land bank of this Project.



## Investor Relations

---

### **Leonardo Corrêa**

Chief Financial Officer

Phone :+(55 31) 3348-7106

E-mail :ri@mrv.com.br

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

### **Mônica Simão**

Chief Investor Relations Officer

Phone. :+(55 31) 3348-7295

E-mail :ri@mrv.com.br

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

### **Matheus Torga**

Investor Relations Manager

Phone.: +(55 31) 3348-7216

E-mail: ri@mrv.com.br

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



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

R\$ million	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>NET OPERATING REVENUE</b>	<b>1,134</b>	<b>1,014</b>	<b>1,072</b>	<b>11.9% ↑</b>	<b>5.8% ↑</b>	<b>3,059</b>	<b>2,921</b>	<b>4.7% ↑</b>
<b>COST OF PROPERTIES SOLD AND SERVICES</b>	<b>(815)</b>	<b>(732)</b>	<b>(787)</b>	<b>11.3% ↑</b>	<b>3.5% ↑</b>	<b>(2,217)</b>	<b>(2,149)</b>	<b>3.2% ↑</b>
<b>GROSS PROFIT</b>	<b>319</b>	<b>282</b>	<b>285</b>	<b>13.2% ↑</b>	<b>12.2% ↑</b>	<b>842</b>	<b>772</b>	<b>9.0% ↑</b>
<i>Gross Margin</i>	28.2%	27.8%	26.6%	0.3 p.p. ↑	1.6 p.p. ↑	27.5%	26.4%	1.1 p.p. ↑
<b>OPERATING INCOME (EXPENSES)</b>								
Selling expenses	(97)	(81)	(67)	19.9% ↑	44.8% ↑	(246)	(201)	22.5% ↑
General & Administrative Expenses	(63)	(56)	(60)	12.7% ↑	4.5% ↑	(180)	(179)	0.4% ↑
Other operating income (expenses), net	(23)	(15)	(15)	55.0% ↑	54.6% ↑	(54)	(23)	130.9% ↑
Equity Income	(18)	259	10	-	-	237	14	1614.0% ↑
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>119</b>	<b>390</b>	<b>153</b>	<b>69.5% ↓</b>	<b>22.3% ↓</b>	<b>599</b>	<b>383</b>	<b>56.6% ↑</b>
<b>FINANCIAL RESULTS</b>								
Financial expenses	(32)	(25)	(43)	29.7% ↑	24.6% ↓	(89)	(96)	6.9% ↓
Financial income	50	36	32	40.7% ↑	57.1% ↑	123	87	41.3% ↑
Financial income from receivables from real estate development	9	24	11	61.5% ↓	15.0% ↓	44	32	39.2% ↑
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>146</b>	<b>425</b>	<b>153</b>	<b>65.6% ↓</b>	<b>4.7% ↓</b>	<b>677</b>	<b>405</b>	<b>66.9% ↑</b>
Income Tax and Social Contribution	(6)	(17)	(18)	66.3% ↓	69.0% ↓	(39)	(30)	32.4% ↑
<b>NET INCOME</b>	<b>141</b>	<b>408</b>	<b>135</b>	<b>65.5% ↓</b>	<b>4.0% ↑</b>	<b>638</b>	<b>376</b>	<b>69.6% ↑</b>
<b>PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>22.6% ↓</b>	<b>24.2% ↑</b>	<b>20</b>	<b>25</b>	<b>19.4% ↓</b>
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>135</b>	<b>401</b>	<b>131</b>	<b>66.3% ↓</b>	<b>3.3% ↑</b>	<b>617</b>	<b>351</b>	<b>76.0% ↑</b>
<i>Net Margin</i>	11.9%	39.6%	12.2%	27.7 p.p. ↓	0.3 p.p. ↓	20.2%	12.0%	8.2 p.p. ↑

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

R\$ million	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
Income before taxes	146	425	153	65.6% ↓	4.7% ↓	677	405	66.9% ↑
Depreciation and Amortization	10	9	9	8.7% ↑	7.1% ↑	29	26	13.8% ↑
Financial Results	(27)	(35)	(0)	22.3% ↓	7491.1% ↑	(78)	(23)	240.3% ↑
Financial charges recorded under cost of sales	31	29	34	6.6% ↑	6.9% ↓	92	102	10.3% ↓
<b>EBITDA</b>	<b>160</b>	<b>428</b>	<b>196</b>	<b>62.6% ↓</b>	<b>18.3% ↓</b>	<b>720</b>	<b>511</b>	<b>41.0% ↑</b>
<i>EBITDA Margin</i>	14.1%	42.3%	18.3%	28.1 p.p. ↓	4.2 p.p. ↓	23.5%	17.5%	6.1 p.p. ↑



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

ASSETS	9/30/2014	6/30/2014	12/31/2013	Chg. Sep/14 x Jun/14	Chg. Sep/14 x Dec/13
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,038	1,039	1,423	0.1% ↓	27.0% ↓
Short-term investments	195	184	266	6.2% ↑	26.6% ↓
Receivables from real estate development	2,300	2,261	2,294	1.7% ↑	0.3% ↑
Receivables from services provided	1	1	1	6.0% ↓	15.2% ↓
Real estate for sale and development	1,907	1,831	1,735	4.2% ↑	9.9% ↑
Recoverable current taxes	213	151	112	40.8% ↑	90.3% ↑
Deferred expenses	3	2	4	40.4% ↑	14.1% ↓
Other assets	38	44	36	15.5% ↓	5.8% ↑
<b>Total Current Assets</b>	<b>5,695</b>	<b>5,514</b>	<b>5,871</b>	<b>3.3% ↑</b>	<b>3.0% ↓</b>
<b>NONCURRENT ASSETS</b>					
Receivables from real estate development	1,853	1,933	1,952	4.1% ↓	5.1% ↓
Real estate for sale and development	1,667	1,466	1,490	13.7% ↑	11.9% ↑
Due from related parties	56	57	51	0.6% ↓	11.8% ↑
Deferred expenses	55	45	34	0.0% ↑	0.0% ↑
Other noncurrent assets	48	48	42	0.1% ↓	13.5% ↑
Investment property	856	859	632	0.3% ↓	35.4% ↑
Property and equipment	79	78	80	0.7% ↑	1.6% ↓
Intangible Assets	75	48	48	54.7% ↑	57.0% ↑
<b>Total Noncurrent Assets</b>	<b>4,688</b>	<b>4,534</b>	<b>4,328</b>	<b>3.4% ↑</b>	<b>8.3% ↑</b>
<b>TOTAL ASSETS</b>	<b>10,383</b>	<b>10,048</b>	<b>10,198</b>	<b>3.3% ↑</b>	<b>1.8% ↑</b>



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

LIABILITIES AND SHAREHOLDERS' EQUITY	9/30/2014	6/30/2014	12/31/2013	Chg. Sep/14 x Jun/14	Chg. Sep/14 x Dec/13
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	251	237	188	6.1% ↑	33.8% ↑
Loans and financing	991	568	775	74.4% ↑	27.9% ↑
Payables for purchase of land	276	228	292	21.4% ↑	5.5% ↓
Advances from customers	759	784	933	3.1% ↓	18.6% ↓
Labor and social liabilities	130	95	92	36.5% ↑	41.3% ↑
Tax liabilities	71	53	48	32.4% ↑	45.9% ↑
Accrual for maintenance of real estate	33	34	33	1.8% ↓	1.2% ↑
Deferred tax liabilities	79	76	81	3.0% ↑	3.1% ↓
Proposed dividends	-	-	100	-	-
Other payables	14	15	17	6.2% ↓	19.9% ↓
<b>Total Current Liabilities</b>	<b>2,604</b>	<b>2,090</b>	<b>2,561</b>	<b>24.6% ↑</b>	<b>1.7% ↑</b>
<b>NONCURRENT LIABILITIES</b>					
Loans and financing	1,577	2,089	2,243	24.5% ↓	29.7% ↓
Payables for purchase of land	666	461	264	44.3% ↑	151.9% ↑
Advances from customers	577	559	576	3.2% ↑	0.1% ↑
Accrual for maintenance of real estate	88	86	90	2.4% ↑	2.4% ↓
Accrual for civil, labor, and tax risks	40	34	23	17.9% ↑	71.9% ↑
Deferred tax liabilities	57	62	62	7.9% ↓	7.0% ↓
Other liabilities	13	13	14	0.1% ↓	3.2% ↓
<b>Total Noncurrent Liabilities</b>	<b>3,018</b>	<b>3,305</b>	<b>3,272</b>	<b>8.7% ↓</b>	<b>7.8% ↓</b>
<b>SHAREHOLDERS' EQUITY</b>					
Equity attributable to the shareholders of the Company	4,480	4,384	4,101	2.2% ↑	9.2% ↑
Non-controlling Interests	281	268	264	4.7% ↑	6.3% ↑
<b>Total Shareholders' Equity</b>	<b>4,761</b>	<b>4,653</b>	<b>4,365</b>	<b>2.3% ↑</b>	<b>9.1% ↑</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,383</b>	<b>10,048</b>	<b>10,198</b>	<b>3.3% ↑</b>	<b>1.8% ↑</b>



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

Consolidated (R\$ million)	3Q14	3Q13	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income	141	135	4.0% ↑	638	376	69.6% ↑
Adjustments to reconcile net income to cash used in operating activities	63	11	487.5% ↑	(43)	4	1133.9% ↓
Decrease (increase) in operating assets	(24)	250	-	30	626	95.2% ↓
Increase (decrease) in operating liabilities	6	(179)	103.3% ↓	(254)	(595)	57.3% ↓
<b>Net cash used in operating activities</b>	<b>185</b>	<b>218</b>	<b>14.8% ↓</b>	<b>371</b>	<b>410</b>	<b>9.6% ↓</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Decrease (increase) in investment securities	(6)	(37)	82.3% ↓	87	(110)	-
Advances to related parties	(12)	(10)	18.7% ↑	(65)	(90)	27.5% ↓
Receipts from related parties	13	14	6.6% ↓	63	92	32.2% ↓
Decrease in (acquisition of/contribution to) investments	(15)	21	-	13	(41)	-
Acquisition of property and equipment and intangible assets	(38)	(8)	375.8% ↑	(59)	(31)	91.1% ↑
<b>Net cash used in investing activities</b>	<b>(58)</b>	<b>(19)</b>	<b>203.9% ↑</b>	<b>38</b>	<b>(179)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from shares issuance	-	-	-	0	0	103.4% ↑
Proceeds from stock options' exercise	-	-	-	1	-	-
Treasury shares	(35)	(7)	396.9% ↑	(195)	(26)	639.9% ↑
Proceeds from loans and financing	158	701	77.4% ↓	633	1,560	59.4% ↓
Payment of loans, financing and debenture	(259)	(559)	53.7% ↓	(1,088)	(1,534)	29.1% ↓
Capital transaction	0	-	-	(0)	-	-
Dividends paid	-	-	-	(141)	(125)	12.3% ↑
Contributions to non-controlling shareholders	7	(24)	-	(4)	(32)	88.6% ↓
<b>Net cash (used in) generated by financing activities</b>	<b>(129)</b>	<b>111</b>	<b>-</b>	<b>(793)</b>	<b>(158)</b>	<b>402.1% ↑</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(1)</b>	<b>309</b>	<b>-</b>	<b>(384)</b>	<b>73</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Cash and cash equivalents at beginning of the period	1,039	1,149	9.6% ↓	1,423	1,385	2.7% ↑
Cash and cash equivalents at end of the period	1,038	1,458	28.8% ↓	1,038	1,458	28.8% ↓



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

INCOME STATEMENT	3Q14	2Q14	3Q13	Chg. 3Q14 x 2Q14	Chg. 3Q14 x 3Q13	9M14	9M13	Chg. 9M14 x 9M13
<b>NET OPERATING REVENUES</b>	<b>17</b>	<b>16</b>	<b>56</b>	<b>8.9%</b>	<b>-69.7%</b>	<b>47</b>	<b>76</b>	<b>-38.8%</b>
Cost	-	-	(29)	-	-	-	(35)	-
<b>GROSS PROFIT</b>	<b>17</b>	<b>16</b>	<b>27</b>	<b>8.9%</b>	<b>-36.9%</b>	<b>47</b>	<b>41</b>	<b>12.8%</b>
<b>OPERATING EXPENSES</b>								
Selling expenses	(3)	(2)	(3)	31.8%	-7.8%	(7)	(6)	32.3%
General & Administrative expenses	(2)	(3)	(2)	-8.1%	-6.6%	(7)	(7)	2.4%
Other operating expenses, net	(0)	(0)	(0)	254.5%	-28.8%	0	(1)	-
Investment Property Fair Value Variation	1	171	-	-99.7%	-	171	-	-
Equity in subsidiaries and JV's	1	67	1	-98.6%	-38.8%	69	5	1346.6%
<b>OPERATING INCOME BEFORE FINANCIAL RESULTS</b>	<b>13</b>	<b>248</b>	<b>23</b>	<b>-94.8%</b>	<b>-42.4%</b>	<b>272</b>	<b>33</b>	<b>730.0%</b>
<b>FINANCIAL RESULTS</b>								
Financial expenses	(8)	(7)	(5)	17.8%	69.4%	(22)	(10)	113.5%
Financial income	1	2	5	-52.8%	-81.9%	6	6	-0.1%
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>5</b>	<b>243</b>	<b>23</b>	<b>-97.8%</b>	<b>-76.0%</b>	<b>256</b>	<b>28</b>	<b>806.2%</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>								
Current	(1)	(2)	(1)	-21.3%	-6.2%	(4)	(3)	-
Deferred	1	3	(2)	-76.3%	-	9	(0)	-
<b>NET INCOME</b>	<b>5</b>	<b>245</b>	<b>20</b>	<b>-98.0%</b>	<b>-74.6%</b>	<b>261</b>	<b>25</b>	<b>927.8%</b>
<b>PROFIT ATTRIBUTABLE TO</b>								
Shareholder's of the company	5	245	20	-97.9%	-74.5%	261	25	927.5%
Non-controlling interests	(0)	0	-	-	-	0	-	-

Financial Highlights (in R\$ million)	3Q14	2Q14	3Q13	3Q14 x 2Q14	3Q14 x 3Q13	9M14	9M13	9M14 x 9M13
Net Operating Revenues	17	16	56	8.9%	-69.7%	47	76	-38.8%
EBITDA	13	248	26	-94.8%	-50.5%	272	42	545.3%
EBITDA Margin (%)	76.2%	1584.5%	46.6%	-1508.4 p.p.	29.5 p.p.	582.9%	55.3%	527.6 p.p.
Adjusted EBITDA **	12	11	8	12.4%	51.9%	33	21	58.7%
Adjusted EBITDA Margin (%)	71.8%	69.6%	65.5%	2.2 p.p.	6.3 p.p.	70.4%	64.1%	6.4 p.p.
FFO	5	245	23	-98.0%	-78.6%	261	35	650.3%
FFO Margin (%)	29.3%	1562.6%	41.6%	-1533.2 p.p.	-12.3 p.p.	558.6%	45.6%	513.0 p.p.
Adjusted FFO **	5	6	6	-24.4%	-26.0%	17	15	16.9%
Adjusted FFO Margin (%)	28.0%	40.4%	52.6%	-12.3 p.p.	-24.5 p.p.	36.4%	44.9%	-8.5 p.p.

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



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

ASSETS	30/sep/14	30-Jun-14	31/dec/13	Chg. Sep/14 x Jun/14	Chg. Sep/14 x Dec/13	LIABILITIES & SHAREHOLDER'S EQUITY	30/sep/14	30-Jun-14	31/dec/13	Chg. Sep/14 x Jun/14	Chg. Sep/14 x Dec/13
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	105	8	151	1269.4%	-94.9%	Accounts Payable	8	11	11	-20.4%	-1.7%
Accounts receivable	23	22	21	3.9%	7.7%	Loans and financing	191	159	245	19.9%	-35.0%
Recoverable taxes	6	8	5	-24.6%	63.4%	Salaries, payroll taxes and benefits	4	3	4	7.2%	-13.4%
Deferred selling expenses	2	2	2	-7.8%	26.4%	Taxes and contributions	3	3	4	-4.6%	-19.4%
Other assets	0	-	0	-	-100.0%	Land payable	-	3	14	-	-
<b>Total current assets</b>	<b>136</b>	<b>40</b>	<b>179</b>	<b>236.1%</b>	<b>-77.4%</b>	Advances from customers - Swap Payable Dividends	5 -	2 3	7 3	211.7% -	-76.9% -
<b>NON-CURRENT ASSETS</b>						<b>Non-current liabilities</b>					
Trade accounts receivable	8	11	14	-23.9%	-24.8%	Other liabilities	10	25	69	-58.1%	-64.4%
Deferred selling expenses	4	3	3	9.6%	18.0%	<b>Total current liabilities</b>	<b>222</b>	<b>209</b>	<b>357</b>	<b>6.2%</b>	<b>-41.5%</b>
Recoverable taxes	38	35	20	9.7%	76.4%	<b>Non-current liabilities</b>					
Deferred taxes	16	54	7	-69.9%	732.9%	Loans and financing	807	659	522	22.3%	26.4%
Other assets	0	0	0	0.0%	0.0%	Advances from Customers - Swap	43	48	6	-10.3%	729.5%
Investment in subsidiaries and jointly controlled	232	226	157	2.3%	44.3%	Deferred taxes	48	86	1	-44.5%	8759.4%
Investment property	2,154	2,093	1,247	2.9%	67.9%	Others	1	1	1	3.2%	79.6%
Property and equipment	1	1	1	20.8%	9.1%	<b>Total Non-current liabilities</b>	<b>899</b>	<b>795</b>	<b>529</b>	<b>13.1%</b>	<b>50.2%</b>
<b>Total non-current assets</b>	<b>2,453</b>	<b>2,423</b>	<b>1,448</b>	<b>1.2%</b>	<b>67.4%</b>	<b>Total Liabilities</b>	<b>1,120</b>	<b>1,004</b>	<b>886</b>	<b>11.6%</b>	<b>13.2%</b>
						<b>SHAREHOLDER'S EQUITY</b>					
						Equity atributable to the shareholder's of the company	1,468	1,460	740	0.6%	97.3%
						Non-controlling interest	0	0	0	-9.9%	163.6%
						<b>Total Shareholder's Equity</b>	<b>1,468</b>	<b>1,460</b>	<b>740</b>	<b>0.5%</b>	<b>97.3%</b>
<b>TOTAL ASSETS</b>	<b>2,589</b>	<b>2,464</b>	<b>1,626</b>	<b>5.1%</b>	<b>51.5%</b>	<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>	<b>2,589</b>	<b>2,464</b>	<b>1,626</b>	<b>5.1%</b>	<b>51.5%</b>



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

CASH FLOW STATEMENT	9M14	9M13	Chg. 9M14 x 9M13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	261	25	927.5%
Adjustments to reconcile profit to net cash used in operating activities	(227)	(1)	21022.3%
Decrease (increase) in operating assets	(9)	(7)	32.9%
Increase (decrease) in operating liabilities	3	8	-59.4%
Income tax and social contribution paid	(4)	(2)	102.6%
Land sale receiving	7	6	25.1%
<b>Net cash used in operating activities</b>	<b>30</b>	<b>29</b>	<b>6.0%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (Increase) of investments	(63)	(16)	303.0%
Acquisition of investment property	(170)	(277)	-38.6%
Other	(0)	-	-
<b>Net cash used in investing activities</b>	<b>(233)</b>	<b>(292)</b>	<b>-20.2%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and debentures, net	478	305	56.8%
Payment of loans	(271)	(111)	144.6%
Interest paid	(51)	(33)	56.1%
Contribution from shareholders	3	278	-98.9%
Spending on issue of shares	-	(4)	-
Payment of obligations with related companies	(6)	(56)	-89.3%
Increase in obligations with related companies	6	56	-89.3%
Dividends paid	(3)	(1)	260.0%
Distributions to non-controlling shareholders	0	0	82.4%
<b>Net cash provided by financing activities</b>	<b>156</b>	<b>435</b>	<b>-64.1%</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(47)</b>	<b>171</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year	151	24	527.5%
Cash and cash equivalents at end of year	105	196	-46.5%



## Attachment 07 – Glossary

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**RET** – Special Tax Regime

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

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

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

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

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

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

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



## Disclaimer

---

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

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

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

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

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

## Relationship with Independent Auditors

---

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

## About MRV

---

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 34 years of experience, active in 125 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.