



Ferroport  
Logística  
Comercial  
Exportadora S.A.

**Interim Financial Information**  
**March 31, 2016**

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## Independent Auditors' Report on Review of Interim Financial Information

To the Shareholders, Board of Directors and Officers  
Ferroport Logística Comercial Exportadora S.A.  
Rio de Janeiro - RJ

### Introduction

We have reviewed the balance sheet of Ferroport Logística Comercial Exportadora S.A. ("the Company") as of March 31, 2016, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, comprising a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with *CPC 21(R1) - Demonstração Intermediária*. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information, referred above, has not been prepared, in all material respects, in accordance with *CPC 21(R1)* applicable to the preparation of interim financial information.



**Other matters**

The interim financial information of Ferroport Logística Comercial Exportadora S.A. as of March 31, 2015, presented for comparative purpose, have not been reviewed by us or by other independent auditors.

Rio de Janeiro, June 08, 2016

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-RJ

A handwritten signature in blue ink, reading 'Luis Claudio França de Araújo'.

Luis Claudio França de Araújo  
Accountant CRC RJ-091559/O-4

# Ferropport Logística Comercial Exportadora S.A.

## Balance sheets as of March 31, 2016 and December 31, 2015

(In thousands of Reais)

	Note	March 31, 2016	December 31, 2015
Assets			
Current assets			
Cash and cash equivalents	4	93,486	90,892
Accounts receivable from related parties	9	84,292	91,771
Inventories		15,867	16,405
Recoverable taxes		638	1,744
Income taxes and contributions recoverable		8,842	2,138
Prepaid expenses		1,839	2,821
Other		4,105	3,071
Total current assets		<u>209,069</u>	<u>208,842</u>
Noncurrent assets			
Judicial deposits	6	31,325	30,773
Deferred income taxes	5	86,000	100,819
Related parties - asset to be transferred	9	210,102	210,102
Property, plant and equipment	7	2,190,003	2,165,691
Intangible assets	8	3,777	4,031
Deferred charges	3	5,568	5,731
Total noncurrent assets		<u>2,526,775</u>	<u>2,517,148</u>
Total assets		<u>2,735,844</u>	<u>2,725,990</u>
Liabilities and equity			
Current liabilities			
Trade accounts payable		43,322	47,640
Payroll and related charges		6,437	14,861
Taxes payable	10	6,266	7,543
Income taxes payable	10	1,198	2,315
Related parties- loans and accounts payable	9	124,065	31,315
Total current liabilities		<u>181,288</u>	<u>103,674</u>
Noncurrent liabilities			
Income taxes payable	10	30,189	29,661
Related parties- loans and accounts payable	9	1,926,426	2,030,485
Deferred revenue with related party	9	58,868	59,417
Provision for legal proceedings	11	1,655	1,633
Other		419	447
Total noncurrent liabilities		<u>2,017,557</u>	<u>2,121,643</u>
Shareholders' equity			
Capital	12	414,397	414,397
Capital reserve		94,589	94,589
Accumulated profit (losses)		28,013	(8,313)
Total shareholders' equity		<u>536,999</u>	<u>500,673</u>
Total liabilities and shareholders' equity		<u>2,735,844</u>	<u>2,725,990</u>

The accompanying notes are an integral part of the interim financial information.

# Ferroport Logística Comercial Exportadora S.A.

## Statements of income

### Three-month period ended March 31, 2016 and 2015

*(In thousands of Reais)*

	Note	March 31, 2016	March 31, 2015 (Not reviewed)
Net revenue of services	13	151,500	118,785
Costs of services	14	<u>(37,014)</u>	<u>(35,923)</u>
Gross profit		<u>114,486</u>	<u>82,862</u>
Operating income (expenses)			
General and administrative expenses	15	(6,782)	(7,804)
Other operating income	16	<u>7,240</u>	<u>8,451</u>
Income before financial income (expenses) and taxes		<u>114,943</u>	<u>83,512</u>
Financial income (expenses)			
Financial income	17	2,933	1,891
Financial expenses	17	<u>(68,620)</u>	<u>(57,575)</u>
Income before taxes		<u>49,256</u>	<u>27,828</u>
Income and social contribution taxes			
Deferred	5	<u>(12,930)</u>	<u>(9,462)</u>
Net income for the period		<u><b>36,326</b></u>	<u><b>18,363</b></u>

The accompanying notes are an integral part of the interim financial information.

# **Ferroport Logística Comercial Exportadora S.A.**

## **Statements of comprehensive income**

### **Three-month period ended March 31, 2016 and 2015**

*(In thousands of Reais)*

	<b>March 31, 2016</b>	<b>March 31, 2015</b> <b>(Not reviewed)</b>
Net income for the period	36,326	18,363
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>36,326</u>	<u>18,363</u>

The accompanying notes are an integral part of the interim financial information.

# Ferroport Logística Comercial Exportadora S.A.

## Statements of changes in shareholders' equity

### Three-month period ended March 31, 2016 and 2015

*(In thousands of Reais)*

	Note	Capital Stock	Capital reserve	Accumulated profit (losses)	Total
Balances as of January 1 <sup>st</sup> , 2015	11	<u>414,397</u>	<u>94,589</u>	<u>(96,790)</u>	<u>412,196</u>
Net income for the period		-	-	18,363	18,363
Balances as of March 31, 2015 (Not reviewed)		<b>414,397</b>	<b>94,589</b>	<b>(78,427)</b>	<b>430,559</b>
Net income for the period		<u>-</u>	<u>-</u>	<u>70,114</u>	<b>70,114</b>
Balances as of December 31, 2015		<u>414,397</u>	<u>94,589</u>	<u>(8,313)</u>	<b>500,673</b>
Net income for the period		<u>-</u>	<u>-</u>	<u>36,326</u>	<b>36,326</b>
Balances as of March 31, 2016		<b>414,397</b>	<b>94,589</b>	<b>28,013</b>	<b>536,999</b>

The accompanying notes are an integral part of the interim financial information.



# Ferropport Logística Comercial Exportadora S.A.

## Statements of cash flows

### Three-month period ended March 31, 2016 and 2015

(In thousands of Reais)

	March 31, 2016	March 31, 2015 (Not reviewed)
Operating activities		
Income before taxes	49,256	27,828
Adjustments to reconcile income before taxes and net cash provided by operating activities:		
Depreciation and amortization	10,321	10,810
Monetary variation and interest	68,121	56,232
Deferral insurance	1,111	1,560
Provision for bonus	2,295	1,482
Provision for legal proceeding	-	609
Deferred revenue amortization	(549)	(549)
	<u>130,555</u>	<u>97,972</u>
(Increase) decrease of assets and increase (decrease) of liabilities:		
Account receivable from related parties	7,479	(7,715)
Trade accounts receivable	(1,240)	(3,800)
Inventories	538	(1,917)
Advanced third parties	306	-
Recoverable taxes	1,889	-
Prepaid expenses	(129)	553
Trade accounts payable	(7,310)	(98,017)
Taxes payable	4,761	1,144
Current taxes	(1,426)	-
Payroll and related charges	(10,720)	1,723
Accounts payable to related parties	(124)	1,080
Taxes payable related to intercompany loans	(11,580)	-
Interest paid	(41,580)	-
Other assets and liabilities	364	57
	<u>(58,772)</u>	<u>(106,892)</u>
Net cash flows used in operating activities		
Investing activities		
Acquisition of intangible assets	(155)	(899)
Acquisition of property, plant and equipment (a)	(31,425)	(7,102)
	<u>(31,580)</u>	<u>(8,001)</u>
Net cash flows used in investing activities		
Financing activities		
Intercompany loans settled (principal)	(37,609)	-
Intercompany loans obtained	-	64,266
	<u>(37,609)</u>	<u>64,266</u>
Net cash flows generated by (used in) financing activities		
	<u>2,594</u>	<u>47,345</u>
Increase in cash and cash equivalents		
Cash and cash equivalents:		
At beginning of year	90,892	14,590
At end of year	93,486	61,935
	<u>2,594</u>	<u>47,345</u>
Increase in cash and cash equivalents		

(a) The acquisition is net of cash from asset allocation agreement.

The accompanying notes are an integral part of the interim financial information.

## **Notes to the interim financial information**

*(In thousands of reais, unless otherwise stated)*

### **1 Operations**

In 2007, Ferroport Logística Comercial Exportadora S.A. (“Ferroport” or the “Company”), formerly known as LLX Minas-Rio Logística Comercial Exportadora S.A., located in the state of Rio de Janeiro, Rua da Passagem nº 123/ 11<sup>th</sup> floor - Botafogo, was incorporated with the purpose of developing and operating port facilities and providing logistics support services.

Ferroport is joint owner of an area of 300 hectares in the Açú Port which is intended for iron ore processing, handling, storage, and pelletizing, and an offshore structure comprising an access bridge, access canal, breakwater and two berths for iron ore loading. The development of the project was established by the Framework Agreement and Asset Allocation Agreement (“Agreement”) which sets forth the operating and commercial relations between the Company, Prumo Participações e Investimentos S.A. (“Prumopar”), Prumo’s subsidiary Açú Petróleo S.A. (“Açú Petróleo”) and Anglo American Minério de Ferro do Brasil S.A. (“AAMFB”).

The Agreement determines that Ferroport was responsible for the construction of the T1 port terminal, and sets out the allocation of assets between the parties, means of payment, transfer of divisible assets to AAMFB and joint ownership rules for the indivisible assets. The assets are transferred to the shareholders according to a formula defined in the Agreement at construction cost. Upon delivery of the assets, the Company recognized the related gain (“Mark-up gain”). The Company records its ownership share in the port and other assets in proportion to the total amount invested in the construction of the assets.

The commercial and operating terms of the aforementioned agreements include a take-or-pay commitment from AAMFB, subject to port capacity availability, of 26.6 million Wet Metric Ton (WMT) per year for shipment of iron ore at US\$7.10 (seven dollars and ten cents) per WMT, basis on July 1, 2013 terms, to be annually escalated by the United States Producer Price Index (“PPI”) up to the first shipment, and then from this date onwards escalated by 2/3 of PPI per annum on each January 1. A reduced tariff is applicable to the shipped volume of iron ore which exceeded the 26.6 million WMT in the year. The contract term is 25 years.

In the period ended on March 31, 2016, the Company loaded 3,362 million tons of iron ore in 24 vessels (1,294 million tons in 10 vessels in the period ended on March 31, 2015). Since the beginning of operations in October 2014, the Company loaded 12,423 million tons of iron ore in 93 vessels.

The Construction project will be finalized by the end of 2016, remaining few works in the breakwater and decommissioning.

In June 2015, the shareholders signed a Side Agreement to Shareholders Agreement, which established terms and conditions for the Intercompany Loan repayment, including the calculation formula to define the available cash and minimum cash required, periodic payment on a monthly basis and IC loan term. The Side Agreement will become effective on January 1, 2016 and the repayment of outstanding amounts shall be paid by no later than December 31, 2030.

In March, 2016, the Company received the approval of Rio de Janeiro Harbour Master to operate Capesize vessels with a maximum sailing draft of 18.5 meters. In this quarter, the Company also started operations in twilight and 7 maneuvers were performed to date.

## 2 Licenses

Type	Issue date	Maturity
Permit the management of terrestrial fauna in the port terminal by the company Ecologus Consulting Engineering LI no.IN 30418	April 29, 2015	April 28, 2017
Permit to Use Water Resources OUT IN023738 authorizes the extraction of raw water through tubular wells, for human consumption, and other applications (in civil construction works and to spray on roads), in the Hydrographic Basin RH-IX - Baixo Paraíba do Sul	July10, 2013	July7, 2018
State Institute for the Environment (INEA): Environmental License for Installation (LI) to continue with implementation works of port terminal denominated Açú Port. LI no. IN 025635	December 13, 2013	December 13, 2016
INEA (State Institute of Environment): Statutory law for receipts of iron ore, stockyardiron transfer unit, access bridge, loading pier, areas of utilities and repair shop, administrative area, , dredging for maintenance of draught for access and navigation, trans-shipment of waste of vessels and food loading activities, inputs of drinking water on vessels. Statutory Law - Regulatory Procedure 027024.(AVB002815)	September 2, 2015	May 29, 2018
ANTAQ (Supervising Office for Grants of the National Waterway Agency) authorizes Ferroport to start operating the port terminal. LO no. 02/2014	September 2, 2014	September 2, 2039
Permit temporary refueling, by using tank trucks, tug boats, and speed boats on Porto do Açú iron ore terminal LI no.IN 32632	December 8, 2015	December 8, 2017

## 3 Basis of preparation and presentation of the interim financial information and summary of significant accounting practices

The interim financial information has been prepared in accordance with CPC 21 - *Interim Financial Reporting* issued by the Accounting Pronouncements Committee (“CPC”).

The interim financial information do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the financial statements as of December 31, 2015, prepared in accordance with Brazilian reporting standards, including the provisions of Brazilian corporation law and the reporting standards and procedures issued by the CPC.

The accounting policies adopted in this interim financial information are consistent with those followed in the preparation of the Company’s financial statements for the year ended December 31, 2015.

This interim financial information was authorized for issuance by the Company’s directors on June 08, 2016.

The preparation of this interim financial information requires management to make judgments, estimates and assumptions which affect the application of accounting practices and the reported values of assets, liabilities, revenues and expenses. Estimates and assumptions are reviewed on a continuous basis. Accounting estimates are recognized in the year in which they are reviewed and in any future periods that may be affected. Actual results may differ from these estimates.

The significant issues that may be affected by the use of estimates are: deferred income tax and social contribution, determination of the useful lives of property, plant and equipment and intangible assets, impairment of non-financial assets, provision for legal proceedings and determination of the fair value of financial instruments. Future settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial information due to the uncertainties inherent to the determination process. The Company reviews its estimates and assumptions at least annually.

#### 4 Cash and cash equivalents

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash and banks	107	306
Cash equivalents		
Security held under repurchase agreements	93,379	90,586
	93,486	90,892

Highly liquid short-term investments are readily convertible into a known amount of cash and subject to insignificant risk of change in their value. The repurchase agreements are remunerated at 100.24% of Interbank Deposit (DI) rate and are issued by Santander.

#### 5 Income tax and social contribution

The changes in the deferred income and social contribution taxes assets and liabilities are as follows:

	<b>December 31, 2015</b>	<b>Additional amount/offset (liability) recorded</b>	<b>March 31, 2016</b>
<b>Assets</b>			
Tax loss carryforwards	1,826	(1,826)	-
Temporary differences			
Difference between tax basis and book value - deferred assets (a)	50,878	(6,359)	44,519
Tax credits originated from merger (b)	61,482	(4,729)	56,753
Other	11,914	(832)	11,082
	<b>126,100</b>	<b>(13,746)</b>	<b>112,354</b>
<b>Liabilities</b>			
Difference between tax basis and book value of depreciation rates	(25,281)	(1,073)	(26,354)
	<b>(25,281)</b>	<b>(1,073)</b>	<b>(26,354)</b>
<b>Net effect</b>	<b>100,819</b>	<b>(14,819)</b>	<b>86,000</b>

- (a) This refers to the recognition of deferred income tax and social contribution on the difference between the accounting and tax treatment of deferred charges arising from January 1, 2009 to October 2014. For accounting purposes, beginning 2009, the pre-operational expenditures were expensed while for tax purposes it has been treated as deferred charges. These deferred charges have been amortized since the Company started its operations in October 2014 and will be amortized within 10 years.

- (b) At June 30, 2014, the Company's shareholder Centennial Asset Participações Minas-Rio S.A. and part of spun-off assets of Anglo American Participações Ltda. was merged into Ferroport with the objective of simplifying the ownership structure of Anglo American's investments in Brazil, reducing costs and the number of legal entities, simplifying the procedures to distribute profits within the corporate structure and permit the use of corporate tax relieves available for Ferroport in the Brazilian law.

The recoverability of the deferred income tax assets is supported by a business plan approved by the Executive Board. The Company's Management evaluates the carrying value of the deferred tax assets based on the Company's projected future taxable income, and maintain these assets at their expected realization value.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the nominal rate for the periods ended March 31, 2016 and 2015, are as follows:

	<b>March 31, 2016</b>	<b>March 31, 2015</b> (Not reviewed)
Income before income taxes	49,256	27,828
Income tax as effective rate 34%	(16,747)	(9,462)
Adjustments:		
Income taxes anticipation	(2,601)	-
Current income taxes	(1,183)	-
Others	(33)	-
Deferred income and social contribution taxes on temporary differences	<u>(12,930)</u>	<u>(9,462)</u>
Net income for the period	<u>36,326</u>	<u>18,363</u>
Effective rate	<u>26%</u>	<u>34%</u>

## 6 Judicial deposits

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Income tax and social contribution (a)	30,189	29,661
Other	<u>1,136</u>	<u>1,112</u>
	<u><b>31,325</b></u>	<u><b>30,773</b></u>

- (a) The Company challenges the payment of income tax and social contribution on net income recognized in its pre-operating phase and filed an injunction in January 2008, making a judicial deposit of R\$ 16,403. Ferroport obtained an unfavorable decision and is awaiting decision on its appeal. The amount deposited is fully reserved under "Taxes payable".

## 7 Property, plant and equipment

	Annual depreciation rate %	Cost	Accumulated depreciation	Net balance at 03/31/2016	Net balance at 12/31/2015
Improvements	4	67,942	(65,884)	2,058	2,307
Furniture and fixtures	10	603	(243)	360	405
Vehicles	20	904	(842)	62	87
IT equipment	20	4,152	(1,240)	2,912	1,041
Machinery and equipment	10	4,047	(919)	3,128	3,213
Electronic equipment	20	5,554	(2,637)	2,917	3,129
Defenses	10	3,224	(484)	2,740	2,821
Breakwater	2.04	838,437	(27,142)	811,295	815,913
Maritime access canal	2.04	424,210	(9,868)	414,342	296,686
Pier - Port Terminal	2.04	558,753	(16,981)	541,772	544,576
Safety equipment	10	12,065	(1,799)	10,266	10,510
Operational tools and equipment	10 and 5	2,533	-	2,533	2,506
Advances to suppliers	-	639	-	639	1,050
Construction in progress	-	385,820	-	385,820	472,318
Other		9,249	(90)	9,159	9,129
		<u>2,318,132</u>	<u>(128,129)</u>	<u>2,190,003</u>	<u>2,165,691</u>

### Changes in property, plant and equipment

Cost	Annual depreciation rate%	12/31/2015	Additions	Asset allocation	Write-offs (*)	Transfers	03/31/2016
Improvements	4	67,902	40	-	-	-	67,942
Furniture and fixtures	10	657	5	-	(59)	-	603
Vehicles	20	904	-	-	-	-	904
IT equipment	20	2,210	1,942	-	-	-	4,152
Machinery and equipment	10	4,031	30	-	(14)	-	4,047
Electronic equipment	20	5,554	45	-	-	-	5,554
Defenses	10	3,224	-	-	-	-	3,224
Breakwater	2.04	838,437	-	-	-	-	838,437
Maritime access canal	2.04	304,875	-	-	-	119,335	424,210
Pier - Port Terminal	2.04	558,752	-	-	-	-	558,752
Safety equipment	10	12,009	56	-	-	-	12,065
Operational tools and equipment	10 and 5	2,506	27	-	-	-	2,533
Advance to suppliers		1,050	(411)	-	-	-	639
Construction work in progress		472,318	41,822	(8,985)	-	(119,335)	385,820
Other		9,179	71	-	-	-	9,249
		<u>2,283,608</u>	<u>43,582</u>	<u>(8,985)</u>	<u>(73)</u>	<u>-</u>	<u>2,318,132</u>

**Ferroport Logística Comercial**  
**Exportadora S.A.**  
Interim Financial Information  
March 31, 2016

	<b>Annual depreciation rate %</b>	<b>12/31/2015</b>	<b>Additions</b>	<b>Asset allocation</b>	<b>Write-offs (*)</b>	<b>Transfers</b>	<b>03/31/2016</b>
Depreciation							
Improvements		(65,595)	(289)	-	-	-	(65,884)
Furniture and fixtures		(252)	9	-	-	-	(243)
Vehicles		(817)	(25)	-	-	-	(842)
IT equipment		(1,169)	(71)	-	-	-	(1,240)
Machinery and equipment		(818)	(101)	-	-	-	(919)
Electronic equipment		(2,425)	(212)	-	-	-	(2,637)
Defenses		(403)	(81)	-	-	-	(484)
Breakwater		(22,524)	(4,618)	-	-	-	(27,142)
Maritime access canal		(8,189)	(1,679)	-	-	-	(9,868)
Pier - Port Terminal		(14,176)	(2,805)	-	-	-	(16,981)
Safety equipment		(1,499)	(300)	-	-	-	(1,799)
Other		(50)	(40)	-	-	-	(88)
		<u>(117,917)</u>	<u>(10,212)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,127)</u>
Property and equipment, net		<u>2,165,691</u>	<u>33,370</u>	<u>(8,985)</u>	<u>(73)</u>	<u>-</u>	<u>2,190,005</u>

(\*) Refers to write-off of furniture located in the administrative office of Rio de Janeiro and metal scrap.

	<b>Annual depreciation rate %</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net balance At 12/31/2015</b>	<b>Net balance at 12/31/2014</b>
Improvements	<b>4</b>	67,902	(65,595)	2,307	2,059
Furniture and fixtures	<b>10</b>	657	(252)	405	403
Vehicles	<b>20</b>	904	(817)	87	241
IT equipment	<b>20</b>	2,210	(1,169)	1,041	1,177
Machinery and equipment	<b>10</b>	4,031	(818)	3,213	1,439
Electronic equipment	<b>20</b>	5,554	(2,425)	3,129	4,150
Defenses	<b>10</b>	3,224	(403)	2,821	3,143
Breakwater	<b>2.04</b>	838,437	(22,524)	815,913	834,159
Maritime access canal	<b>2.04</b>	304,875	(8,189)	296,686	303,321
Pier - Port Terminal	<b>2.04</b>	558,752	(14,176)	544,576	556,153
Safety equipment	<b>10</b>	12,009	(1,499)	10,510	11,689
Operational tools and equipment	<b>10 and 5</b>	2,506	-	2,506	598
Advances to suppliers	-	1,050	-	1,050	47,678
Construction in progress	-	472,318	-	472,318	190,350
Other		9,179	(50)	9,129	5,487
		<u>2,283,608</u>	<u>(117,917)</u>	<u>2,165,691</u>	<u>1,962,047</u>

## Changes in property and equipment

	Annual depreciation rate%	12/31/2014	Additions	Asset allocation	Transfers (*)	12/31/2015
<b>Cost</b>						
Improvements	4	66,986	1,126	-	(210)	67,902
Furniture and fixtures	10	574	51	-	32	657
Vehicles	20	904	-	-	-	904
IT equipment	20	2,026	36	-	148	2,210
Machinery and equipment	10	1,835	2,196	-	-	4,031
Electronic equipment	20	5,508	45	-	1	5,554
Defenses	10	3,224	-	-	-	3,224
Breakwater	2.04	838,437	-	-	-	838,437
Maritime access canal	2.04	304,875	-	-	-	304,875
Pier - Port Terminal	2.04	558,752	-	-	-	558,752
Safety equipment	10	11,989	20	-	-	12,009
Operational tools and equipment	10 and 5	600	1,756	-	150	2,506
Advance to suppliers		47,678	3,176	-	(49,804)	1,050
Construction work in progress		190,350	390,312	(157,600)	49,256	472,318
Other		5,487	3,041	-	651	9,179
		<u>2,039,225</u>	<u>401,759</u>	<u>(157,600)</u>	<u>224</u>	<u>2,283,608</u>
<b>Depreciation</b>						
	Annual depreciation rate %	12/31/2014	Additions	Asset allocation	Transfers (*)	12/31/2015
Improvements		(64,927)	(668)	-	-	(65,595)
Furniture and fixtures		(171)	(81)	-	-	(252)
Vehicles		(663)	(154)	-	-	(817)
IT equipment		(849)	(320)	-	-	(1,169)
Machinery and equipment		(396)	(422)	-	-	(818)
Electronic equipment		(1,358)	(1,067)	-	-	(2,425)
Defenses		(81)	(322)	-	-	(403)
Breakwater		(4,278)	(18,246)	-	-	(22,524)
Maritime access canal		(1,554)	(6,635)	-	-	(8,189)
Pier - Port Terminal		(2,599)	(11,577)	-	-	(14,176)
Safety equipment		(300)	(1,199)	-	-	(1,499)
Other		(2)	(48)	-	-	(50)
		<u>(77,178)</u>	<u>(40,739)</u>	<u>-</u>	<u>-</u>	<u>(117,917)</u>
Property and equipment, net		<u>1,962,047</u>	<u>361,020</u>	<u>(157,600)</u>	<u>224</u>	<u>2,165,691</u>

### ***Asset allocation***

As aforementioned, the Company, Açu Petróleo and AAMFB signed the Asset Allocation Agreement, which determines that the Company is responsible for the construction of the T1 port terminal, and sets out the allocation of assets between the parties, means of payment, transfer of divisible assets and joint ownership rules for the indivisible assets. The divisible assets transferred to the parties individually as stated in the Agreement.



As for the indivisible assets, each Company has its share of participation in the assets (“condominium agreement”) according to the total amount invested in the construction, as follows:

	December 31, 2015	Additions	Adjustments (b)	March 31, 2016	% of ownership of assets
<b>Indivisible assets</b>					
Transferred to AAMFB	1,191,392	6,828	(18,018)	1,180,202	33,3%
Transferred to Açu Petróleo (a)	286,329	2,157	(3,793)	284,693	8,0%
Ferroport’s assets	<u>2,179,465</u>	<u>4,095</u>	<u>(106,690)</u>	<u>2,076,869</u>	58,6%
Total indivisible assets in the port	<u><u>3,657,186</u></u>	<u><u>13,080</u></u>	<u><u>(128,501)</u></u>	<u><u>3,541,765</u></u>	

- (a) In September, 2015, the Parent Company Porto do Açu transferred its share participation in the condominium to Açu Petróleo S.A.
- (b) As of March 31, 2016 the share of participation in the assets were revised in order to reflect the definitions established in the condominium agreement (Asset Allocation). The adjustment of R\$ 128,501 refers to access channel dredging which was considered in the total amount in the previous quarters of 2015.

### ***Construction in progress***

The construction in progress at March 31, 2016 is mainly related to the breakwater and pier that still have certain enhancements to be concluded.

### ***Capitalized interest***

After the beginning of the operations in October 2014, capitalization of interest was ceased.

Borrowing costs were calculated at the capitalization rate of CDI plus 2% p.a., over the qualified assets during the construction in progress, and totaled R\$ 601,138.

### ***Impairment test of property, plant and equipment***

In accordance with CPC 01 (R1) - Impairment of Assets, management regularly assesses whether there is any indication of impairment loss. There was no impairment loss to be recognized at March 31, 2016.

## **8 Intangible assets**

		December 31, 2015	Additions	March 31, 2016
<b>Cost</b>				
Right-of-way (a)	3 years	5,528	-	5,528
Software use license	5 years	<u>7,899</u>	<u>156</u>	<u>8,055</u>
Total cost		<u>13,427</u>	<u>156</u>	<u>13,583</u>
<b>Amortization</b>				
Right-of-way	3 years	(5,528)	-	(5,528)
Software use license	5 years	<u>(3,868)</u>	<u>(410)</u>	<u>(4,278)</u>
Total amortization		<u>(9,396)</u>	<u>(410)</u>	<u>(9,806)</u>
		<u>4,031</u>	<u>(254)</u>	<u>3,777</u>

- (a) Right-of-way of the Company in areas owned by a third-parties for the execution of construction works is amortized based on the agreement term, which is three years as from the execution date of the agreement.

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	<b>Amortization</b>	<b>December 31, 2014</b>	<b>Additions</b>	<b>Transf.(b)</b>	<b>December 31, 2015</b>
<b>Cost</b>					
Right-of-way (a)	3 years	5,528	-	-	5,528
Software use license	5 years	4,695	3,428	(224)	7,899
<b>Total cost</b>		<u>10,223</u>	<u>3,428</u>	<u>(224)</u>	<u>13,427</u>
<b>Amortization</b>					
Right-of-way	3 years	(5,528)	-	-	(5,528)
Software use license	5 years	(2,265)	(1,603)	-	(3,868)
<b>Total amortization</b>		<u>(7,793)</u>	<u>(1,603)</u>	<u>-</u>	<u>(9,396)</u>
		<u>2,430</u>	<u>1,825</u>	<u>(224)</u>	<u>4,031</u>

(b) The net amount refers to transfer to property, plant and equipment.

## 9 Transactions with related parties

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>Assets</b>		
Assets to be transferred to AAMFB (a)	210,102	210,102
Accounts receivable from AAMFB (b)	50,936	58,341
	<u>261,038</u>	<u>268,443</u>
<b>Credit Note</b>		
AAMFB (c)	17,001	17,115
Açu Petróleo (c)	16,355	16,315
Current	84,292	91,771
Noncurrent	210,102	210,102
	<u>261,038</u>	<u>268,443</u>
<b>Liabilities</b>		
<b>Advances of the asset allocation</b>		
AAMFB (a)	210,102	210,102
<b>Debit notes</b>		
AAFMB (e)	2,190	2,315
<b>Intercompany loans</b>		
Prumo Participações e Investimentos	931,273	937,440
Withholding income tax on loan	74,920	68,427
Anglo American Participações em Minério de Ferro Ltda.	65,968	63,831
Anglo American Capital London	638,470	616,965
Anglo American Investimentos Minério de Ferro Ltda.	64,799	68,560
AAMFB - Minas Rio	56,719	94,100
Other	6,049	-
	<u>2,050,491</u>	<u>2,061,800</u>
<b>Deferred revenue</b>		
Deferred revenue with related party (d)	58,868	59,417
Current	124,065	31,315
Noncurrent	1,985,294	2,089,902

(a) This refers to the divisible assets to be transferred to AAMFB, according to the Agreement described in Note 1.

- (b) Receivables from the take-or-pay agreement with AAMFB.
- (c) These refer to dredging reimbursement related to T- OIL and T-ORE areas construction.
- (d) In January 2008, an agreement was entered into with Porto do Açú for granting the right of accessing the port facilities to load and unload ships. This contract, amounting to R\$ 62,159, is effective for 35 years, renewable for another 35 years, and was fully paid as of December 31, 2009. The revenue will be recognized over the contract term. After the start-up of operation in October 2014, this amount started to be monthly recognized as other revenues
- (e) This refers to the assignment of power supply with Light and intercompany recharges

### **Maturity and interest**

Intercompany loans are subject to annual interest of 100% of the CDI plus 2% p.a.  
Intercompany loans have no covenants or guarantees.

The Company shall repay all amounts outstanding, including any outstanding interest thereon, under all shareholder loans by no later than December 31, 2030.

The transactions that affect the profit or loss are as follows:

	<b>Revenues (expenses)</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
<b>Revenue</b>		
AAMFB - take-or-pay agreement	151,500	118,785
Porto do Açú Operações	548	548
Açú Petróleo	312	-
<b>Expenses/Costs</b>		
AAMFB	(4,601)	(3,749)
<b>Financial expenses</b>		
Interest on loans		
Prumo Participações e Investimentos (a)	(34,566)	-
Prumo Logística (a)	-	(28,804)
Anglo American Capital London (a)	(25,300)	(19,324)
Anglo American Investimentos Minério de Ferro Ltda. (a)	(2,658)	(2,030)
AAMFB - Minas Rio (a)	(3,002)	(4,641)
Anglo American Participações em Minério de Ferro Ltda. (a)	(2,480)	(1,894)
	<b>79,753</b>	<b>58,891</b>

- (a) The interest was capitalized up to October 2014 as described in Note 7.

Key management compensation was as follows:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Directors		
Payroll and related charges	2,713	4,986

## 10 Taxes payable

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
PIS and COFINS	5,443	6,604
ISS	818	821
Income tax and social contribution (*)	31,387	31,976
Other	4	118
	<u><b>37,653</b></u>	<u><b>39,519</b></u>
Current	7,464	9,858
Noncurrent (*)	30,189	29,661

(\*) This refers to a provision for income tax and social contribution described in Note 5.

## 11 Provision for legal proceedings

The Company is subject to legal proceedings involving civil and administrative matters arising from the ordinary course of business. As at March 31, 2016, the Company classified as probable loss the following amounts: R\$609 (R\$609 as at December 31, 2015) and R\$1,046 (R\$1,024 as at December 31, 2015) referred to Labor and Tax Claims respectively.

According to management, based on the opinion of company's legal counsel, the main proceedings classified as possible loss, in the amount of R\$ 139,490 is comprised by labor claims of R\$ 7,985, tax claims of R\$ 4,930 and civil claims of R\$ 126,575. Below are the amounts compared to December 31, 2015:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Labor claims	7,985	7,506
Tax claims	4,930	5,021
Civil claims <sup>(a)</sup>	126,575	122,085

<sup>(A)</sup> Impacted mainly by ARG/Civilport litigation in the amount of R\$ 125,178. ARG/ Civilport claimed the breach of the contract (Lump Sum and Turn Key contracts) and the costs related to decommissioning.

## 12 Shareholders' equity

### Capital

The Company's shareholding structure as of March 31, 2016 and December 31, 2015, is as follows:

#### Shareholders

	<b>Number of shares</b>	<b>%</b>
Prumo Participações e Investimentos S.A. (a)	539,988	50
Anglo American Investimentos - Minério de Ferro Ltda.	539,988	50
	<u><u>1,079,976</u></u>	<u><u>100</u></u>

### **Legal reserve and dividends**

In accordance with the Brazilian Corporate Law, the legal reserve, which is intended to ensure the integrity of capital and may only be used to offset losses or increase the capital stock, is set up on an annual basis at 5% of the net income for the year and it cannot exceed 20% of the capital stock.

The Company's Bylaw determines the distribution of a minimum mandatory dividend of 25% of the net income for the year, adjusted in accordance with article 202 of Law 6404/76.

## **13 Net revenue from services**

	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
Gross revenue	170,704	133,842
Taxes on gross revenue - PIS/COFINS	(15,790)	(12,380)
Tax on services - ISS	(3,414)	(2,677)
Net revenue from services	<u>151,500</u>	<u>118,785</u>

## **14 Costs of services**

	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
Payroll and related charges	(10,324)	(9,520)
Depreciation and amortization	(8,989)	(9,036)
Third-parties services	(6,653)	(5,888)
Leases and rents	(2,308)	(1,444)
Insurances	(1,065)	(1,560)
Consumables spear parts	(6,836)	(7,277)
Other	(840)	(1,200)
	<u>(37,014)</u>	<u>(35,923)</u>

## **15 General and administrative expenses**

	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
Payroll and related charges	(4,164)	(3,956)
Third party services	(814)	(1,534)
Depreciation and amortization	(1,332)	(1,279)
Insurance	(20)	(22)
Travel expenses	(155)	(242)
Leases and rents	(102)	(212)
Other	(195)	(559)
	<u>(6,782)</u>	<u>(7,804)</u>

## 16 Other operating income (expenses)

	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
Non-consumed electric energy (a)	2,378	7,991
Reversal of provision for payroll - profit sharing	3,968	-
Other	894	460
	7,240	8,451

(a) Refers to gain with the negotiation of non-consumed electric energy with CCEE - *Câmara de Comércio de Energia Elétrica*.

## 17 Financial income (expenses)

	<b>March 31, 2016</b>	<b>March 31, 2015 (Not reviewed)</b>
Financial expenses		
Tax on financial transactions (IOF)	(5)	(1,240)
Interest - intercompany loan	(68,005)	(55,462)
Other	(610)	(873)
	(68,620)	(57,575)
Financial income		
Exchange and monetary variations	(5)	29
Interest income	2,938	1,862
	2,933	1,891
Financial results, net	(65,687)	(55,685)

## 18 Commitments

The Company's future purchase commitments are as follows, which will be incurred according to the duration of the agreements:

Nature of agreements	Execution date	Maturity date	March 31, 2016	December 31, 2015
Machinery and equipment				
TMSA	09/29/2014		-	3,363
Santin	10/01/2014	11/30/2016	3,593	3,593
Apoio Andaimes	11/28/2014	01/27/2017	1,708	1,708
Operations				
Anglo American	01/01/2015	01/31/2017	15,482	15,482
Protec	02/26/2016	01/25/2019	4,524	4,524
CSV	10/01/2014	09/30/2017	7,871	7,871
Portek	09/15/2014	09/14/2016	1,715	1,715
Ormec	07/31/2014	07/30/2019	45,312	45,312
Riointerport	12/23/2014	12/22/2016	4,940	4,940
Food & beverage				
Cia Brasileira de Soluções	10/01/2014	12/31/2016	1,594	1,594
GR Serviços	08/21/2015	09/20/2018	6,823	6,823
Transportation				
LKL Logística	02/16/2016	03/15/2018	1,852	1,852
Top Rio	09/01/2014	09/30/2018	3,320	3,320
Litoral	07/24/2014	09/23/2017	1,329	1,329
Localiza	08/18/2014	08/17/2019	4,361	4,361
Sustainability				
Acacia Amarela	06/23/2015	06/22/2023	13,691	13,691
Ecologika	08/04/2015	08/03/2017	1,447	1,447
Project and construction of offshore works				
FCC Construcción S.A.	12/17/2012	(a)	37,805	89,527
UmiSam	11/16/2015	12/31/2016	6,319	6,319
Arcadis Logos	10/29/2007	06/30/2016	1,960	1,960
Marpem	09/29/2014	09/09/2018	1,509	1,999
JMF Construções	04/15/2016	12/14/2016	1,624	1,624
Others			26,969	26,969
			195,748	242,125

- (a) The closing date depends on the service's delivery as contractually provided and is subject to weather conditions or other hindrances which may change the maturity date.

## 19 Financial instruments

The Company is engaged in transactions involving financial instruments managed through operational strategies and internal control intended for liquidity, profitability and protection. Control policy consists of permanent monitoring of contracted rates versus market rates in effect.

The Company does not make speculative investments in derivatives or other risky assets. The estimated realizable values of the financial assets and liabilities of the Company were determined based on available market information and proper valuation methodologies. However, considerable judgment was required in interpreting market data to develop the most adequate estimate of realizable value. Consequently, the estimates do not necessarily indicate the values that could be realized in the current exchange market.

Financial assets and liabilities at March 31, 2016 and December 31, 2015 are as follows:

Classifications	March 31, 2016			December 31, 2015		
	Book Value	Measurement	Fair value measurement hierarchy	Book value	Measurement	Fair value measurement hierarchy
<b>Assets</b>						
<b>Fair Value through Profit and Loss</b>						
Cash and banks	107	Fair value	2	306	Fair value	2
Cash equivalents	93,379	Fair value	2	90,586	Fair value	2
<b>Loans and receivables</b>						
Accounts receivable from related parties	84,292	Amortized Cost		91,771	Amortized Cost	
<b>Liabilities</b>						
<b>Other financial liabilities</b>						
Trade accounts payable	43,322	Amortized cost		47,640	Amortized cost	
Related parties loans	1,840,388	Amortized cost		2,061,799	Amortized cost	

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Related parties loans are measured at amortized cost, as described in the table above, and their respective fair value, measured and disclosed by Management for reference purposes, is R\$1,559,743 in March 31, 2016 (R\$1,560,651 in 2015). For the remaining financial assets and liabilities, due to their characteristics and due dates, Management understands that fair values do not differ relevantly from their booking values.

The Company's financial transactions are subject to the following risk factors:

## Market risks

### i. Currency risk

Risk of fluctuation in foreign exchange rates, which may be associated with the assets and liabilities of the Company. The Company manages foreign exchange risk to identify and mitigate risks associated with fluctuations in the value of the currencies with which its global assets and liabilities are associated. Currently, the only U.S. Dollar denominated transaction is the take-or-pay contract, converted into *Reais* when billed. As of December 31, 2015, the Company does not have foreign exchange risks considered significant by management.

## Liquidity risk

The table below provides the Company's main financial liabilities at March 31, 2016. These amounts are gross and are not discounted, and include payments of estimated interest and exclude the impact of the offsetting agreements.

	No maturity	Up to 6 months	Up to 1 year	From 1 year to 5 years	Above 5 years	Total
Financial liabilities						
Trade accounts payable	-	43,322	-	-	-	43,322
Related parties - loans	-	243,606	195,639	2,354,948	-	2,794,193
Total by maturity range	-	291,246	195,639	2,354,948	-	2,837,515



The Company's shareholders have supported the implementation of the business plan. Up to March 31, 2016, the additional funds needed for the Company to complete its construction were funded by its shareholders. The remaining Capex to completion will be funded by Company's cash generation and the shareholders when required by the Agreement.

**Credit risk**

This risk arises from the possibility of the Company incurring losses arising from default of their counterparties or financial institutions depository of funds.

The Company uses rating analyzes of the financial institutions through rating reports provided by the risk agencies, for the purpose of classifying and systematically follow up on the risk and performance of each bank.

The balances exposed to credit risk are the following:

<b>Financial instruments</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash and banks	108	306
Cash equivalents	93,379	90,586
Accounts receivable (related parties)	84,292	91,771
	<u>177,778</u>	<u>182,663</u>

For the period ended March 31, 2016, the Company's service revenue is entirely related to services provided to the related parties and cash and banks and cash equivalents are invested in banks with AAA ratings.

**Capital Management**

The Company's funds to develop its business plan have been entirely funded through capital contributions and loans from the shareholders. The Company's treasury monitors the funds needed for working capital and capital expenditures, which are provided by the shareholders every month. The Company started its operations in October 2014 and started generating operating cash since then; the additional funds needed for the conclusion of the port construction will also be funded by its shareholders through additional loans when required by the Agreement, and operational cash generation.

**20 Insurance coverage**

The Company's policy consists of entering into insurance coverage for assets subject to risks at amounts deemed sufficient by management to cover claims, if any, considering the nature of its activity. The policies are in force and the premiums were duly paid.

As at March 31, 2016 and December 31, 2015, the insurance coverage was as follows:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Property and equipment damages	3,559,745	3,559,745
Civil liability	180,560	195,240
Environmental Liability	30,000	30,000
Directors & Management	50,000	50,000

\* ..... \* ..... \*

Carsten Bosselmann  
Chief Executive Officer

Sérgio Luiz Gonçalves Andreoli  
Controller

Douglas dos Santos Guimarães  
Accountant CRC-RJ-110416/O-0