Ferroport Logística Comercial Exportadora S.A.

Financial Statements as of December 31, 2015 and 2014

KPDS 145622

Content

KPMG Auditores Independentes
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Independent Auditors' Report on the financial statements

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

We have examined the financial statements of Ferroport Logística Comercial Exportadora S.A. ("Company"), which comprise the balance sheet as of December 31, 2015 and the respective statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, as well as a summary of the significant accounting policies and other notes to the financial statements.

Management's responsibility for the financial statements
The Company's Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil, as well as for the internal controls which they deemed necessary to enable the preparation of these financial statements free of material misstatements, regardless of whether due to fraud or error.

Independent auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with the Brazilian and International Standards on Auditing. These standards require compliance with ethical requirements by the auditor and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing selected procedures to obtain evidence with respect to the amounts and disclosures presented in the financial statements. The procedures selected depend on auditor´s judgment, including the assessment of the risks of material misstatement of the financial statement, regardless of whether due to fraud or error. In the assessment of these risks, the auditor considers relevant internal control for the preparation and fair presentation of the Company´s financial statement, in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the adequacy of the accounting practices used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statement taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate for expressing our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the balance sheet of Ferroport Logística Comercial Exportadora S.A. as of December 31, 2015 and the respective statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Other matters

Comparative balances

The comparative balances related to the balance sheet as of December 31, 2014, and the statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the year ended December 31, 2014 were audited by other independent auditors, who issued an unqualified audit opinion dated March 06, 2015.

Rio de Janeiro, March 31, 2016

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

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

Ferroport Logística Comercial Exportadora S.A.

Balance sheets as of December 31, 2015 and 2014

(In thousands of Reais)

	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	**4**	90,892	14,590
Accounts receivable from related parties	**9**	91,771	41,210
Inventories		16,405	12,943
Recoverable taxes		3,628	2,421
Recoverable income taxes		254	2,256
Prepaid expenses		2,821	5,549
Insurance credits		-	9,272
Other		3,071	1,518
Total current assets		**208,842**	**89,759**
Noncurrent assets			
Judicial deposits	**6**	30,773	28,624
Deferred income taxes	**5**	100,819	144,973
Related parties - asset to be transferred	**9**	210,102	210,102
Property, plant and equipment	**7**	2,165,691	1,962,047
Intangible assets	**8**	4,031	2,430
Deferred charges	**3**	5,731	6,387
Total noncurrent assets		**2,517,148**	**2,354,563**
Total assets		**2,725,990**	**2,444,322**
Liabilities and equity			
Current liabilities			
Trade accounts payable		47,640	89,852
Taxes payable	**10**	7,543	5,684
Income taxes payable	**10**	2,315	723
Payroll and related charges		14,861	11,750
Related parties- loans and accounts payable	**9**	31,315	3,898
Other		-	1,283
Total current liabilities		**103,674**	**113,190**
Noncurrent liabilities			
Income taxes payable	**10**	29,661	27,604
Related parties- loans and accounts payable	**9**	2,030,485	1,828,591
Deferred revenue with related party	**9**	59,417	61,610
Provision for legal proceedings	**11**	1,633	941
Other		447	190
Total noncurrent liabilities		**2,121,643**	**1,918,936**
Shareholders' equity	**12**		
Capital		414,397	414,397
Capital reserve		94,589	94,589
Accumulated losses		(8,313)	(96,790)
Total shareholders' equity		**500,673**	**412,196**
Total liabilities and shareholders' equity		**2,725,990**	**2,444,322**

The accompanying notes are an integral part of the financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of income

Years ended December 31, 2015 and 2014

(In thousands of Reais)

	Note	2015	2014
Net revenue of services	**13**	551,501	145,364
Costs of services	**14**	(151,258)	(34,544)
Gross profit		400,243	110,820
Operating income (expenses)			
General and administrative expenses	**15**	(34,427)	(35,959)
Other operating income	**16**	19,990	17,325
Income before financial income (expenses) and taxes		385,806	92,186
Financial income (expenses)			
Financial income	**17**	12,540	35
Financial expenses	**17**	(264,288)	(66,811)
Income before taxes		134,058	25,410
Income and social contribution taxes			
Current	**5**	(1,427)	-
Deferred	**5**	(44,154)	(8,639)
Net income for the year		**88,477**	**16,771**

The accompanying notes are an integral part of the financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of comprehensive income

Years ended December 31, 2015 and 2014

(In thousands of Reais)

	2015	**2014**
Net income for the year	88,477	16,771
Other comprehensive income (loss)	-	-
Total comprehensive income for the year	88,477	16,771

The accompanying notes are an integral part of the financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2015 and 2014

(In thousands of Reais)

	Note	Capital stock	Capital reserve	Accumulated losses	Total
Balances as of January 1st, 2014	**11**	385,985	-	(113,561)	272,424
Capital increase		28,412	-	-	28,412
Tax credit originated from merger of jointly controlling shareholder		-	94,589	-	94,589
Net income for the year		-	-	16,771	16,771
Balances as of December 31, 2014		**414,397**	**94,589**	**(96,790)**	**412,196**
Net income for the year		**-**	**-**	88,477	**88,477**
Balances as of December 31, 2015		**414,397**	**94,589**	**(8,313)**	**500,673**

The accompanying notes are an integral part of the financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of cash flows

Years ended December 31, 2015 and 2014

(In thousands of Reais)

	2015	2014
Operating activities		
Income before taxes	134,058	25,410
Adjustments to reconcile income before taxes and net cash provided by operating activities:		
Depreciation and amortization	41,017	15,464
Monetary variation and interest	258,312	47,747
Deferral insurance	5,487	8,347
Provision for bonus	9,958	-
Provision for legal proceeding	692	-
Deferred revenue amortization	(2,193)	-
	447,331	**96,968**
(Increase) decrease of assets and increase (decrease) of liabilities:		
Account receivable from related parties	(50,561)	(41,210)
Trade accounts receivable	6,623	-
Inventories	(3,462)	(12,943)
Recoverable taxes	-	(1,039)
Prepaid expenses	(2,760)	7,531
Trade accounts payable	(140,389)	(47,745)
Taxes payable	3,294	3,659
Payroll and related charges	(6,858)	(4,069)
Accounts payable to related parties	(1,584)	-
Interest paid	(13,281)	-
Taxes payable related to intercompany loans	(2,324)	-
Other assets and liabilities	1,847	10,784
Net cash flows generated by (used in) operating activities	**237,876**	**11,936**
Investing activities		
Acquisition of intangible assets	(3,427)	(2,290)
Acquisition of property, plant and equipment (a)	(146,249)	(347,748)
Net cash flows used in investing activities	**(149,676)**	**(350,038)**
Financing activities		
Intercompany loans settled (principal)	(77,395)	-
Intercompany loans obtained	65,497	316,825
Capital increase	-	28,412
Net cash flows generated by (used in) financing activities	**(11,898)**	**345,237**
Increase in cash and cash equivalents	**76,302**	**7,134**
Cash and cash equivalents:		
At beginning of year	14,590	7,456
At end of year	90,892	14,590
Increase in cash and cash equivalents	**76,302**	**7,134**

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

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements

(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 123/ 11º andar - 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 Açu 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 Açu Petróleo S.A. (“ Açu 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 October 2014, the Company accomplished the first shipping of approximately 80 thousand tons of iron ore in that month and shipped 240 thousand tons in the last quarter. In 2015, the Company loaded 8,821 thousand of iron ore in 66 vessels and reached more than 9 million tons loaded with no incidents.

In December, 2014, the Company began a dredging in order to deepen the access channel from 17.7 meters to 20.5 meters. The dredging was concluded in October 2015, remaining few works related to buoys placement and decommissioning that will be concluded in the first quarter of 2016. The Construction 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.

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 - BaixoParaíba 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 Açu 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 02, 2015	May 29, 2018
ANTAQ (Supervising Office for Grants of the National Waterway Agency) authorizes Ferroport to start operating the port terminal.	September 02, 2014	September 02, 2039
Permit temporary refueling, by using tank trucks, tug boats, and speed boats on Porto do Açu iron ore terminal LI no.IN 32632	December 8, 2015	December 8, 2017

3 Basis of preparation and presentation of the financial statements

a. Statement of compliance

The Company’s financial statements were prepared in accordance with accounting practices adopted in Brazil (“BR GAAP”), which comprise dispositions of the Brazilian Corporate law, previewed on Law 6,404/76 with updates on Law 11,638/07 and Law 11,941/09 and accounting pronouncements, interpretations and orientations issued by the Accounting Pronouncements Committee (CPC) approved by Brazilian CVM.

The Company's Directors authorized the conclusion of these financial statements on March 31, 2016.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for cash and cash equivalents, which have been measured at fair value.

c. Functional and reporting currency

These financial statements are presented in Brazilian *Reais*, which is the Company's functional and reporting currency. Foreign currency-denominated balances are translated into the functional currency (real) at each period-end exchange rates.

d. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company considers cash equivalents a short-term investment with a maturity of three months or less, which are subject to an insignificant risk of change in value.

e. Financial instruments

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets are initially recognized at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets at fair value through profit or loss is recorded in the balance sheet at fair value, and their corresponding gains or losses are recognized in the statement of operations.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated taking into account any discount on acquisition and fees or costs that are an integral part of the effective interest rate.

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. When there is objective evidence of impairment, the impairment loss is measured as the difference between the asset book value and the present value of the estimated future cash flows (excluding future credit losses expected but not incurred). The present value of estimated future cash flows is discounted at the original effective interest rate of the financial asset. When applicable, the asset book value is decreased by a provision and the loss amount is recognized in profit or loss. If in a subsequent year the estimated impairment loss

f. Financial instruments (Continued)

increase or decrease due to an event occurred after the impairment loss recognition, the loss previously recognized is increased or decreased, adjusting the related provision.

A financial asset is written off when the rights to receive cash flows from the asset expire and/or when the Company transfers its rights to receive cash flows of the asset or assumes an obligation to fully pay cash flows received, and has transferred substantially all the risks and rewards related to the asset.

The financial liabilities are classified, at initial recognition, as "other liabilities" and not measured at fair value (i.e. loans and borrowings). Financial liabilities are initially recognized at fair value and net of directly attributable transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in profit or loss.

A financial liability is derecognized when the liability has been discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss.

The fair value of financial instruments actively traded in organized financial markets is determined based on purchase prices quoted in the market. The fair value of financial instruments for which there is no active market is determined by using valuation techniques, such as the use of recent market transactions (on an arm's length basis); reference to the current fair value of another similar instrument, discounted cash flows or other valuation models.

g. Present value adjustment of assets and liabilities

Noncurrent monetary assets and liabilities are monetarily updated and, therefore, adjusted to their present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded when the effect is considered significant in relation to the overall financial statements.

h. Inventories

Inventories are represented by maintenance items and are stated at the average cost of acquisition, not exceeding market value.

i. Property and equipment

These are measured at historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, if any. Costs include expenditures directly attributable to an asset acquisition, and the construction costs include:

- The cost of materials and direct labor;

- Property and equipment (Continued)

- Costs attributable to bringing the asset to the location and condition required for it to operate in the manner intended by management; and
- Borrowing costs on qualifying assets.

Gains and losses on disposal of a property and equipment item (determined by comparing the proceeds from disposal with the book value of property and equipment) are recognized in other operating income (expenses) in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property and equipment are depreciated on a straight-line basis, according to the estimated economic useful life of each item (as described in Note 7). Land is not depreciated. Property and equipment items are depreciated as of the date they are installed and are available for use.

The Company classifies under "construction in progress" all activity at the construction and installation phase to the moment in which they start operating, when they are reclassified to the accounts relating to assets in operation.

j. Intangible assets

Intangible assets are represented by software acquired by the Company with finite useful lives, and are measured at cost, less accumulated amortization and impairment losses, when applicable.

k. Deferred charges

The Law No.11941/09 and the CPC 43(R1) - First-time Adoption of Accounting Pronouncements CPC 15 to 41 eliminated the deferred charges, however, allowed the companies to keep the accumulated balance at December 31, 2008 to be amortized in 10 years, after the beginning of operations, subject to impairment test. These deferred charges are valued at formation cost and represent pre-operating expenses incurred by the Company up to December 31, 2008. The deferred charges started the amortization in October 2014, and will be amortized within 10 years.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized when the book value of an asset exceeds its recoverable amount.

m. Impairment of non-financial assets (Continued)

The recoverable amount of an asset is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset.

Impairment loss related to other assets (except for goodwill) is only reversed to the extent that the book value of an asset does not exceed the book value that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

n. Provisions

A provision is set up when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation.

The Company recognizes provision for civil and tax proceedings. Assessment of the probability of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors.

Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimation process.

o. Operating revenue

Revenue is recognized on an accrual basis as the service is rendered, which is linked to the storage services, shipping and logistics operations.

q) Financial income and expenses

Financial income includes interest income on short-term investments recognized in the profit or loss.

Financial expenses include interest expenses on related-party loans. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest rate method. After the beginning of the operations, capitalization of the borrowing costs was ceased and those expenses are recognized in profit or loss. Interests on loans paid in in the year are presented under the financing activities within the statement of cash flow.

r) Income tax and social contribution

Deferred income tax and social contribution are recorded over tax losses carryforward and temporary differences existing between assets and liabilities tax base versus the corresponding book values. Deferred tax assets and liabilities are offset when there is a legal enforceable right to settle the tax assets and liabilities, and when levied by the same tax authority on the same taxable entity. Deferred income tax and social contribution assets are reviewed on an annual basis and reduced to the extent that their realization is no longer probable, when applicable.

s) Other current and noncurrent assets and liabilities

An asset is recognized in the balance sheet when its future economic benefits are likely to flow to the Company, and its cost or value can be reliably measured.

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation arising from a past event, the settlement of which is expected to result in an outflow of economic benefit. Provisions are set up reflecting the best estimates of the risk involved.

Noncurrent monetary assets and liabilities are adjusted to present value and so are current monetary assets and liabilities whenever the effects are considered significant on the overall financial statements. The present value adjustment is calculated using contractual cash flows and the explicit, and sometimes implicit, interest rates of the respective assets and liabilities.

t) Use of estimates and judgments

The preparation of the financial statements 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 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 statements due to the uncertainties inherent to the determination process. The Company reviews its estimates and assumptions at least once a year.

u) New standards and interpretations not yet adopted

A series of new standards, amendments of standards and interpretations will be effective for fiscal years starting after January 1, 2016, and have not been adopted in the preparation of these financial statements. Those that may be material for the Company are listed below.

IFRS 9 Financial Instruments

IFRS 9 published in July 2014, replaces the orientations existing in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised orientation on the classification and measurement of financial instruments, including a new model for expected loss of credit for the calculation of impairment of financial assets, and new requirements on hedge accounting. The standard maintains the existing orientation on the recognition and derecognition of financial instruments of IAS 39.

IFRIC 9 is effective for financial periods beginning on or after January 1, 2018. The company is assessing the effects that IFRS 9 will have on its financial statements and on its disclosures.

IFRS 15 - Revenue from Contracts with Clients

IFRS 15 requires an entity to recognize the amount of income reflecting the consideration that they expect to receive in exchange for the control of these goods or services. The new standard will replace most of the detailed orientation on revenue recognition that currently exists in IFRS and generally accepted accounting principles in the United States of America ("U.S. GAAP") when it is adopted. The new standard is applicable as from or after January 1, 2018, with early adoption permitted by IFRS.

The standard may be adopted retrospectively using a cumulative effects approach. The company is assessing the effects that IFRS 15 will have on its financial statements and on its disclosures.

Additionally, it is not expected that the following new rules or amendments will have a significant impact on the Company's financial statements.

- IFRS 14- Regulatory Deferral Accounts;
- Accounting for Acquisitions of Interests in Joint Operations;
- Acceptable Methods of Depreciation and Amortization (amendments to CPC 27 / IAS 16 and CPC 04 / IAS 38);
- Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (amendments to CPC 36 / IFRS 10 and CPC 18 / IAS 28);
- Annual improvements to IFRS of 2012-2014 - various standards;
- Investment Entities: Consolidation Exception (amendments to CPC 36 / IFRS 10, CPC 45 / IFRS 12 and CPC 18 / IFRS 28);
- Disclosure Initiative (Amendment to CPC 26/IAS 1).

The Accounting Pronouncements Committee (CPC) has not yet issued an accounting pronouncement or amendment to the pronouncements in force, corresponding to all the new standards. Therefore, the early adoption of these IFRS is not permitted for entities that publish their financial statements in accordance with accounting practices adopted in Brazil.

4 Cash and cash equivalents

	2015	2014
Cash and banks	306	1,299
Cash equivalents		
Security held under repurchase agreements	90,586	10,723
Bank deposit certificate (CDB)	-	2,568
	90,892	14,590

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 85% of Interbank Deposit (DI) rate, respectively. The portfolio currently consists of securities issued by Itaú and Santander.

5 Income tax and social contribution

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

	2014	Additional amount/offset (liability) recorded	2015
Assets			
Tax loss carryforwards	1,826		1,826
Temporary differences			
Difference between tax basis and book value - deferred assets (a)	57,237	(6,359)	50,878
Tax credits originated from merger (b)	80,400	(18,918)	61,482
Other	7,421	4,493	11,914
Total deferred income taxes assets	**146,884**	**(20,784)**	**126,100**
Liabilities			
Difference between tax basis and book value of depreciation rates	(1,911)	(23, 370)	(25,281)
Total deferred income taxes liabilities	**(1,911)**	**(23,370)**	**(25,281)**
Net effect	**144,973**	**(44,154)**	**100,819**

(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-RioS.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 Brazilian tax legislation allows tax losses to be offset against future taxable profits for an indefinite period, but this offset is limited to 30% of the taxable profit for each year.

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 years ended December 31, 2015 and 2014, are as follows:

	2015	**2014**
Income (loss) before income taxes	134,058	25,410
Current income and social contribution taxes	(1,427)	-
Deferred income and social contribution taxes on temporary differences	(44,154)	(8,639)
	(45,581)	(8,639)
Effective rate	34%	34%

6 Judicial deposits

	2015	**2014**
Income tax and social contribution (a)	29,661	27,604
Other	1,112	1,020
	30,773	**28,624**

(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 2015**	**Net balance at 2014**
Improvements	**4**	67,902	(65,595)	2,307	2,059
Furniture and fixtures	**10**	657	(252)	405	403
Vehicles	**20**	904	(817)	87	241
IT equipment	**20**	2,210	(1,169)	1,041	1,177
Machinery and equipment	**10**	4,031	(818)	3,213	1,439
Electronic equipment	**20**	5,554	(2,425)	3,129	4,150
Defenses	**10**	3,224	(403)	2,821	3,143
Breakwater	**2,04**	838,437	(22,524)	815,913	834,159
Maritime access canal	**2,04**	304,875	(8,189)	296,686	303,321
Pier - Port Terminal	**2,04**	558,752	(14,176)	544,576	556,153
Safety equipment	**10**	12,009	(1,499)	10,510	11,689
Operational tools and equipment	**10 and 5**	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
		2,283,608	(117,917)	2,165,691	1,962,047

Changes in property, plant and equipment

	Annual depreciation rate%	**2014**	**Additions**	**Asset allocation**	**Transfers (*)**	**2015**
Cost						
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
		2,039,225	401,759	(157,600)	224	2,283,608

	Annual depreciation rate %	**2014**	**Additions**	**Asset allocation**	**Transfers (*)**	**2015**
Depreciation						
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)
		(77,178)	(40,739)	-	-	(117,917)
Property and equipment, net		1,962,047	361,020	(157,600)	224	2,165,691

(*) The net amount refers to transfer from intangible asset.

	Annual depreciation rate %	**Cost**	**Accumulated depreciation**	**Net balance at 12/31/2014**	**Net balance at 12/31/2013**
Improvements	4	66,986	(64,927)	2,059	11,272
Furniture and fixtures	10	574	(171)	403	146
Vehicles	20	904	(663)	241	389
IT equipment	20	2,026	(849)	1,177	288
Machinery and equipment	10	1,835	(396)	1,439	567
Electronic equipment	20	5,508	(1,358)	4,150	109
Defenses	10	3,224	(81)	3,143	-
Breakwater	2,04	838,437	(4,278)	834,159	-
Maritime access canal	2,04	304,875	(1,554)	303,321	-
Pier - Port Terminal	2,04	558,752	(2,599)	556,153	-
Safety equipment	10	11,989	(300)	11,689	-
Operational tools and equipment	10 and 5	600	(2)	598	-
Advances to suppliers	-	47,678	-	47,678	84,552
Construction in progress	-	190,350	-	190,350	1,353,612
Other		5,487	-	5,487	323
		2,039,225	(77,178)	1,962,047	1,451,258

Changes in property and equipment

	Annual depreciation rate %	2013	Additions	Asset allocation	Transfers (*)	2014
Cost						
Improvements	4	70,964	2,632	-	(6,610)	66,986
Furniture and fixtures	10	277	277	-	20	574
Vehicles	20	904	-	-	-	904
IT equipment	20	997	675	-	355	2,027
Machinery and equipment	10	843	884	-	108	1,835
Electronic equipment	20	1,381	2,141	-	1,985	5,507
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	11,989
Advance to suppliers		84,552	100,330	-	(137,204)	47,678
Construction work in progress		1,353,612	812,551	(383,868)	(1,591,945)	190,350
Other		323	3,935	-	1,829	6,087
		1,513,853	923,425	(383,868)	(14,185)	2,039,225
Depreciation						
Improvements		(59,692)	(5,235)	-	-	(64,927)
Furniture and fixtures		(131)	(40)	-	-	(171)
Vehicles		(515)	(148)	-	-	(663)
IT equipment		(709)	(140)	-	-	(849)
Machinery and equipment		(276)	(120)	-	-	(396)
Electronic equipment		(1,272)	(88)	-	-	(1,360)
Defenses		-	(81)	-	-	(81)
Breakwater			(4,278)	-	-	(4,278)
Maritime access canal		-	(1,553)	-	-	(1,553)
- Pier - Port Terminal			(2,599)	-	-	(2,599)
Safety equipment		-	(300)	-	-	(300)
Other		-	(1)	-	-	(1)
		(62,595)	(14,583)	-	-	(77,178)
Property and equipment, net		1,451,258	908,842	(383,868)	(14,185)	1,962,047

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:

	2015	**% of ownership of assets**
Indivisible assets - Transferred to AAMFB	1,191,392	32,6%
Indivisible assets - Transferred to Açu Petróleo (a)	286,329	7,8%
Ferroport's assets	2,179,465	59,6%
Total indivisible assets in the port	3,657,186	

(a) In September, 2015, the Parent Company Porto do Açu transferred its share participation in the condominium to Açu Petróleo S.A.

Upon the transference of the assets, the Company records a gain corresponding to the costs incurred plus a mark-up defined in the Agreement. For the year ended December 31, 2015, there is no mark-up gain recorded (R$10,883 for December 31, 2014).

Construction in progress

The construction in progress at December 31, 2015 is mainly related to the breakwater and canal dredging and pier that still have certain enhancements to be concluded.

Capitalized interest

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 as follows:

	2015	**2014**
Interest capitalized in the year	-	123,490
Accumulated capitalized interest	601,138	601,138

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

Impairment test of property, plant and equipment

In accordance with CPC -1 (R1) - Impairment of Assets, management regularly assesses whether there is any indication of impairment loss. At December 31, 2015, the Company's Management revised the impairment tests for its property and equipment, using the discounted cash flow method. There was no impairment loss to be recognized at December 31, 2015.

8 Intangible assets

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

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

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

	Amortization	2013	Additions	Transf.(*)	2014
Cost					
Right-of-way (a)	3 years	5,528	-	-	5,528
Software use license	5 years	4,553	2,290	(2,148)	4,695
Total cost		10,081	2,290	(2,148)	10,223
Amortization					
Right-of-way	3 years	(5,528)	-	-	(5,528)
Software use license	5 years	(1,385)	(880)	-	(2,265)
Total amortization		(6,913)	(880)	-	(7,793)
		3,168	1,410	(2,148)	2,430

(*) The amount of R$2,148 was transferred to -Assets - related parties”, according to schedule 2.1 of the Asset Allocation Agreement

9 Transactions with related parties

	2015	2014
Assets		
Assets to be transferred to AAMFB (a)	210,102	210,102
Accounts receivable from AAMFB (b)	58,341	41,210
	268,443	251,312
Credit Note		
AAMFB (c)	17,115	-
Açu Petróleo (c)	16,315	-
Current	91,771	41,210
Noncurrent	210,102	210,102

	2015	2014
Liabilities		
Advances of the asset allocation		
AAMFB (a)	210,102	210,102
Debit notes		
AAFMB (e)	2,315	1,864
Prumo	-	2,034
Intercompany loans		
Prumo Participações e Investimentos	937,440	-
Prumo Logística	-	776,837
Withholding income tax on loan	68,427	96,011
Anglo American Participações em Minério de Ferro Ltda.	63,831	56,348
Anglo American Capital London	616,965	-
Anglo American Capital Luxembourg Sarl	-	540,319
Anglo American Investimentos Minério de Ferro Ltda.	68,560	60,537
AAMFB - Minas Rio	94,100	88,437
	2,061,800	1,832,489
Deferred Revenue		
Deferred Revenue related party (d)	59,417	61,610
Current	31,315	3,898
Noncurrent	2,089,902	1,828,591

(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.

(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 Açu 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:

	Revenues (expenses)	
	2015	**2014**
Revenue		
AAMFB - take-or-pay agreement	551,501	163,829
AAMFB (a)	-	10,883
Expenses/Costs		
Prumo	(189)	(3,547)
Anglo American	(16,627)	-
Financial expenses		
Interest on loans		
Prumo Participações e Investimentos (b)	(132,100)	-
Prumo Logística (b)	-	(24,224)
Anglo American Capital London	(90,171)	-
Anglo American Capital Luxembourg Sarl (b)	-	(18,308)
Anglo American Investimentos Minério de Ferro Ltda. (b)	(9,473)	(1,922)
AAMFB - Minas Rio (b)	(19,106)	(2,224)
Anglo American Participações em Minério de Ferro Ltda. (b)	(8,838)	(1,765)
	274,997	**122,722**

(a) This refers to mark-up gain described in Note 7.

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

Key management compensation was as follows:

	2015	**2014**
Directors		
Payroll and related charges	4,986	4,085

10 Taxes payable

	2015	**2014**
PIS and COFINS	6,604	4,344
ISS	821	1,098
Income tax and social contribution (*)	31,976	28,281
Other	118	288
	39,519	**34,011**
Current	9,858	6,407
Noncurrent (*)	29,661	27,604

(*) 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. On December 31, 2015, the Company classified as probable loss the following amounts: R$609 and R$1,024 referred to Labor and Tax Claims respectively.

According to the legal counsel, the main proceedings classified as possible loss, in the amount of R$ 134,612 comprised by labor claims of R$ 7,506, tax claims of R$ 5,021 and civil claims of R$ 122,085. Below are the amounts compared to December 31, 2014:

	2015	**2014**
Labor claims	7,506	12,428
Tax claims[a]	5,021	35,577
Civil claims[a,b]	122,085	33,483

(A) THE Legal Department reviewed the criteria to evaluate the financial risks involved to tax and civil claims.

(B) Impacted mainly by ARG/Civilport litigation in the amount of R$ 120,695. 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 at December 31, 2015 and 2014, is as follows:

Shareholders	**2015**		**2014**	
	Number of shares	**%**	**umber of shares**	**%**
Prumo Participações e Investimentos S.A. (a)	539,988	50	-	-
Prumo Logística S.A.	-	-	539,988	50
Anglo American Investimentos - Minério de Ferro Ltda.	539,988	50	539,988	50
	1,079,976	00	1,079,976	100

On January 8, 2014, a capital increase in the amount of R$28,412 was approved through issuance of 21,176 new common shares at no par value and issue price of R$1,341 (one thousand, three hundred and forty-one reais), fully subscribed by Anglo American Participações - Minério de Ferro Ltda. As a result, Anglo American Participações Ltda.'s and Centennial Asset Participações Minas-Rio S.A.'s ownership interest in Ferroport increased from 49% to 50%. After the capital increase, Ferroport's capital became R$ 414,397.

At March 31, 2014, with the objective of simplifying the ownership structure of Anglo American 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, Ferroport approved at a Special General Meeting the merger of Centennial Asset Participações Minas-Rio S.A. and part of spun-off assets of Anglo American Participações Ltda. Upon the merger, Ferroport recorded a tax benefit of R$94,589, originated from the acquisition of ownership interest in the Company, against capital reserve. After the merger, the joint control held by Centennial Asset Participações Minas-Rio S.A. and Anglo American Participações Ltda. was transferred to its parent company Anglo American Invstimentos - Minério de Ferro Ltda.

On May 11, 2015, the Parent Company Prumo Logística S.A. transferred the Ferroport interest to Prumo Participações e Investimentos S.A.

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 of services

	2015	**2014**
Gross revenue	621,409	163,829
Taxes on gross revenue - PIS/COFINS	(57,480)	(15,188)
Tax on services - ISS	(12,428)	(3,277)
Net revenue of services	551,501	145,364

14 Costs of services

	2015	**2014**
Payroll and related charges	(39,765)	(11,479)
Depreciation and amortization	(35,512)	(8,812)
General costs	(1,572)	(1,139)
Third-parties services	(27,003)	(7,416)
Leases and rents	(8,058)	(1,006)
Insurances	(5,251)	(1,991)
Environmental expenses	(3,314)	(1,076)
Consumables spear parts	(30,783)	(1,925)
	(151,258)	(34,544)

15 General and administrative expenses

	2015	2014
Payroll and related charges	(17,464)	(9,490)
Third party services	(7,274)	(9,693)
Depreciation and amortization	(5,505)	(8,365)
Insurance	(96)	(77)
Shared services	-	(3,548)
Travel expenses	(691)	(1,935)
Leases and rents	(1,359)	(1,356)
Other	(2,038)	(1,495)
	(34,427)	(35,959)

16 Other operating income (expenses)

	2015	2014
Mark-up gain - asset allocation (a)	-	10,883
Non-consumed electric energy (b)	18,166	3,983
Other	1,824	2,459
	19,990	17,325

(a) Refers to the mark-up gain from the asset allocation agreement with AAMFB, as described in Note 7.

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

17 Financial income (expenses)

	2015	2014
Financial expenses		
Tax on financial transactions (IOF)	(1,623)	(1,614)
Interest - intercompany loan (a)	(258,397)	(47,678)
Foreign exchange variation	-	(3,886)
Financial transaction cost	-	(12,980)
Other	(4,268)	(653)
	(264,288)	(66,811)
Financial income		
Exchange and monetary variations	1,924	11
Interest income	10,616	24
	12,540	35
Financial results, net	(251,748)	(66,776)

(a) The interests were capitalized until September 30, 2014.

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	2015	2014
Machinery and equipment				
TMSA	9/29/2014	(a)	3,363	638
Project and construction of offshore works				
FCC Contrucción S.A.	12/17/2012	(a)	89,527	205,573
Marpem	9/29/2014	09/09/18	1,999	1,226
			36,396	207,437

(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 December 31, 2015 and 2014 are as follows:

	2015			2014		
Classifications	**Book Value**	**Measurement**	**Fair value measurement hierarchy**	**Book value**	**Measurement**	**Fair value measurement hierarchy**
Assets						
Fair Value through Profit and Loss						
Cash and banks	306	Fair value	2	1,299	Fair value	2
Cash equivalents	90,586	Fair value	2	13,291	Fair value	2
Loans and receivables						
Accounts receivable from related parties	91,771	Amortized Cost		41,210	Amortized Cost	
Liabilities						
Other financial liabilities						
Trade accounts payable	47,640	Amortized cost		89,852	Amortized cost	
Related parties loans	2,061,799	Amortized cost		1,832,489	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 party 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$1,560,651 in 2015 (R$1,258,874 in 2014). 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 risls:

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 December 31, 2015. 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	-	47,640	-	-	-	47,640
Related parties - loans	210,102	222,419	180,313	2,328,726	-	2,941,560
Total by maturity range	210,102	270,059	180,313	2,328,726	-	2,989,200

The Company's shareholders have supported the implementation of the business plan. Up to December 2015, 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:

Financial instruments	**2015**	**2014**
Cash and banks	306	1,299
Cash equivalents	90,586	13,291
Accounts receivable (Related parties)	91,771	41,210
	182,663	55,800

For the year ended December 31, 2015, 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 December 31, 2015 and 2014, the insurance coverage was as follows:

	2015	**2014**
Property and equipment damages	3,559,745	2,109,773
Civil liability	195,240	182,810
Environmental Liability	30,000	-
Directors & Management	50,000	-

* * *

Luiz Fernando Nogueira
Chief Financial Officer

Luiz Augusto de Almeida Fraga
Accountant CRC-RJ-070154-0