

# **Unaudited Quarterly Financial Information**

## **Manabi S.A.**

September 30, 2015

With Independent Auditor's Report on Review of Quarterly  
Financial Information

## **Manabi S.A.**

### Unaudited quarterly financial information

September 30, 2015

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A free translation from Portuguese into English of independent auditor's report on review of quarterly financial information

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## **With Independent Auditor's Report on Review of Quarterly Financial Information**

The Shareholders, Board of Directors and Officers

**Manabi S.A.**

Rio de Janeiro - RJ

### **Introduction**

We have reviewed the accompanying individual and consolidated quarterly financial information of Manabi S.A. ("Company"), contained in the quarterly financial information form (ITR) as of September 30, 2015, which comprises the balance sheet as of September 30, 2015 and the related statements of operations, statements of comprehensive income for the periods of three and nine months then ended, statement of changes in equity and cash flows for the period of nine months then ended, including explanatory notes.

Management is responsible for the preparation and presentation of the individual and consolidated quarterly financial information in accordance with Accounting Pronouncement CPC 21 - (R1) Interim Financial Information ("CPC 21 (R1)"), issued by the Brazilian Accounting Standards Board (CPC) and according to International Accounting Standard IAS 34 - Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this quarterly financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, mainly to the professionals responsible for financial and accounting issues and the application of analytical and other review procedures. A review is significantly less in scope than an audit conducted in accordance with auditing standards and, accordingly, does not allow us to obtain assurance that we became aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion about quarterly financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated financial information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) and IAS34 applicable to the preparation of Interim Financial Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

### **Emphasis of a matter**

As described in the Note 1, the Company and its subsidiaries will continue to develop business in the mining sector and the required investments to implement the business plan are significant. Currently, the Company has no cash generating activities or sufficient funds to implement its investment plan, depending on the shareholders' funds and/or third parties to implement the business plan. The recoverability of amounts recorded in non-current assets is contingent upon the success of the future operations of the Company and its subsidiaries, and the lack of funds required for the implementation of the business plans could raise significant doubts as to the continuity of the Company and its subsidiaries. The quarterly financial information was prepared on the assumption that the business will continue as a going concern. Management's plans with respect to operating activities are described in Note 1. Our conclusion is not qualified in respect of this matter.

### **Other matters**

### **Statements of value added**

We have also reviewed the individual and consolidated statements of value added for the nine months period ended on September, 30 2015, prepared under the Company's Management responsibility, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same reviewing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Rio de Janeiro, November 13, 2015

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC - 2SP 015.199/F-6



Roberto Cesar Andrade dos Santos  
Accountant CRC - 1RJ 093.771/O-9



Daniel de Araújo Peixoto  
Accountant CRC - 1BA 025.348/O-9-S-RJ

A free translation from Portuguese into English of Quarterly financial information

**Manabi S.A.**

Balance sheets

September 30, 2015 (unaudited) and December 31, 2014

(In thousands of Reais)

	Note	Parent company		Consolidated	
		09/30/2015	12/31/2014	09/30/2015	12/31/2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		7	24	7	26
Marketable securities	5	71,063	452,048	71,063	452,048
Escrow account	5	201,094	-	201,094	-
Advances for capital reduction	2	155,405	-	155,405	-
Recoverable taxes		6,996	8,542	7,025	8,542
Other		414	124	461	154
<b>Total current assets</b>		<b>434,979</b>	<b>460,738</b>	<b>435,055</b>	<b>460,770</b>
<b>Non-current assets</b>					
Advances for future capital increase	6	4,430	28,072	-	-
Investments	6	61,785	40,126	-	-
Property, plant and equipment	7	236	592	68,112	57,930
Intangible assets	8	107,403	99,664	107,403	99,664
<b>Total non-current assets</b>		<b>173,854</b>	<b>168,454</b>	<b>175,515</b>	<b>157,594</b>
<b>Total assets</b>		<b>608,833</b>	<b>629,192</b>	<b>610,570</b>	<b>618,364</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade accounts payable	11	1,469	4,964	1,539	6,289
Employee-related accruals		1,517	1,976	1,517	1,976
Tax liabilities		495	938	520	1,047
Provision for losses on investments	6	-	12,262	-	-
Other provisions	14	425	425	2,067	425
<b>Total current liabilities</b>		<b>3,906</b>	<b>20,565</b>	<b>5,643</b>	<b>9,737</b>
<b>Equity</b>					
Capital stock	15	1,381,666	1,381,666	1,381,666	1,381,666
Capital reserve		-	1	-	1
Share-based compensation reserve	10	25,700	25,873	25,700	25,873
Accumulated losses		(802,439)	(798,913)	(802,439)	(798,913)
<b>Total equity</b>		<b>604,927</b>	<b>608,627</b>	<b>604,927</b>	<b>608,627</b>
<b>Total liabilities and equity</b>		<b>608,833</b>	<b>629,192</b>	<b>610,570</b>	<b>618,364</b>

See accompanying notes

## Manabi S.A.

### Unaudited statements of operations

Nine month period ended September 30, 2015 and 2014

(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		09/30/2015	09/30/2014	09/30/2015	09/30/2014
Operating expenses					
Personnel		(24,658)	(28,185)	(24,658)	(28,185)
Services rendered		(12,922)	(18,711)	(13,697)	(19,390)
General and administrative		(2,942)	(6,156)	(3,393)	(6,610)
Depreciation and amortization		(276)	(753)	(323)	(796)
Taxes		(818)	(216)	(896)	(234)
		<u>(41,616)</u>	<u>(54,021)</u>	<u>(42,967)</u>	<u>(55,215)</u>
Other operating expenses					
Equity results in subsidiaries	6	(1,359)	(1,193)	-	-
Operating loss before financial results		(42,975)	(55,214)	(42,967)	(55,215)
Financial income and expenses					
Financial income	16	39,460	39,104	39,461	39,106
Financial expenses		(11)	(133)	(20)	(134)
		<u>39,449</u>	<u>38,971</u>	<u>39,441</u>	<u>38,972</u>
Loss before income tax and social contribution		(3,526)	(16,243)	(3,526)	(16,243)
Income tax and social contribution	9	-	-	-	-
Loss for the period		<u>(3,526)</u>	<u>(16,243)</u>	<u>(3,526)</u>	<u>(16,243)</u>
Loss per common and preferred share (basic and diluted)	15	(1.59)	(15.62)		

See accompanying notes.

## Manabi S.A.

### Unaudited statements of operations

Three month period ended September 30, 2015 and 2014

(In thousands of Reais, except for profit (loss) per share, in Reais)

	Note	Parent company		Consolidated	
		09/30/2015	09/30/2014	09/30/2015	09/30/2014
Operating expenses					
Personnel		(4,324)	(9,210)	(4,324)	(9,210)
Services rendered		(2,619)	(4,292)	(2,705)	(4,583)
General and administrative		(551)	(1,811)	(674)	(1,994)
Depreciation and amortization		(16)	(256)	(32)	(271)
Taxes		(694)	(11)	(744)	(7)
		<u>(8,204)</u>	<u>(15,580)</u>	<u>(8,479)</u>	<u>(16,065)</u>
Other operating expenses					
Equity results in subsidiaries		(280)	(485)	-	-
Operating loss before financial results		<b>(8,484)</b>	<b>(16,065)</b>	<b>(8,479)</b>	<b>(16,065)</b>
Financial income and expenses					
Financial income		14,128	13,143	14,129	13,143
Financial expenses		(96)	(33)	(102)	(33)
		<u>14,032</u>	<u>13,110</u>	<u>14,027</u>	<u>13,110</u>
Profit (loss) before income tax and social contribution		<b>5,548</b>	<b>(2,955)</b>	<b>5,548</b>	<b>(2,955)</b>
Income tax and social contribution	9	-	-	-	-
Profit (loss) for the period		<u><b>5,548</b></u>	<u><b>(2,955)</b></u>	<u><b>5,548</b></u>	<u><b>(2,955)</b></u>
Profit (loss) per common and preferred share (basic and diluted)	15	<b>2.50</b>	<b>(2.84)</b>		

See accompanying notes.

## Manabi S.A.

Unaudited statements of comprehensive Income  
Nine month period ended September 30, 2015 and 2014  
(In thousands of Reais)

	Parent Company		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss for the period	(3,526)	(16,243)	(3,526)	(16,243)
Other comprehensive income	-	-	-	-
Comprehensive loss for the period	<u>(3,526)</u>	<u>(16,243)</u>	<u>(3,526)</u>	<u>(16,243)</u>

## Manabi S.A.

Unaudited statements of comprehensive Income  
Three month period ended September 30, 2015 and 2014  
(In thousands of Reais)

	Parent Company		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Profit (loss) for the period	5,548	(2,955)	5,548	(2,955)
Other comprehensive income	-	-	-	-
Comprehensive profit (loss) for the period	<u>5,548</u>	<u>(2,955)</u>	<u>5,548</u>	<u>(2,955)</u>



## Manabi S.A.

Unaudited statements of changes in equity  
 Nine month period ended September 30, 2015 and 2014  
 (In thousands of Reais)

	Capital stock		Capital reserves			Total
	Subscribed	Equity issuance costs	Subscription warrant	Share-based compensation reserve	Accumulated losses	
At December 31, 2013	1,418,130	(36,464)	1	17,136	(48,507)	1,350,296
Stock options	-	-	-	7,712	-	7,712
Loss for the period	-	-	-	-	(16,243)	(16,243)
At September 30, 2014	1,418,130	(36,464)	1	24,848	(64,750)	1,341,765
At December 31, 2014	<b>1,418,130</b>	<b>(36,464)</b>	<b>1</b>	<b>25,873</b>	<b>(798,913)</b>	<b>608,627</b>
Stock options (Note 10)	-	-	-	(173)	-	(173)
Loss for period	-	-	-	-	(3,526)	(3,526)
Cancellation of subscription warrant (Note 2)	-	-	(1)	-	-	(1)
At September 30, 2015	<b>1,418,130</b>	<b>(36,464)</b>	<b>-</b>	<b>25,700</b>	<b>(802,439)</b>	<b>604,927</b>

See accompanying notes.

## Manabi S.A.

### Unaudited statements of cash flows Nine month period ended September 30, 2015 and 2014 (In thousands of Reais)

	Parent company		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Cash flows from operating activities				
Loss for the period	(3,526)	(16,243)	(3,526)	(16,243)
Adjustments to reconcile the loss for the period to cash from operating activities				
Depreciation and amortization	276	753	323	796
Disposal of non-current assets	118	-	118	-
Stock options	(173)	7,712	(173)	7,712
Marketable securities income	(39,035)	(38,607)	(39,035)	(38,607)
Equity results in subsidiaries	1,359	1,193	-	-
Changes in assets and liabilities				
Recoverable taxes	1,545	2,136	1,516	2,136
Other assets	(290)	209	(307)	233
Trade accounts payable	526	857	563	810
Employee-related accruals	1,694	(79)	1,694	(79)
Tax liabilities	(251)	(300)	(255)	(299)
Net cash used in operating activities	(37,757)	(42,369)	(39,082)	(43,541)
Cash flows from investing activities				
Advances for future capital increase	(11,638)	(23,967)	-	-
Redemption of marketable securities	218,930	106,912	218,930	106,912
Acquisition of property, plant and equipment	(7)	(234)	(10,322)	(23,027)
Additions to intangible assets	(14,140)	(40,370)	(14,140)	(40,370)
Net cash from investing activities	193,145	42,341	194,468	43,515
Cash flows from financing activities				
Advances for capital reduction	(155,405)	-	(155,405)	-
Net cash consumed in financing activities	(155,405)	-	(155,405)	-
Decrease in cash and cash equivalents	(17)	(28)	(19)	(26)
Cash and cash equivalents at the beginning of the period	24	44	26	44
Cash and cash equivalents at the end of the period	7	16	7	18

See accompanying notes.

## Manabi S.A.

Unaudited statements of added value (supplementary information for IFRS purposes)  
 Nine month period ended September 30, 2015 and 2014  
 (In thousands of Reais)

	Parent company		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Inputs acquired from third parties				
General and administrative expenses	(14,701)	(23,109)	(15,791)	(24,083)
Stock options granted	173	(7,712)	173	(7,712)
Depreciation and amortization	(276)	(753)	(323)	(796)
Transferred added value received				
Net financial income	39,449	38,971	39,441	38,972
Equity results in subsidiaries	(1,359)	(1,193)	-	-
<b>Total added value to be distributed</b>	<b>23,286</b>	<b>6,204</b>	<b>23,500</b>	<b>6,381</b>
Distribution of added value				
Personnel				
Direct remuneration	12,553	9,289	12,553	9,289
Management fees	7,135	5,723	7,135	5,723
Benefits	876	1,767	876	1,767
Accrued severance indemnity (FGTS)	1,364	654	1,364	654
	<b>21,928</b>	<b>17,433</b>	<b>21,928</b>	<b>17,433</b>
Tax				
Federal	3,712	3,213	3,790	3,230
Municipal	9	41	9	41
Third-party capital remuneration				
Leases	1,163	1,760	1,299	1,920
<b>Loss for the period</b>	<b>(3,526)</b>	<b>(16,243)</b>	<b>(3,526)</b>	<b>(16,243)</b>
	<b>23,286</b>	<b>6,204</b>	<b>23,500</b>	<b>6,381</b>

See accompanying notes.

## **Manabi S.A.**

Notes to unaudited quarterly financial information

September 30, 2015

(In thousands of Reais, except when otherwise indicated)

### **1. Operations**

Manabi S.A. (“Manabi” or “Company”) is a publicly-held company, with the corporate purpose of (i) exploration, development and negotiation of business opportunities in exploration, economic exploration, development, mining, extraction, production and sale of iron ore and other metal deposits; (ii) investment, equity interests and operation of assets and companies in the sectors of exploration of iron ore deposits and other metal deposits, including logistics, transportation, industrial facilities and other infrastructure related to such business opportunities, assets and companies; (iii) research, exploration, extraction, processing, manufacturing, transportation, export and trading of the mineral assets and products listed in item (i) above; and (iv) render geological services.

Manabi fully controls companies Morro do Pilar Minerais S.A., Manabi Logística S.A., and Dutovias do Brasil S.A.

The Company recognized in the fiscal year ended December 31, 2014, an impairment of R\$733 million, where R\$659 million correspond to the Pilar Hill Project and R\$74 million to the Dark Hill Project. The impairment occurred due to the deterioration of the spot price of iron ore in the international market throughout 2014 and to the perspective that this important variable will continue to the mining projects of the Company.

As a contingency measure in light of this deterioration in iron ore prices, Manabi’s Board of Directors approved a lean budget for 2015, which led the Company to implement a significant reduction in its administrative expenses and in the number of employees, in order to preserve cash.

During the nine month period ended September 30, 2015, the Company continued working to meet the conditions of the Preliminary License (“PL”) for the Pilar Hill Project, obtained in November 2014. In addition, the Company continues to seek the PL for the North Port and for the Pipeline.

As mentioned in Note 2, on August 26, 2015, the Company’s shareholders approved, in an Extraordinary Shareholders’ Meeting, subject to the 60-day period of the condition precedent related to redemption of the Company’s Class “C” preferred shares, the merger of Maverick Logística S.A., a company that holds 99.99% of the share capital of Asgaard Navegação S.A. and 99.75% of the share capital of Asgaard Navigation LLP.

The Company, through its subsidiaries Morro do Pilar S.A., Dutovias do Brasil S.A., and Manabi Logística S.A., operates in the mining and logistics segments, especially in the development of integrated iron ore projects, while the Asgaard companies, mentioned above, operate in charter and operation of offshore support vessels for the oil and gas industry.

## **Manabi S.A.**

Notes to unaudited quarterly financial information (Continued)

September 30, 2015

(In thousands of Reais, except when otherwise indicated)

### **1. Operations -- Continued**

The main purpose of the Merger is to maximize the growth of the companies involved, reduce costs, optimize their assets, and increase the efficiency of the operations and management of the companies.

Once the merger is completed, the Company will work on developing a combined business plan. In this context, Management believes that the funds held in cash and cash equivalents are sufficient for short-term activities. Management will assess alternatives for raising additional funds that enable implementation of its new combined business plan.

### **2. Transaction with Asgaard**

Pursuant to the Notice of Material Fact issued on August 26, 2015, the Company's shareholders unanimously approved, in an Extraordinary Shareholders' meeting, resolutions encompassing: (i) creation of class "C" preferred shares; (ii) conversion of the class "A" and class "B" preferred shares issued by the Company into class "C" preferred shares and common shares; and (iii) redemption of all class "C" preferred shares, with a capital reduction of R\$353,362.

The decision of the Company's shareholders regarding redemption of the class "C" preferred shares became effective on October 29, 2015, which was the end of the 60-day period required for reduction of the Company's share capital, without opposition by any of the Company's creditors.

Additionally, in the Extraordinary Shareholders' Meeting was unanimously approved, in accordance with the Company's Shareholders' Agreement: (i) Merger of Maverick Logística S.A. by the Company, in accordance with the Protocol and Justification of Merger executed on August 10, 2015 by the Management of the Company and of Maverick Logística; (ii) increase of the Company's share capital resulting from the Merger, upon contribution of Maverick Logística's net equity, in the amount of R\$44,565, with issuance of 1,019,650 (one million, nineteen thousand, six hundred and fifty) common, registered shares, without par value, issued by the Company, subscribed by Maverick Holding S.A.; and (iii) issuance of a share subscription warrant in favor of Maverick Holding S.A., as an added benefit for subscription of the capital increase resulting from the Merger. The effectiveness of all resolutions mentioned above was subject to the following conditions precedent: (i) effectiveness of the redemption of the class "C" preferred shares; (ii) payment in full of the redemption price for all of the shares; and (iii) cancelation of all class "C" preferred shares and reduction of the Company's share capital.

## **Manabi S.A.**

Notes to unaudited quarterly financial information  
September 30, 2015  
(In thousands of Reais, except when otherwise indicated)

### **2. Transaction with Asgaard - Continued**

On November 6, 2015, the Company published a Notice of Material Fact informing the market that the above mentioned conditions precedent had been met, whereupon the resolutions related to the relevant Merger, including the respective capital increase and issuance of share warrant, became effective as of the date of the Notice of Material Fact.

The Merger Shareholders' Meeting also approved, following the Merger and subject to effectiveness thereof, increase of the Company's share capital, by means of a private subscription, in the amount of R\$209,492, upon issuance of 750,800 (seven hundred and fifty thousand eight hundred) common shares, at an issue price of R\$279.02 (two hundred and seventy nine reais and two cents) per share, established in accordance with article 170, paragraph 1, item I, of Law 6,404/76. The resolution that approved the post-merger capital increase became effective on the date of effectiveness of the merger.

The procedures to be observed for the post-merger capital increase were timely disclosed by the Company, by means of a Notice to Shareholders published on the CVM website on November 6, 2015 and in newspapers on November 9, 2015.

Furthermore, as a result of approval of the resolution related to change in the composition of the Board of Directors, the Company informs that all members of the Company's Board of Directors were dismissed, with the exceptions of Messrs. Charles Laganá Putz and Guy Ian Bentick, and that the following persons were appointed to occupy the positions of the vacating members of the Board of Directors, for a term to end on the date of the Ordinary Shareholders' Meeting that votes on the accounts of the fiscal year ended December 31, 2015: (i) Patrícia Tendrich Pires Coelho; (ii) Armando de Oliveira Santos Neto; (iii) João Cox Neto; (iv) Otávio Augusto de Paiva; (v) Samir Zraick; (vi) Wilson Nélio Brumer; and (vii) Inês Corrêa de Souza, who were invested in office on the date of the Merger Shareholders' Meeting that approved such resolution.

The Company also informs its shareholders and the market in general that, due to approval of the Merger and by virtue of the resolution of the Board of Directors taken on August 10, 2015, all members of the Company's Executive Board were dismissed on August 26, 2015. The new members of the Board of Directors appointed by the Merger Shareholders' Meeting unanimously decided (i) to elect Board member Wilson Nélio Brumer as Chairman of the

## **Manabi S.A.**

Notes to unaudited quarterly financial information  
September 30, 2015  
(In thousands of Reais, except when otherwise indicated)

### **2. Transaction with Asgaard - Continued**

Board of Directors, pursuant to the Company's Bylaws; and (ii) to appoint the new members of the Company's Executive Board, as follows: (i) Patrícia Tendrich Pires Coelho as Chief Executive Officer; Julia Souza de Paiva as Chief Financial Officer and Investor Relations Officer; Augusto Alves Tannure as Development Officer, and Elias David Nigri as Logistics Officer.

In a meeting held on September 4, 2015, the Board of Directors elected Mr. Ricardo de Souza Assef as Chief Financial Officer and Investor Relations Officer and, consequently, Ms. Julia Paiva as Chief Planning Officer.

The share subscription warrants issued by the Company on June 8, 2011, whose rights are set forth in the Company's Shareholders' Agreement, dated May 31, 2011, as amended and consolidated on August 22, 2012, were canceled on August 26, 2015, due to execution of the Termination Agreement, which terminated the relevant Shareholders' Agreement.

### **3. Basis for preparation and presentation of the financial statements**

The Company's individual and consolidated quarterly information was prepared based on international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), implemented in Brazil through the Accounting Pronouncements Committee ("CPC") and its technical interpretations ("ICPC") and guidelines ("OCPC"), approved by the Brazilian Securities and Exchange Commission ("CVM").

The quarterly information should be read together with the financial statements of December 31, 2014.

The Company's Management authorized the conclusion of the preparation of this quarterly information on November 13, 2015.

## Manabi S.A.

Notes to unaudited quarterly financial information  
September 30, 2015  
(In thousands of Reais, except when otherwise indicated)

### 4. Accounting practices

The quarterly financial information is presented based on the same accounting policies described in Note 3 of the audited financial statements of December 31, 2014.

#### 4.1. Accounting judgment, estimates and assumptions

Preparation of the individual and consolidated financial statements in accordance with IFRS and CPC standards requires Management to make judgments, estimations and assumptions that affect the application of accounting policies and the informed value of assets, liabilities, revenues and expenses. The settlement of transactions involving such estimates may result in amounts different from those recorded in the financial statements.

Estimations and assumptions are revised continuously. Revisions related to accounting estimates are recognized in the period in which the estimations are revised and in any future periods affected.

### 5. Marketable securities and escrow account

	<b>Parent company and consolidated</b>	
	<b>09/30/2015</b>	<b>12/31/2014</b>
Government bonds		
Marketable securities	<b>1,882</b>	388,954
Bank Deposit Certificates (CDBs)		
Marketable securities	<b>69,181</b>	63,094
	<b>71,063</b>	<b>452,048</b>

  

	<b>Parent company and consolidated</b>	
	<b>09/30/2015</b>	<b>12/31/2014</b>
Government bonds		
Escrow account	<b>201,094</b>	-
	<b>201,094</b>	-



## Manabi S.A.

Notes to unaudited quarterly financial information  
September 30, 2015  
(In thousands of Reais, except when otherwise indicated)

### 5. Marketable securities and escrow account - Continued

Government bonds are broken down as follows:

Security	Beginning	Maturity	Index	Number	Parent company and consolidated		
					09/30/2015	12/31/2014	
					Value	Number	Value
LFT	11/07/2012	09/07/2015	Selic			20,571	134,474
LFT	11/08/2012	09/07/2015	Selic			18,534	121,157
LFT	01/11/2013	09/01/2018	Selic			2,894	18,918
LFT	04/25/2014	09/07/2015	Selic			4,935	32,260
LFT	05/21/2014	09/07/2015	Selic			4,901	32,038
LFT	06/30/2014	09/07/2017	Selic			2,657	17,370
LFT	06/18/2014	09/07/2015	Selic			2,896	18,931
LFT	08/13/2014	09/01/2018	Selic	2,112	15,129	2,112	13,806
LFT	12/22/2014	09/01/2018	Selic	2,894	20,730		
LFT	01/20/2015	09/01/2018	Selic	1	7		
LFT	02/18/2015	03/01/2019	Selic	2,896	20,745		
LFT	04/20/2015	03/01/2021	Selic	1,625	11,641		
LFT	05/26/2015	09/01/2018	Selic	2,923	20,938		
LFT	07/10/2015	09/01/2021	Selic	720	5,158		
LFT	08/10/2015	09/07/2017	Selic	952	6,819		
LFT	08/13/2015	09/07/2017	Selic	11	79		
LFT	08/13/2015	09/07/2017	Selic	11,000	78,793		
LFT	08/24/2015	09/01/2018	Selic	3,202	22,937		
					<u>202,976</u>		<u>388,954</u>

Bank Deposit Certificates are broken down as follows:

Investment	Bank	Beginning of operation	Maturity of operation	Index CDI	Parent company and consolidated	
					09/30/2015	12/31/2014
CDB	CEF	08/15/2014	08/12/2016	101.0%	69,181	63,094

The government bonds are allocated in an exclusive investment fund and their earnings are based on the Selic rate. These bonds had an average return rate of 100,1% of the Interbank Deposit Certificate (CDI) in the nine month period of 2015. The government bonds have high liquidity, low credit risk (sovereign risk) and can be negotiated for use in the operations of the Company and its subsidiaries.

The earnings of the investments in CDBs of Caixa Econômica Federal (CEF) with immediate liquidity and low credit risk are based on the variation of the CDI rate, with a rate of return of 101% of the CDI in the nine month period of 2015 and, like the LFT's, is fully allocated in the Company's exclusive investment fund.

## Manabi S.A.

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### 5. Marketable securities and escrow account - Continued

The amount allocated to the escrow account, held with Banco Itaú, refers, as mentioned in Note 2, to the entirety funds that will be redeemed by the shareholders upon reduction of the Company's share capital.

As a measure to: (i) optimize the Company's remaining cash position, (ii) preserve the total redemption amount related to the capital reduction, and (iii) reduce costs throughout the redemption process, the Company opted to block a certain number of quotas of the exclusive fund in which all of the funds are allocated in order to secure full payment of the relevant redemption amounts.

The total number of quotas blocked in relation to the full redemption amount is equivalent to R\$ 353,362 and, as of September 30, R\$ 155,405 were redeemed. As of such date, the available balance in the escrow account was R\$ 201,094.

The difference between the amount allocated to the escrow account, which is updated daily within the exclusive fund, and the total redemption amount shall remain in the Company's cash account.

### 6. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

	12/31/2014	Capital increase	Equity results	09/30/2015
Investments				
Morro do Pilar Minerais S.A.	<sup>1</sup> (295)	1,480	(135)	1,050
Manabi Logística S.A.	40,126	17,200	(1,140)	56,186
Dutovias do Brasil S.A.	<sup>1</sup> (11,967)	16,600	(84)	4,549
	<u>27,864</u>	<u>35,280</u>	<u>(1,359)</u>	<u>61,785</u>

<sup>1</sup> These amounts were shown within liability as provision for losses on investments.

The advances for future capital increase are remitted to the subsidiaries basically to support expenditures on engineering, environmental studies, research, registration, appraisal, negotiation and documentation of the project areas.

## Manabi S.A.

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### 6. Investments in subsidiaries (Parent company) - Continued

The changes of these remittances during the period are as follows:

	Morro do Pilar Minerais S.A.	Manabi Logistica S.A.	Dutovias do Brasil S.A.
Advances for future capital increase			
Balances as of 12/31/2014	1,324	11,615	15,133
Funds remitted	172	7,005	4,461
Capital increase	(1,480)	(17,200)	(16,600)
Balances as of 09/30/2015 <sup>1</sup>	<u>16</u>	<u>1,420</u>	<u>2,994</u>

<sup>1</sup> The capitalization of these balances occurs within a period not greater than one year.

### 7. Property, plant and equipment

#### a) Parent company balances

	09/30/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Buildings	285	(31)	(228)	26	285	(25)	(228)	32
Machinery and equipment	1,782	(144)	(1,472)	166	1,784	(102)	(1,472)	210
Furniture and fixtures	1,031	(304)	(687)	40	1,259	(306)	(834)	119
IT equipment	525	(228)	(297)	-	809	(317)	(431)	61
Communication equipment	136	(66)	(70)	-	181	(78)	(90)	13
Leasehold improvements	1,435	(639)	(792)	4	2,221	(966)	(1,098)	157
	<u>5,194</u>	<u>(1,412)</u>	<u>(3,546)</u>	<u>236</u>	<u>6,539</u>	<u>(1,794)</u>	<u>(4,153)</u>	<u>592</u>

#### b) Changes in the Parent company in the period

	Depreciation rate	12/31/2014	Acquisitions	Disposals	Depreciation	09/30/2015
Buildings	4%	32	-	-	(6)	26
Machinery and equipment	10%	210	-	(2)	(42)	166
Furniture and fixtures	10%	119	5	(83)	(1)	40
IT equipment	20%	61	1	(79)	17	-
Communication equipment	20%	13	-	(9)	(4)	-
Leasehold improvements	22%	157	-	88	(241)	4
		<u>592</u>	<u>6</u>	<u>(85)</u>	<u>(277)</u>	<u>236</u>

## Manabi S.A.

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### 7. Property, plant and equipment - Continued

#### c) Consolidated balances

	09/30/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Land	29,661	-	(7,452)	22,209	29,661	-	(7,452)	22,209
Buildings	285	(31)	(228)	26	285	(25)	(228)	32
Construction in progress	70,221	-	(24,633)	45,588	59,635	-	(24,633)	35,002
Machinery and equipment	1,782	(144)	(1,472)	166	1,784	(102)	(1,472)	210
Furniture and fixtures	1,094	(315)	(687)	92	1,322	(312)	(834)	176
IT equipment	444	(197)	(240)	7	819	(318)	(431)	70
Communication equipment	156	(70)	(70)	16	201	(79)	(90)	32
Leasehold improvements	1,536	(736)	(792)	8	2,322	(1,025)	(1,098)	199
	<b>105,179</b>	<b>(1,493)</b>	<b>(35,574)</b>	<b>68,112</b>	<b>96,029</b>	<b>(1,861)</b>	<b>(36,238)</b>	<b>57,930</b>

#### d) Changes in the consolidated balances in the period

	Depreciation rate	12/31/2014	Acquisitions	Disposals	Depreciation	09/30/2015
Land		22,209	-	-	-	22,209
Buildings	4%	32	-	-	(6)	26
Construction in progress		35,002	10,586	-	-	45,588
Machinery and equipment	10%	210	-	(2)	(42)	166
Furniture and fixtures	10%	176	5	(83)	(5)	93
IT equipment	20%	70	1	(79)	14	6
Communication equipment	20%	32	-	(9)	(7)	16
Leasehold improvements	22%	199	-	87	(278)	8
		<b>57,930</b>	<b>10,592</b>	<b>(86)</b>	<b>(324)</b>	<b>68,112</b>

Construction in progress (consolidated) includes expenditures with development of the port and pipeline projects related to: (i) environmental licensing, additional environmental and engineering studies; (ii) basic engineering project; and (iii) licensing and negotiation of the pipeline's easement areas.

On December 31, 2014, Management conducted impairment testing of the Company's Projects. As a result of such tests, it was verified that the carrying amounts recorded in plant, property and equipment related to the projects as presented in table C (consolidated balances) here above, exceeded in R\$36 million the amount of the respective discounted future cash flows. This impairment was recorded in the income statement as impairment of assets.

For the nine month period ended September 30, 2015, the additions are in line with the Company's business plan and no indication of impairment was identified.

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### **8. Intangible assets**

Intangible assets include exploration expenditures with prospecting rights and mineral resources represented by 80 mining rights related to the MOPI and MOES projects, located in the State of Minas Gerais, of which 5 are in application for research stage, 62 in research permit stage, 7 in application for mining stage and 6 are qualifications in edicts of areas considered available by the DNPM (National Department of Mineral Production).

The certification report for the MOPI project, issued on February 24, 2014, was conducted by one of the world's leaders in independent certification of mineral resources based on 449 drill holes, including an extension of 100 thousand linear meters, and certified 1.33 billion tons of measured and indicated (M&I) resources and 312 million tons of inferred resources. In addition, the report noted an additional exploration potential between 500 Mt and 1,200 Mt.

This report was updated on May 23, 2014. Among the results of the additional works performed by SRK, the updated report showed a reduction in the mine's operating cost and in operating expenses (OPEX), in the investment (CAPEX) and in the environmental impact of the Pilar Hill Project, due to the revision of the mining plan, pursuant to the material fact issued on June 11, 2014.

The MOES project's certification report, also prepared by the same external company in April 2012, included approximately 389 Mt in resources categorized as Inferred and additional exploration potential of 250 to 450 Mt.

As of December 31, 2014, in the context of the significant decline in the price of iron ore in the international market, Management conducted an impairment testing of the Company's Projects. Such tests, indicated the need to impair the carrying amounts associated to the Pilar Hill and Dark Hill Projects and, therefore, there was an impairment loss of R\$697 million, recorded in the income statement as impairment of assets, of which R\$623 million refer to the Pilar Hill Project and R\$74 million to the Dark Hill Project.

The cash flows were prepared based on (i) estimated expenditures for the implementation phase of the projects, (ii) certification of resources and reserves by independent companies, (iii) long term iron ore (62% Fe CIF China) prices in line with estimates by institutions that cover the mining industry, (iv) estimates of operating costs developed by experts and (v) discount rate related to Company's projected capital structure and country risk (CAPM - Capital Asset Pricing Model methodology).

For the nine month period ended September 30, 2015, the additions are in line with the Company's business plan and no indication of additional impairment was identified for the period.

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### 8. Intangible assets - Continued

The changes in intangible assets during the period are as follows:

	12/31/2014			09/30/2015	
	Cost	Impairment of assets	Net amount	Additions	Net amount
Expenditures related to exploration and valuation of mineral resources and prospecting rights	232,795	(206,106)	26,689	5,290	31,979
Expenditures related to licensing phase	6,224	(5,525)	699	180	879
Intangible assets acquired in business combination	546,868	(485,423)	61,445	-	61,445
Rail spur	10,831	-	10,831	2,269	13,100
	<u>796,718</u>	<u>(697,054)</u>	<u>99,664</u>	<u>7,739</u>	<u>107,403</u>

### 9. Income tax and social contribution

As of September 30, 2015, the Company's tax loss carryforward and negative social contribution basis amounted to R\$73.445 (R\$70,528 as of December 31, 2014), in relation to which Management opted not to record deferred tax assets in this stage of the project. Tax loss carryforwards generated in Brazil do not expire and are offset with future taxable profit, limited to 30% of the taxable profit in each year.

### 10. Transactions with related parties

The Company is currently in the prospection phase and has no operational transactions with related parties.

#### Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the nine month period ended September 30, 2015, the compensation of these officers and board members was R\$5,872 and R\$1,143 respectively. The annual fees of the officers and board members for the period from May 1, 2015 to April 30, 2016 in the aggregate amount of up to R\$5,700 and R\$2,000, respectively, were approved in the Annual General Meeting held on April 30, 2015.

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### **10. Transactions with related parties - Continued**

#### **Share based compensation (stock options)**

In the Annual Shareholders' Meeting held on July 21, 2011, the Company's shareholders approved a stock option plan for officers, members of the Board of Directors, and employees.

The stock options issued by the Company under the plan are primary and, therefore, involve the issuance of new shares.

As at September 30, 2015, a total of 22,970 (twenty-two thousand, nine hundred and seventy) options had been granted, by means of individual agreements between the Company and each beneficiary. As a condition for entitlement to the stock purchase option, the beneficiary must complete three years of service (vesting period). These options, in the proportion of one third of the total number of shares available for the plan, are exercisable in three annual tranches. The first tranche can be exercised in 12 months from the grant date and the following tranches, pursuant to the same conditions, can be exercised in 24 and 36 months from the grant date. The participants have a maximum term of sixty months from the maturity date to exercise the options.

The exercise price of the options granted until August 20, 2012 is R\$1,576.00 (one thousand, five hundred and seventy six reais) per share and, after such date, R\$2,547.25 (two thousand, five hundred and forty-seven reais and twenty-five cents), which shall remain unchanged until the effective exercise date of the option, subject to adjustment in the event of share grouping or share split. As the Company has not paid dividends to date, the valuation of these options assumes no payment of dividends for the duration of the stock option program.

Share-based compensation was measured and recognized at fair value, using the Merton (1973) model, which is an extension of the Black & Scholes model.

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### 10. Transactions with related parties - Continued

#### Share based compensation (stock options) - Continued

The table below shows the result of the fair value measurement of the stock options at the date of this quarterly financial information:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Annual volatility	Risk free rate	Dilution factor	Fair value options
2011.1	10/15/2011	10/15/2012	10/15/2017	4,250	40.41%	11.35%	99.41%	3,850
2011.1	10/15/2011	10/15/2013	10/15/2018	4,250	39.47%	11.35%	98.82%	4,098
2011.1	10/15/2011	10/15/2014	10/15/2019	4,250	38.95%	11.34%	98.23%	4,324
Amendments	01/02/2012	10/15/2012	10/15/2017	450	40.86%	11.00%	99.24%	398
Amendments	01/02/2012	10/15/2013	10/15/2018	450	39.58%	11.04%	98.33%	422
Amendments	01/02/2012	10/15/2014	10/15/2019	450	38.98%	11.06%	97.44%	446
2012.1	01/02/2012	10/15/2012	10/15/2017	400	40.86%	11.00%	99.24%	354
2012.1	01/02/2012	10/15/2013	10/15/2018	400	39.58%	11.04%	98.33%	375
2012.1	01/02/2012	10/15/2014	10/15/2019	100	38.98%	11.06%	97.44%	99
2012.2	01/02/2012	12/01/2012	12/01/2017	300	40.67%	10.99%	99.20%	267
2012.2	01/02/2012	12/01/2013	12/01/2018	300	39.51%	11.05%	98.30%	284
2012.2	01/02/2012	12/01/2014	12/01/2019	300	38.95%	11.06%	97.41%	299
2012.3	02/01/2012	01/15/2013	01/15/2018	1,000	40.55%	11.04%	99.08%	892
2012.3	02/01/2012	01/15/2014	01/15/2019	1,000	39.47%	11.19%	98.18%	951
2012.3	02/01/2012	01/15/2015	01/15/2020	1,000	38.80%	11.23%	97.29%	1,001
2012.4	01/13/2012	01/13/2013	01/13/2018	100	40.47%	11.23%	99.20%	90
2012.4	01/13/2012	01/13/2014	01/13/2019	100	39.41%	11.31%	98.28%	96
2012.4	01/13/2012	01/13/2015	01/13/2020	100	38.88%	11.32%	97.37%	101
2012.5	08/20/2012	08/20/2013	08/20/2018	180	39.99%	9.65%	99.05%	154
2012.5	08/20/2012	08/20/2014	08/20/2019	180	38.74%	9.78%	98.11%	164
2012.5	08/20/2012	08/20/2015	08/20/2020	180	38.05%	9.97%	97.19%	173
2013.1	05/02/2013	05/02/2014	05/02/2019	780	39.96%	9.10%	98.54%	1,055
2013.1	05/02/2013	05/02/2015	05/02/2020	400	38.98%	9.24%	97.78%	577
2013.1	05/02/2013	05/02/2016	05/02/2021	400	38.13%	9.39%	97.68%	613
2013.2	07/01/2013	07/01/2014	07/01/2019	550	40.16%	11.23%	98.48%	793
2013.3	08/15/2013	08/15/2014	08/15/2019	250	40.00%	11.71%	98.44%	365
2013.4	10/01/2013	10/01/2014	10/01/2019	550	39.58%	11.73%	98.38%	799
2013.4	10/01/2013	10/01/2015	10/01/2020	150	38.81%	11.79%	97.46%	232
2013.4	10/01/2013	10/01/2016	10/01/2021	150	38.01%	11.84%	97.21%	246
<b>Total 09/30/2015</b>				<b>22,970</b>				<b>23,518</b>



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### 10. Transactions with related parties - Continued

#### Share based compensation (stock options) - Continued

The effects of the stock options granted and outstanding recorded in equity and in the statement of operation are as follows:

Programs	2011	2012	2013	2014	2015	2016	Total
1 <sup>st</sup>	904	4,135	4,086	3,147			12,272
2 <sup>nd</sup>		1,193	1,131	620			2,944
3 <sup>rd</sup>		880	962	962	40		2,844
4 <sup>th</sup>		92	96	95	4		287
5 <sup>th</sup>		60	163	163	105		491
6 <sup>th</sup>		33	19	-	(52)		-
7 <sup>th</sup>			749	1,124	168	204	2,245
8 <sup>th</sup>			422	449	(78)		793
9 <sup>th</sup>			263	270	(168)		365
10 <sup>th</sup>			328	878	(113)	184	1,277
	904	6,393	8,219	7,708	(94)	388	23,518
Options expired <sup>1</sup>	35	906	679	1,029			
Recorded in statement of operations	939	7,299	8,898	8,737	(173) <sup>2</sup>		
Accumulated amount recorded in equity	939	8,238	17,136	25,873	25,700		

1 In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in statement of operation, are not subject to reversal.

2 This amount related to the nine month period of 2015 includes reversal of non-mature options, previously recorded in statement of operation, due to the dismissal of beneficiaries during the period.

In the event the beneficiary resigns from his position, the non-mature options expire without any indemnity or compensation and the mature options may be exercised within ninety days. To date, 2,480 (two thousand, four hundred and eighty) shares expired due to non-exercise of the option, corresponding to R\$2,649, amount measured in the moment that the options were granted and recognized in statement of operations and equity during the vesting period.

In the event the beneficiary's employment contract is terminated for cause, all rights expire automatically, regardless of notice or indemnification.

In the event the beneficiary is dismissed from his position without breach of duties and privileges, the specific rights that may be exercised in accordance with the relevant option on the date of issue may be exercised within the remaining exercise period available to such beneficiary.

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### **11. Trade accounts payable**

The balances as of September 30, 2015 largely comprise consulting in environmental studies, conceptual engineering, lawyer's fees and general and administrative services, with an average settlement period of 30 days, which are not subject to financial charges.

### **12. Litigation**

As of September 30, 2015, the Company is part of the lawsuits listed below, which, based on the concept of assessment adopted for judicial liabilities, were all classified as possible losses.

Public Civil Action, filed on 10/28/14 by the State Attorney's Office, questioning the validity of the Statement of Conformity with the municipal laws related to use and occupation of municipal land, which is issued by the Municipality of Morro do Pilar, for purposes of implementation of the MOPI Project. Management believes that, even if an injunction or an unfavorable decision is granted against the Company, this would not impact the project since the Municipality of Morro do Pilar is in the process of altering its legislation for the use and occupation of the land in order to conform it to federal law requirements, with which the MOPI Project is compliant. With the change in legislation by the Municipality, the lawsuit would lose its purpose and be dismissed.

Public Civil Action by the State Attorney's Office and Injunction by the Federal Attorney's Office, filed on 11/5/14, alleging the existence of traditional communities in the area of the MOPI Project and absence of due legal treatment of these communities. Management believes that the claim of the Attorney's Office will be weakened due to the non-existence of the "self-declaration" condition for the relevant communities.

Action for Maintenance of Possession and Petitory Action filed, respectively, on 10/18/13 and 08/15/2014, alleging that the Company invaded part of the property called Fazenda das Lages that allegedly, is owned by the Claimants, requiring maintenance of possession and demanding ownership of the land. Management believes that these claims do not result in significant risks for the project, since, even if the Court accepts the claims, the project would not be at risk.

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### **13. Commitments**

As a result of the Preliminary License granted by the Regional Superintendence for Environmental Regulation (SUPRAM) on 11/6/14, the following conditions shall be met in order for the Construction License for the MOPI Project to be granted:

The Company is expected to acquire approximately 4,000 hectares of land for implementation of the project, 2,400 hectares for the implementation of an environmental compensation area and incur related reallocation expenses of land owners. The acquisition of such land and reallocation expenses were estimated at R\$82 million.

The Company estimates an amount of R\$20 million related to the environmental compensation set forth in article 36 of Law 9,985/2000 (National nature conservation units system - SNUC), This item shall be complied within 30 days from the date in which the Construction License is granted.

In order to meet several other ancillary conditions primarily related to environmental studies, the Company estimates an expenditure of R\$6 million.

In addition to the mentioned conditions, the Company estimates R\$58 million in expenses related to social and environmental compensations to Municipalities directly impacted or under direct influence of the mine and pipeline projects.

### **14. Other provisions**

Other provisions refer to: (i) second installment of the land easement agreements for the pipeline, amounting to R\$1,642, due upon notarial regularization by the owners of the properties subject to the relevant easement, and, (ii) recovery of geological survey squares and accesses within the MOPI Project region, amounting to R\$425.

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### 15. Equity

#### Capital stock

As described in Note 2, on August 26, 2015, the following events were approved: (i) creation of class "C" preferred shares; (ii) conversion of class "A" and "B" preferred shares issued by the Company into class "C" preferred shares and common shares, (iii) redemption and cancellation, after October 29, 2015, subject, in accordance with article 174 of Law 6,404/76, to the 60-day standstill period for opposition by creditors, of all class "C" preferred shares, with subsequent reduction of the Company's share capital in the amount of R\$ 353,362,

Therefore, as of September 30, 2015, the subscribed and paid-in share capital is represented by 2,219,956 shares, where 1,282,050 are common shares and 937,906 are class "C" preferred shares, which have yet to be redeemed, as detailed below:

Shareholders	Number of shares			%
	Common	Class "C"	Total	
Fábrica Holding S.A.	154,072	3,517	157,589	7.10%
Ontario Teachers' Pension Plan	227,578	197,170	424,748	19.13%
Korea Investment Corporation	244,909	229,302	474,211	21.36%
EIG - Global Energy Partners	188,969	193,953	382,922	17.25%
Southeastern Asset Management	120,190	101,293	221,483	9.98%
Michael Stephen Vitton	63,649	11,582	75,231	3.39%
Mathew Todd Goldsmith	57,388	6,259	63,647	2.87%
Other	225,295	194,830	420,125	18.92%
	<u>1,282,050</u>	<u>937,906</u>	<u>2,219,956</u>	<u>100.00%</u>

The Company is authorized to increase its capital up to the additional limit of R\$3,000,000,000.00 (three billion reais), upon decision of the Board of Directors regardless of amendment to the Bylaws, which shall establish the number and type of shares to be issued, the issue price, and the conditions for subscription, payment and issuance.

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### 15. Equity - Continued

#### Profit (loss) per share

The table below presents the results and share data used in determining the basic and dilutive loss per share:

	Three month period ended September 30, 2015		
	Common	Preferred class "C"	Total
Profit attributable to the equity holders	3,204	2,344	5,548
Number of outstanding shares	1,282,050	937,906	2,219,956
Profit per share - basic and diluted in Reais (*)	2.50	2.50	

  

	Three month period ended September 30, 2014			
	Common	Preferred class "A"	Preferred class "B"	Total
Loss attributable to the equity holders	(710)	(1,563)	(682)	(2,955)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted in Reais (*)	(2.84)	(2.84)	(2.84)	

  

	Nine month period ended September 30, 2015		
	Common	Preferred class "C"	Total
Loss attributable to the equity holders	(2,036)	(1,490)	(3,526)
Number of outstanding shares	1,282,050	937,906	2,219,956
Loss per share - basic and diluted in Reais (*)	(1.59)	(1.59)	

  

	Nine month period ended September 30, 2014			
	Common	Preferred class "A"	Preferred class "B"	Total
Loss attributable to the equity holders	(3,905)	(8,590)	(3,748)	(16,243)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted in Reais (*)	(15.62)	(15.62)	(15.62)	

(\*) The profit (loss) in the period is antidilutive for the holders of stock options and subscription warrants.

## Manabi S.A.

Notes to unaudited quarterly financial information  
September 30, 2015  
(In thousands of Reais, except when otherwise indicated)

### 16. Financial income

	Consolidated	
	09/30/2015	09/30/2014
Bank deposit certificates (CDBs)	6,087	1,260
Government bonds	32,940	37,347
Other financial revenues	434	499
	<u>39,461</u>	<u>39,106</u>

### 17. Financial instruments

The Company does not carry out hedge, swap or any other transactions that involve derivative financial instruments.

### 18. Insurance coverage

On July 5, 2015, the liability insurance for directors and officers was renewed in the insured amount of up to R\$70,000. The renewal was carried out with Ace Seguradora S.A., which granted more favorable commercial conditions to the Company.



Patricia Tendrich Pires Coelho  
Chief Executive Officer



Ricardo de Souza Assef  
Chief Financial and Investor Relations Officer