

# ITAÚSA



**Selected quarterly information**

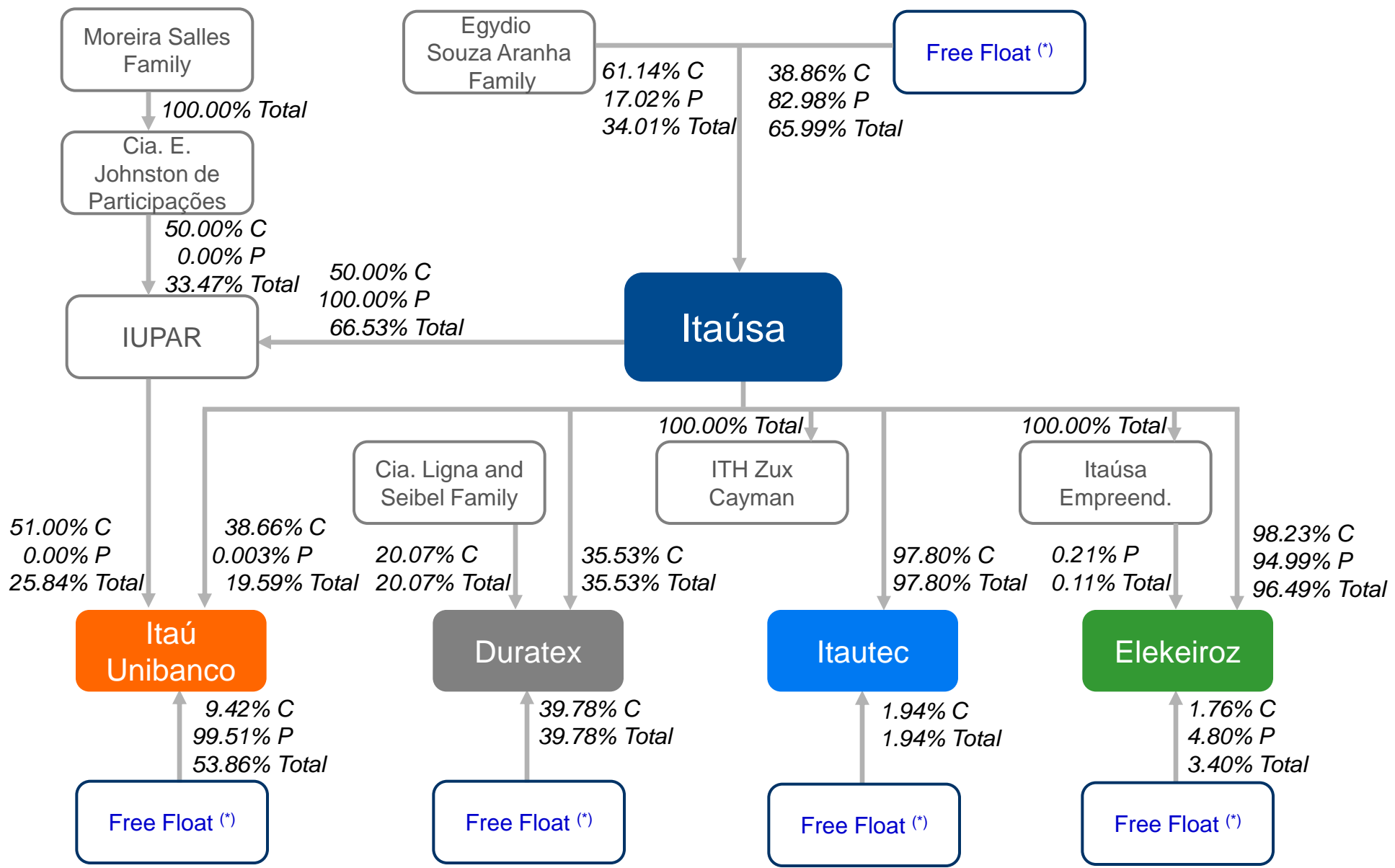
1<sup>st</sup> quarter of 2014

- Ownership structure
- Highlights
- Economic performance
- Performance assessment
- ITAÚSA in the stock market
- Flow of dividends / Interest on capital
- Financial statements

We present the financial information and indicators of Itaúsa – Investimentos Itaú S.A. (Itaúsa) under the International Financial Reporting Standards (IFRS) and CVM (Comissão de Valores Mobiliários – Brazilian Securities and Exchange Commission) instructions.

The operations of Deca Piazza, subsidiary of Duratex located in Argentina, and the commercial and banking automation activities and service of Itautec comply with the definitions of CPC 31 – “Non-current Assets Held for Sale and Discontinued Operations”. As from the third quarter of 2013, the results of these operations are presented in “Decommissioned Operations” and are handled as Non-Recurring Result. For comparison purposes, we adjusted Recurring net income for the first quarter of 2013.

Future expectations arising from the reading of this report should consider the risks and uncertainties that involve any activities and that are beyond the control of the Conglomerate companies (political and economic changes, volatility in interest and exchange rates, technological changes, inflation, competitive pressure on products and prices, and changes to the tax legislation).



(\*) Excluding the shares held by controlling interests and treasury shares.

(C) Common Shares (P) Preferred Shares

# ITAÚSA

In April 2014 Itaúsa published the 2013 Annual Report according to the GRI-G4 version, with a comprehensive approach, of the Global Reporting Initiative (GRI) guidelines. The adoption of these guidelines is in line with the best sustainability practices and the commitment to transparency. Itaú Unibanco and Duratex, companies comprising the Itaúsa Conglomerate, also prepared their reports in compliance with the application requirements of the GRI-G4 guidelines.

The Stockholders' Meeting of April 28, 2014 approved a 10% bonus shares, with capitalization of revenue reserves, in the amount of R\$ 4.5 billion. The unit cost assigned to the bonus shares is R\$ 8.101295339 per share, regardless of their type.

On April 25, 2014, the Board of Directors of Itaúsa approved the capital increase in the amount of R\$ 525 million. Shares subscribed in the capital increase are also entitled to the 10% bonus shares.



## Itaú Unibanco

On January 29, 2014 Itaú Unibanco announced the agreement with CorpBanca and its controlling stockholders for the merger between Itaú Chile and CorpBanca, in Chile and Colombia, with a stock-to-stock transaction. The bank resulting from the merger, which is pending regulatory approvals by Brazilian, Colombian, Chilean, Panamanian, and US bodies, by stockholders of Banco Itaú Chile and CorpBanca, as well as the meeting of other usual conditions, will benefit from: (i) better funding costs and capacity for an even better leverage of the Tier I regulatory capital; and (ii) annual synergies estimated at US\$ 100 million, before taxes, after the completion of the merger of operations, thus adding value to all stockholders.

The transaction is fully in accordance with legislation and regulations applicable to all jurisdictions, as well as in line with the best corporate governance standards. The parties to the operation were fully transparent by making public not only the terms of the agreement, but also the Shareholders' Agreement, in addition to holding videoconferences with market players to present the operation.

This transaction and its conditions are in line with the vision of value creation and sustainable performance, and is consistent with the Latin America expansion strategy, in addition to further consolidating the leading position in this market, mainly as it leads to a stronger performance in the banking sector, in which the bank resulting from the merger will become the 4th largest bank in Chile and the 5th largest bank in Colombia in terms of loans.



On March 13, 2014, Duratex disclosed a Material Fact, in which it announced:

- the intention to invest R\$ 1.3 billion in the 2015-2018 period to construct two new panel (MDF and MDP) plants, with individual capacity of 700,000 cubic meters per year, to be built in the Nova Monte Carmelo farm land; and
- the acquisition of 21,000 hectares of forests, in the State of Minas Gerais, for R\$ 150 million, thus contributing for reduction the average logging distance of the existent plant in Uberaba.

In the first quarter of 2014, Duratex invested R\$ 361.9 million, of which R\$ 271.9 million on cash and R\$ 90 million by exchange of land. The investments were made in projects for the expansion of capacity, maintenance of current operations and acquisitions. Noteworthy are the following: the acquisition of interest in Tablemac and the acquisition of forests from Caxuana S.A. in the state of Minas Gerais.



The total investment in the period was R\$ 10.4 million, and noteworthy was the start of the interconnection and adjustment projects in the industrial gas unit, which assets were acquired from Air Products, to the Company's complex in Camaçari.



**Strategic Repositioning** – On January 10, 2014, the strategic partnership with OKI was formalized, which acquired 70% of BR Automação (company responsible for the banking and commercial automation activities and service).

An Extraordinary Stockholders' Meeting held on January 14, 2014 approved a change in the Company's business purpose, in view of its strategic repositioning. Any stockholders who disagreed with the approval of this change in business purpose, holders of 451,759 common shares, stated their intention to exercise the right to withdraw from the Company. Itautec acquired these 451,759 shares for the amount of R\$ 18.76 per share.

## Results of Itaúsa - Main indicators

R\$ million

	Parent company		Non-controlling interests		Consolidated	
	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013
Net income	1,681	1,282	103	96	1,784	1,378
Recurring net income	1,587	1,346	85	92	1,672	1,438
Stockholders' equity	33,726	30,034	2,951	2,736	36,677	32,770
Annualized return on average equity (%)	20.1%	17.1%	14.2%	14.3%	19.6%	16.8%
Annualized recurring return on average equity (%)	19.0%	17.9%	11.7%	13.7%	18.4%	17.6%

## Results per share - in R\$

	3/31/2014	3/31/2013	Actual change	Change %
Net income of parent company	0.31	0.24	0.07	27.8
Recurring net income of parent company	0.29	0.25	0.04	14.9
Book value of parent company	6.17	5.63	0.54	9.5
Dividends/ interest on capital, net	0.07	0.06	0.01	27.8
Price of preferred share (PN) <sup>(1)</sup>	9.22	9.51	(0.29)	(3.0)
Market capitalization <sup>(2)</sup> - R\$ million	50,434	50,704	(270)	(0.5)

(1) Based on the average quotation of preferred shares on the last day of the period.

(2) Calculated based on the average quotation of preferred shares on the last day of the period (quotation of average PN multiplied by the number of outstanding shares at the end of the period).

Note: The number of outstanding shares and the share quotation were adjusted to reflect the 10% bonus carried out on April 30, 2013.





R\$ million

## Reconciliation of recurring net income

	Parent company		Non-controlling interests		Consolidated	
	Jan-Mar/14	Jan-Mar/13	Jan-Mar/14	Jan-Mar/13	Jan-Mar/14	Jan-Mar/13
<b>Net income</b>	<b>1,681</b>	<b>1,282</b>	<b>103</b>	<b>96</b>	<b>1,784</b>	<b>1,378</b>
<b>Inclusion/(Exclusion) of non-recurring effects</b>	<b>(94)</b>	<b>64</b>	<b>(18)</b>	<b>(4)</b>	<b>(112)</b>	<b>60</b>
<b>Arising from stockholding interest in Itaú Unibanco</b>	<b>21</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>67</b>
Change in Treasury Shares	(19)	14	-	-	(19)	14
Provision for Contingencies - Economic Plans	15	15	-	-	15	15
Effect of the Favorable Decision, by the Supreme Court, on the Legality of COFINS - Plus the Provision for Losses on Tax Loss - Porto Seguro	21	-	-	-	21	-
Amortization of Goodwill Credicard	16	-	-	-	16	-
Effect of the Favorable Decision on the Increase of the PIS/COFINS Calculation Base of IRB	(12)	-	-	-	(12)	-
Realization of Price per Share - Itaú Unibanco x Redecard	-	38	-	-	-	38
<b>Arising from stockholding interest in other Itaúsa group companies</b>	<b>(115)</b>	<b>(3)</b>	<b>(18)</b>	<b>(4)</b>	<b>(133)</b>	<b>(7)</b>
Duratex	(10)	(2)	(18)	(4)	(28)	(6)
Itautec	(105)	4	-	-	(105)	4
Itaúsa Empreendimentos	-	(5)	-	-	-	(5)
<b>Recurring net income</b>	<b>1,587</b>	<b>1,346</b>	<b>85</b>	<b>92</b>	<b>1,672</b>	<b>1,438</b>



## Main financial indicators of Itaúsa conglomerate companies

	January to March	Financial Services Area	Industrial Area			R\$ million
			 Duratex	 Elekeiroz	 Itautec <sup>(1)</sup>	ITAÚSA <sup>(2)</sup>
Total assets	<b>2014</b>	<b>1,025,285</b>	<b>8,584</b>	<b>697</b>	<b>492</b>	<b>42,769</b>
	2013	947,655	7,768	690	1,083	39,160
Operating revenues <sup>(3)</sup>	<b>2014</b>	<b>35,663</b>	<b>930</b>	<b>241</b>	<b>55</b>	<b>2,891</b>
	2013	27,557	865	226	151	2,488
Net income	<b>2014</b>	<b>4,551</b>	<b>161</b>	<b>-</b>	<b>(6)</b>	<b>1,784</b>
	2013	3,482	149	1	1	1,378
Stockholders' equity	<b>2014</b>	<b>84,481</b>	<b>4,510</b>	<b>504</b>	<b>142</b>	<b>36,677</b>
	2013	76,255	4,160	478	544	32,770
Annualized return on average equity (%)	<b>2014</b>	<b>22.1%</b>	<b>14.5%</b>	<b>0.2%</b>	<b>-15.8%</b>	<b>19.6%</b>
	2013	18.5%	14.6%	1.1%	0.5%	16.8%
Internal fund generation <sup>(4)</sup>	<b>2014</b>	<b>22,571</b>	<b>227</b>	<b>12</b>	<b>-</b>	<b>463</b>
	2013	14,497	355	12	(19)	197

(1) In 2013, Total assets and Stockholders' equity are including Discontinued Operations.

(2) Consolidated Itaúsa includes the consolidation of 100% of controlled companies. The amounts of Itaú Unibanco are being assessed under the equity method.

(3) Duratex and Itautec: disregard the Operating Revenues classified in Operating Discontinued Results. Consolidated Itaúsa: Sales of Products and Services; Banking Service Fees and Equity in Earnings of Unconsolidated Companies.

(4) Refers to funds from operations obtained by the Statements of Cash Flows.

## Statement of income

R\$ million

	1st quarter 2014		4th quarter 2013		1st quarter 2013		1stQ14 / 4thQ13		1stQ14 / 1stQ13	
<b>FINANCIAL SERVICES AREA</b>	<b>1,696</b>	<b>98.0%</b>	<b>1,810</b>	<b>97.5%</b>	<b>1,306</b>	<b>95.5%</b>	<b>(114)</b>	<b>-6.3%</b>	<b>390</b>	<b>29.9%</b>
<b>INDUSTRIAL AREA</b>	<b>34</b>	<b>2.0%</b>	<b>46</b>	<b>2.5%</b>	<b>62</b>	<b>4.5%</b>	<b>(12)</b>	<b>-26.1%</b>	<b>(28)</b>	<b>-45.2%</b>
DURATEX	47	2.7%	42	2.3%	51	3.7%	5	11.9%	(4)	-7.8%
ELEKEIROZ	-	0.0%	7	0.4%	1	0.1%	(7)	-100.0%	(1)	-100.0%
ITAUTEC	(13)	-0.8%	(3)	-0.2%	10	0.7%	(10)	333.3%	(23)	-230.0%
<b>RECURRING SHARE OF INCOME</b>	<b>1,730</b>	<b>100%</b>	<b>1,856</b>	<b>100%</b>	<b>1,368</b>	<b>100%</b>	<b>(126)</b>	<b>-6.8%</b>	<b>362</b>	<b>26.5%</b>
FINANCIAL INCOME	12		7		10		5	71.4%	2	20.0%
FINANCIAL EXPENSE - Debentures + NPs	-		-		(10)		-	nd	10	-100.0%
ADMINISTRATIVE EXPENSES	(5)		(6)		(6)		1	-16.7%	1	-16.7%
TAX EXPENSES	(112)		(35)		(74)		(77)	220.0%	(38)	51.4%
MANAGEMENT FEES	(3)		(3)		(2)		-	0.0%	(1)	50.0%
OTHER OPERATING REVENUES/EXPENSES	3		3		1		-	0.0%	2	200.0%
<b>RESULTS OF ITAÚSA</b>	<b>(105)</b>		<b>(34)</b>		<b>(81)</b>		<b>(71)</b>	<b>208.8%</b>	<b>(24)</b>	<b>29.6%</b>
<b>INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION</b>	<b>1,625</b>		<b>1,822</b>		<b>1,287</b>		<b>(197)</b>	<b>-10.8%</b>	<b>338</b>	<b>26.3%</b>
INCOME TAX/ SOCIAL CONTRIBUTION	(38)		21		59		(59)	-281.0%	(97)	-164.4%
<b>RECURRING INDIVIDUAL NET INCOME</b>	<b>1,587</b>		<b>1,843</b>		<b>1,346</b>		<b>(256)</b>	<b>-13.9%</b>	<b>241</b>	<b>17.9%</b>
<b>NON-RECURRING RESULTS</b>	<b>94</b>		<b>(67)</b>		<b>(64)</b>					
ITAÚSA'S RESULTS	-		(14)		-					
FINANCIAL SERVICES AREA	(21)		(2)		(67)					
INDUSTRIAL AREA	115		(51)		(2)					
DURATEX	10		(17)		2					
ELEKEIROZ	-		(1)		-					
ITAUTEC	105		(33)		(4)					
OTHER AREAS	-		-		5					
<b>INDIVIDUAL NET INCOME</b>	<b>1,681</b>		<b>1,776</b>		<b>1,282</b>		<b>(95)</b>	<b>-5.3%</b>	<b>399</b>	<b>31.1%</b>
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	103		42		96		61	145.2%	7	7.3%
<b>CONSOLIDATED NET INCOME</b>	<b>1,784</b>		<b>1,818</b>		<b>1,378</b>		<b>(34)</b>	<b>-1.9%</b>	<b>406</b>	<b>29.5%</b>

As a publicly-held holding company, the results are basically derived from its Recurring Share of Income of its subsidiaries. We show below the calculation of Share of Income per company.

## Determination of Share of Income - January to March 2014

R\$ million

	ITAÚ UNIBANCO	DURATEX	ELEKEIROZ	ITAUTEC	TOTAL
<b>Recurring net income</b>	<b>4,661</b>	<b>131</b>	<b>-</b>	<b>(13)</b>	
(x) Direct/Indirect interest	36.79%	35.53%	96.60%	97.80%	
<b>(=) Share of recurring net income</b>	<b>1,715</b>	<b>47</b>	<b>-</b>	<b>(13)</b>	<b>1,749</b>
(+/-) Share of income not arising from net income	(19)	-	-	-	(19)
<b>Recurring share of income</b>	<b>1,696</b>	<b>47</b>	<b>-</b>	<b>(13)</b>	<b>1,730</b>
<b>Non-recurring results</b>	<b>(21)</b>	<b>10</b>	<b>-</b>	<b>105</b>	<b>94</b>
Change in Treasury Shares	19	-	-	-	19
Provision for Contingencies - Economic Plans	(15)	-	-	-	(15)
Effect of the Favorable Decision, by the Federal Supreme Court (STF), on the Legality of COFINS - Plus the Provision for Losses on Tax Loss - Porto Seguro	(21)	-	-	-	(21)
Amortization of Goodwill Credicard	(16)	-	-	-	(16)
Effect of the Favorable Decision on the Increase of the PIS/COFINS Calculation Base of IRB	12	-	-	-	12
Results on Sales of Forests	-	10	-	-	10
Recognition of Finsocial Fiscal Credits	-	-	-	7	7
Shares Repurchase (stock buyback)	-	-	-	(2)	(2)
Recognized - Unrealized Result	-	-	-	100	100
<b>Share of income</b>	<b>1,675</b>	<b>57</b>	<b>-</b>	<b>92</b>	<b>1,824</b>
	<b>91.8%</b>	<b>3.1%</b>	<b>0.0%</b>	<b>5.0%</b>	<b>100.0%</b>

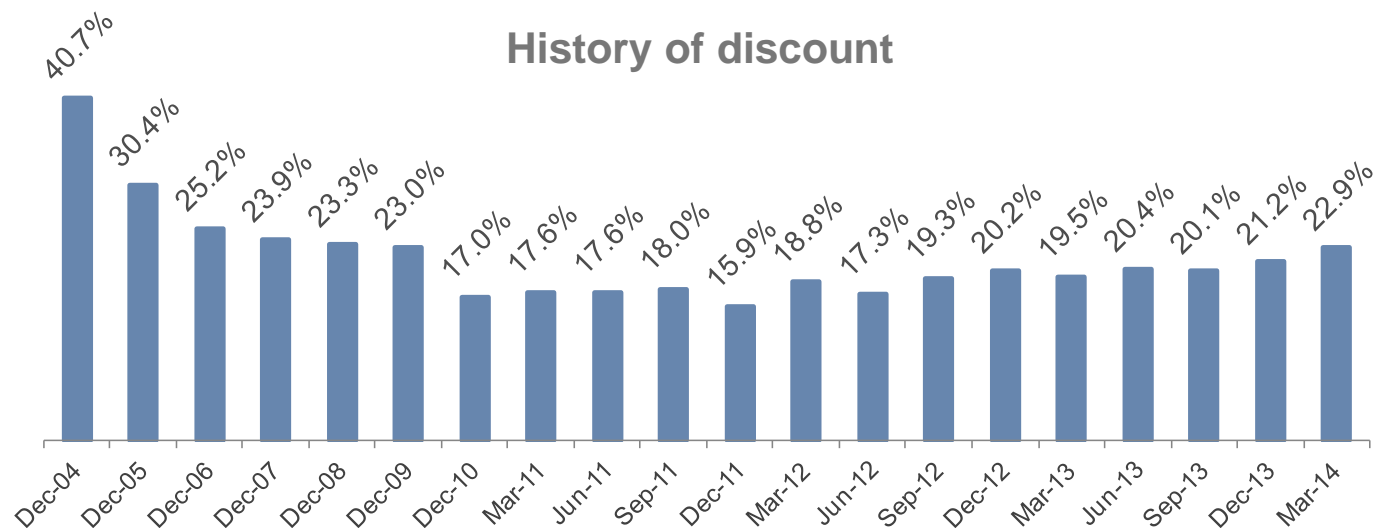
In the first quarter of 2014, the Recurring Share of Income amounted to R\$ 1,730 million, a 26.5% increase in relation to the first quarter of 2013, mainly affected by the performance of the Financial Services Area, which increased 29.9%.

For the quarter, Itaúsa recognized the accumulated balance of unrealized result arising from sale operations carried out by Itautec to companies of the Itaúsa Conglomerate, in the amount of R\$ 100 million, considering that the banking automation, commercial automation and service provision business is now controlled by OKI Electric.

## Market value of subsidiaries x Discount in the price of Itaúsa

On March 31, 2014

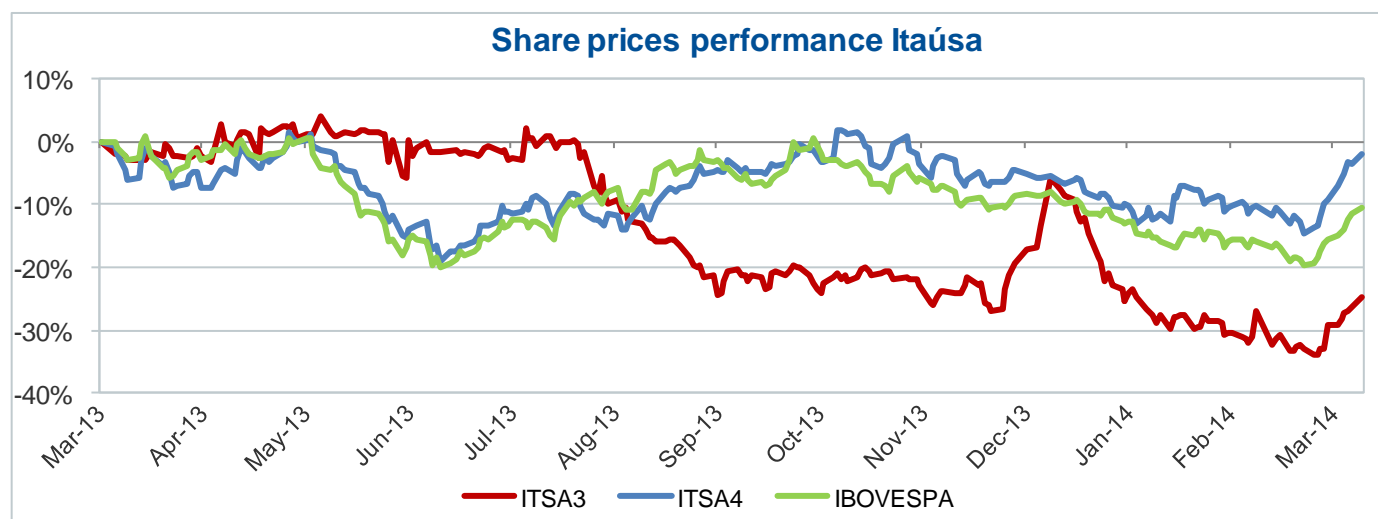
Public companies	Total shares (thousand)	Average quotation* of the most liquid share (R\$)	Market value of companies (R\$ million)	Interest of Itaúsa in companies (%)	Market value of interests (R\$ million)
	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
Itaú Unibanco Holding S.A.	4,969,794	33.77	167,830	36.79%	61,739
Duratex S.A.	602,804	11.66	7,029	35.53%	2,498
Itautec S.A.	11,199	18.67	209	97.80%	204
Elekeiroz S.A.	31,485	9.60	302	96.60%	292
Other assets and liabilities, net (F)					663
Market value of the Itaúsa interests (G)					65,396
Market value of Itaúsa (H)	5,470,067	9.22	50,434		50,434
<b>Discount (%) (I) = (H)/(G)-1</b>					<b>-22.88%</b>



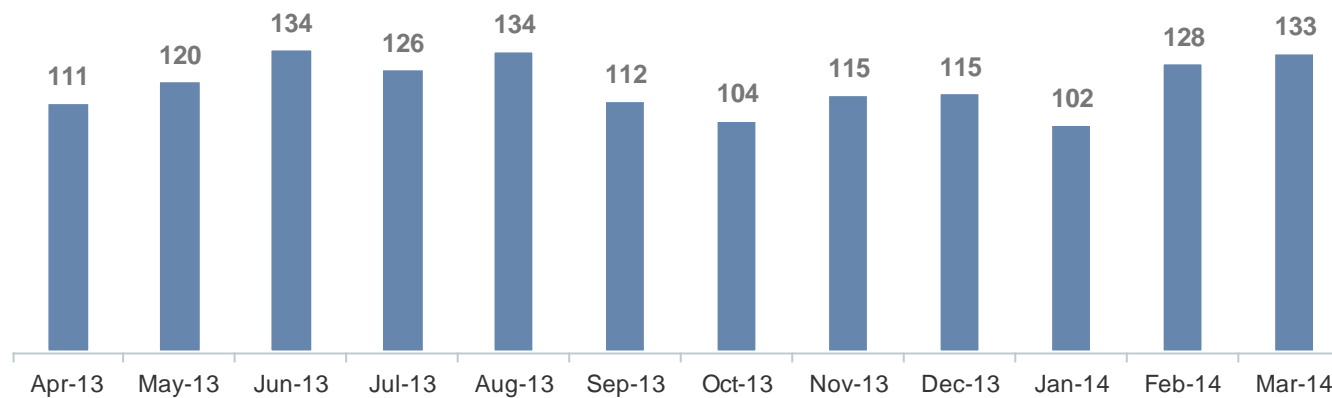
(\*) Average quotation of the most liquid share on the last day of the period.

(F) Net value of other assets and liabilities (Individual balance sheet).

## Share prices performance at BM&FBOVESPA - Base date March 28, 2013



**Average daily traded financial volume - Itaúsa PN**  
R\$ Million

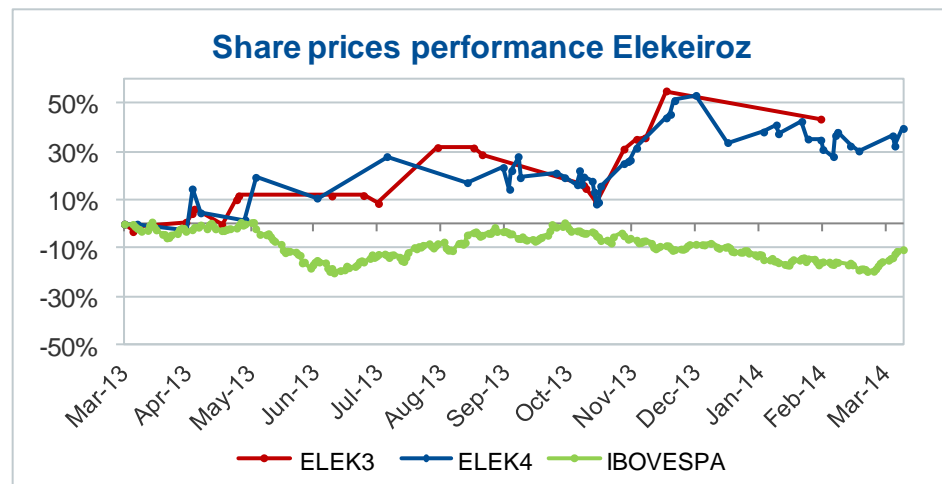
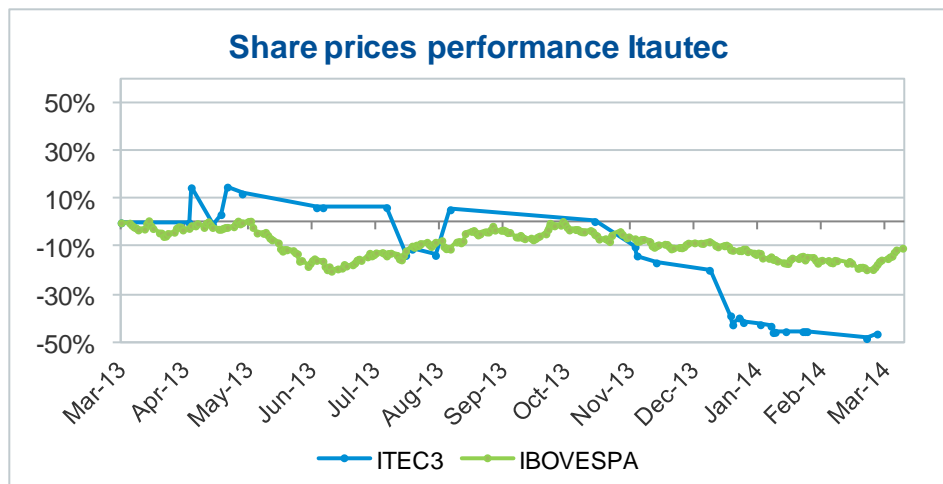
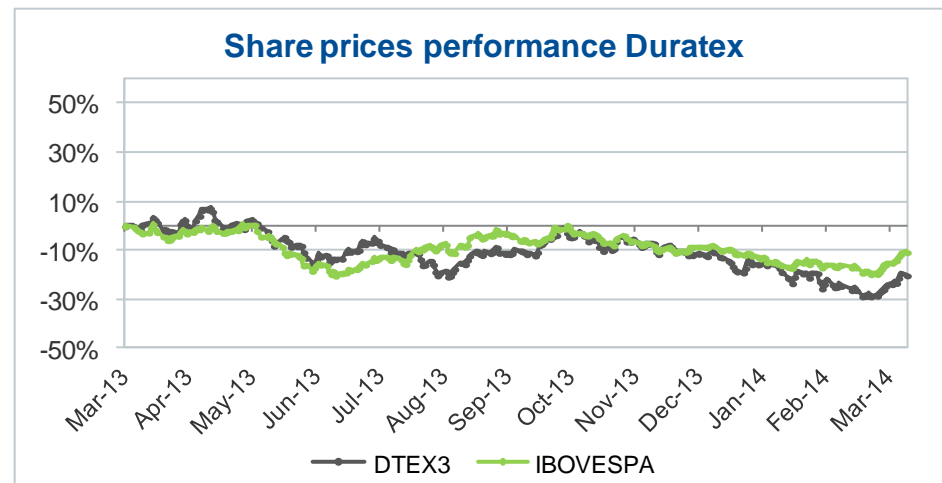
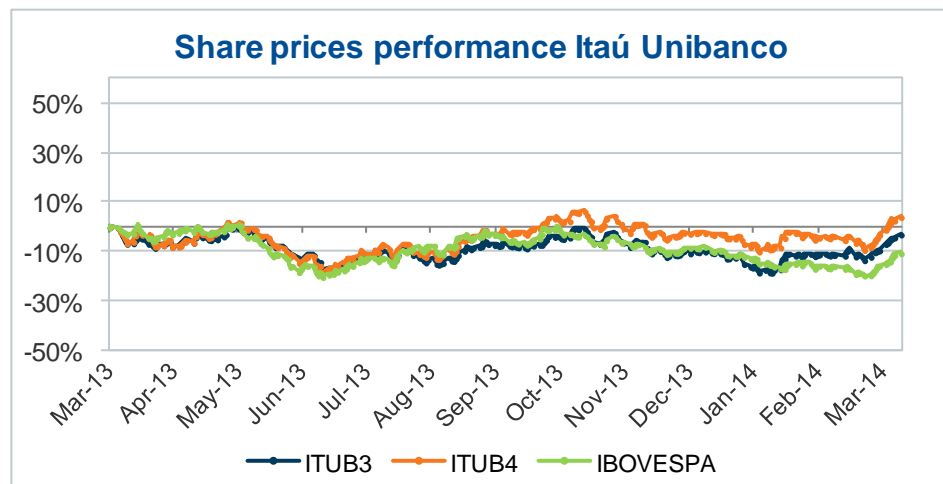


Source: Economática

Period: Mar 28, 2013 to Mar 31, 2014

Average quotations adjusted by events such as reverse split, split and bonus of shares.

## Share prices performance at BM&FBOVESPA – Subsidiaries – Base date March 28, 2013

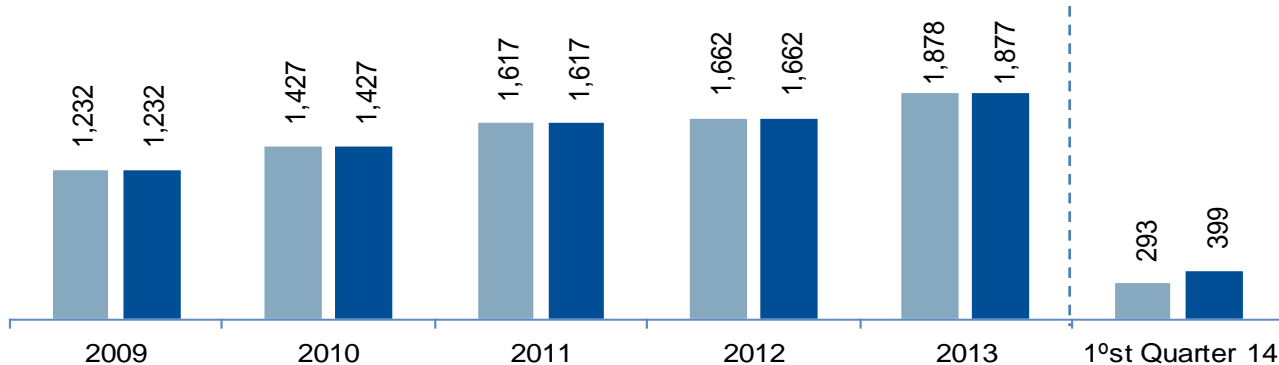


Source: Economática  
 Period: Mar 28, 2013 to Mar 31, 2014  
 Average quotations adjusted by events such as reverse split, split and bonus of shares.

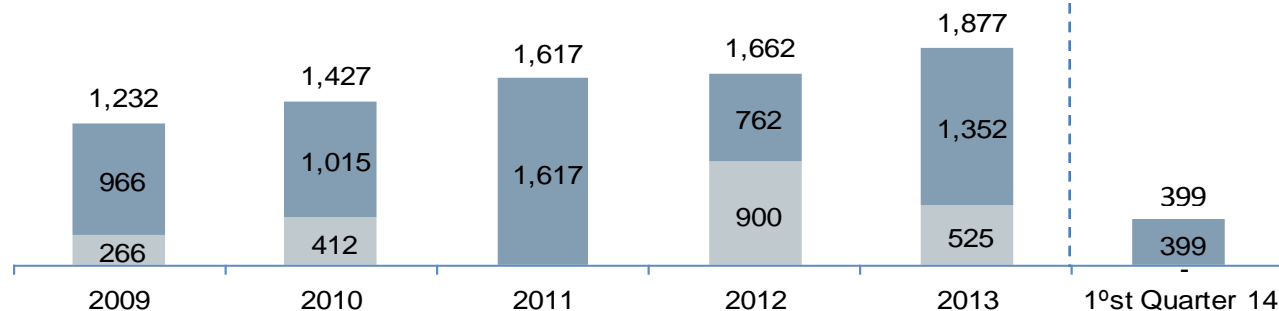
# Flow of dividends / Interest on capital(1) – R\$ million

R\$ million

- Dividends and interest on capital received / receivable directly and indirectly from Itaú Unibanco Holding
- Dividends and interest on capital paid / payable by Itaúsa

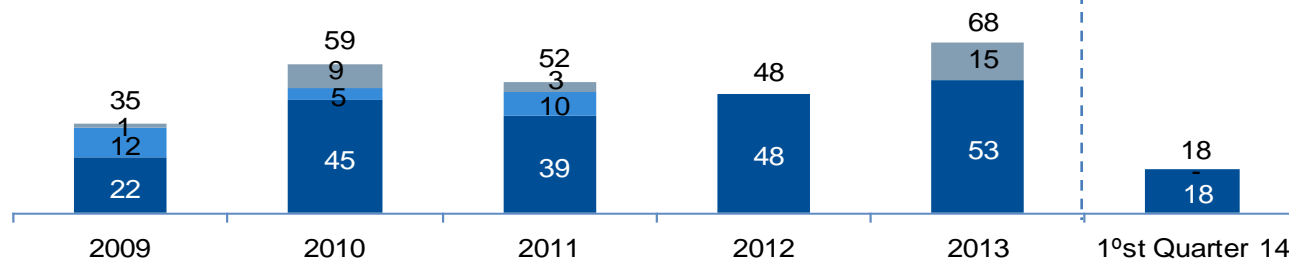


- Dividends and interest on capital paid / payable, net of capital increase
- Capital increase



Dividends and interest on capital received / receivable

- ELEKEIROZ
- ITAUTECH
- DURATEX



(1) Interest on capital, net of withholding income tax.

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**INDIVIDUAL BALANCE SHEET AT MARCH 31, 2014 AND DECEMBER 31, 2013 AND MARCH 31, 2013**  
*(In millions of Reais)*

<b>ASSETS</b>	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2013</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2013</b>
<b>Financial assets</b>	<b>1,143</b>	<b>799</b>	<b>930</b>	<b>Current and non-current</b>	<b>1,482</b>	<b>1,301</b>	<b>2,017</b>
Financial assets held for trading	883	426	750	Funding from institutional marketst - debentures + NPs	-	-	372
Dividends / Interest on capital receivable	260	373	180	Tax liabilities	29	68	43
				Provisions	347	289	218
<b>Tax assets</b>	<b>746</b>	<b>841</b>	<b>689</b>	Dividends / Interest on capital payable	1,099	936	1,382
Income tax and social contribution - current	158	215	152	Other non-financial liabilities	7	8	2
Income tax and social contribution - deferred	588	626	537				
<b>Investments</b>	<b>32,712</b>	<b>32,186</b>	<b>29,808</b>	<b>TOTAL LIABILITIES</b>	<b>1,482</b>	<b>1,301</b>	<b>2,017</b>
Investments in Associates and Jointly Controlled Entities	32,708	32,181	29,804				
Other investments	4	5	4	<b>Stockholders' equity</b>	<b>33,726</b>	<b>33,131</b>	<b>30,034</b>
<b>Fixed assets, net</b>	<b>69</b>	<b>70</b>	<b>71</b>	Capital	22,000	22,000	16,500
<b>Intangible assets</b>	<b>460</b>	<b>460</b>	<b>460</b>	Reserves	12,572	12,006	13,515
				Cumulative comprehensive income	(841)	(875)	19
<b>Other non-financial assets</b>	<b>78</b>	<b>76</b>	<b>93</b>	(-) Treasury shares	(5)	-	-
<b>TOTAL ASSETS</b>	<b>35,208</b>	<b>34,432</b>	<b>32,051</b>	<b>Cumulative comprehensive income</b>	<b>35,208</b>	<b>34,432</b>	<b>32,051</b>



**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**INDIVIDUAL STATEMENT OF INCOME**  
**Periods ended March 31, 2014 and 2013**  
*(In millions of Reais, except for share information)*

	1/1 to 3/31/2014	1/1 to 3/31/2013
<b>OPERATING INCOME (net)</b>	<b>1,839</b>	<b>1,316</b>
Net gain from financial assets	12	10
Share of income	1,824	1,304
Other operating income	3	2
<b>OPERATING EXPENSES</b>	<b>(120)</b>	<b>(93)</b>
General and administrative expenses	(8)	(9)
Tax Expenses	(112)	(74)
Financial expenses	-	(10)
<b>NET INCOME BEFORE INCOME TAX</b>	<b>1,719</b>	<b>1,223</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(38)</b>	<b>59</b>
Deferred Income tax and social contribution	(38)	59
<b>NET INCOME</b>	<b>1,681</b>	<b>1,282</b>
<b>EARNINGS PER SHARE - BASIC / DILUTED</b>		
Common	0.31	0.24
Preferred	0.31	0.24