

**ROSSI RESIDENCIAL S. A.**  
**CONSOLIDATED BALANCE SHEETS**

Amounts expressed in Reais

<b>ASSETS</b>	<b>At March 31<sup>ST</sup>, 2.003</b>	<b>At December 31<sup>ST</sup>, 2.002</b>
<b>Current Assets</b>		
Cash and Banks	4.375.091	10.510.481
Marketable Securities	18.523.720	24.923.242
Accounts Receivable	132.375.033	97.915.806
Inventory - real estate and construction	131.872.969	140.056.055
Other Current Assets	34.530.970	33.204.842
<b>Total Current Assets</b>	<b>321.677.783</b>	<b>306.610.426</b>
<b>Long-Term Assets</b>		
Accounts Receivable	233.854.808	230.986.385
Marketable Securities - CRI's	3.784.234	3.387.322
Inventory - Land for future development	3.987.792	3.987.792
Judicial Deposits	22.453.215	22.381.284
Deferred Taxes	20.412.479	20.308.057
Other Accounts Receivable	13.159.008	13.594.981
<b>Total Long-Term Assets</b>	<b>297.651.536</b>	<b>294.645.821</b>
<b>Permanent Assets</b>		
Investments	1.696.545	1.739.450
Fixed Assets	1.264.795	1.355.999
Deferred Assets	4.184.092	4.455.018
<b>Total Permanent Assets</b>	<b>7.145.432</b>	<b>7.550.467</b>
<b>TOTAL ASSETS</b>	<b>626.474.751</b>	<b>608.806.714</b>

# ROSSI RESIDENCIAL S. A.

## CONSOLIDATED BALANCE SHEETS

Amounts expressed in Reais

<b>LIABILITIES</b>	<b>At March 31<sup>ST</sup>, 2.003</b>	<b>At December 31<sup>ST</sup>, 2.002</b>
<b>Current Liabilities</b>		
Financings	31.882.063	26.508.016
Accounts Payable for land acquisition	15.252.820	25.301.940
Accounts payable - Suppliers	4.287.084	4.324.634
Accrued salaries	2.919.778	2.650.283
Taxes Payable	27.294.540	28.187.998
Construction Cost to be incurred	68.546.757	47.791.996
Dividends Payable	1.040.301	1.040.301
Related Companies	13.096.709	14.878.346
Other accounts payable	9.624.339	11.991.994
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<b>Total Current Liabilities</b>	<b>173.944.391</b>	<b>162.675.508</b>
<b>Long-Term Liabilities</b>		
Financings	11.885.422	18.435.924
Accounts Payable for land acquisition	8.834.609	11.126.682
Construction Cost to be incurred	57.550.536	57.802.337
Related Companies	-	-
Taxes payable under REFIS	902.571	912.480
Deferred Taxes	13.624.541	13.365.176
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	<b>92.797.679</b>	<b>101.642.599</b>
<b>Deferred Profit on Sales of Properties</b>	<b>70.441.964</b>	<b>57.749.397</b>
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<b>Total Long - Term Liabilities</b>	<b>163.239.643</b>	<b>159.391.996</b>
<b>Minority Interest on Equity of Subsidiaries</b>	<b>16.117.929</b>	<b>15.624.308</b>
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<b>Shareholders' Equity</b>		
Capital Stock	230.732.271	150.732.271
Capital Reserve	27	27
Legal Reserve	3.928.054	3.928.054
Reserve for Retained Earnings	37.160.622	37.160.622
Net Income (Loss) for the Current Period	1.351.814	-
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<b>Total Shareholders' Equity</b>	<b>273.172.788</b>	<b>191.820.974</b>
Advances for Future Capital Increase	-	79.293.928
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<b>Total Shareholders' Equity and Advances for Future Capital Increase</b>	<b>273.172.788</b>	<b>271.114.902</b>
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<b>TOTAL LIABILITIES</b>	<b>626.474.751</b>	<b>529.512.786</b>

**ROSSI RESIDENCIAL S. A.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
Amounts expressed in Reais

	<b><u>2.003</u></b>	<b><u>2.002</u></b>
	<b><u>1<sup>ST</sup> Quarter</u></b>	<b><u>1<sup>ST</sup> Quarter</u></b>
<b>Revenues</b>		
Revenues from sales and services rendered	39.330.919	23.788.052
Less Taxes - PIS and COFINS	<u>(1.788.190)</u>	<u>(1.319.697)</u>
<b>Net Revenues</b>	<b><u>37.542.729</u></b>	<b><u>22.468.355</u></b>
<b>Costs of Sales and Services</b>	<u>(29.224.156)</u>	<u>(19.037.128)</u>
<b>Gross Profit</b>	<b><u>8.318.573</u></b>	<b><u>3.431.227</u></b>
<b>Operating Expenses</b>		
Administrative	(5.969.413)	(5.098.502)
Selling	(5.449.803)	(7.662.940)
Depreciation and Amortization	(451.540)	(704.564)
Financial and interest revenues, net	3.910.082	(2.997.622)
Interest Income on Accounts Receivable	2.256.061	2.475.706
Other Operational Revenues (Expenses), net	<u>(350.137)</u>	<u>(24.713)</u>
<b>Operating Income ( Loss )</b>	<b><u>2.263.823</u></b>	<b><u>(10.581.408)</u></b>
<b>Non Operational Revenues (Expenses), net</b>	(143.265)	1.545
<b>Income Taxes</b>	(275.124)	3.072.193
Minority Interest on Equity of Subsidiaries	<u>(493.620)</u>	<u>(97.782)</u>
<b>Net Income (Loss) for the Period</b>	<b><u><u>1.351.814</u></u></b>	<b><u><u>(7.605.452)</u></u></b>

**ROSSI RESIDENCIAL S.A.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amounts expressed in Reais

	<b>2.003</b>	<b>2.002</b>
	<u>1<sup>st</sup> Quarter</u>	<u>1<sup>st</sup> Quarter</u>
<b><u>Cash flows from operating activities</u></b>		
Receipts		
Proceeds from sale of properties	55.013.439	31.115.392
Services Rendered	38.961	1.923
Payments		
Construction costs	(22.683.913)	(16.948.790)
Land acquisition	(6.124.632)	(3.769.287)
Administrative expenses	(5.969.413)	(5.350.039)
Marketing and selling expenses	(8.946.764)	(4.285.529)
Sales Dissolutions	(463.062)	(300.676)
Taxes and contributions	(4.820.977)	(1.970.974)
Employees' profit sharing	-	-
Management' profit sharing	-	-
<b>Net cash provided by (used in) operating activities</b>	<b><u>6.043.639</u></b>	<b><u>(1.507.980)</u></b>
<b><u>Cash flows from investing activities</u></b>		
Payments		
Purchase of fixed assets	(18.847)	(19.088)
Software acquisition and development	(103.044)	(42.315)
Project research and development	(38.144)	(59.843)
<b>Net cash used in investing activities</b>	<b><u>(160.035)</u></b>	<b><u>(121.246)</u></b>
<b><u>Cash flows from financing activities</u></b>		
Receipts (Payments)		
Bank debts amortization	(7.496.417)	(10.462.003)
Receiptments (Payments) from related Companies	(10.399.085)	9.116.781
Financial revenues, net	(523.014)	(97.441)
<b>Net cash provided by (used in) financing activities</b>	<b><u>(18.418.516)</u></b>	<b><u>(1.442.663)</u></b>
<b>Cash flows for the periods</b>	<b><u>(12.534.912)</u></b>	<b><u>(3.071.889)</u></b>
Cash, banks and marketable securities		
Beginning of period	35.433.723	28.913.252
<b>End of period</b>	<b><u>22.898.811</u></b>	<b><u>25.841.363</u></b>