

ROSSI RESIDENCIAL S. A.
CONSOLIDATED BALANCE SHEETS

Amounts expressed in Reais

<u>ASSETS</u>	<u>At June 30th,</u> <u>2.003</u>	<u>At March</u> <u>31st, 2.003</u>
Current Assets		
Cash and Banks	8.142.054	4.375.091
Marketable Securities	14.856.086	18.523.720
Accounts Receivable	152.326.060	132.375.033
Inventory - real estate and construction	150.134.757	131.872.969
Other Current Assets	35.716.199	34.530.970
Total Current Assets	<u>361.175.156</u>	<u>321.677.783</u>
Long-Term Assets		
Accounts Receivable	247.843.324	233.854.808
Marketable Securities - CRI's	4.130.079	3.784.234
Inventory - Land for future development	3.995.041	3.987.792
Judicial Deposits	22.712.547	22.453.215
Deferred Taxes	20.477.977	20.412.479
Other Accounts Receivable	11.251.353	13.159.008
Total Long-Term Assets	<u>310.410.321</u>	<u>297.651.536</u>
Permanent Assets		
Investments	1.424.619	1.696.545
Fixed Assets	1.200.006	1.264.795
Deferred Assets	3.885.322	4.184.092
Total Permanent Assets	<u>6.509.947</u>	<u>7.145.432</u>
TOTAL ASSETS	<u>678.095.424</u>	<u>626.474.751</u>

ROSSI RESIDENCIAL S. A.

CONSOLIDATED BALANCE SHEETS

Amounts expressed in Reais

LIABILITIES	At June 30th, 2.003	At March 31st, 2.003
Current Liabilities		
Financings	32.559.580	31.882.063
Accounts Payable for land acquisition	18.304.854	15.252.820
Accounts payable - Suppliers	5.358.019	4.287.084
Accrued salaries	3.568.448	2.919.778
Taxes Payable	28.734.065	27.294.540
Construction Cost to be incurred	94.746.195	68.546.757
Dividends Payable	-	1.040.301
Related Companies	-	13.096.709
Other accounts payable	7.743.950	9.624.339
Total Current Liabilities	191.015.111	173.944.391
Long-Term Liabilities		
Financings	3.311.746	11.885.422
Accounts Payable for land acquisition	26.089.442	8.834.609
Construction Cost to be incurred	59.976.728	57.550.536
Related Companies	18.063.236	-
Taxes payable under REFIS	896.309	902.571
Deferred Taxes	10.908.164	13.624.541
	119.245.625	92.797.679
Deferred Profit on Sales of Properties	85.192.325	70.441.964
Total Long - Term Liabilities	204.437.950	163.239.643
Minority Interest on Equity of Subsidiaries	11.668.797	16.117.929
Shareholders' Equity		
Capital Stock	230.732.271	230.732.271
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	(847.408)	1.351.814
Total Shareholders' Equity	270.973.566	273.172.788
TOTAL LIABILITIES	678.095.424	626.474.751

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

	2.003			2.002		
	<u>1ST Quarter</u>	<u>2ND Quarter</u>	<u>Year to Date</u>	<u>1ST Quarter</u>	<u>2ND Quarter</u>	<u>Year to Date</u>
Revenues						
Revenues from sales and services rendered	39.330.919	43.240.671	82.571.590	23.788.052	37.080.590	60.868.642
Less Taxes - PIS and COFINS	<u>(1.788.190)</u>	<u>(1.952.193)</u>	<u>(3.740.383)</u>	<u>(1.319.697)</u>	<u>(1.276.648)</u>	<u>(2.596.345)</u>
Net Revenues	<u>37.542.729</u>	<u>41.288.478</u>	<u>78.831.207</u>	<u>22.468.355</u>	<u>35.803.942</u>	<u>58.272.297</u>
Costs of Sales and Services	<u>(29.224.156)</u>	<u>(31.409.854)</u>	<u>(60.634.010)</u>	<u>(19.037.128)</u>	<u>(24.608.247)</u>	<u>(43.645.375)</u>
Gross Profit	<u>8.318.573</u>	<u>9.878.624</u>	<u>18.197.197</u>	<u>3.431.227</u>	<u>11.195.695</u>	<u>14.626.922</u>
Operating Expenses						
Administrative	(5.969.413)	(6.995.168)	(12.964.581)	(5.098.502)	(5.417.547)	(10.516.049)
Selling	(5.449.803)	(4.454.526)	(9.904.329)	(7.662.940)	(4.858.818)	(12.521.758)
Depreciation and Amortization	(451.540)	(446.118)	(897.658)	(704.564)	(707.086)	(1.411.650)
Financial and interest revenues, net	3.910.082	(3.224.196)	685.886	(2.997.622)	(1.520.743)	(4.518.365)
Interest Income on Accounts Receivable	2.256.061	2.384.229	4.640.290	2.475.706	2.369.818	4.845.524
Other Operational Revenues (Expenses), net	<u>(350.137)</u>	<u>(348.973)</u>	<u>(699.110)</u>	<u>(24.713)</u>	<u>25.687</u>	<u>974</u>
Operating Income (Loss)	<u>2.263.823</u>	<u>(3.206.128)</u>	<u>(942.305)</u>	<u>(10.581.408)</u>	<u>1.087.006</u>	<u>(9.494.402)</u>
Non Operational Revenues (Expenses), net	(143.265)	(216.666)	(359.931)	1.545	199.381	200.926
Income Taxes	(275.124)	1.660.423	1.385.299	3.072.193	5.596	3.077.789
Employees Profit Sharing	-	-	-	-	-	-
Management Profit Sharing	-	-	-	-	-	-
Minority Interest on Equity of Subsidiaries	(493.620)	(436.851)	(930.471)	(97.782)	(1.043.934)	(1.141.716)
Net Income (Loss) for the Period	<u>1.351.814</u>	<u>(2.199.222)</u>	<u>(847.408)</u>	<u>(7.605.452)</u>	<u>248.049</u>	<u>(7.357.403)</u>
EBITDA	<u>(1.831.604)</u>	<u>(189.331)</u>	<u>(2.020.935)</u>	<u>(6.975.459)</u>	<u>2.470.282</u>	<u>(4.505.177)</u>

ROSSI RESIDENCIAL S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Amounts expressed in Reais

	2.003			2.002		
	<u>1ST Quarter</u>	<u>2ND Quarter</u>	<u>Year to Date</u>	<u>1ST Quarter</u>	<u>2ND Quarter</u>	<u>Year to Date</u>
<u>Cash flows from operating activities</u>						
Receipts						
Proceeds from sale of properties	55.013.439	57.719.469	112.732.908	31.115.392	37.823.452	68.938.844
Services Rendered	38.961	19.048	58.009	1.923	30.070	31.993
Payments						
Construction costs	(22.683.913)	(24.554.602)	(47.238.515)	(16.948.790)	(19.249.310)	(36.198.100)
Land acquisition	(6.124.632)	(6.368.608)	(12.493.240)	(3.769.287)	(8.564.129)	(12.333.416)
Administrative expenses	(5.969.413)	(6.995.168)	(12.964.581)	(5.350.039)	(5.218.713)	(10.568.752)
Marketing and selling expenses	(8.946.764)	(7.989.559)	(16.936.323)	(4.285.529)	(7.762.540)	(12.048.069)
Sales Dissolutions	(463.062)	(1.969.737)	(2.432.799)	(300.676)	(1.305.529)	(1.606.205)
Taxes and contributions	(4.820.977)	(2.049.025)	(6.870.002)	(1.970.974)	(1.163.347)	(3.134.321)
Net cash provided by (used in) operating activities	<u>6.043.639</u>	<u>7.811.818</u>	<u>13.855.457</u>	<u>(1.507.980)</u>	<u>(5.410.046)</u>	<u>(6.918.026)</u>
<u>Cash flows from investing activities</u>						
Receipts						
Fixed assets sales	-	-	-	-	212.122	212.122
Payments						
Purchase of fixed assets	(18.847)	(1.937)	(20.784)	(19.088)	(292.398)	(311.486)
Software acquisition and development	(103.044)	(76.709)	(179.753)	(42.315)	(406.412)	(448.727)
Project research and development	(38.144)	(74.179)	(112.323)	(59.843)	(20.563)	(80.406)
Net cash used in investing activities	<u>(160.035)</u>	<u>(152.825)</u>	<u>(312.860)</u>	<u>(121.246)</u>	<u>(507.251)</u>	<u>(628.497)</u>
<u>Cash flows from financing activities</u>						
Receipts (Payments)						
Bank debts amortization	(7.496.417)	(10.069.183)	(17.565.600)	(10.462.003)	(18.769.292)	(29.231.295)
Receiptments (Payments) from related Companies	(10.399.085)	4.066.407	(6.332.678)	9.116.781	15.432.303	24.549.084
Financial revenues, net	(523.014)	(516.587)	(1.039.601)	(97.441)	(457.003)	(554.444)
Dividends payment	-	(1.040.301)	(1.040.301)	-	-	-
Net cash provided by (used in) financing activities	<u>(18.418.516)</u>	<u>(7.559.664)</u>	<u>(25.978.180)</u>	<u>(1.442.663)</u>	<u>(3.793.992)</u>	<u>(5.236.655)</u>
Cash flows for the periods	<u>(12.534.912)</u>	<u>99.329</u>	<u>(12.435.583)</u>	<u>(3.071.889)</u>	<u>(9.711.289)</u>	<u>(12.783.178)</u>
Cash, banks and marketable securities						
Beginning of period	35.433.723	22.898.811	35.433.723	28.913.252	25.841.363	28.913.252
End of period	<u>22.898.811</u>	<u>22.998.140</u>	<u>22.998.140</u>	<u>25.841.363</u>	<u>16.130.074</u>	<u>16.130.074</u>