

ROSSI RESIDENCIAL S. A.
CONSOLIDATED BALANCE SHEETS

Amounts expressed in Reais

| <u>ASSETS</u> | <u>At September 30TH, 2.003</u> | <u>At June 30TH, 2.003</u> |
|--|---|--|
| Current Assets | | |
| Cash and Banks | 5.791.131 | 8.142.054 |
| Marketable Securities | 9.645.450 | 14.856.086 |
| Accounts Receivable | 174.125.456 | 152.326.060 |
| Inventory - real estate and construction | 162.998.335 | 150.134.757 |
| Other Current Assets | 37.595.018 | 35.716.199 |
| Total Current Assets | <u>390.155.390</u> | <u>361.175.156</u> |
| Long-Term Assets | | |
| Accounts Receivable | 252.769.936 | 247.843.324 |
| Marketable Securities - CRI's | 4.204.715 | 4.130.079 |
| Inventory - Land for future development | 3.995.041 | 3.995.041 |
| Judicial Deposits | 22.556.596 | 22.712.547 |
| Deferred Taxes | 20.265.322 | 20.477.977 |
| Other Accounts Receivable | 9.730.151 | 11.251.353 |
| Total Long-Term Assets | <u>313.521.761</u> | <u>310.410.321</u> |
| Permanent Assets | | |
| Investments | 2.292.055 | 1.424.619 |
| Fixed Assets | 1.211.337 | 1.200.006 |
| Deferred Assets | 3.625.825 | 3.885.322 |
| Total Permanent Assets | <u>7.129.217</u> | <u>6.509.947</u> |
| TOTAL ASSETS | <u><u>710.806.368</u></u> | <u><u>678.095.424</u></u> |

ROSSI RESIDENCIAL S. A. CONSOLIDATED BALANCE SHEETS

Amounts expressed in Reais

| <u>LIABILITIES</u> | <u>At September 30TH, 2.003</u> | <u>At June 30TH, 2.003</u> |
|--|---|--|
| Current Liabilities | | |
| Financings | 32.867.932 | 32.559.580 |
| Accounts Payable for land acquisition | 16.848.034 | 18.304.854 |
| Accounts payable - Suppliers | 6.090.765 | 5.358.019 |
| Accrued salaries | 3.372.901 | 3.568.448 |
| Taxes Payable | 28.703.075 | 28.734.065 |
| Construction Cost to be incurred | 106.196.278 | 94.746.195 |
| Other accounts payable | 6.684.351 | 7.743.951 |
| | <hr/> | <hr/> |
| Total Current Liabilities | <u>200.763.336</u> | <u>191.015.112</u> |
| Long-Term Liabilities | | |
| Financings | 9.951.665 | 3.311.746 |
| Accounts Payable for land acquisition | 28.464.024 | 26.089.442 |
| Construction Cost to be incurred | 65.177.278 | 59.976.728 |
| Related Companies | 18.220.562 | 18.063.236 |
| Taxes payable under REFIS | 888.838 | 896.309 |
| Deferred Taxes | 9.453.458 | 10.908.164 |
| | <hr/> | <hr/> |
| | <u>132.155.825</u> | <u>119.245.625</u> |
| Deferred Profit on Sales of Properties | <u>96.457.079</u> | <u>85.192.325</u> |
| | <hr/> | <hr/> |
| Total Long - Term Liabilities | <u>228.612.904</u> | <u>204.437.950</u> |
| Minority Interest on Equity of Subsidiaries | <u>16.688.998</u> | <u>11.668.797</u> |
| 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 | (7.079.844) | (847.409) |
| | <hr/> | <hr/> |
| Total Shareholders' Equity | <u>264.741.130</u> | <u>270.973.565</u> |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | <u>710.806.368</u> | <u>678.095.424</u> |

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>3RD Quarter</u> | <u>Year to Date</u> | <u>1ST Quarter</u> | <u>2ND Quarter</u> | <u>3RD Quarter</u> | <u>Year to Date</u> |
| Revenues | | | | | | | | |
| Revenues from sales and services rendered | 39.330.919 | 43.240.671 | 43.184.719 | 125.756.309 | 23.788.052 | 37.080.590 | 47.448.392 | 108.317.034 |
| Less Taxes - PIS and COFINS | <u>(1.788.190)</u> | <u>(1.952.193)</u> | <u>(2.452.680)</u> | <u>(6.193.063)</u> | <u>(1.319.697)</u> | <u>(1.276.648)</u> | <u>(1.687.803)</u> | <u>(4.284.148)</u> |
| Net Revenues | <u>37.542.729</u> | <u>41.288.478</u> | <u>40.732.039</u> | <u>119.563.246</u> | <u>22.468.355</u> | <u>35.803.942</u> | <u>45.760.589</u> | <u>104.032.886</u> |
| Costs of Sales and Services | <u>(29.224.156)</u> | <u>(31.409.854)</u> | <u>(33.531.882)</u> | <u>(94.165.892)</u> | <u>(19.037.128)</u> | <u>(24.608.247)</u> | <u>(34.930.326)</u> | <u>(78.575.701)</u> |
| Gross Profit | <u>8.318.573</u> | <u>9.878.624</u> | <u>7.200.157</u> | <u>25.397.354</u> | <u>3.431.227</u> | <u>11.195.695</u> | <u>10.830.263</u> | <u>25.457.185</u> |
| Operating Expenses | | | | | | | | |
| Administrative | (5.969.413) | (6.995.168) | (7.291.980) | (20.256.561) | (5.098.502) | (5.417.547) | (5.234.922) | (15.750.971) |
| Selling | (5.449.803) | (4.454.526) | (5.672.863) | (15.577.192) | (7.662.940) | (4.858.818) | (6.746.205) | (19.267.963) |
| Depreciation and Amortization | (451.540) | (446.118) | (449.705) | (1.347.363) | (704.564) | (707.086) | (685.910) | (2.097.560) |
| Financial and interest revenues, net | 3.910.082 | (3.224.196) | (1.953.433) | (1.267.547) | (2.997.622) | (1.520.743) | 1.517.395 | (3.000.969) |
| Interest Income on Accounts Receivable | 2.256.061 | 2.384.229 | 1.760.523 | 6.400.813 | 2.475.706 | 2.369.818 | 1.929.360 | 6.774.884 |
| Other Operational Revenues (Expenses), net | <u>(350.137)</u> | <u>(348.973)</u> | <u>(442.473)</u> | <u>(1.141.583)</u> | <u>(24.713)</u> | <u>25.687</u> | <u>-</u> | <u>974</u> |
| Operating Income (Loss) | <u>2.263.823</u> | <u>(3.206.128)</u> | <u>(6.849.774)</u> | <u>(7.792.079)</u> | <u>(10.581.408)</u> | <u>1.087.006</u> | <u>1.609.982</u> | <u>(7.884.420)</u> |
| Non Operational Revenues (Expenses), net | (143.265) | (216.666) | (157.820) | (517.751) | 1.545 | 199.381 | (403.056) | (202.130) |
| Income Taxes | (275.124) | 1.660.423 | 1.144.588 | 2.529.887 | 3.072.193 | 5.596 | (137.202) | 2.940.586 |
| Management Profit Sharing | - | - | - | - | - | - | 1.200.000 | 1.200.000 |
| Minority Interest on Equity of Subsidiaries | <u>(493.620)</u> | <u>(436.851)</u> | <u>(369.430)</u> | <u>(1.299.901)</u> | <u>(97.782)</u> | <u>(1.043.934)</u> | <u>(547.081)</u> | <u>(1.688.797)</u> |
| Net Income (Loss) for the Period | <u>1.351.814</u> | <u>(2.199.222)</u> | <u>(6.232.436)</u> | <u>(7.079.844)</u> | <u>(7.605.452)</u> | <u>248.049</u> | <u>1.722.643</u> | <u>(5.634.760)</u> |
| EBITDA | <u>(1.831.604)</u> | <u>(189.331)</u> | <u>(4.973.886)</u> | <u>(6.994.821)</u> | <u>(6.975.459)</u> | <u>2.470.282</u> | <u>1.028.360</u> | <u>(3.476.817)</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>3RD Quarter</u> | <u>Year to Date</u> | <u>1ST Quarter</u> | <u>2ND Quarter</u> | <u>3RD 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 | 53.610.911 | 166.343.819 | 31.115.392 | 37.823.452 | 45.944.628 | 114.883.472 |
| Services Rendered | 38.961 | 19.048 | 60.485 | 118.494 | 1.923 | 30.070 | 60.319 | 92.312 |
| Payments | | | | | | | | |
| Construction costs | (22.683.913) | (24.554.602) | (32.924.545) | (80.163.060) | (16.948.790) | (19.249.310) | (20.423.159) | (56.621.259) |
| Land acquisition | (6.124.632) | (6.368.608) | (7.868.863) | (20.362.103) | (3.769.287) | (8.564.129) | (10.641.890) | (22.975.306) |
| Administrative expenses | (5.969.413) | (6.995.168) | (7.291.980) | (20.256.561) | (5.350.039) | (5.218.713) | (5.182.219) | (15.750.971) |
| Marketing and selling expenses | (8.946.764) | (7.989.559) | (12.908.336) | (29.844.659) | (4.285.529) | (7.762.540) | (8.557.378) | (20.605.447) |
| Sales Dissolutions | (463.062) | (1.969.737) | (998.739) | (3.431.538) | (300.676) | (1.305.529) | (1.459.502) | (3.065.707) |
| Taxes and contributions | (4.820.977) | (2.049.025) | (3.841.045) | (10.711.047) | (1.970.974) | (1.163.347) | (1.525.392) | (4.659.713) |
| Net cash provided by (used in) operating activities: | <u>6.043.639</u> | <u>7.811.818</u> | <u>(12.162.112)</u> | <u>1.693.345</u> | <u>(1.507.980)</u> | <u>(5.410.046)</u> | <u>(1.784.593)</u> | <u>(8.702.619)</u> |
| <u>Cash flows from investing activities</u> | | | | | | | | |
| Receipts | | | | | | | | |
| Fixed assets sales | - | - | - | - | - | 212.122 | 26.980 | 239.102 |
| Payments | | | | | | | | |
| Purchase of fixed assets | (18.847) | (1.937) | (83.722) | (104.506) | (19.088) | (292.398) | (163.565) | (475.051) |
| Software acquisition and development | (103.044) | (76.709) | (117.818) | (297.571) | (42.315) | (406.412) | (76.995) | (525.722) |
| Project research and development | (38.144) | (74.179) | (36.114) | (148.437) | (59.843) | (20.563) | (34.857) | (115.263) |
| Net cash used in investing activities: | <u>(160.035)</u> | <u>(152.825)</u> | <u>(237.654)</u> | <u>(550.514)</u> | <u>(121.246)</u> | <u>(507.251)</u> | <u>(248.437)</u> | <u>(876.934)</u> |
| <u>Cash flows from financing activities</u> | | | | | | | | |
| Receipts (Payments) | | | | | | | | |
| Bank debts amortization | (7.496.417) | (10.069.183) | 4.962.171 | (12.603.429) | (10.462.003) | (18.769.292) | (4.555.034) | (33.786.329) |
| Receipts (Payments) from related Companies | (10.399.085) | 4.066.407 | (506.268) | (6.838.946) | 9.116.781 | 15.432.303 | 21.833.574 | 46.382.658 |
| Financial revenues, net | (523.014) | (516.587) | 382.304 | (657.297) | (97.441) | (457.003) | (128.481) | (682.925) |
| 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>4.838.207</u> | <u>(21.139.973)</u> | <u>(1.442.663)</u> | <u>(3.793.992)</u> | <u>17.150.059</u> | <u>11.913.404</u> |
| Cash flows for the periods | <u>(12.534.912)</u> | <u>99.329</u> | <u>(7.561.559)</u> | <u>(19.997.142)</u> | <u>(3.071.889)</u> | <u>(9.711.289)</u> | <u>15.117.029</u> | <u>2.333.851</u> |
| Cash, banks and marketable securities | | | | | | | | |
| Beginning of period | 35.433.723 | 22.898.811 | 22.998.140 | 35.433.723 | 28.913.252 | 25.841.363 | 16.130.074 | 28.913.252 |
| End of period | <u>22.898.811</u> | <u>22.998.140</u> | <u>15.436.581</u> | <u>15.436.581</u> | <u>25.841.363</u> | <u>16.130.074</u> | <u>31.247.103</u> | <u>31.247.103</u> |