

ROSSI



Earnings Presentation 2Q14 e 1H14

Highlights

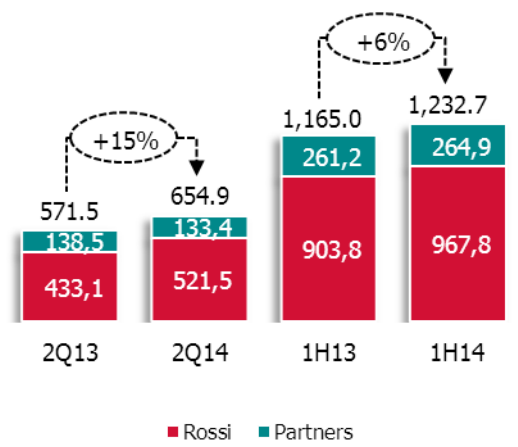
- **Cash generation.** cash flow generation of R\$ 82 million (proportional) and R\$ 64 million (IFRS).
- **Reduction in leverage.** Net debt to shareholders' equity (IFRS) of 94.6%.
- **Extension of corporate debt maturities.** Further to the rollover of R\$450.0 million in maturing debt announced in the first quarter: (i) an additional rollover of R\$100 million maturing in May, 2014; and (ii) payment of R\$353.1 million until July 2014. Thus, only R\$265 million of corporate debt matures in 2014.
- **Improvements to Rossi's management process.** Management by key performance indicators has already been rolled out in all areas of the company. Each manager has a cockpit related to cash generation and profitability targets. Restructuring aimed at improving the efficiency and governance of critical processes such as development and projects licensing, monitoring processes of certificate of occupancy issue and registration and financing transfer, ensuring greater predictability of the cycle and new projects margins, and the delivery of the legacy projects.
- **Efficiency increase and growth in financing transfers.** The volume transferred (signing of financing contracts or paid off by the customer) in the quarter increased +18% compared to the same period of last year and +14% versus the 1Q14. Units transfer SOS (volume of contracts settled and paid off units, divided by the total units with registration) increased to 28.8, against 19.7% in the same period of 2013.
- **Strong growth in sale of inventory units.** Despite the expected seasonality during the World Cup, Rossi's "Digital Outlet" campaign enabled a +6% growth in the first half of 2014 compared to the same period the previous year. Sales speed, measured by the sales-over-supply ratio in the past 12 months, was 45.2%.
- **Increase in construction done by Rossi.** Internal time executes 90% of launched projects since 2013 and 77% of ongoing projects.
- **Significant reduction in construction works and sites.** Rossi currently has 79 construction sites and costs to be incurred (Rossi's share) of R\$2.2 billion, down 36% and 54%, respectively from December 2012.
- **Acceleration of deliveries.** Growth of +35% in PSV from the first quarter of 2014, which represents around 40% of the total expected for the year.
- **Discipline in prioritizing cash generation and commitment to launch volumes profitability.** This year, Rossi launched only 4 projects totaling R\$457.3 million, concentrated in two metropolitan regions, which is well below the Company's business potential.

2013-2015 Strategic Plan | Update

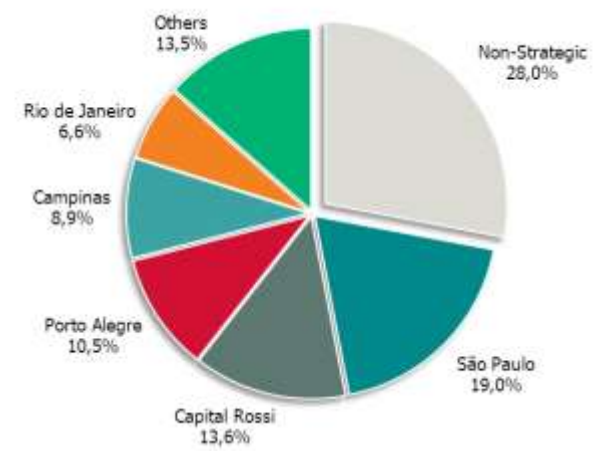
Strategic Plan	Achievements 1H14
<p>Focus</p> <p>Focus on cash generation and profitability</p>	<ul style="list-style-type: none"> ✓ Operational Cash Generation (Proportional) : R\$ 82 MM ✓ Net Income: R\$ 7 MM
<p>Financing Transfers</p> <p>Focus in house restructuring and transfer of financing</p>	<ul style="list-style-type: none"> ✓ Increase of 30% vs. 1H13 – SoS of 28%
<p>Operation</p> <p>Operations focused on 7 metropolitan regions (+JVs). where it ranks among Top 3</p>	<ul style="list-style-type: none"> ✓ All launches in Strategic regions since the release of strategic plan
<p>Income Segment</p> <p>Focus on medium-/high-income segments (average price between entre R\$ 200 k and R\$ 1 million)</p>	<ul style="list-style-type: none"> ✓ Average Price 1Q14: R\$ 487 k/unit ✓ % Rossi (s/ JVs) 1Q14: 88%
<p>Partners</p> <p>Increase Rossi´s stake in the launches up to 95% of the total PSV. excluding JVs Capital Rossi and Norcon Rossi)</p>	
<p>Construction</p> <p>Execution of 90% of the construction</p>	<ul style="list-style-type: none"> ✓ 90% of the construction beginning in 2013 will be done by Rossi ✓ Rossi already executes 73% of the ongoing projects
<p>Rossi Vendas</p> <p>Increase Rossi Vendas stake on the total sales</p>	<ul style="list-style-type: none"> ✓ % Rossi Vendas: 57%
<p>G&A</p> <p>G&A Expenses efficiency</p>	<ul style="list-style-type: none"> ✓ Decrease of 20% vs. 2013
<p>Land Bank</p> <p>Disablement of the Land Bank outside from the launching pipeline</p>	<ul style="list-style-type: none"> ✓ Contracts signed since the Strategic plan: R\$ 193 MM (including selling North Shopping)
<p>Business Units</p> <p>Search for financial/strategic partners for Urbanizadora and Properties</p>	<ul style="list-style-type: none"> ✓ R\$ 86 in the 1H14

Gross Sales

R\$ million

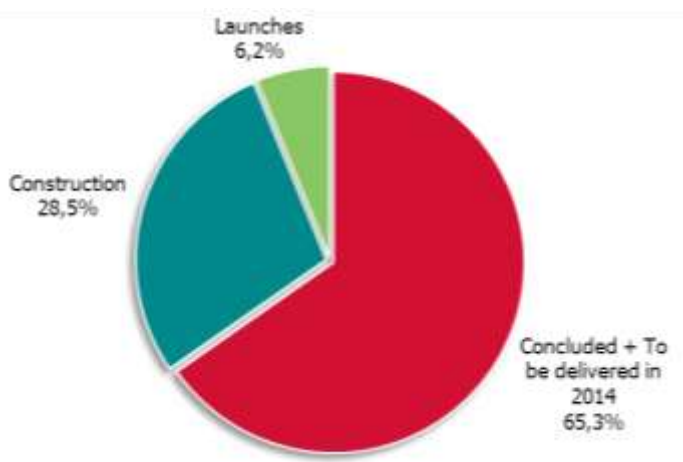


Metropolitan Region | 1H14

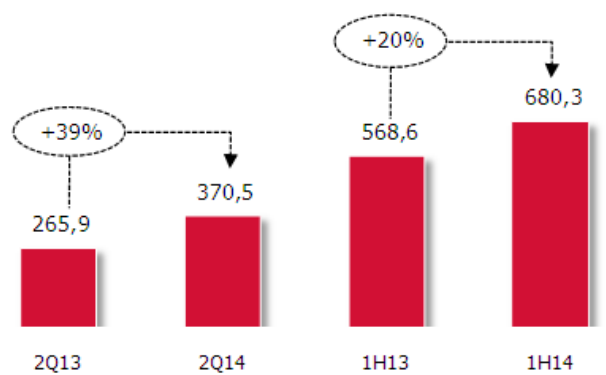


¹ Others: Curitiba, Brasília, Norcon Rossi e Belo Horizonte

Sales Breakdown | 1H14

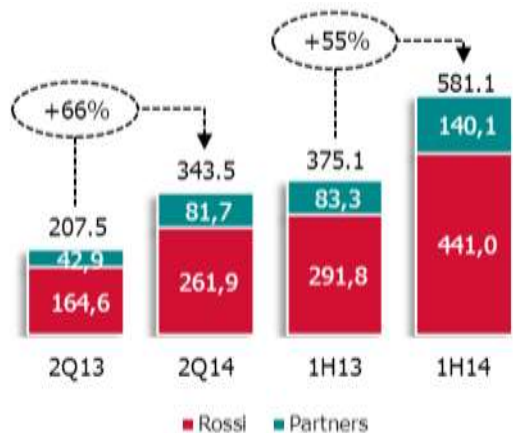


Gross Sales of Concluded units + To be delivered in 2014

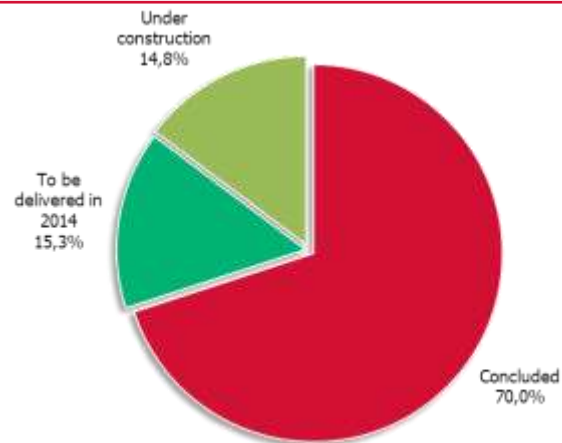


Sales Cancellations and Inventory

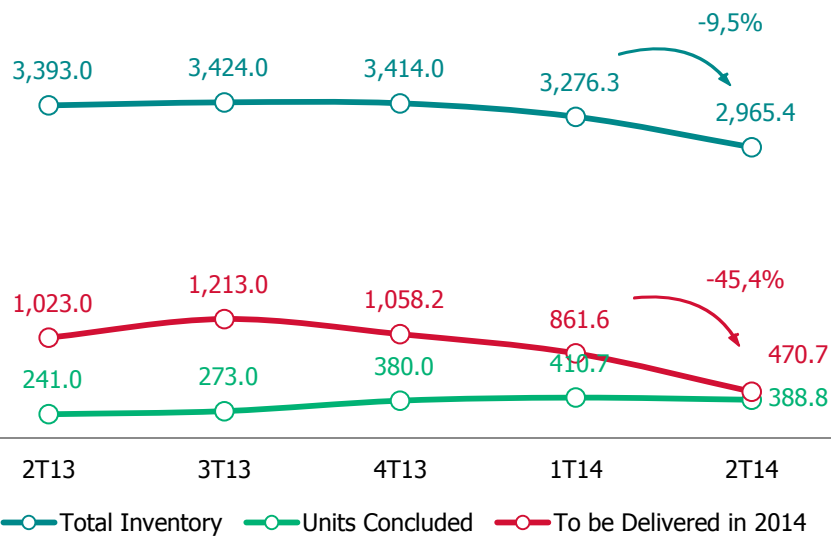
R\$ million



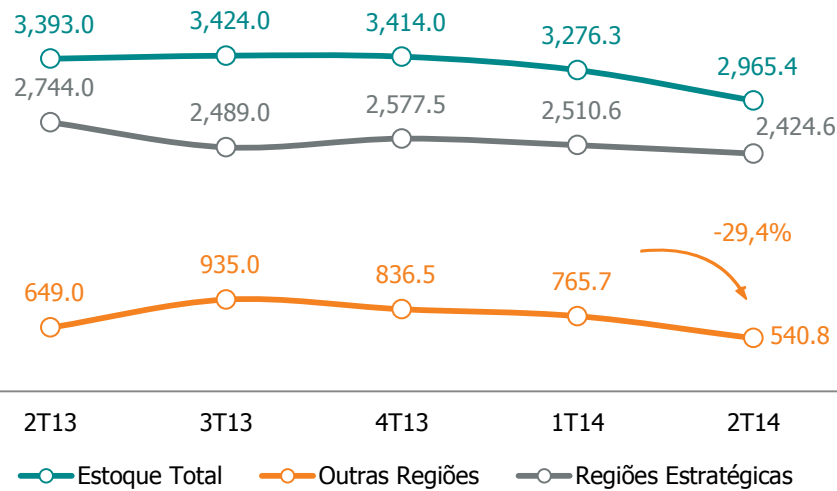
Sales Cancellations Breakdown | 1H14



Inventory (% Rossi) | R\$ MM – Delivery Date

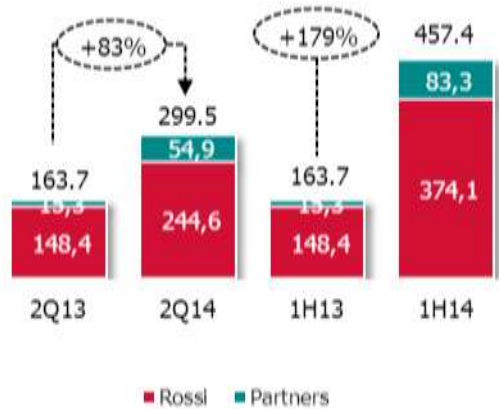


Inventory (% Rossi) | R\$ MM – Metropolitan Region



Launches

R\$ million

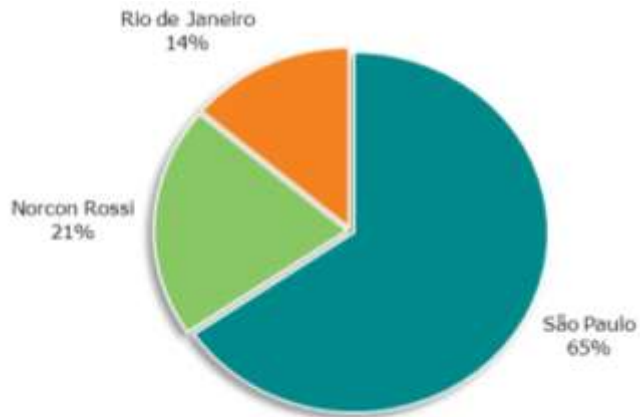


New Launches:

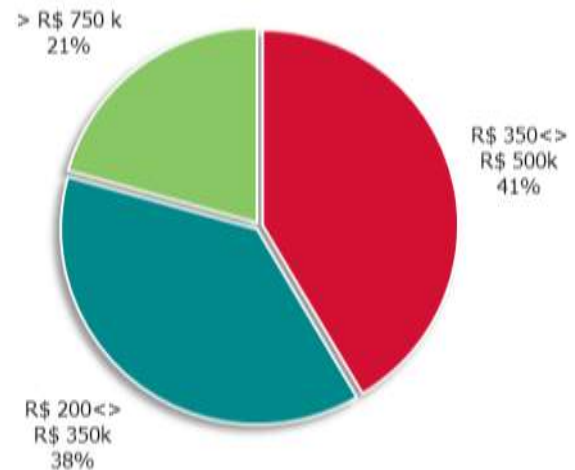
In line with the Strategic Plan

- ⇒ Metropolitan Region with proven track record
- ⇒ Focus on medium-/high-income segment
- ⇒ 100% are eligible for funding through the SFH with FGTS

Região Metropolitana | 1H14



Average Price | 1H14



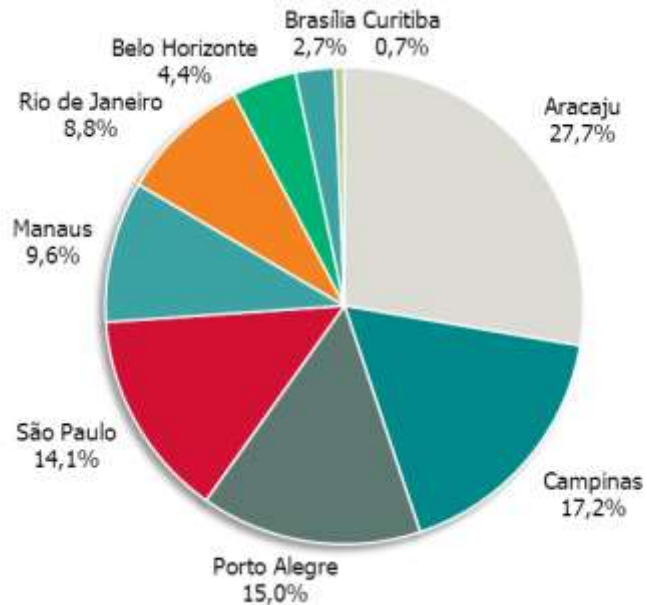
Real Estate Development:

- Total PSV of R\$ 8.8 bi (R\$ 7.3 bi Rossi's Share);
- Only land that passed the new feasibility tests as per the company's new standards was retained

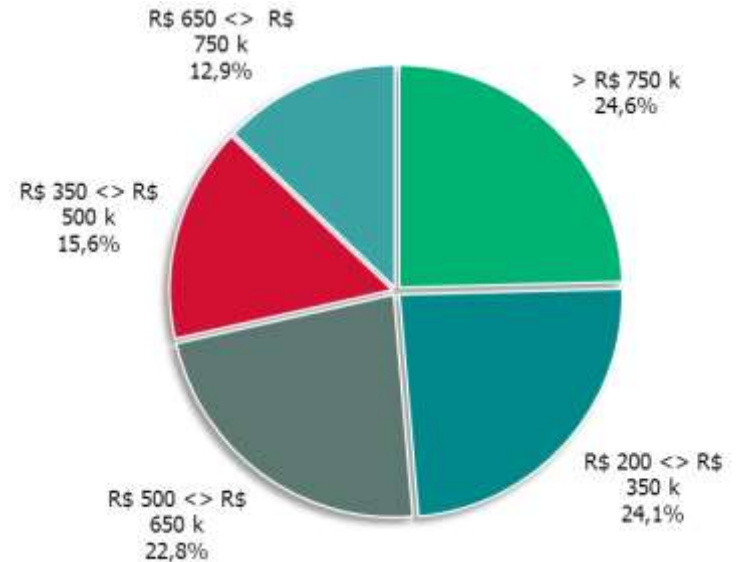
Evolução do Banco de Terrenos

R\$ MM	PSV 100%	Rossi's PSV	# of Units
Rossi Residencial	8.718,5	7.288,0	21.414
Disablement	1.911,8	1.770,4	8.915
Total	10.630,3	8.599,1	30.329

Residencial | Metropolitan Region (100%)



Residencial | Average Price (100%)



Cash and Debt

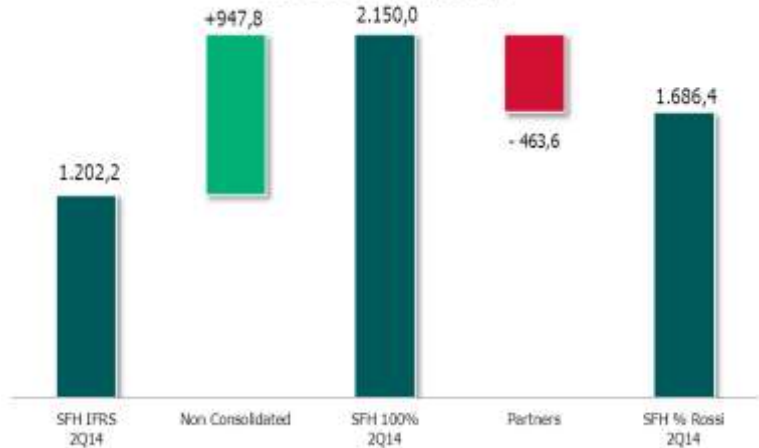
	100%	
R\$ million	2Q14	1Q14
Gross Debt	4.168,4	4.434,4
Cash and Cash Equivalent	1.000,4	1.221,4
Net Debt	3.168,1	3.212,9
Net Debt ÷ Shareholder´s equiyt	108,7%	110,1%
Quarterly Cash Generation	44,9	68,2
YTD Cash Generation	113,1	

	Proporcional	
R\$ million	2Q14	1Q14
Gross Debt	3.574,0	3.832,1
Cash and Cash Equivalent	816,1	1.067,2
Net Debt	2.757,9	2.764,9
Net Debt ÷ Shareholder´s equiyt	114,9%	115,2%
Quarterly Cash Generation	7,0	75,1
YTD Cash Generation	82,0	

	IFRS	
R\$ million	2Q14	1Q14
Gross Debt	3.011,5	3.134,5
Cash and Cash Equivalent	746,4	973,0
Net Debt	2.265,1	2.161,5
Net Debt ÷ Shareholder´s equiyt	94,6%	89,9%
Quarterly Cash Generation	(103,6)	167,6
YTD Cash Generation	63,9	

Debt Breakdown

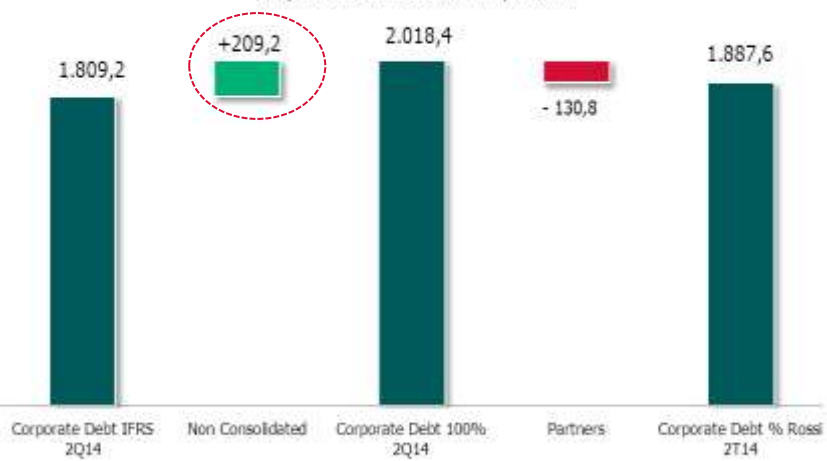
SFH Debt Breakdown | R\$ MM



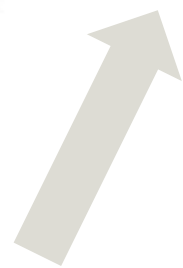
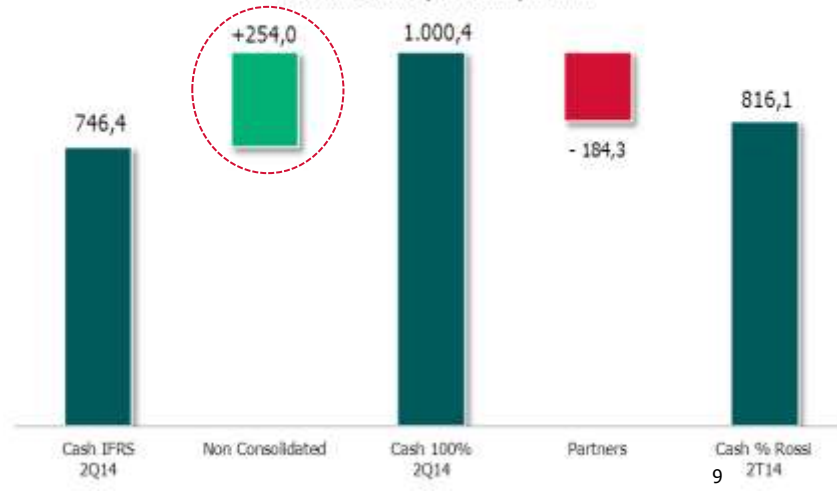
Total Debt | R\$ MM



Corporate Debt Breakdown | R\$ MM

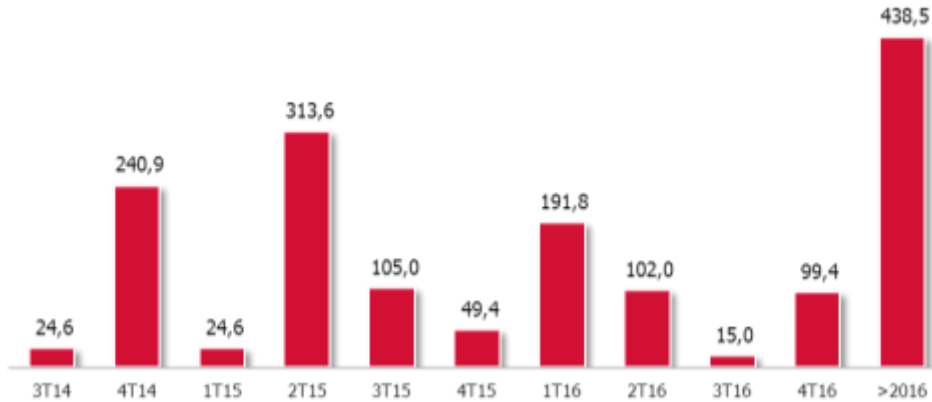


Cash and Cash equivalents | R\$ MM



Indebtness

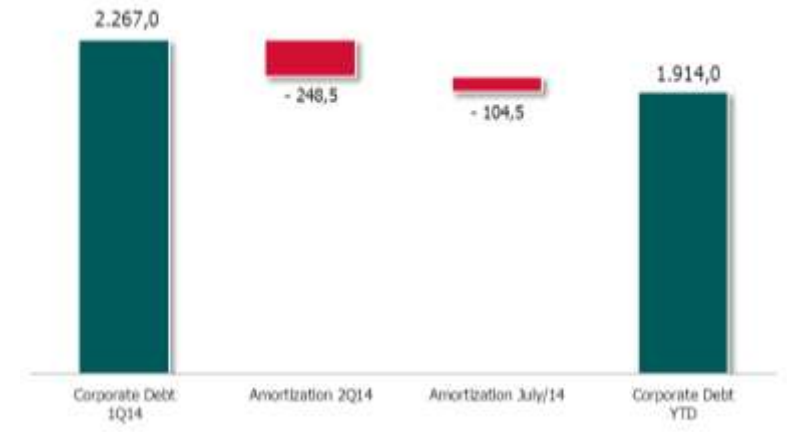
Corporate Debt Schedule R\$ MM



⇒ From the R\$ 1,2 billion to be paid on 2014, R\$ 550 million were rolledover.

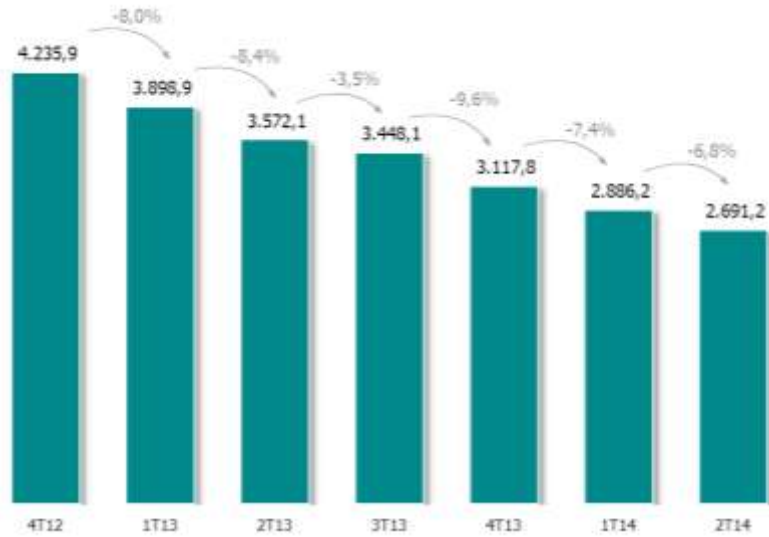
⇒ On July, 1st, a R\$ 104.5 million were paid, thus totalling R\$ 353 million by the end of the year.

Corporat Debt| R\$ MM

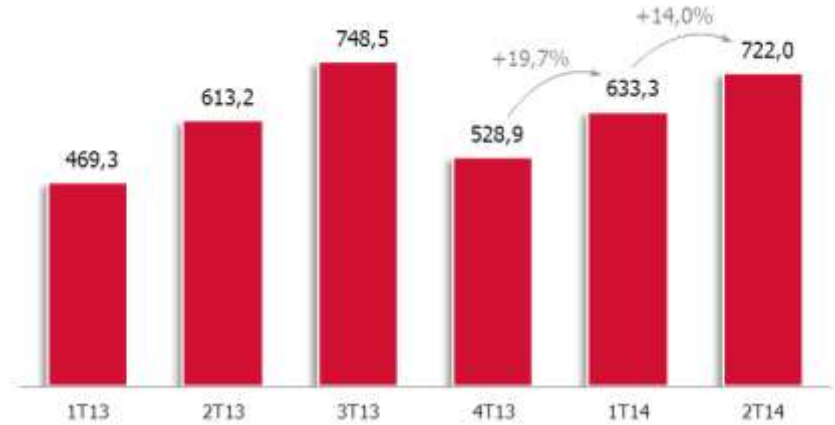


Cash Flow Drivers

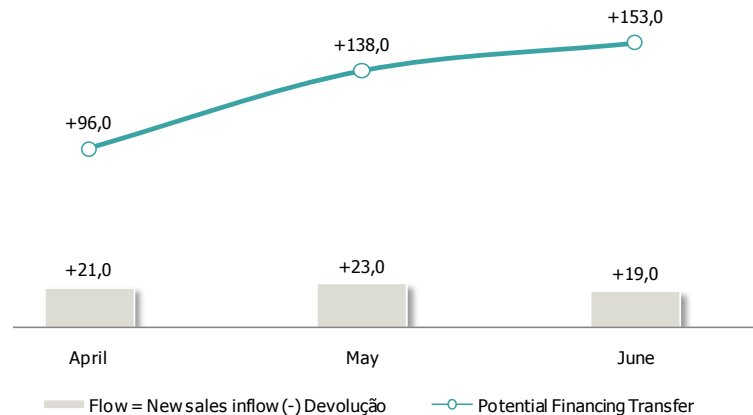
Cost to be incurred detailed (100%) | R\$ MM



Financial Transfers (100%) | R\$ MM

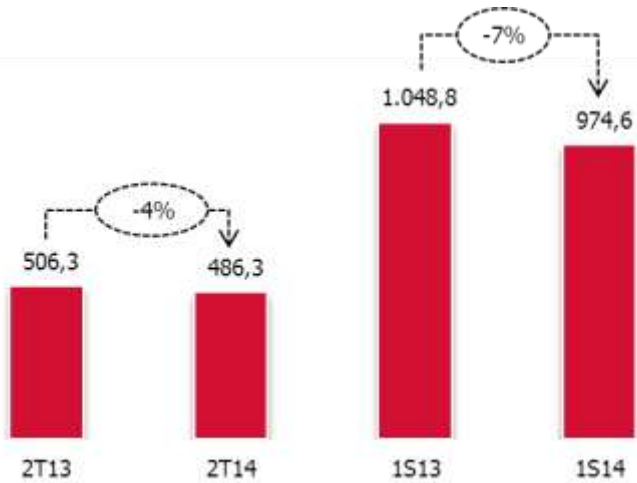


Sales Cancellation – Cash Flow and Financial Transfers impact| R\$ MM

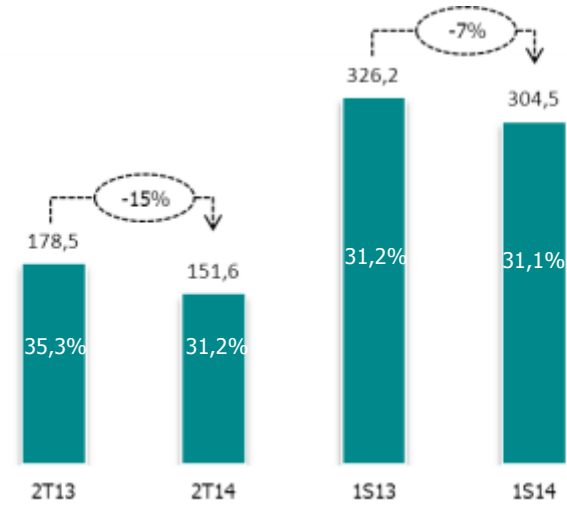


Other Financial Highlights

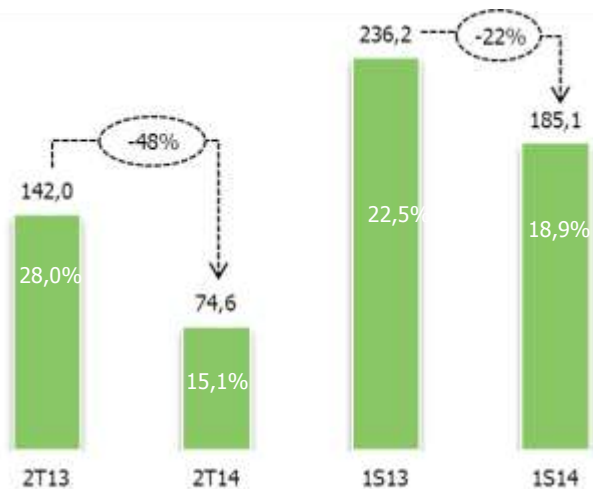
Net Revenues (R\$ million)



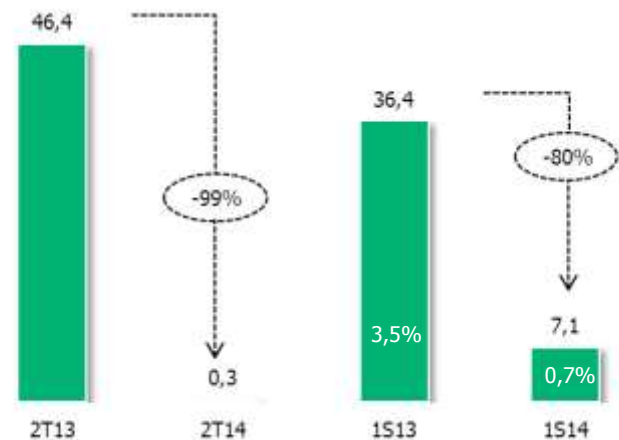
Gross Profit (R\$ million) and Gross Margin¹ (%)



Adjusted EBITDA (R\$ million) and Adjusted EBITDA Margin (%)



Net Income (R\$ million) and Net Margin (%)



¹ Excluindo juros alocados ao Custo

Equipe de RI
Tel. (55 11) 4058-2502

ri@rossiresidencial.com.br
www.rossiresidencial.com.br/ri



IBOVESPA



Índice Imobiliário **IMOB**

Índice de
Ações com Governança
Corporativa Diferenciada **IGC**

Índice de
Ações com Tag Along
Diferenciado **ITAG**

Índice
Valor
Barragem **IVBX 2**

MSCI

FTSE

Prêmio Abrasca
DE CRIAÇÃO DE VALOR
2010
RESEARCH RETORNA