ROSSI

São Paulo, May 14, 2018. Rossi Residencial S.A. (B3: RSID3; Bloomberg: RSID3 BZ Equity), announces its results for the first quarter of 2018.

RSID3: R$ 6.21 per share

Total shares: 17,153,337

Market Value: R$106.5 MM

27% reduction in Cancellations (% Rossi) vs. 4Q17

59% of cancelled units in 1Q18 were resold

30% drop in Administrative Expenses vs. 1Q17

Termination of the Joint Venture based in Manaus

Conference Call

May 15, 2018
In Portuguese with simultaneous translation
11:30 a.m. (Brasília) / 10:30 a.m. (US ET)
Phone: +1 (516) 300-1066 or +55 (11) 3127-4971
Code: Rossi
Replay (available until 05/22/2018):
Phone: (+55 11) 3127-4999
Code: 55719937

Investor Relations Team

ri@rossiresidencial.com.br

+55 (11) 4058-2502

SUMÁRIO

MESSAGE FROM THE CEO

We began 2018 and our operational and financial restructuring process continues in full steam.

One of the highlights of this transition process between the cycle of recent years, including the Company's national geographic expansion and growth, and the cycle that is beginning now in 2018, which will take us back to our origins by focusing and extracting the maximum potential from our core values, is the simplification of the Company's operating structure.

That is why we can consider that the termination of the Capital Rossi Joint Venture, a company of the group that operated in the cities of Manaus and Belém, was the most signifcant achievement for the first quarter of 2018.

Without the need of cash disbursements, Rossi and Capital terminated the partnership by splitting the existing assets and, despite the evident impact on the main operational and financial indicators, especially under the 100% view and IFRS analysis, the end of this Joint Venture will allow the Company to focus its attention on regions considered as strategic, where future launches will be concentrated.

In this sense, our land bank did not change during the quarter, except for the areas transferred to our partner in connection with the termination of the Construtora Capital partnership, and we continue to develop and work on the approval of the projects that make up Rossi's R$1.3 billion in PSV with short-term launch potential. Some of these projects are expected to be launched in the second half of the year, however, launches will depend if real estate market dynamics allow for an efficient management of the risks involved in the business.

In terms of operating results, in 1Q18, the Company recorded a fall in SoS sales by 3.1 percentage points when compared to the previous quarter, since, although key economic indicators suggest an economic resumption trend, this recovery has been slower than expected and incapable of significantly affecting employment and income indexes, which are fundamental pillars for the sustainable development of real estate activity.

On the other hand, our sales cancellation levels dropped by 27%. Part of this reduction is already a reflection of the restructuring of the customer service area, which brought the commercial department closer to the resale and client retention areas and contributed with the maintenance of high resale indexes for units cancelled in the quarter (59%).

Finally, I think it is worth highlighting the Company's ongoing efforts, year after year, to reduce costs and optimize its administrative structure. In this quarter, G&A reduced by 30% when compared to the same quarter of the previous year, which was already 36% lower than in 1Q16.

João Paulo Franco Rossi Cuppoloni
CEO

OPERATING AND FINANCIAL INDICATORS

R$ MM	1Q18	1Q17	Var.	4Q17	Var.
Operating Performance					
Launches - 100%	-	-	-	-	-
Gross Sales - 100%	123.2	291.8	-57.8%	168.4	-26.8%
Cancellations - 100%	72.4	180.9	-60.0%	109.1	-33.6%
Net Sales - 100%	50.8	110.9	-54.2%	59.3	-14.3%
Launches - % Rossi	-	-	-	-	-
Gross Sales - % Rossi	94.2	229.6	-59.0%	136.5	-31.0%
Cancellations - % Rossi	60.7	124.3	-51.2%	83.4	-27.2%
Net Sales - % Rossi	33.5	105.3	-68.2%	53.1	-36.9%
Financial Performance					
Net Revenue	59.9	138.6	-56.8%	76.2	-21.4%
Gross Margin[1]	-19.6%	-1.7%	-17.9 p.p.	2.3%	-9.5 p.p.
Gross Margin (ex interest)[2]	18.2%	10.0%	8.2 p.p.	26.8%	-0.3 p.p.
Adjusted EBITDA[3]	-66.8	-60.5	-10.4%	-46.7	43.0%
Adjusted EBITDA Margin[3]	-111.6%	-43.7%	-67.9 p.p.	-61.3%	0.8 p.p.
Net Income	-142.9	-162.9	12.3%	141.8	-200.8%
Net Margin	-238.5%	-117.5%	-121.0 p.p.	186.1%	-2.3 p.p.
Net Debt / Equity (%) - Rossi's share	822.3%	411.2%	411.1 p.p.	513.8%	0.6 p.p.
Cash Generation (Burn) - Rossi's share	12.5	16.8	25.8%	323.1	-96.1%

[1] Consolidated as per CPCs19 (R2) and 36 (R3), relating to the subsidiaries.

[2] Gross Margin excluding interest allocated to cost.

[3] EBITDA and EBITDA Margin adjusted for expenses that do not represent a cash outflow and for non-recurring items. Reconciliation with EBITDA as per CVM Instruction No.527/2012 is shown in the glossary at the end of this document.

OPERATING PERFORMANCE

The operating metrics shown in this results release are calculated on the basis of proportional view. In addition to the proportional view, the results are also being presented divided into consolidated (IFRS) and non consolidated companies, as shown in Exhibit II. Details of the amounts taking 100% of operations into account, irrespective of the method of consolidation, are given in Exhibit I.

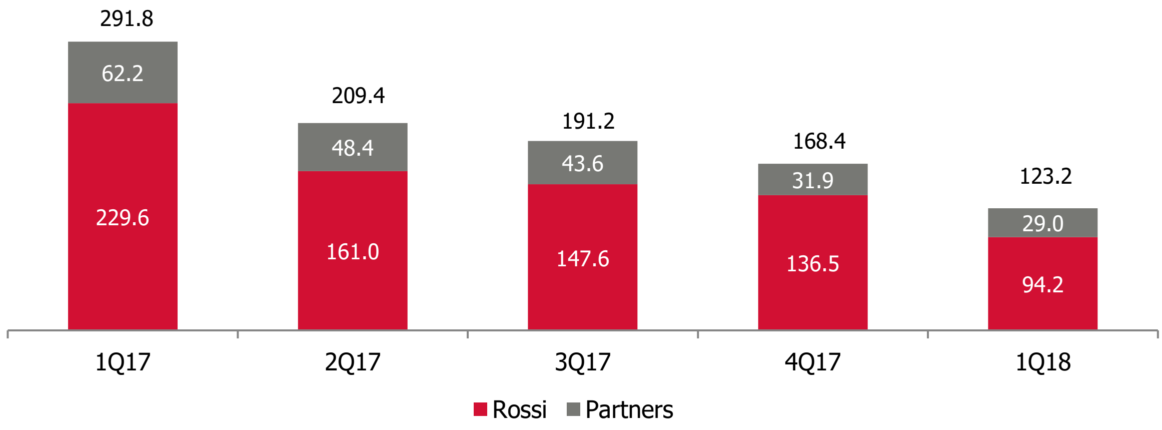
LAUNCHES

We did not launch any new projects in 1Q18.

VENDAS CONTRATADAS E VELOCIDADE DE VENDAS (VSO)

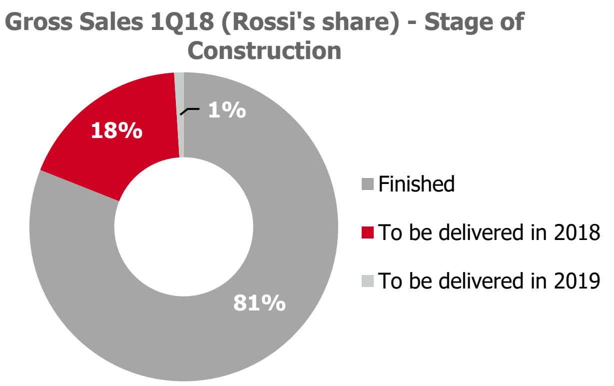
Gross Contracted Sales in the quarter amounted to R$123.2 million (R$94.2 million – Rossi's share), a 59% drop when compared to 1Q17 and 31% lower than the previous quarter.

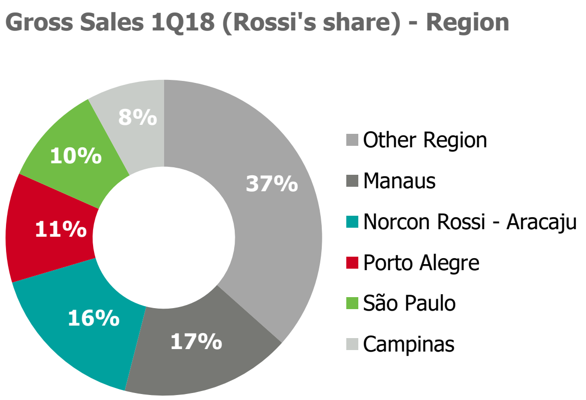
Gross Sales - R$ million



A portion of the decrease in Gross Contracted Sales versus 4Q17 (R$9.4 million) is due to the sale of our stakes in certain projects in Manaus, which were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture.

The following charts illustrate gross sales (% Rossi) by stage of construction and metropolitan region. This quarter, the share of completed units in total contracted sales reached 81%. The share of sales in regions not considered to be strategic to the business amounted to 37%, in line with the strategy to reduce inventory in these locations.





The tables below detail the gross sales contracted, both based on Rossi's share in the projects and on the 100% view, segmented by metropolitan region and stage of construction during the first quarter:

Gross Sales 4Q17 (100%) | R$ MM	Finished	2018	2019	Total
Campinas	6.6	-	5.1	11.7
Manaus	16.4	-	-	16.4
Norcon Rossi - Aracaju	22.2	-	-	22.2
Porto Alegre	6.9	3.7	-	10.6
São Paulo	1.4	8.6	-	10.0
Other regions	47.8	4.5	-	52.3
Total	**101.3**	**16.8**	**5.1**	**123.2**

Gross Sales 4Q17 (Rossi's share) | R$ MM	Finished	2018	2019	Total
Campinas	5.9	-	1.6	7.5
Manaus	16.4	-	-	16.4
Norcon Rossi - Aracaju	15.5	-	-	15.5
Porto Alegre	6.9	3.7	-	10.6
São Paulo	1.2	8.6	-	9.8
Other regions	30.1	4.4	-	34.5
Total	**76.0**	**16.6**	**1.6**	**94.2**

The following tables illustrate sales speed ("SoS") for the quarter and the accumulated last 12 months, considering the amounts proportional to Rossi's share. SoS stood at 14% in the quarter while the accumulated SoS for the last 12 months stood at 50%.

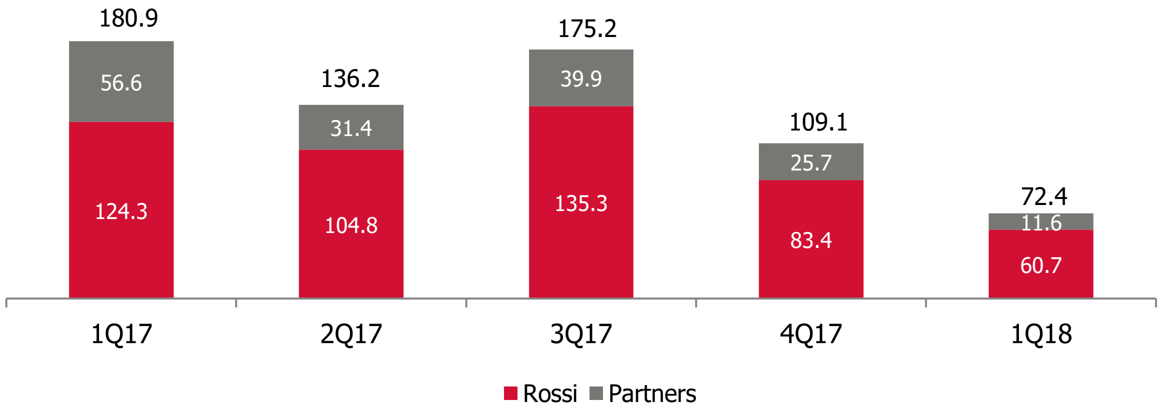
Quarterly SOS | % Rossi	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	1,253.1	1,056.8	842.8	813.6	686.9
Launches	-	-	14.3	-	-
Inventory + Launches	**1,253.1**	**1,056.8**	**857.0**	**813.6**	**686.9**
Gross Sales	(229.6)	(161.0)	(147.6)	(136.5)	(94.2)
Sales speech (SOS) (%)	**18.3%**	**15.2%**	**17.2%**	**16.8%**	**13.7%**
Sales cancellation	124.3	104.8	135.3	83.4	60.7
Adjusts / Revalue	(91.0)	(157.8)	(31.1)	(73.6)	(98.6)
Inventory - EOF	**1,056.8**	**842.8**	**813.6**	**686.9**	**554.7**

LTM SOS | % Rossi	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	1,549.3	1,360.0	1,239.2	1,253.1	1,056.8
Launches	-	-	14.3	14.3	14.3
Inventory + Launches	**1,549.3**	**1,360.0**	**1,253.5**	**1,267.3**	**1,071.1**
Gross Sales	(839.1)	(784.3)	(773.7)	(674.8)	(539.3)
Sales speech (SOS) (%)	**54.2%**	**57.7%**	**61.7%**	**53.2%**	**50.4%**
Sales cancellation	626.7	534.7	532.4	447.6	384.2
Adjusts / Revalue	(280.1)	(267.6)	(198.6)	(353.3)	(361.2)
Inventory - EOF	**1,056.8**	**842.8**	**813.6**	**686.9**	**554.7**

SALES CANCELLATION

In the first quarter of 2018, cancellations totaled R$72.4 million (R$60.7 million – Rossi's share), a 51% drop in Rossi's share when compared to the first quarter of 2017 and a 27% drop versus the previous quarter.

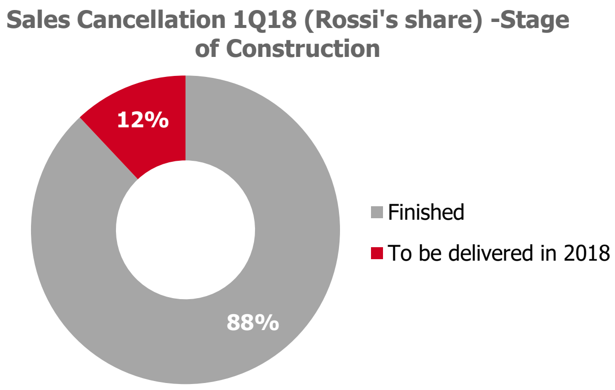
Sales Cancellation - R$ million

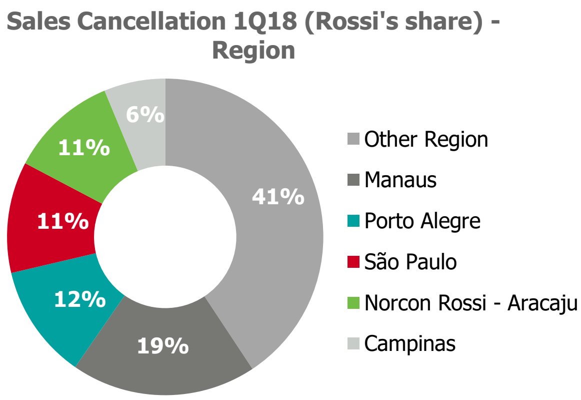


As in the case of Gross Contracted Sales, a portion of Sales Cancellation drop, when compared to 4Q17 (R$8.6 million), is also due to the sale of our stakes in certain projects in Manaus, which were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture.

Out of the total sales cancellations in the quarter, 59% of units were already resold, contributing to the maintaince of high resale indicators of recent quarters.

The following charts illustrate cancellations (% Rossi) by stage of construction and metropolitan region.





The tables below give details of cancellations by stage of construction and metropolitan region, both for Rossi and for the 100% consolidation in the first quarter of 2018:

Sales Cancellation 1Q18 (100 %) | R$ MM	Finished	2018	Total
Campinas	4.1	-	4.1
Capital Rossi - Manaus	11.5	-	11.5
Norcon Rossi - Aracaju	9.5	-	9.5
Porto Alegre	6.1	1.0	7.1
São Paulo	4.0	2.9	6.9
Other regions	29.9	3.3	33.3
Total	**65.1**	**7.2**	**72.4**

Sales Cancellation 1Q18 (Rossi's share) | R$ MM	Finished	2018	Total
Campinas	3.8	-	3.8
Capital Rossi - Manaus	11.5	-	11.5
Norcon Rossi - Aracaju	6.7	-	6.7
Porto Alegre	6.1	1.0	7.1
São Paulo	4.0	2.9	6.9
Other regions	21.5	3.1	24.7
Total	**53.6**	**7.0**	**60.7**

INVENTORY AT MARKET VALUE

Rossi's share of inventory at market value reached R$554.7 million in the quarter and was impacted by the sale our stakes in certain projects in Manaus, which were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture.

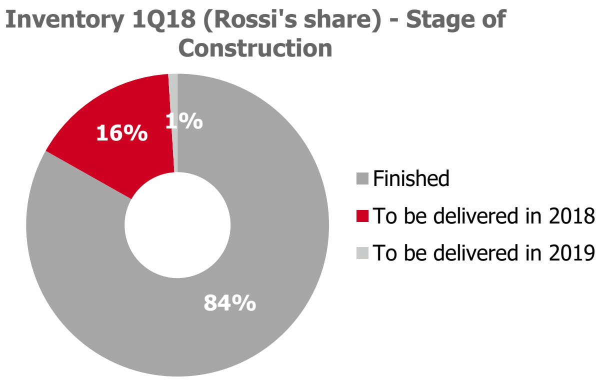
The following tables provide details by product line, year of launch and expected year of conclusion.

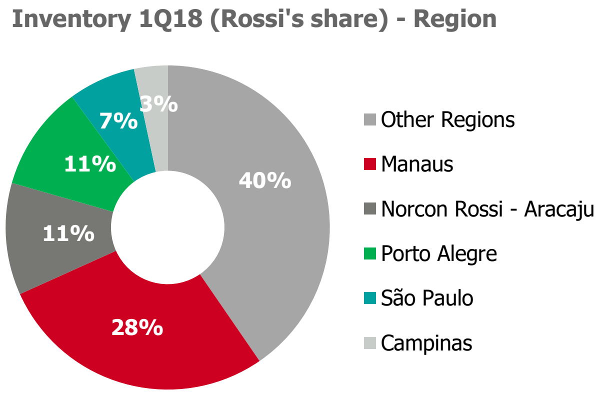
Exhibit V to this report shows the breakdown by city for 100% of the inventory.

Inventory % Rossi	Year of launch (R$ MM)						
Product Line	**2010 and Before**	**2011**	**2012**	**2013**	**2014**	**2017**	**Total**
Commercial	16.8	0.5	50.6	-	-	-	67.9
Conventional	16.6	81.5	167.5	97.8	109.8	3.8	477.1
Low Income	8.7	0.9	0.3	-	-	-	9.8
Total	**42.1**	**82.8**	**218.4**	**97.8**	**109.8**	**3.8**	**554.7**

Inventory % Rossi	Expected year of conclusion (R$ MM)			
Product Line	**Finished**	**2018**	**2019**	**Total**
Commercial	67.9	-	-	67.9
Conventional	385.8	87.4	3.8	477.1
Low Income	9.8	-	-	9.8
Total	**463.5**	**87.4**	**3.8**	**554.7**

The following charts show Rossi's inventory by stage construction and metropolitan region. Completed units represented 84% of total inventory in the quarter. Inventory in non strategic regions accounted for 40% of total inventory.





The following tables give details by metropolitan region, year of launch and year of estimated delivery:

Inventory % Rossi	Year of launch (R$ MM)						
Metro Region	**2010 and Before**	**2011**	**2012**	**2013**	**2014**	**2017**	**Total**
Campinas	1.6	-	0.3	12.9	-	3.8	18.6
Capital Rossi - Manaus	15.0	4.2	129.7	5.6	-	-	154.5
Norcon Rossi - Aracaju	-	1.2	18.0	18.3	24.4	-	62.0
Porto Alegre	-	1.8	5.8	12.3	38.4	-	58.3
São Paulo	2.4	1.3	5.7	0.6	27.2	-	37.2
Other Regions	23.1	74.4	58.9	48.1	19.7	-	224.2
Total	**42.1**	**82.8**	**218.4**	**97.8**	**109.8**	**3.8**	**554.7**

Inventory % Rossi	Expected year of conclusion (R$ MM)			
Metro Region	Finished	2018	2019	Total
Campinas	14.8	-	3.8	18.6
Capital Rossi - Manaus	154.5	-	-	154.5
Norcon Rossi - Aracaju	62.0	-	-	62.0
Porto Alegre	19.9	38.4	-	58.3
São Paulo	12.2	24.9	-	37.2
Other Regions	200.1	24.1	-	224.2
Total	**463.5**	**87.4**	**3.8**	**554.7**

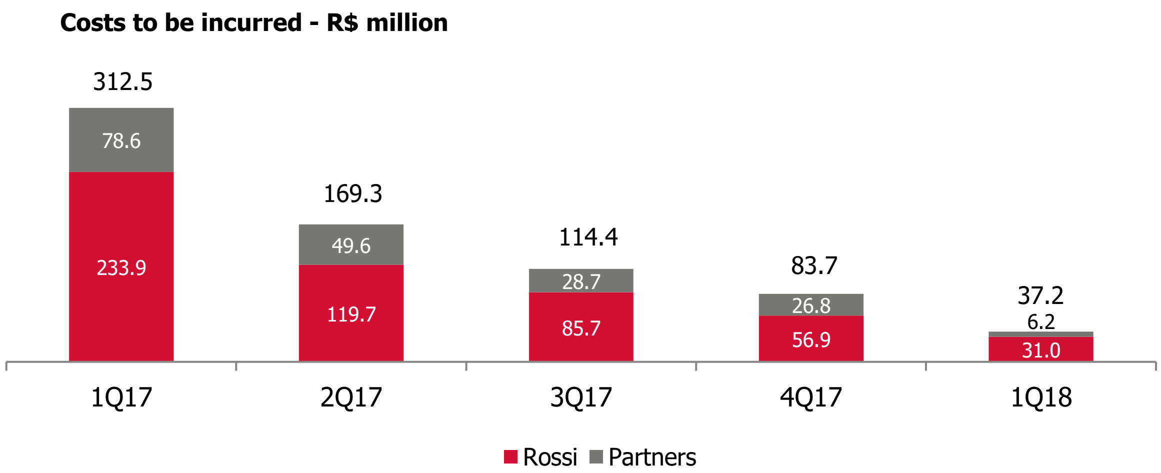
DELIVERIES

In 1Q18, 1 (one) project was delivered, located in the city of Aracaju, with 46 units and a total PSV of R$94.6 million (R$66.2 million Rossi's share).

	1Q18		
Segment	Units	PSV 100% (R$ MM)	PSV Rossi (R$ MM)
Conventional	46	94.6	66.2
Total	**46**	**94.6**	**66.2**

COSTS TO BE INCURRED

The following chart shows how costs to be incurred (100%) have evolved historically. In 1Q18, costs to be incurred totaled R$37.2 million (R$31.0 million – Rossi's share) decreasing by 87% when compared to the same period in 2017. When compared to 4Q17, costs to be incurred fell by 46%, due to the natural progress of constructions that are yet to be delivered during this year and also due to the sale of our stake in two projects in the North region, which were in construction and that were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture.



LAND BANK

Rossi's land bank is broken down according to the Company's strategy and the corresponding operating profile. In 1Q18, there was a decrease in PSV to be launched after 2019 (R$447.7 million Rossi's share), due to the sale our stakes in certain projects in Manaus and Belem, which were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture.

R$ MM	PSV 100%	PSV %Rossi
Potential launch until 2019	1,412.7	1,295.4
Launches after 2019	3,257.2	2,478.3
Decommissioning	2,513.4	2,082.7
Consolidated Land Bank	**7,183.3**	**5,856.3**

In 1Q18, landbank for construction and incorporation of residential real estate with launch potential by 2019 amounted to R$1.4 billion (R$1.3 billion – Rossi's stake). The potential amount of decommissioning, sale or cancellation of swap agreements and that will be used to settle part of the Company's recently negotiated corporate debt is R$2.5 billion (R$2.1 billion – Rossi's share). Land for residential developments in the long-term totals R$3.3 billion (R$2.5 billion – Rossi's share).

The table below shows the land bank intended for residential development, with potential launch by 2019, broken down by metropolitan region and type of product:

Metro Region / Product	Until 200 K	R$ 200 to R$ 350 K	R$ 350 to R$ 500 K	R$ 500 to R$ 650 K	> R$ 750 K	Total
Campinas	302.4	-	47.5	115.1	209.3	674.3
Norcon Rossi	-	105.1	-	-	58.1	163.2
São Paulo	-	-	-	457.9	-	457.9
Total	**302.4**	**105.1**	**47.5**	**573.0**	**267.4**	**1,295.4**

Allotments

The following table shows the land bank for allotments:

Location	PSV 100% (R$ MM)	PSV % Rossi (R$ MM)	# of Lots
São Paulo country side	3,200.0	1,522.0	7,713
Rio Grande do Sul	456.6	125.9	1,080
Total	**3,656.7**	**1,647.9**	**8,793**

FINANCIAL PERFORMANCE

The financial information given in this results release has been prepared in accordance with the accounting practices generally accepted in Brazil, including CPCs 19 (R2) and 36 (R3), which deal with the consolidation of certain corporate interests.

Since 1Q13, Rossi has consolidated all the interests in its subsidiaries and affiliates in accordance with these pronouncements and, due to the termination of the Capital Rossi Joint Venture, which was not consolidated until 4Q17, the breakdown of these assets between partners generated significant impacts on information that are being presented in the next sections.

Although the transfer of some projects to Construtora Capital contributed to the reduction of the Company's key operating indicators (Gross Sales, Sales Cancellation, Inventory, Land Bank and Cost to be Incurred), mainly in 100% view, the change in accounting criteria for the companies that will remain under Rossi, and which have been consolidated, significantly increased some of the balance sheet accounts.

To allow greater comparability and complement the information that has already been disclosed, the effects on the main balance sheet accounts is illustrated below, according to IFRS:

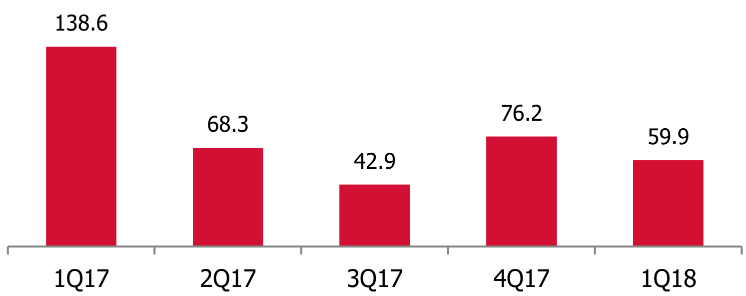
IFRS - R$ MM	1Q18	JV Capital Rossi effects	1Q18 (Pro forma)	4Q17	1Q18 (Pro forma) vs. 4Q17 Var. (%)
Accounts Receivable	1,026.9	177.2	849.7	871.3	-2.5%
Marketable Properties	1,128.2	145.8	982.4	1,013.4	-3.1%
Debt (SFH)	1,901.6	117.8	1,783.8	1,754.8	1.7%

NET REVENUE

Net revenue from the sale of properties and service, recognized by percentage of completion ("Poc"), totaled R$59.9 million in 1Q18, a 57% drop when compared to the same period of the previous year. This reduction is mainly due to: (i) lower sales in the quarter and (ii) the conclusion of projects that were delivered over the last 12 months and contributed to the reduction in Accounts Receivable and Revenue to be recognized.

R$ MM	1Q18	1Q17	Var. (%)
Sale of property and services	59.9	138.6	-56.8%
Net Operating Revenue	**59.9**	**138.6**	**-56.8%**

Net Revenue - R$ million



COST OF PROPERTIES AND SERVICES SOLD

The cost of properties and services reached R$71.6 million in the first quarter, down by 49% when compared to the same period of the previous year.

R$ MM	1Q18	1Q17	Var. (%)
Construction + Land	49.0	124.8	60.7%
Financial charges	22.6	16.3	-39.1%
Costs of Property and Services	**71.6**	**141.0**	**49.2%**

GROSS PROFIT AND MARGIN

Gross profit for the quarter came in as a negative R$11.7 million, with a negative margin of 20%. Gross profit adjusted by financial charges allocated to costs reached R$10.9 million in 1Q18, with adjusted gross margin of 18%.

R$ MM	1Q18	1Q17	Var. (%)
Gross Income	-11.7	-2.4	-389.8%
Gross Margin (%)	-19.6%	-1.7%	-17.9 p.p.
Adjusted Gross Income[1]	10.9	13.9	-21.5%
Adjusted Gross Margin (%)	18.2%	10.0%	8.2 p.p.

(1) Adjusted gross profit: excludes financial charge

OPERATING EXPENSES

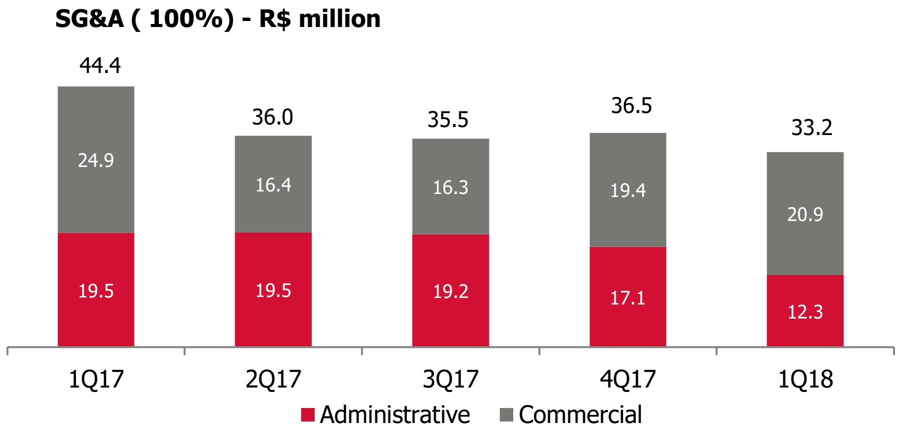
Despite the end of the Joint Venture Capital Rossi, operation that was not consolidated until 4Q17, another relevant part continues to be incorporated into the Financial Statements through Equity in the earnings of subsidiaries method, such as the Norcon Rossi Joint Venture, which operates in the city of Aracaju.

To ensure greater comparability and supplement the information previously disclosed, the following table shows the figures for 100% of the operation, and percentages relating to 100% of net revenues, irrespective of the method of consolidation.

	100%		
R$ MM	1Q18	1Q17	Var. (%)
Administrative (a)	12.3	19.5	-36.8%
Commercial (b)	20.9	24.9	-16.1%
Administrative / Net Revenue	16.1%	8.9%	7.2 p.p.
Commercial / Net Revenue	27.2%	11.4%	15.8 p.p.
(a) + (b)	**33.2**	**44.4**	**-25.2%**
(a) + (b) / Net Revenue	**43.3%**	**20.3%**	**23.0 p.p.**

In line with the strategy of cost reduction, there was a 37% reduction in administrative expenses (100%) in 1Q18 vesus the same period of the previous year. Commercial expenses were reduced by 16% when compared to 1Q17.

The chart below shows changes in SG&A expenses **for 100%** of the operation:

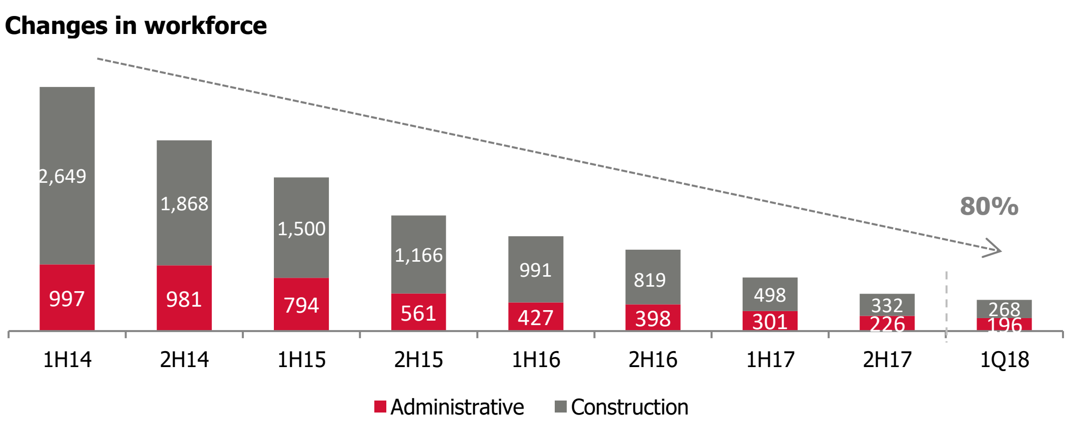


In accordance with IFRS, administrative expenses totaled R$11.3 million in 1Q18, down by 30%. In terms of commercial expenses, the Company recorded a 23% increase in the quarter, due to the change in consolidation criteria for the Capital Rossi Joint Venture projects that were fully transferred to Rossi (R$4.4 million).

	IFRS		
R$ MM	1Q18	1Q17	Var. (%)
Administrative (a)	11.3	16.1	-29.8%
Commercial (b)	16.6	13.5	23.0%
Administrative / Net Revenue	18.9%	11.6%	7.3 p.p.
Commercial / Net Revenue	27.7%	9.7%	18.0 p.p.
(a) + (b)	**27.9**	**29.6**	**-5.7%**
(a) + (b) / Net Revenue	**46.6%**	**21.4%**	**25.2 p.p.**

It is important to highlight the efforts made by Rossi to improve its structure, especially since the second half of 2014 when the administrative staff headcount was reduced by 80%.

The chart below shows the changes in administrative staff and construction site employees:



OTHER NET OPERATING REVENUES/EXPENSES

Other net operating expenses totaled R$39.1 million in 1Q18 versus R$25.4 million in 1Q17, up by 54% due to goodwill of land transferred to our former partner in connection with the termination of the Capital Rossi Joint Venture.

EQUITY IN THE EARNINGS OF SUBSIDIARIES

The following table provides details of the results, divided between consolidated (IFRS) and unconsolidated companies. The gross margin from the non-consolidated projects (24%) consists basically of projects from joint venture Norcon Rossi, leader in the Aracaju market, and the allotment project launched in 2017, which has higher margins than conventional real estate development projects.

	1Q18		
R$ MM	IFRS	Non Consolidated	100%
Net Revenue	**59.9**	**30.0**	**89.9**
Costs of property and services	**(71.6)**	**(30.0)**	**(101.6)**
Construction + Land	(49.0)	(22.8)	(71.8)
Financial Charges	(22.6)	(7.2)	(29.8)
Gross Income	**(11.7)**	**0.0**	**(11.7)**
Gross Margin (%)	-19.6%	0.1%	-13.0%
Gross Income ex interest	**10.9**	**7.2**	**18.1**
Gross Margin ex interest (%)	18.2%	24.1%	20.1%

EBITDA

Adjusted EBITDA was negative by R$66.8 million in the quarter, with a negative adjusted margin of -112%. The main impact in EBITDA are illustrated in items gross profit and operating expenses.

R$ MM	1Q18	1Q17	Var. (%)
Net Income (Loss)	-142.9	-162.9	12.3%
(+/-) Net Financial Expenses (Revenues)	40.4	77.5	47.9%
(+) Provision for Income Tax and Social Contribution	2.0	3.4	-39.8%
(+) Depreciation and Amortization	4.0	5.8	30.5%
(+/-) Minority	6.9	-0.7	-1100.6%
EBITDA	**-89.4**	**-76.9**	**-16.3%**
(+) Capitalized Interest	22.6	16.3	-39.1%
(+/-) Stock Option	0.0	0.1	-99.6%
Adjusted EBITDA	**-66.8**	**-60.5**	**-10.4%**
Adjusted EBITDA Margin (%)	-111.6%	-43.7%	-67.9 p.p.

[1] EBITDA as per CVM Instruction 527/2012.

[2] EBITDA Adjusted for expenses that do not represent cash disbursements and non-recurring items. For further information, see the glossary at the end of this document.

NET FINANCIAL RESULT

Net financial result reached R$40.4 million in 1Q18 versus R$77.5 million in 1Q17, down by 48% due to (i) the decline in the CDI rate and consequent impact on interest rates applicable to corporate debt contracts, in addition to (ii) a positive impact from the end of the partnership and settlement of the liability that existed with RB Capital.

R$ MM	1Q18	1Q17	Var. (%)
Financial Revenues (pro-forma)	5.3	5.3	-1.2%
Financial Expenses	-45.7	-82.9	44.9%
Financial Result (pro-forma)	**-40.4**	**-77.5**	**47.9%**

NET INCOME (LOSS)

Rossi recorded a net loss of R$142.9 million in 1Q18, as detailed above.

BACKLOG RESULT

The following table presents backlog results, excluding financial costs, taxes, provisions for guarantees and discounts granted:

R$ MM	1Q18	4Q17	Var. (%)
Gross Revenue	26.7	37.7	-29.2%
Costs (w/ financial charges)	-19.3	-25.2	-23.4%
Backlog Result	**7.3**	**12.4**	**-41.0%**
Backlog Margin (%)	**27.5%**	**33.0%**	**-5.5 p.p.**

The following table presents the schedule of revenues and costs to be recognized from units sold, segmented by consolidated and non-consolidated projects:

R$ MM	1Q18
Consolidated	26.7
Non Consolidated	16.0
Backlog Revenue	**42.6**
Consolidated	-19.3
Non Consolidated	-7.3
Backlog Costs	**(26.6)**
Consolidated	27.5%
Non Consolidated	54.3%
Backlog Margin	**37.5%**

The gross margin to be appropriated from the non-consolidated projects (54%) consists basically of the allotment project launched in 2017, which has higher margins than conventional real estate development projects.

ACCOUNTS RECEIVABLE

The balance of accounts receivable from clients, according to IFRS, plus the balance from real estate developments to be recognized pursuant to the PoC method (recognition of revenues and respective costs and expenses arising from real estate development transactions during the progress of the works) totaled R$1.1 million, a 18% increase versus the previous quarter.

This increase is explained by the change in the consolidation criteria for the Capital Rossi Joint Venture projects that were fully transferred to Rossi (R$177.2 million).

R$ MM	1Q18	JV Capital Rossi effects	1Q18 (Pro forma)	4Q17	1Q18 (Pro forma) vs. 4Q17 Var. (%)
Short Term	**893.4**	**154.2**	**739.2**	**767.0**	**-3.6%**
Units under construction	41.3	-	41.3	44.9	-8.0%
Finished units	814.4	154.2	660.2	693.7	-4.8%
Receivables from land sale	37.7	-	37.7	28.4	32.5%
Long Term	**133.5**	**23.0**	**110.5**	**104.3**	**6.0%**
Units under construction	6.1	-	6.1	5.4	12.9%
Finished units	127.4	23.0	104.4	98.9	5.6%
Total	**1,026.9**	**177.2**	**849.7**	**871.3**	**-2.5%**
Real Estate developments to be recognized under the POC method					
Short Term	33.6	-	33.6	30.8	8.9%
Long Term	5.0	-	5.0	4.2	19.7%
Total	**38.6**	**-**	**38.6**	**35.0**	**10.2%**
Total Accounts Receivable	**1,065.5**	**177.2**	**888.3**	**906.3**	**-2.0%**

MARKETABLE PROPERTIES

The following table details the marketable properties recognized in the balance sheet at their historical cost.

As in the case of Accounts Receivable, there was an increase in the balance of Marketable Properties when compared to 4Q17 is explained by the change in the consolidation criteria of Manaus projects that were fully transferred to Rossi (R$145.8 million).

R$ MM	1Q18	JV Capital Rossi effects	1Q18 (Pro forma)	4Q17	1Q18 (Pro forma) vs. 4Q17 Var. (%)
Finished properties	428.5	125.9	302.5	219.5	37.8%
Properties under construction	154.1	-	154.1	271.8	-43.3%
Land sites for future developments	505.0	19.9	485.2	477.5	1.6%
Consumables	0.4	-	0.4	2.2	-82.5%
Advances to suppliers	2.3	-	2.3	2.5	-7.8%
Capitalized Interest	38.0	-	38.0	39.9	-4.9%
Total	**1,128.2**	**145.8**	**982.4**	**1,013.4**	**-3.1%**

DEBT

Under the IFRS analysis, Rossi ended 1Q18 with a cash balance of R$54.4 million and total debt of R$1.9 billion.

Rossi's real estate credit transactions include loans for construction (SFH housing financing system) and Bank Credit Notes (CCB)[1] contracted for the construction and development of pre-determined housing developments.

R$ MM	1Q18	JV Capital Rossi effects	1Q18 (Pro forma)	4Q17	1Q18 (Pro forma) vs. 4Q17 Var. (%)
Short Term	**783.0**	**104.4**	**678.5**	**613.3**	**10.6%**
Construction Loans	**614.3**	**104.4**	**509.8**	**547.4**	-6.9%
SFH	524.2	104.4	419.8	267.7	56.9%
CCB [1]	90.0	-	90.0	279.7	-67.8%
Working Capital	159.5	-	159.5	56.7	181.4%
Receivables Securitization	9.2	-	9.2	9.2	-0.8%
Long Term	**1,118.7**	**13.4**	**1,105.3**	**1,141.5**	**-3.2%**
Construction Loans	**856.0**	**13.4**	**842.6**	**777.9**	8.3%
SFH	212.9	13.4	199.6	360.9	-44.7%
CCB [1]	643.1	-	643.1	416.9	54.2%
Working Capital	249.5	-	249.5	350.7	-28.9%
Receivables Securitization	13.2	-	13.2	12.9	0.0%
Total Debt	**1,901.6**	**117.8**	**1,783.8**	**1,754.8**	**1.7%**
Cash and Cash Equivalents	54.4	4.9	49.4	46.7	6.0%
Net Debt	**1,847.3**	**112.9**	**1,734.4**	**1,708.2**	**1.5%**
Net Debt / Equity	**817.4%**	**n.a**	**767.4%**	**461.7%**	**66.2%**
Cash Burn	**(139.1)**	**n.a**	**(26.2)**	**301.5**	**108.7%**

CCB[1] - Bank Credit Notes

With the purpose of maintaining transparency of the data disclosed so that all economic agents can understand the current situation of Rossi's operations, the following tables present the Company's debt using two approaches that are complementary to IFRS: (i) 100% of companies, regardless of IFRS consolidation criteria; and (ii) Rossi's proportional share in the developments. We understand that some actions taken by us, particularly those regarding centralization of surplus cash from the SPEs in Rossi Residencial, have had an impact on the IFRS and proportional figures, which may hinder understanding of the operating cash generation itself. Operating cash generation will continue to be presented pursuant to these three approaches, as long as this is required for full understanding of the company's cash generation.

In the 100% view, for example, we had a cash generation of R$159.0 million, mainly due to the reduction in total gross debt, as a result of the sale of interest in certain projects in Manaus, which were transferred to Construtora Capital, as already discussed in previous sections.

100%

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Total Debt	**2,709.2**	**2,605.4**	**2,552.0**	**2,212.6**	**2,059.4**
Cash and Equivalents	162.8	104.3	66.0	64.5	70.4
Net Debt	**2,546.3**	**2,501.1**	**2,486.0**	**2,148.1**	**1,989.1**
Net Debt / Equity	**453.2%**	**635.9%**	**1034.0%**	**580.7%**	**880.1%**
Cash Burn in the quarter	**22.3**	**45.2**	**15.1**	**337.9**	**159.0**
Cash Burn LTM	**-**	**-**	**-**	**-**	**557.3**

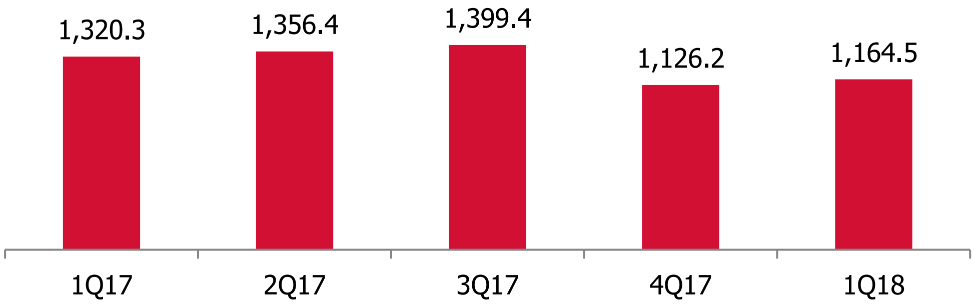
Proportional

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Total Debt	**2,410.6**	**2,340.5**	**2,311.4**	**1,985.8**	**1,984.5**
Cash and Equivalents	141.0	85.3	53.2	50.8	61.9
Net Debt	**2,269.5**	**2,255.2**	**2,258.1**	**1,935.0**	**1,922.6**
Net Debt / Equity	**411.2%**	**577.5%**	**959.1%**	**513.8%**	**822.3%**
Cash Burn in the quarter	**16.8**	**14.3**	**(3.0)**	**323.1**	**12.5**
Cash Burn LTM	**-**	**-**	**-**	**-**	**347.0**

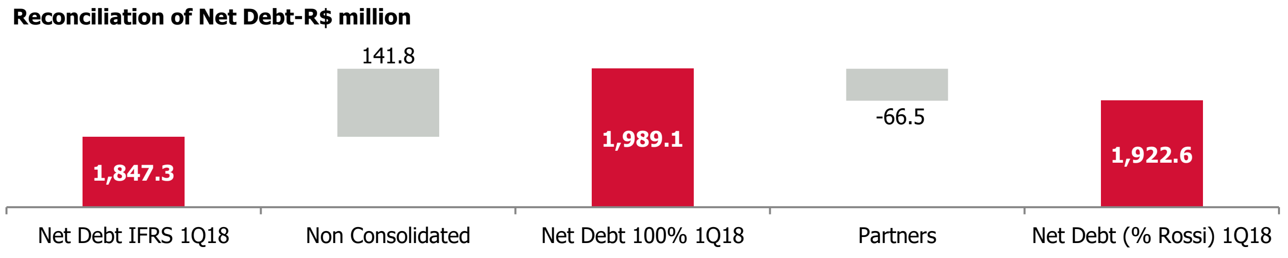
IFRS

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Total Debt	**2,102.5**	**2,074.5**	**2,066.5**	**1,754.8**	**1,901.6**
Cash and Equivalents	119.7	68.5	56.8	46.7	54.4
Net Debt	**1,982.7**	**2,006.0**	**2,009.7**	**1,708.2**	**1,847.3**
Net Debt / Equity	**352.9%**	**510.0%**	**835.9%**	**461.7%**	**817.4%**
Cash Burn in the quarter	**(2.8)**	**(23.3)**	**(3.7)**	**301.5**	**(139.1)**
Cash Burn LTM	**-**	**-**	**-**	**-**	**135.4**

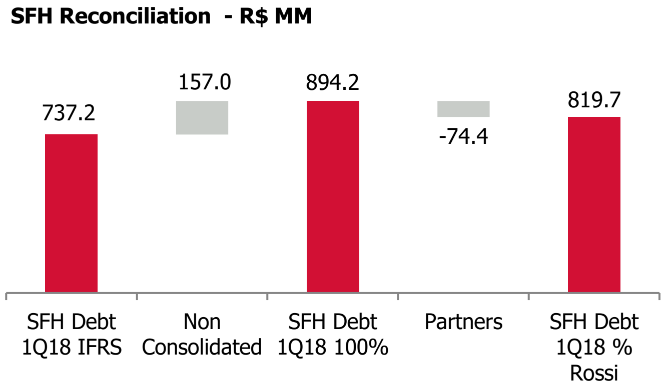
Evolution of Corporate Debt IFRS -R$ million

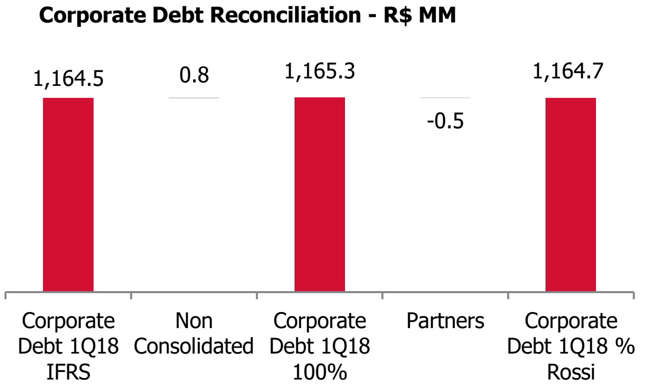


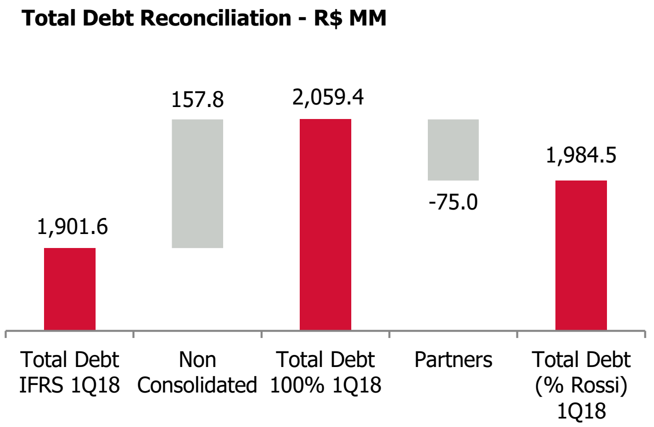
Net debt reconciliation is shown below pursuant to the 3 approaches:

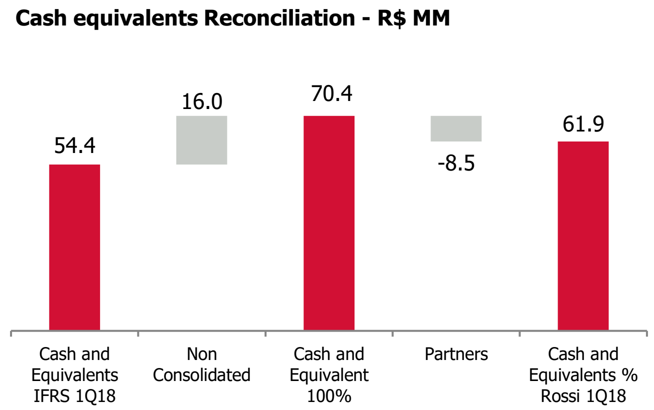


The following charts show reconciliation of gross debt and cash and cash equivalents using the 3 approaches:





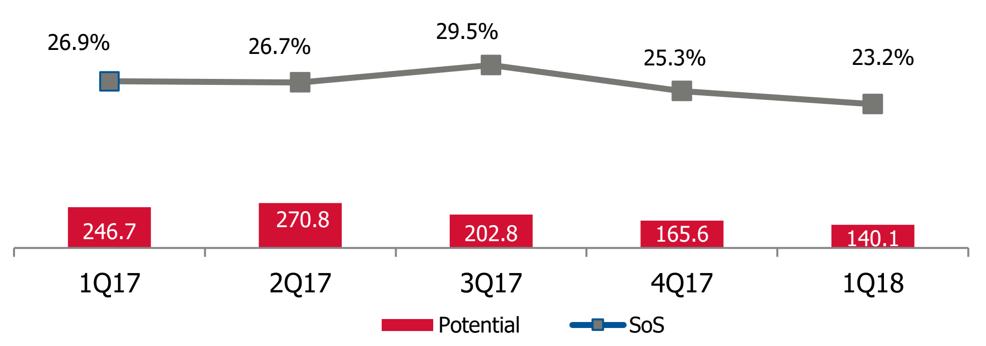




TRANSFERS

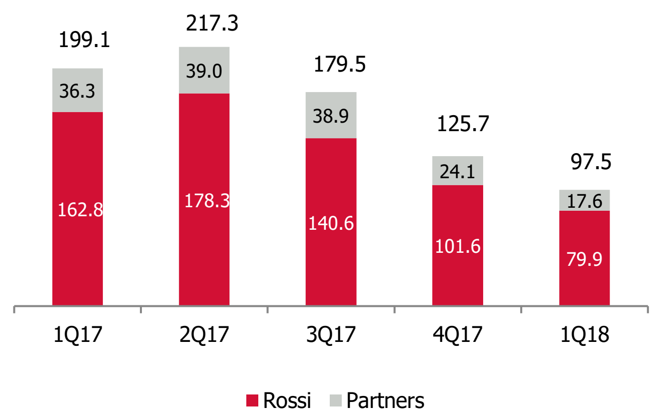
The chart below shows the quarterly index that measures transfer efficiency. The red bars indicate potential transfer amounts, that is, the sum of the outstanding balance of the occupation permit ("habite-se") units legally registered and possible transfers to financial institutions. Sales Speed (SoS) is measured by the ratio of volume of transfers and settlements in the period to potential value. SoS reached 23% in 1Q18.

Financial Transfers - SoS

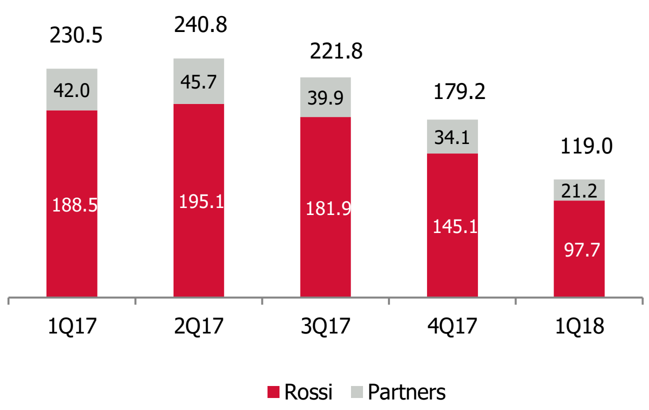


Cash inflows, which considers the volume of transfers and payments received from clients, reached R$119.0 million in the quarter (R$97.7 million – Rossi's stake), down by 34% versus the previous quarter. The charts below show the evolution of transfers and settlements, as well as cash inflow in recent quarters:

Transfers (signature + settlement) -R$ million



Cash Inflow -R$ million



As in the case of other indicators, the sale of our stakes in certain projects in Manaus, which were transferred to Construtora Capital in reference to the end of the Capital Rossi Joint Venture, negatively impacted transfers, settlements and cash inflows.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/03, we announce that Grant Thornton Auditores Independentes was engaged to provide the following services in 2017: audit of the financial statements pursuant to the accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS); and review of the interim financial information according to Brazilian and international standards on the review of interim financial information (NBC TR 2410 – Revision of intermediate information performed by the Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). The Company did not engage the independent auditor for activities other than those connected with the audit of the financial statements.

The engagement of the independent auditor is based on principles that assure the independence of the auditor, which consist in that: (a) the auditor should not audit its own work; (b) the auditor should not have management duties; and (c) the auditor should not provide services that may be prohibited under the regulations in effect. Additionally, Management has obtained a declaration from the independent auditor stating that the specific services provided do not affect their professional independence.

The information contained in the performance report that is not clearly identified as a copy of the information contained in the financial statements did not undergo any audit or review.

EXHIBT I | 100% INDICES - R$ MILLION

Quarter SOS |100%	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	1,595.5	1,444.0	1,118.0	1,108.7	937.0
Launches	-	-	45.4	-	-
Inventory + Launches	**1,595.5**	**1,444.0**	**1,163.4**	**1,108.7**	**937.0**
Gross Sales	(291.8)	(209.4)	(191.2)	(168.4)	(123.2)
Sales speech (SOS) (%)	**18.3%**	**14.5%**	**16.4%**	**15.2%**	**13.1%**
Sales cancellation	180.9	136.2	175.2	109.1	72.4
Adjusts / Revalue	(40.6)	(252.9)	(38.7)	(112.3)	(271.1)
Inventory - EOF	**1,444.0**	**1,118.0**	**1,108.7**	**937.0**	**615.1**

LTM SOS | 100%	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	2,215.5	1,944.5	1,814.8	1,595.5	1,444.0
Launches	-	-	45.4	45.4	45.4
Inventory + Launches	**2,215.5**	**1,944.5**	**1,860.2**	**1,640.9**	**1,489.4**
Gross Sales	(1,118.4)	(1,017.7)	(981.3)	(860.6)	(692.2)
Sales speech (SOS) (%)	**50.5%**	**52.3%**	**52.8%**	**52.4%**	**46.5%**
Sales cancellation	876.9	734.6	706.5	601.4	492.9
Adjusts / Revalue	(530.1)	(543.5)	(476.8)	(444.7)	(675.0)
Inventory - EOF	**1,444.0**	**1,118.0**	**1,108.7**	**937.0**	**615.1**

EXHIBIT II |IFRS INDICES - R$ MILLION

Quarter SOS - IFRS Consolidated	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	848.9	623.9	524.7	520.7	394.9
Launches	-	-	45.4	-	-
Inventory + Launches	**848.9**	**623.9**	**570.1**	**520.7**	**394.9**
Gross Sales	(140.4)	(112.7)	(101.4)	(98.9)	(93.9)
Sales speech (SOS) (%)	**16.5%**	**18.1%**	**17.8%**	**19.0%**	**23.8%**
Sales cancellation	83.8	70.7	95.4	61.1	61.4
Adjusts / Revalue	(168.4)	(57.2)	(43.4)	(87.9)	108.0
Inventory - EOF	**623.9**	**524.7**	**520.7**	**394.9**	**470.4**

Quarter SOS - Equity Result	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory - BOF	746.6	820.1	593.3	588.0	542.1
Launches	-	-	-	-	-
Inventory + Launches	**746.6**	**820.1**	**593.3**	**588.0**	**542.1**
Gross Sales	(151.4)	(96.7)	(89.7)	(69.5)	(29.2)
Sales speech (SOS) (%)	**20.3%**	**11.8%**	**15.1%**	**11.8%**	**5.4%**
Sales cancellation	97.1	65.5	79.8	48.0	11.0
Adjusts / Revalue	127.8	(195.6)	4.6	(24.4)	(379.1)
Inventory - EOF	**820.1**	**593.3**	**588.0**	**542.1**	**144.8**

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EXHIBIT III | INCOME STATEMENTS

Income Statement (R$ '000)	1Q18	1Q17	Var. (%)
Gross Operating Revenue			
Property sales and services	61,270	143,472	-57%
Sales taxes	-1,374	-4,853	72%
Net Operating Revenue	**59,896**	**138,619**	**-57%**
Cost of Property and Services	**-71,632**	**-141,015**	**49%**
Construction and Land	-49,018	-124,760	61%
Financial Charges	-22,613	-16,255	-39%
Gross Income	**-11,736**	**-2,396**	**-390%**
Gross Margin	**-19.6%**	**-1.7%**	**-17.9 p.p.**
Gross Margin (ex interest)	**18.2%**	**10.0%**	**8.2 p.p.**
Operating Expenses	**-81,715**	**-80,261**	**-2%**
Administrative	-11,266	-16,109	30%
Selling	-16,601	-13,505	-23%
Depreciation and Amortization	-4,001	-5,756	30%
Equity Result	-10,754	-19,466	45%
Other Operating Revenue (Expenses)	-39,093	-25,425	-54%
Earnings before Financial Result	**-93,451**	**-82,657**	**-13%**
Financial Result	**-40,434**	**-77,549**	**48%**
Financial Revenue	5,283	5,348	-1%
Financial Expenses	-45,717	-82,897	45%
Operating Income (Loss)	**-133,885**	**-160,206**	**16%**
Operating Margin	**-223.5%**	**-115.6%**	**-108.0 p.p.**
Provision for Taxes and Contributions	-2,130	-3,471	39%
Deferred Income Tax and S. Contribution	101	101	0%
Minorities	-6,938	693	-1101%
Net Income (Loss)	**-142,852**	**-162,883**	**12%**
Net Margin	**-238.5%**	**-117.5%**	**-121.0 p.p.**

EXHIBIT IV | BALANCE SHEET

Assets (R$ '000)	1Q18	4Q17	Var. (%)
Current			
Cash and equivalents	47,998	29,572	62.3%
Tradeble note	6,362	17,092	-62.8%
Accounts receivable from clients	893,416	766,998	16.5%
Tradeble properties	623,220	535,902	16.3%
Other assets	94,600	107,618	-12.1%
Total Current Assets	**1,665,596**	**1,457,182**	**14.3%**
Non Current			
Accounts receivable from clients	133,529	104,284	28.0%
Tradeble properties	505,022	477,477	5.8%
Judicial deposits	93,526	90,826	3.0%
Related parties	168,667	119,954	40.6%
Advances to business partners	345,924	473,810	-27.0%
Investments	549,857	1,046,836	-47.5%
Fixed	17,113	16,096	6.3%
Intangible	12,625	53,588	-76.4%
Total Non Current Assets	**1,826,263**	**2,382,871**	**-23.4%**
Total Assets	**3,491,859**	**3,840,053**	**-9.1%**

EXHIBIT IV | BALANCE SHEET (cont.)

Liabilities and Shareholders Equity (R$ '000)	1Q18	4Q17	Var. (%)
Current			
Construction Loans - real estate credit	782,963	613,300	27.7%
Suppliers	75,770	60,087	26.1%
Accounts payable to land site acquisition	114,610	119,702	-4.3%
Salaries and payroll charges	5,927	7,759	-23.6%
Taxes and contributions payable	27,554	24,044	14.6%
Profit sharing payable	494	590	-16.3%
Advances from clients	164,953	164,260	0.4%
Related parties	422,317	831,164	-49.2%
Deferred taxes and contributions	40,551	34,155	18.7%
Other accounts payable	178,222	146,745	21.5%
Total Current	**1,813,361**	**2,001,806**	**-9.4%**
Non Current			
Construction Loans - real estate credit	1,118,674	1,141,519	-2.0%
Accounts payable to land site acquisition	9,390	4,727	98.6%
Taxes and contributions payable	31,450	31,449	0.0%
Provision for risks	100,654	92,050	9.3%
Provision for guarantees	16,563	14,375	15.2%
Deferred taxes and contributions	43,747	31,459	39.1%
Provision for investment losses	78,851	80,100	-1.6%
Other accounts payable	53,172	72,623	-26.8%
Total Non Current	**1,452,501**	**1,468,302**	**-1.1%**
Shareholders' Equity			
Capital stock	2,611,390	2,611,390	0.0%
Treasury stock	-83,313	-83,313	0.0%
Capital reserve	70,042	69,994	0.1%
Accrued earnings	-2,364,319	-2,221,467	6.4%
Total Shareholders' Equity	**233,800**	**376,604**	**-37.9%**
Minority Interest	(7,803)	(6,659)	17.2%
Total Liabilities and Shareholders' Equity	**3,491,859**	**3,840,053**	**-9.1%**

EXHIBIT V – Inventory (100%)

PSV (R$ million)	Finished	2018	2019	Total
Manaus	154.5	-	-	154.5
Aracaju	96.6	-	-	96.6
Porto Alegre	17.4	38.4	-	55.8
Curitiba	55.4	-	-	55.4
Ribeirão Preto	44.4	-	-	44.4
Brasília	43.3	-	-	43.3
Duque de Caxias	34.8	-	-	34.8
Rio de Janeiro	4.4	24.1	-	28.5
Barueri	-	24.9	-	24.9
Campinas	1.9	-	12.2	14.1
Paulínia	12.9	-	-	12.9
Londrina	11.5	-	-	11.5
Jaboatão dos Guararápes	9.4	-	-	9.4
São Paulo	7.5	-	-	7.5
Belo Horizonte	5.3	-	-	5.3
Santos	4.0	-	-	4.0
Ananindeua	3.5	-	-	3.5
Xangri-Lá	2.5	-	-	2.5
Recife	1.1	-	-	1.1
Itaboraí	0.9	-	-	0.9
Nova Iguaçu	0.7	-	-	0.7
Parnamirim	0.6	-	-	0.6
Fortaleza	0.4	-	-	0.4
Hortolândia	0.3	-	-	0.3
Other Regions	2.0	-	-	2.0
Total	**515.5**	**87.4**	**12.2**	**615.1**

GLOSSARY

Cash Burn - Measured by the variation of net debt, adjusted by capital increase, dividends paid and non-recurring expenses.

CPC – Accounting Pronouncements Committee – Created by CFC Resolution No. 1055/05, its purpose is "to analyze, prepare and issue Technical Pronouncements on Accounting procedures, and disclose such information to enable the issue of standards by the Brazilian regulatory entity, aiming at centralizing and standardizing their production, taking into account the convergence of Brazilian Accounting with the international standards."

EBITDA – Net income for the year adjusted to income and social contribution taxes on income; depreciation and amortization expenses; and financial charges allocated to the cost of property sold. The method used to calculate Rossi's EBITDA is in line with the definition adopted by CIV, as provided for in CVM Instruction No. 527, of October 4, 2012.

Adjusted EBITDA – Ascertained based on net income adjusted to income and social contribution taxes on income; depreciation and amortization expenses; financial charges allocated to the cost of property sold; interest capitalized in CIV; share issue expenses; stock options plan expenses; and other non-operational expenses. Adjusted EBITDA is not a measure of financial performance according to the Accounting Practices Adopted in Brazil; thus, it should not be considered in isolation, or as an alternative to net income, as a measure of operating performance, an alternative to operational cash flows, or a liquidity index. There is not a standard definition for "Adjusted EBITDA," and Rossi's definition of Adjusted EBITDA may not be comparable with those used by other companies.

INCC – National Construction Cost Index, measured by Fundação Getúlio Vargas.

Land Bank – Land bank for future developments purchased in cash or through exchange.

Backlog Margin – Equivalent to "Backlog Results" divided by "Backlog Revenues" to be recognized in future periods.

PoC Method – Revenues, costs and expenses related to real estate developments are recognized according to the percentage of completion ("PoC") method, by measuring the evolution of construction works to the actual costs incurred against total expenses budgeted for each phase of the project, according to technical standard OCPC 04 – Application of ICPC 02 Technical Interpretation to Brazilian Real Estate Developers.

Exchange – land purchase system through which landowners receive a certain number of units or a percentage of revenues from the development to be built in exchange for the land. The exchange method reduces the need for financial resources and, as a result, increases the returns.

Backlog revenues – Backlog revenues correspond to sales contracted whose revenues will be recognized in future periods, according to the evolution of works, rather than upon the signature of agreements. Accordingly, the balance of Backlog Revenues corresponds to revenues that will be recognized in future periods regarding past sales.

Minha Casa Minha Vida (MCMV) – Housing program launched in 2009 and comprising units worth up to R$170,000/unit.

SFH Funds – These originate from the Fundo de Garantia por Tempo de Serviço (unemployment severance fund, FGTS) of savings accounts. Commercial banks must invest 65% of these deposits in the real estate sector for the acquisition of property by individuals or for developers at rates that are lower than those used in the common market.

CFC Resolution No. 963/03 and PoC Method (Percentage of Completion) – Revenues, as well as costs and expenses connected to development activities are recognized to income throughout the period of construction of the project, to the extent of the costs incurred, according to CFC Resolution No. 963/03.

Backlog Results – Due to the recognition of revenues and costs according to progress of the works (PoC method), rather than upon the signature of the agreements, we recognize development revenues and expenses from contracts signed in future periods. Accordingly, the balance of Backlog Results corresponds to revenues less costs to be recognized in future periods regarding past sales.

Contracted Sale – Each contract resulting from the sale of units throughout a given period of time, including the units being launched and the units in our inventory. Contracted sales are recognized in revenues according to the works in progress (PoC method).

PSV – Potential Sales Value.

Launched PSV – Potential Sales Value regarding the total amount to be potentially obtained by the company from the sale of all units launched from a given real estate development at a certain price.

Rossi PSV – Potential Sales Value obtained, or to be obtained, by Rossi from the sale of all units of a given real estate development, at a price estimated at the launch, proportionally to our participation in the project.

SoS – Sales Speed