

# 1Q14 Results



Investor Relations

**ROSSI**



- Opening Remarks and Estrategic Planning: Leonardo Nogueira Diniz | CEO
- Operational Results: Rodrigo Martins | Commercial Officer
- Financial Results: Rodrigo Medeiros | CFO and Investor Relations Officer

# 2013-2015 Strategic Plan | Update

Strategic Plan	Achievements 1Q14
<p><b>Focus</b></p> <p>Focus on cash generation and profitability</p>	<ul style="list-style-type: none"> <li>✔ Operational Cash Generation : R\$ 168 MM</li> <li>✔ Net Income: R\$ 7 MM</li> </ul>
<p><b>Financing Transfers</b></p> <p>Focus in house restructuring and transfer of financing</p>	<ul style="list-style-type: none"> <li>✔ Increase of 35% vs. 1Q13</li> </ul>
<p><b>Operation</b></p> <p>Operations focused on 7 metropolitan regions (+JVs). where it ranks among Top 3</p>	<ul style="list-style-type: none"> <li>✔ All launches in Strategic regions since the release of strategic plan (1Q14 Aracaju and Rio de Janeiro)</li> </ul>
<p><b>Income Segment</b></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"> <li>✔ Average Price 1Q14: R\$ 326 k/unit</li> <li>✔ % Rossi (s/ JVs) 1Q14: 100%</li> </ul>
<p><b>Partners</b></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><b>Construction</b></p> <p>Execution of 90% of the construction</p>	<ul style="list-style-type: none"> <li>✔ 90% of the construction beginning in 2013 will be done by Rossi</li> <li>✔ Rossi already executes 73% of the ongoing projects</li> </ul>
<p><b>Rossi Vendas</b></p> <p>Increase Rossi Vendas stake on the total sales</p>	<ul style="list-style-type: none"> <li>✔ % Rossi Vendas: 59%</li> </ul>
<p><b>G&amp;A</b></p> <p>G&amp;A Expenses efficiency</p>	<ul style="list-style-type: none"> <li>✔ Decrease of 15% vs. 2012</li> </ul>
<p><b>Land Bank</b></p> <p>Disablement of the Land Bank outside from the launching pipeline</p>	<ul style="list-style-type: none"> <li>✔ Contracts signed since the Strategic plan: R\$ 193 MM (including selling North Shopping)</li> </ul>
<p><b>Business Units</b></p> <p>Search for financial/strategic partners for Urbanizadora and Properties</p>	<ul style="list-style-type: none"> <li>✔ R\$ 20 in the 1Q14</li> </ul>

# Operational Performance

# Launches

R\$ million

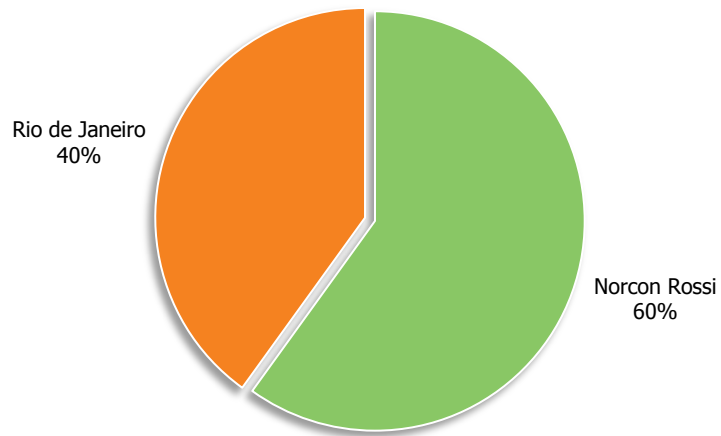


## New Launches:

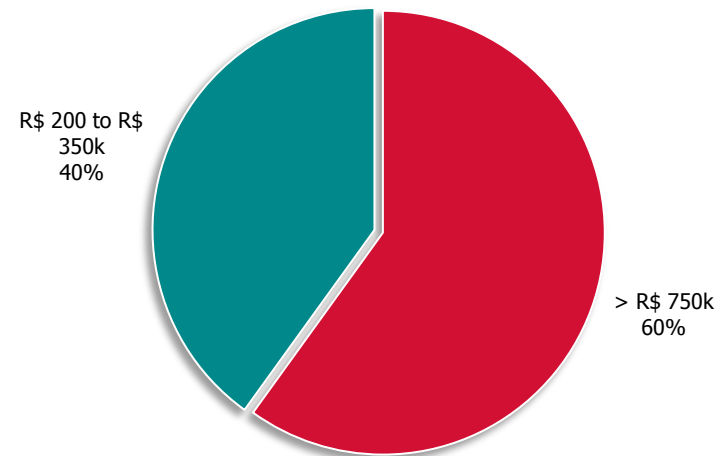
### In line with the Strategic Plan

- Metropolitan Region with proven track record
- Focus on medium-/high-income segment
- 77% are eligible for funding through the SFH with FGTS

## Metropolitan Region Breakdown (% Rossi) – 1Q14

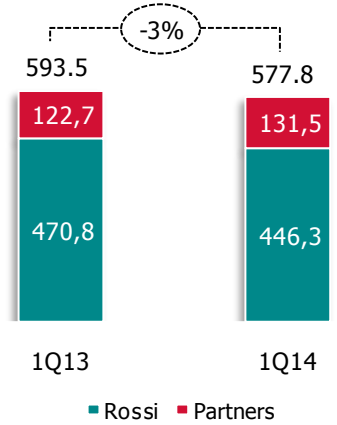


## Product Breakdown (% Rossi) – 1Q14

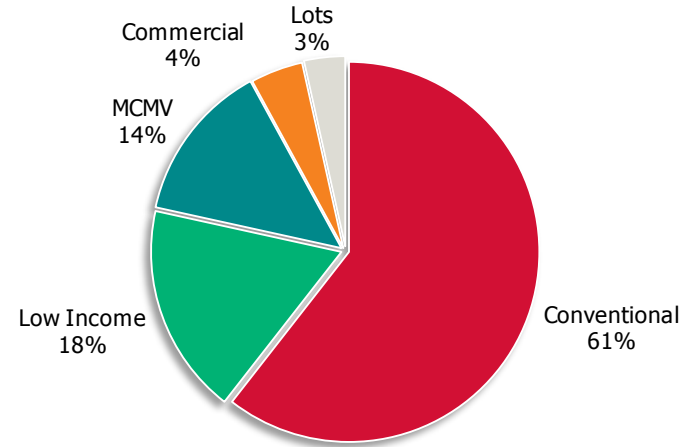


# Gross Sales

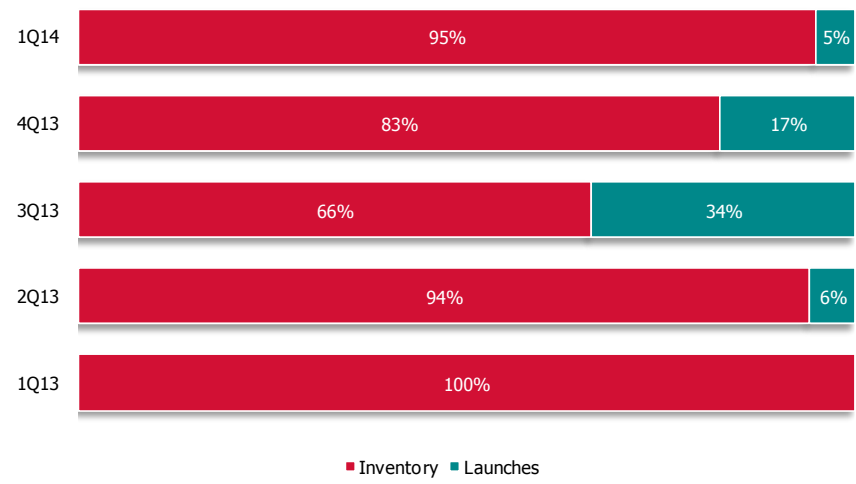
R\$ million



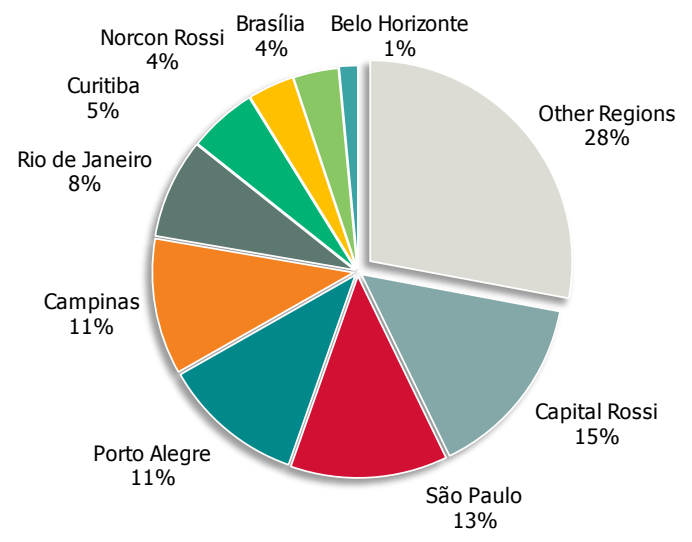
## Product Breakdown (% Rossi) – 1Q14



## Gross Sales Breakdown



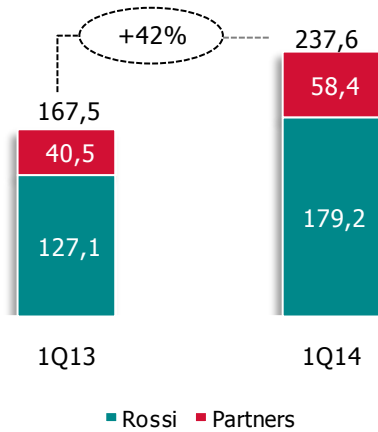
## Metropolitan Region Breakdown (% Rossi) – 1Q14



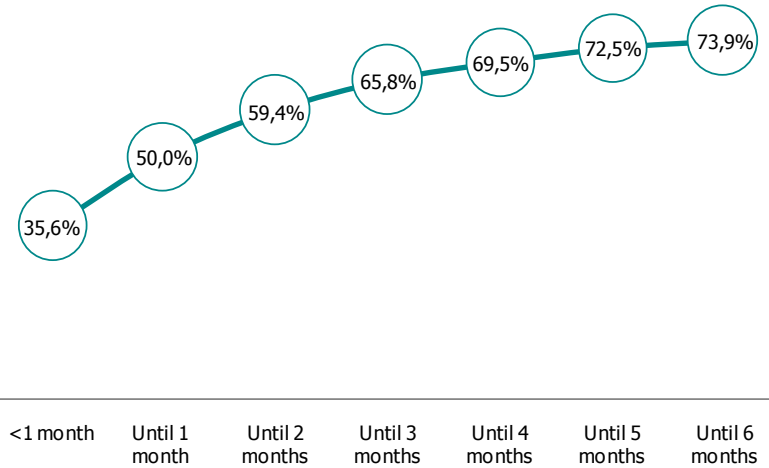
<sup>1</sup> Low Income: average price between R\$ 170 and R\$ 200 k; MCMV: Units launched in the Minha Casa Minha Vida Program.

# Sales Cancellation

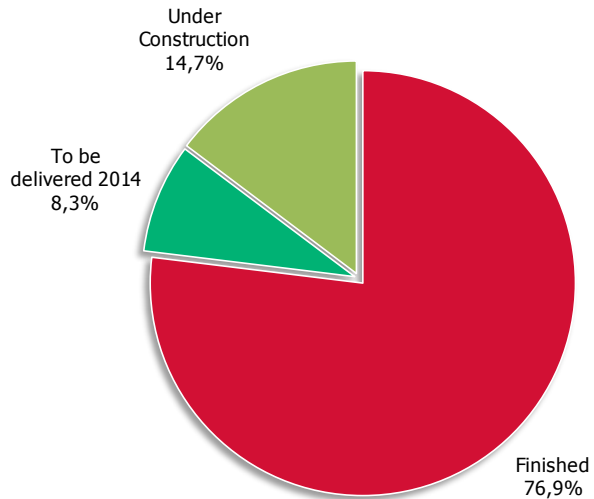
## Cancellation | R\$ milhões



## Sales Speed / Units cancelled



## Construction stage breakdown (% Rossi) | 1Q14





# Land Bank

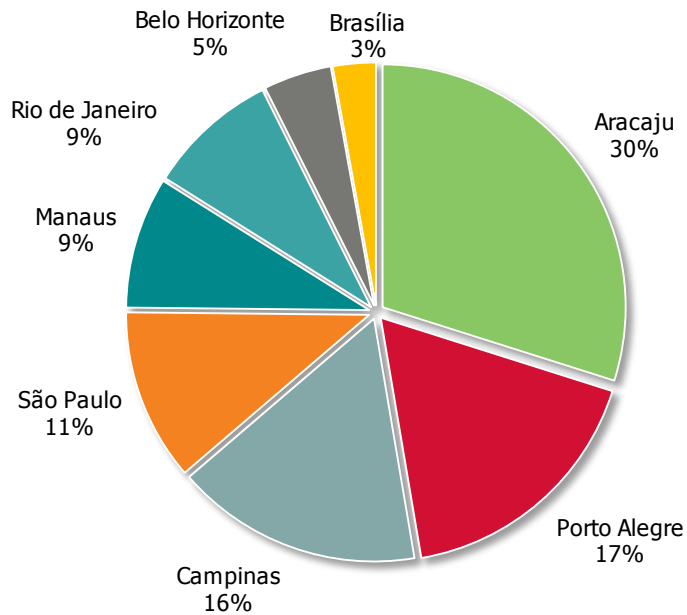
## Residential Developments :

- Rossi's PSV of R\$ 7.6 billion. equivalent to approximately 3 years of launches
- Only land that passed the new feasibility tests as per the company's new standards was retained
- Decrease n land disablement in line with the strategic plan

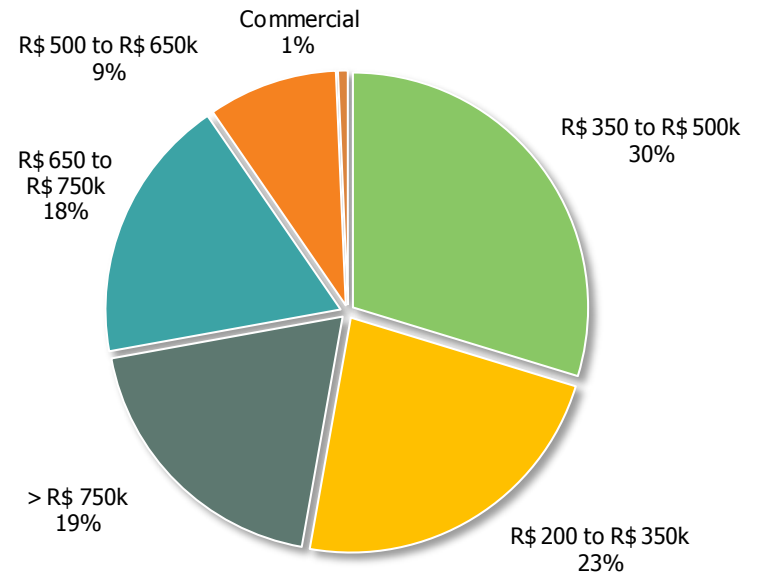
## Land Bank Breakdown

R\$ MM	PSV 100%	Rossi PSV	Units
Rossi Residencial	9.035,1	7.550,2	21.640
Disablement	1.666,6	1.065,9	8.929
<b>Total</b>	<b>10.701,7</b>	<b>8.616,1</b>	<b>30.569</b>

## Metropolitan Region Breakdown (% Rossi)



## Product Breakdown (% Rossi)

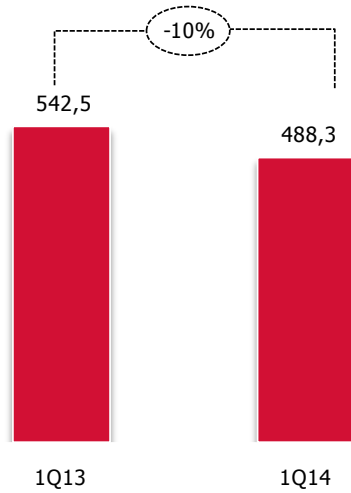




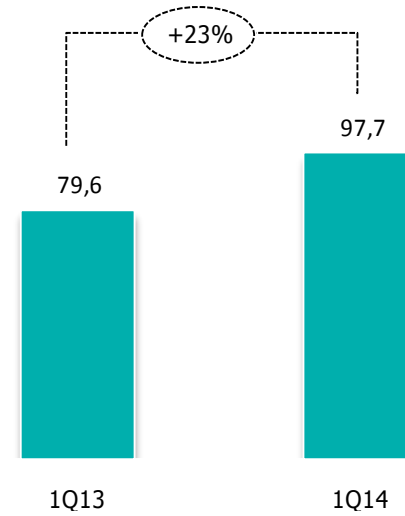
# Financial Performance

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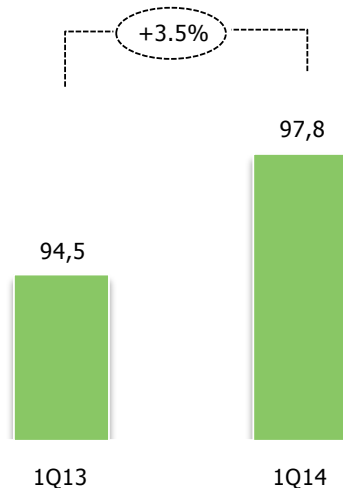
Net Revenue (R\$ million)



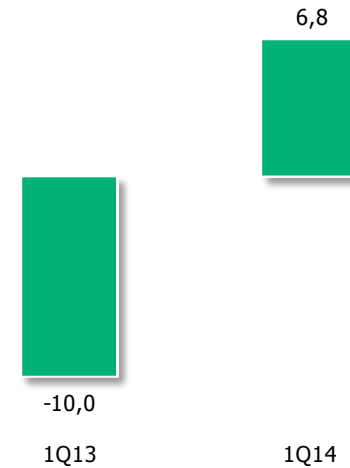
Gross Profit (R\$ million) and Gross Margin<sup>1</sup> (%)



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



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



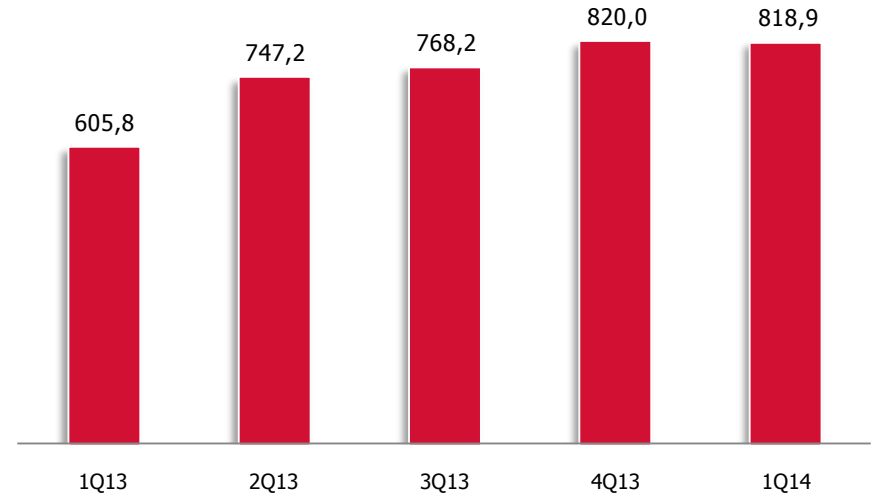
<sup>1</sup> Adjusted Gross Margin by capitalized interests

# Financial Transfers and Cash Generation

Financial Transfers (R\$ MM) | 100%



Cash Flow (R\$ MM) | 100%

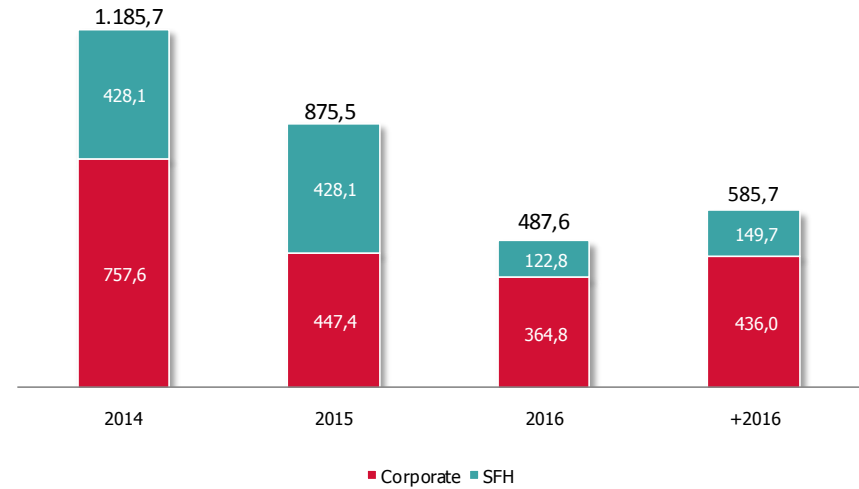


# Indebtedness

## Indebtedness

R\$ million	1Q14	4Q13	Var (%)
Gross Debt	3.134,5	3.118,8	0,5%
Cash and Equivalents	973,0	789,7	23,2%
Net Debt	2.161,5	2.329,1	-7,2%
Net Debt ÷ Equity	89,9%	97,3%	-7,4 p.p.
Operational Cash Generation (Burn)	167,6	197,1	-15,0%

## Debt Maturity Schedule – Corporate | R\$ MM



# IR Contacts

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

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

Índice Valor Agregado **IVBX 2**



Prêmio Abrasca DE CRIAÇÃO DE VALOR 2010 DESTAQUE SETORIAL