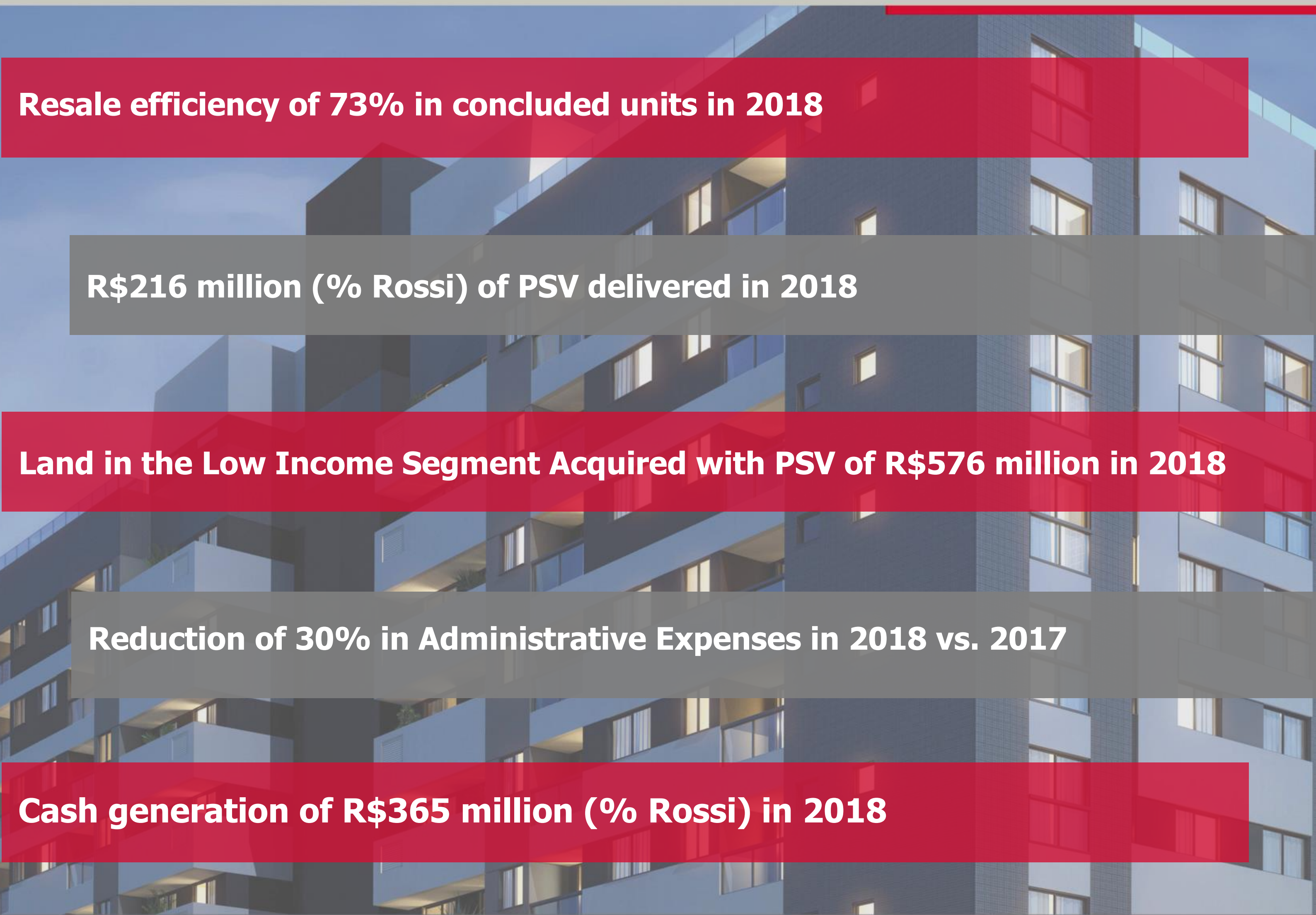
ROSSI

São Paulo, March 27, 2019. Rossi Residencial S.A. (B3: RSID3; Bloomberg: RSID3 BZ Equity), announces its results for the fourth quarter and accumulated for the year of 2018.

RSID3: R$ 4.72 per share

Total Shares: 17,153,337

Market Value: R$81.0 MM



Resale efficiency of 73% in concluded units in 2018

R$216 million (% Rossi) of PSV delivered in 2018

Land in the Low Income Segment Acquired with PSV of R$576 million in 2018

Reduction of 30% in Administrative Expenses in 2018 vs. 2017

Cash generation of R$365 million (% Rossi) in 2018

Conference Call

March 28, 2018
In Portuguese with simultaneous translation
10:00 a.m. (Brasília) / 9:00 a.m. (US ET)
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ROSSI

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MESSAGE FROM THE CEO

2018 was another year marked by stagnation of the Brazilian economy, with growth expectations being gradually reduced, month by month, mainly due to uncertainties as to the outcome of the presidential elections and the postponement of discussions on pension reforms. Inflation remained stable, keeping interest rates below their historical levels. Despite that and the slight reduction in the unemployment rate, the Brazilian Gross Domestic Product (GDP) grew by only 1.1%, demonstrating that the improvement of some of the macroeconomic indicators was not sufficient to boost economic activity and, consequently, the construction sector.

This economic environment has reinforced the importance of continuing to diligently implement the Company's financial and strategic restructuring plan and, therefore, we remain committed to the deleveraging and simplification of the Company's structure, which should be the foundation for the resumption of the launch cycle.

At the beginning of 2018, we concluded the closure of the Capital Rossi Joint Venture, which operated in Manaus and Belém. The operation was completed without the need for cash disbursement and will enable the Company to focus on more strategic regions, where new projects will be launched in the future.

We also continued our efforts to reduce operating costs, which led to a decrease in administrative expenses of approximately 30% compared to 2017.

Regarding the corporate debt restructuring process, the renegotiations with Banco do Brasil and Caixa Econômica Federal were formalized in the second quarter. Banco do Brasil's debt repayment terms were extended to 10 years, with a 2-year grace period for the payment of principal and interest amounts, and we significantly reduced (approximately 60%) the financial charges with CEF, in addition to extending its maturity.

In the third quarter, we settled a portion of SFH debts contracted with Banco Santander through transferred properties and, therefore, Rossi's net debt was reduced by 10% by the end of 2018, compared to 2017, with cash generation of R$173.5 million, in accordance with the IFRS figures.

Regarding operating results, terminations were reduced by 53% in Rossi's share, year-on-year, and we maintained the high resale level (73%) of these concluded units. In addition, we completed and delivered 3 projects in 2018, located in the cities of Aracaju and Rio de Janeiro, representing a total of 240 units and a PSV of R$244.1 million (R$215.7 million – Rossi's share). The other projects, which are part of the developments that were launched until the end of 2014, should be delivered throughout 2019.

Finally, we continue to actively seek and analyze the acquisition of additional plots of land, always aligned with the Low Income Segment profile. During last year, we acquired another 4 new plots of land in the region of Campinas, with a PSV of approximately R$576 million. In total, considering the acquisitions made in 2017, our land bank (aligned with the Low Income Segment profile) already has a PSV of approximately R$846 million, mostly acquired through swap agreements, without significant cash disbursements by the Company.

All of these actions lead us to believe that, over the next few quarters, the Company will begin a new operational phase and resume the launching of developments. By carefully analyzing all risks involved in the real estate market and with an improvement in the country's economy, these new launches are expected to boost the resumption of our activities in the near future.

João Paulo Franco Rossi Cuppoloni
CEO

OPERATING AND FINANCIAL INDICATORS

R$ MM	4Q18	4Q17	Var.	2018	2017	Var.
Operating Performance						
Launches - 100%	-	-	-	-	45.4	-100.0%
Gross Sales - 100%	45.7	168.4	-72.9%	350.3	860.6	-59.3%
Cancellations - 100%	36.3	109.1	-66.7%	241.8	601.4	-59.8%
Net Sales - 100%	9.4	59.3	-84.1%	108.5	259.2	-58.1%
Launches - % Rossi	-	-	-	-	14.3	-100.0%
Gross Sales - % Rossi	40.4	136.5	-70.4%	292.8	674.8	-56.6%
Cancellations - % Rossi	31.2	83.4	-62.6%	209.9	447.6	-53.1%
Net Sales - % Rossi	9.2	53.1	-82.7%	82.9	227.2	-63.5%
Financial Performance						
Net Revenue	19.4	76.2	-74.5%	148.7	326.0	-54.4%
Gross Margin[1]	-112.6%	2.3%	-114.9 p.p.	-23.0%	-21.0%	-2.0 p.p.
Gross Margin (ex interest)[2]	-98.2%	26.8%	-125.1 p.p.	8.9%	-0.1%	9.0 p.p.
Adjusted EBITDA[3]	-146.3	-46.7	-213.1%	-338.7	-299.9	-12.9%
Adjusted EBITDA Margin[3]	-754.0%	-61.3%	-692.7 p.p.	-227.7%	-92.0%	-135.8 p.p.
Net Income	-213.2	141.8	-250.4%	-614.0	-338.9	-81.2%
Net Margin	n.a	186.1%	n.a	-412.9%	-103.9%	-308.9 p.p.
Net Debt / Equity (%) - Rossi's share	n.a	513.8%	n.a	n.a	513.8%	n.a
Cash Generation (Burn) - Rossi's share	57.0	323.1	82.3%	365.0	351.3	-3.9%

[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

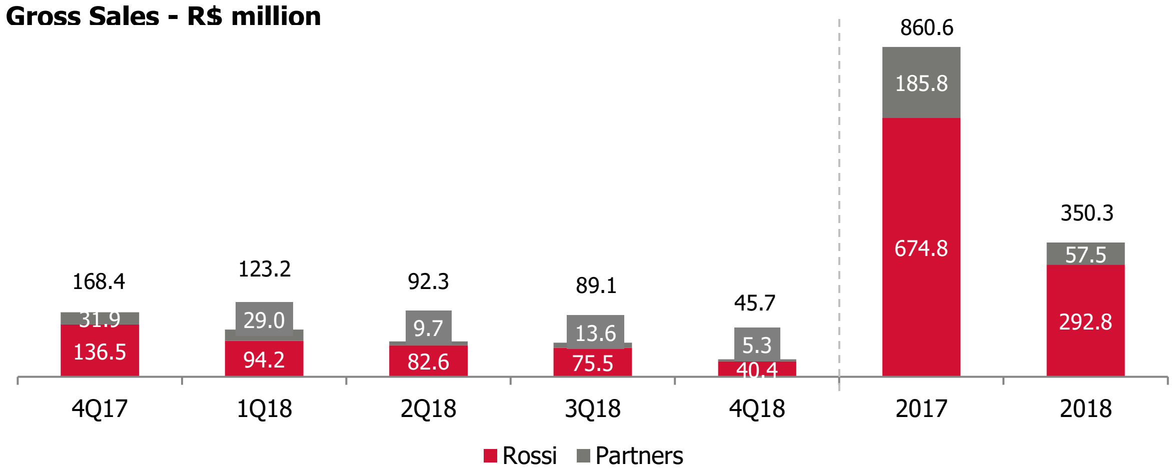
The operating metrics shown in this results release are calculated on the basis of proportional view. In addition to the proportional view, the results are also being shown divided into consolidated (IFRS) and non-consolidated companies, as shown in Exhibit II. Details of the amounts taking 100% of operations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

LAUNCHES

We did not launch any new projects in 2018.

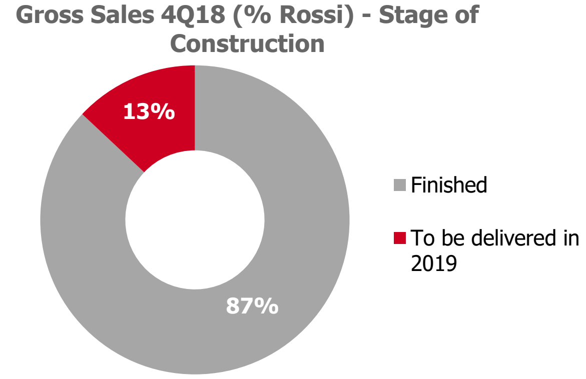
CONTRACTED SALES AND SALES SPEED (SoS)

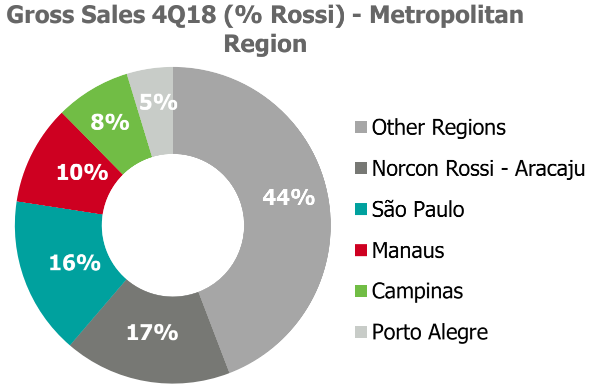
Gross Contracted Sales in the quarter amounted to R$45.7 million (R$40.4 million – Rossi's share), a 70% drop in Rossi's share when compared to the fourth quarter of 2017 and a 46% drop versus 3Q18. In 2018, Gross Contracted Sales fell by 57% compared to the same period of the previous year.

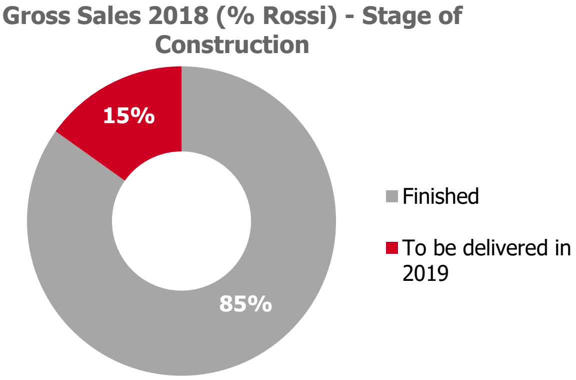


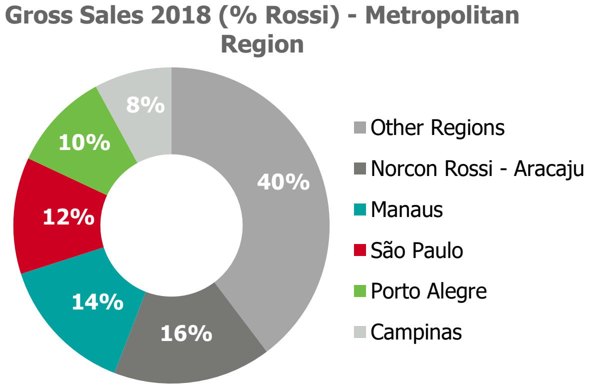
A portion of the decrease in Gross Contracted Sales is due to the natural reduction of inventories to the extent that the Company concludes the projects launched until 2014 and adopts a conservative approach for the new projects. The Sales Speed ("SoS") was 14%, a decrease of 2 p.p. compared to the previous quarter.

The following charts present Gross Sales (% Rossi) by stage of construction and metropolitan region. This quarter, the share of completed units on total contracted sales reached 87%. The share of sales in regions not considered to be strategic to the business amounted to 44%, 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 in the fourth quarter and in the year:

Gross Sales 4Q18 (100%) | R$ MM	Finished	2019	Total
Campinas	2.2	1.8	4.1
Manaus	4.1	-	4.1
Norcon Rossi - Aracaju	9.3	-	9.3
Porto Alegre	1.9	-	1.9
São Paulo	2.3	4.2	6.5
Other regions	19.8	-	19.8
Total	**39.7**	**6.0**	**45.7**

Gross Sales 4Q18 (Rossi's share) | R$ MM	Finished	2019	Total
Campinas	2.2	0.9	3.1
Manaus	4.1	-	4.1
Norcon Rossi - Aracaju	6.9	-	6.9
Porto Alegre	1.9	-	1.9
São Paulo	2.3	4.2	6.5
Other regions	17.8	-	17.8
Total	**35.3**	**5.1**	**40.4**

Gross Sales 2018 (100%) | R$ MM	Finished	2019	Total
Campinas	18.8	12.0	30.8
Manaus	41.4	-	41.4
Norcon Rossi - Aracaju	63.8	-	63.8
Porto Alegre	15.0	14.5	29.5
São Paulo	11.3	23.8	35.1
Other regions	149.7	-	149.7
Total	**300.0**	**50.3**	**350.3**

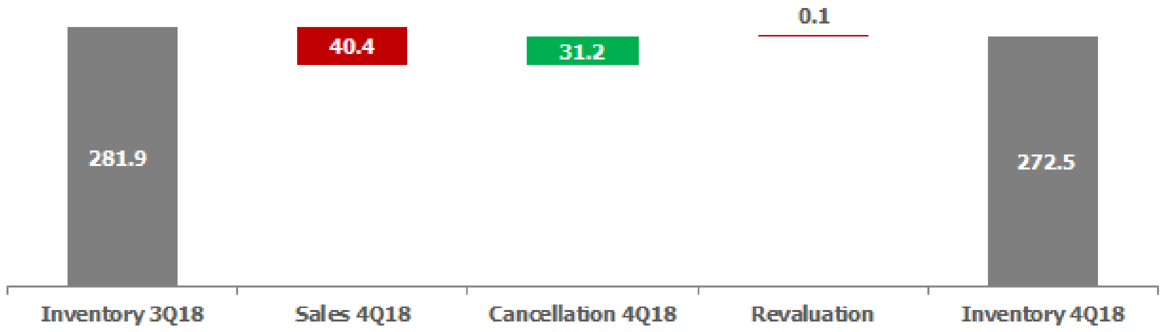
Gross Sales 2018 (Rossi's share) | R$ MM	Finished	2019	Total
Campinas	18.1	5.0	23.2
Manaus	41.4	-	41.4
Norcon Rossi - Aracaju	47.3	-	47.3
Porto Alegre	15.0	14.5	29.5
São Paulo	11.0	23.8	34.9
Other regions	116.5	-	116.5
Total	**249.4**	**43.4**	**292.8**

The following tables show Sales Speed ("SoS") in the quarter and in the accumulated last 12 months, considering the amounts proportional to Rossi's share. In 4Q18, SoS was 14%, while the accumulated SoS for the last 12 months was 43%.

Quarterly SOS | % Rossi	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	813.6	686.9	554.7	442.3	281.9
Launches	-	-	-	-	-
Inventory + Launches	**813.6**	**686.9**	**554.7**	**442.3**	**281.9**
Gross Sales	(136.5)	(94.2)	(82.6)	(75.5)	(40.4)
Sales speech (SOS) (%)	**16.8%**	**13.7%**	**14.9%**	**17.1%**	**14.3%**
Sales cancellation	83.4	60.7	61.1	56.9	31.2
Adjusts / Revalue	(73.6)	(98.6)	(90.9)	(141.8)	(0.1)
Inventory - EOF	**686.9**	**554.7**	**442.3**	**281.9**	**272.5**

LTM SOS | % Rossi	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	1,253.1	1,056.8	842.8	813.6	686.9
Launches	14.3	14.3	14.3	-	-
Inventory + Launches	**1,267.3**	**1,071.1**	**857.1**	**813.6**	**686.9**
Gross Sales	(674.8)	(539.3)	(460.9)	(388.8)	(292.8)
Sales speech (SOS) (%)	**53.2%**	**50.4%**	**53.8%**	**47.8%**	**42.6%**
Sales cancellation	447.6	384.2	340.5	262.1	209.9
Adjusts / Revalue	(353.3)	(361.2)	(294.3)	(405.0)	(331.4)
Inventory - EOF	**686.9**	**554.7**	**442.3**	**281.9**	**272.5**

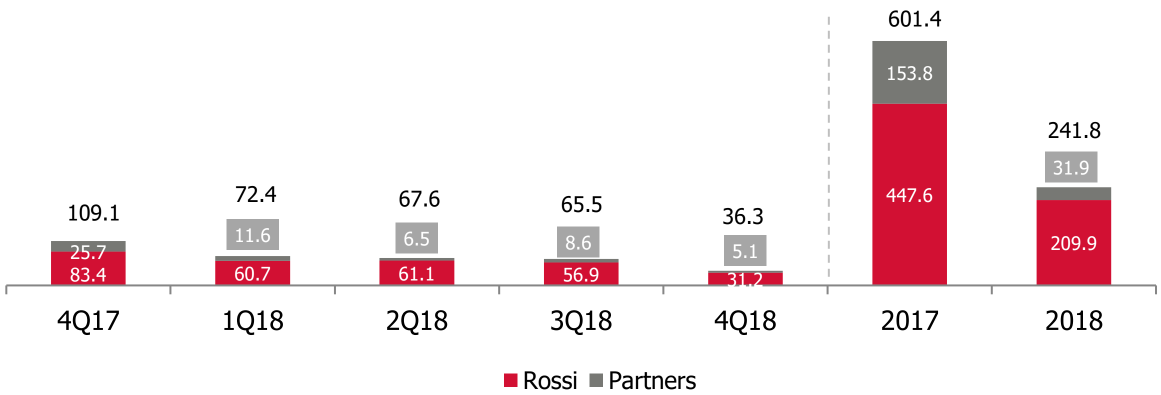
The chart below details the change in inventory, considering Rossi's share:



SALES CANCELLATION

In the fourth quarter of 2018, cancellations totaled R$36.3 million (R$31.2 million – Rossi's share), a 63% drop in Rossi's share when compared to the same period of the previous year. In 2018, cancellations fell by 53% compared to 2017.

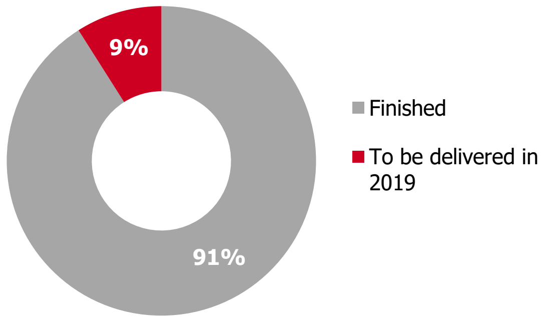
Cancellations - R$ million



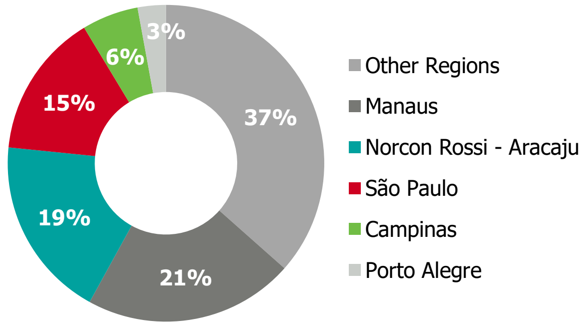
Out of the total sales cancellations in 2018, 73% of units were already resold, contributing to the maintenance of the high resale level in recent quarters.

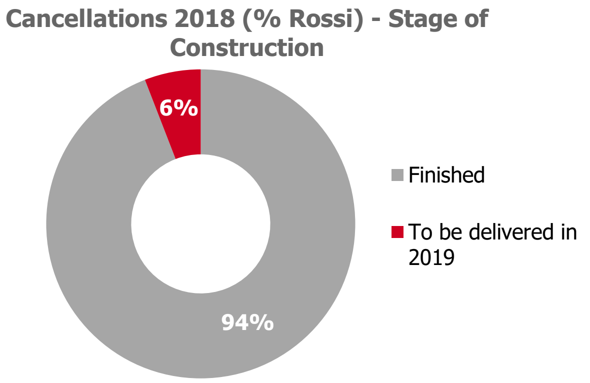
The following charts present cancellations (% Rossi) by stage of construction and metropolitan region.

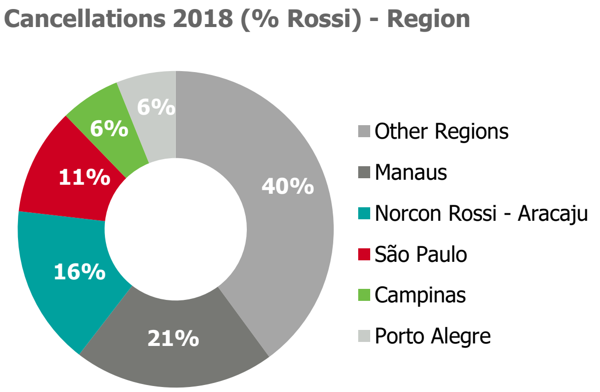
Cancellations 4Q18 (% Rossi) - Stage of Construction



Cancellations 4Q18 (% Rossi) - Metropolitan Region







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

Sales Cancellation 4Q18 (100 %) | R$ MM	Finished	2019	Total
Campinas	1.8	-	1.8
Manaus	6.7	-	6.7
Norcon Rossi - Aracaju	8.9	-	8.9
Porto Alegre	0.9	-	0.9
São Paulo	1.8	2.8	4.6
Other regions	13.4	-	13.4
Total	**33.4**	**2.8**	**36.3**

Sales Cancellation 4Q18 (Rossi's share) | R$ MM	Finished	2019	Total
Campinas	1.8	-	1.8
Manaus	6.7	-	6.7
Norcon Rossi - Aracaju	5.8	-	5.8
Porto Alegre	0.9	-	0.9
São Paulo	1.8	2.8	4.6
Other regions	11.4	-	11.4
Total	**28.4**	**2.8**	**31.2**

Sales Cancellation 2018 (100%) | R$ MM	Finished	2019	Total
Campinas	12.8	0.7	13.5
Manaus	43.1	-	43.1
Norcon Rossi - Aracaju	46.0	-	46.0
Porto Alegre	11.8	1.0	12.8
São Paulo	11.3	11.9	23.3
Other regions	103.0	-	103.0
Total	**228.1**	**13.7**	**241.8**

Sales Cancellation 2018 (Rossi's share) | R$ MM	Finished	2019	Total
Campinas	12.6	0.4	12.9
Manaus	43.1	-	43.1
Norcon Rossi - Aracaju	34.3	-	34.3
Porto Alegre	11.8	1.0	12.8
São Paulo	11.0	11.9	22.9
Other regions	83.7	-	83.7
Total	**196.6**	**13.3**	**209.9**

INVENTORY AT MARKET VALUE

Rossi's share of inventory at market value reached R$272.5 million in the quarter.

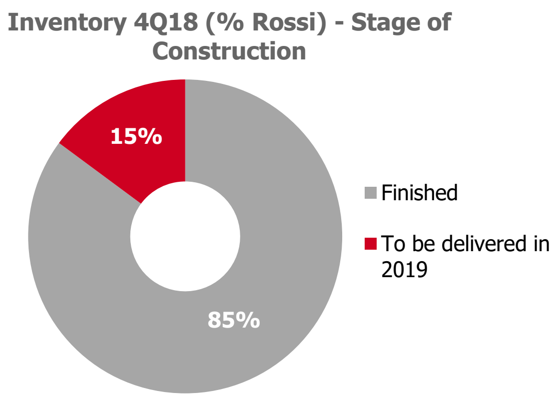
The following tables provide details by product line, year of launch and expected year of conclusion.

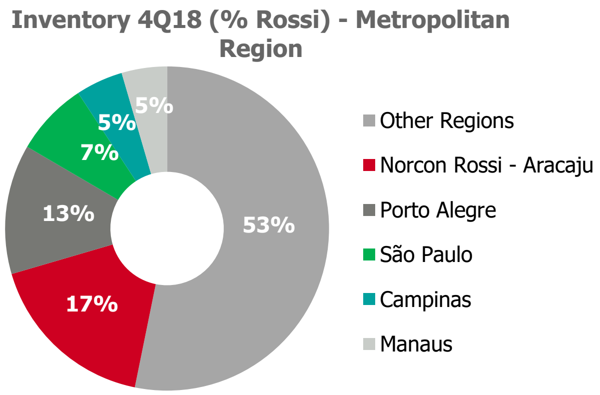
Exhibit V to this report shows the breakdown, by city, for 100% of the inventory.

Inventory % Rossi	Year of launch (R$ MM)						
Product Line	2010 and Before	2011	2012	2013	2014	2017	Total
Commercial	7.6	0.5	40.0	-	-	-	48.0
Conventional	4.6	54.2	47.8	36.0	57.3	3.8	203.7
Low Income	13.8	1.6	-	5.4	-	-	20.8
Total	**25.9**	**56.3**	**87.8**	**41.4**	**57.3**	**3.8**	**272.5**

Inventory % Rossi	Expected year of conclusion (R$ MM)		
Product Line	Finished	2019	Total
Commercial	48.0	-	48.0
Conventional	162.9	40.8	203.7
Low Income	20.8	-	20.8
Total	**231.8**	**40.8**	**272.5**

The following charts show Rossi's inventory by stage of construction and metropolitan region. In the fourth quarter, completed units represented 85% of total inventory. Inventory in non-strategic regions accounted for 53% 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	1.4	-	-	7.6	-	3.8	12.9
Manaus	3.5	5.8	3.0	-	-	-	12.3
Norcon Rossi - Aracaju	-	0.8	16.2	11.9	18.2	-	47.1
Porto Alegre	-	-	1.2	10.7	23.4	-	35.3
São Paulo	1.9	1.5	3.0	-	13.6	-	20.0
Other Regions	19.0	48.2	64.5	11.1	2.1	-	145.0
Total	**25.9**	**56.3**	**87.8**	**41.4**	**57.3**	**3.8**	**272.5**

Inventory % Rossi	Expected year of conclusion (R$ MM)		
Metro Region	**Finished**	**2019**	**Total**
Campinas	9.1	3.8	12.9
Manaus	12.3	-	12.3
Norcon Rossi - Aracaju	47.1	-	47.1
Porto Alegre	11.9	23.4	35.3
São Paulo	6.4	13.6	20.0
Other Regions	145.0	-	145.0
Total	**231.8**	**40.8**	**272.5**

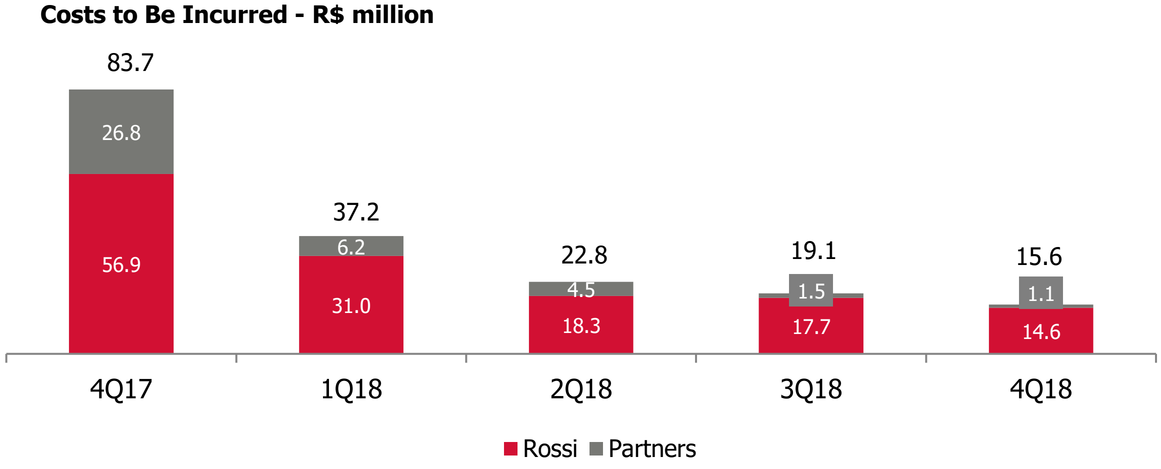
DELIVERIES

Year to date, three projects were delivered, totaling 240 units, located in the cities of Aracaju and Rio de Janeiro, representing a total PSV of R$244.1 million, R$215.7 million of which in Rossi's share.

Quarter	Product	Units	PSV 100% (R$ MM)	PSV Rossi (R$ MM)
1Q18	Conventional	46	94.6	66.2
2Q18	Conventional	54	72.9	72.9
3Q18	Conventional	-	-	-
4Q18	Conventional	140	76.6	76.6
Total		**240**	**244.1**	**215.7**

COSTS TO BE INCURRED

The following chart shows how costs to be incurred (100%) have evolved historically. In 4Q18, costs to be incurred totaled R$15.6 million (R$14.6 million – Rossi's share), a 74% drop in Rossi's share compared to 4Q17, due to the natural progress of constructions delivered throughout the year and to be delivered in 2019.



LAND BANK

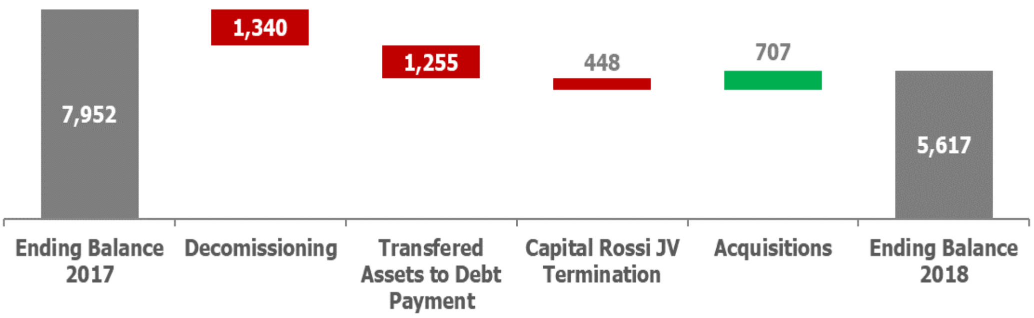
Rossi's land bank is broken down according to the Company's strategy and the corresponding operating profile. In the fourth quarter, the Company acquired two plots of land, both in the city of Campinas, with PSV of approximately R$435.8 million (R$350.1 million – Rossi's share).

At the end of 2018, land bank totaled R$7.9 billion (R$5.6 billion – Rossi's share), R$7.2 billion of which (R$4.9 billion – Rossi's share) for allotments and real estate develpments and R$0.7 billion (R$0.7 billion – Rossi's share) of land under decommissioning process.

Part of this balance, R$2.4 billion (R$1.8 billion) is available for launches by 2020. The table below shows the land bank intended for construction and residential development, with potential launch by 2020, 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	Lots	Total
Campinas	488.8	-	-	571.9	118.3	-	**1,178.9**
São Paulo	-	-	-	-	28.0	-	28.0
São Paulo country side	-	-	-	-	-	559.0	**559.0**
Total	**488.8**	**0.0**	**0.0**	**571.9**	**146.3**	**559.0**	**1,765.9**

The following chart presents the detailed information of the land bank evolution throughout the year and the comparison of the PSV (% Rossi) between 2017 and 2018:



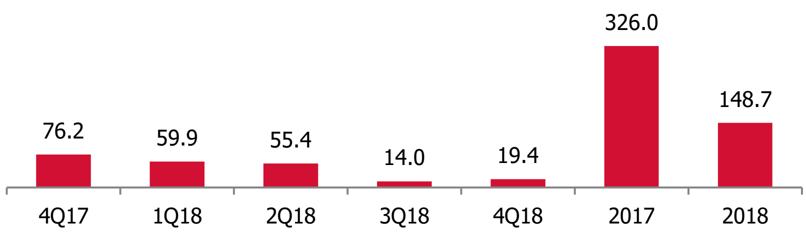
FINANCIAL PERFORMANCE

The financial information given in this 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.

NET REVENUE

Net revenue from the sale of properties and services, recognized by percentage of completion ("PoC"), totaled R$19.4 million in 4Q18, down by 75% compared to the same period of the previous year. In the year, net revenue dropped by 54% compared to 2017, mainly due to lower net sales in 2018.

Net Revenue - R$ million



COST OF PROPERTIES AND SERVICES SOLD

The cost of properties and services reached R$41.2 million in the fourth quarter, down by 45% compared to the same period of the previous year. In 2018, cost of properties and services reduced by 54% compared to 2017, also due to the lower net sales.

R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
Construction + Land	38.5	55.7	31.0%	135.4	326.2	58.5%
Financial charges	2.8	18.7	85.1%	47.5	68.3	30.4%
Costs of Property and Services	**41.2**	**74.4**	**44.6%**	**182.9**	**394.5**	**53.6%**

GROSS PROFIT AND MARGIN

Gross profit in 4Q18 totaled R$21.8 million. Gross profit adjusted by financial charges allocated to costs was a negative R$19.1 million in 4Q18. Year to date, adjusted gross profit totaled R$13.3 million, with adjusted gross margin of 9%, an increase of 9 p.p. compared to 2017.

R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
Gross Income	-21.8	1.8	-1337.4%	-34.2	-68.5	50.0%
Gross Margin (%)	-112.6%	2.3%	-114.9 p.p.	-23.0%	-21.0%	-2.0 p.p.
Adjusted Gross Income[1]	-19.1	20.4	-193.2%	13.3	-0.2	-8100.2%
Adjusted Gross Margin (%)	-98.2%	26.8%	-125.1 p.p.	8.9%	-0.1%	9.0 p.p.

([1]) Adjusted gross profit: excluding financial charges

OPERATING EXPENSES

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

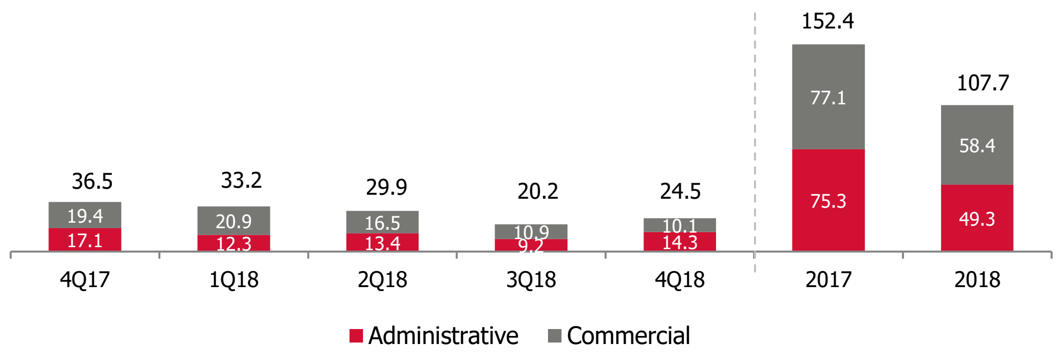
To ensure greater comparability between quarterly information, and considering that most part of the Operating Expenses is centralized in the head office, distorting the IFRS analysis, the following table shows the figures compared to the Net Revenue for 100% of the operations.

	100%					
R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
Administrative (a)	14.3	17.1	-16.3%	49.3	75.3	-34.6%
Commercial (b)	10.1	19.4	-47.7%	58.4	77.1	-24.2%
Administrative / Net Revenue	102.4%	14.2%	88.2 p.p.	25.1%	14.8%	10.3 p.p.
Commercial / Net Revenue	72.6%	16.1%	56.5 p.p.	29.8%	15.2%	14.6 p.p.
(a) + (b)	**24.5**	**36.5**	**-33.0%**	**107.7**	**152.4**	**-29.3%**
(a) + (b) / Net Revenue	**175.0%**	**30.4%**	**144.6 p.p.**	**54.9%**	**30.0%**	**24.9 p.p.**

In line with the cost reduction strategy, administrative expenses (100%) had a reduction of 16% in 4Q18 compared to the same period of 2017 and of 35% in 2018 compared to 2017. Commercial expenses decreased by 48% compared to 4Q17 and by 24% in 2018 compared to 2017.

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

SG&A (100%) - R$ million

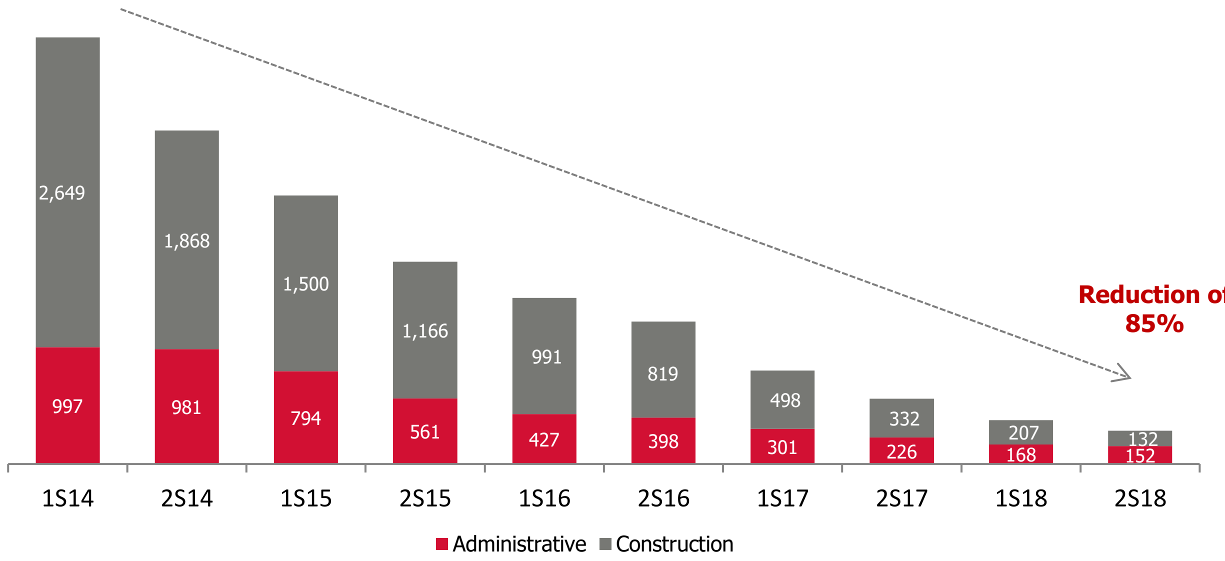


In accordance with IFRS, administrative expenses totaled R$12.9 million in 4Q18, down by 11% when compared to 4Q17. In the year, administrative expenses recorded a 30% decrease compared to 2017. Commercial expenses recorded an increase of 20% year-on-year. As we mentioned in previous quarters, this increase is due to the change in consolidation criteria for the Capital Rossi Joint Venture projects that were fully transferred to Rossi (R$10.0 million).

R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
			IFRS			
Administrative (a)	12.9	14.6	-11.2%	44.4	63.0	-29.6%
Commercial (b)	11.3	10.4	8.8%	47.6	39.8	19.7%
Administrative / Net Revenue	66.6%	19.2%	47.4 p.p.	29.8%	19.3%	10.5 p.p.
Commercial / Net Revenue	58.5%	13.7%	44.8 p.p.	32.0%	12.2%	19.8 p.p.
(a) + (b)	**24.3**	**25.0**	**-2.8%**	**92.0**	**102.8**	**-10.5%**
(a) + (b) / Net Revenue	**125.1%**	**32.8%**	**92.3 p.p.**	**61.9%**	**31.5%**	**30.3 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 85%. The chart below shows the changes in administrative staff and construction site employees:

Changes in administrative staff and construction site employees



Since the beginning of the Company's operational restructuring in 2015, we recorded a 70% reduction in total administrative expenses and a 58% reduction in commercial expenses.

OTHER NET OPERATING REVENUES/EXPENSES

Other net operating expenses totaled R$129.8 million in 4Q18, an increase of 94% compared to the same period of the previous year. Year to date, other operating expenses totaled R$264.0 million, an increase of 56% compared to 2017, mainly due to (i) the provision for impairment of the completed units inventory and the land available for construction, reflecting the deterioration in the market prices of these assets, and (ii) the losses registered in the properties transferred to Banco Bradesco and Banco Santander in order to settle the Company's debts.

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 non-consolidated projects consists basically of projects from the Norcon Rossi Joint Venture, leader in the Aracaju market, and the allotment project launched in 2017, which has higher margins than conventional real estate development projects.

	2018		
R$ MM	IFRS	Non Consolidated	100%
Net Revenue	**148.7**	**47.5**	**196.2**
Costs of property and services	**(182.9)**	**(54.1)**	**(237.1)**
Construction + Land	(135.4)	(39.3)	(174.8)
Financial Charges	(47.5)	(14.8)	(62.3)
Gross Income	**(34.2)**	**(6.7)**	**(40.9)**
Gross Margin (%)	-23.0%	-14.1%	-20.8%
Gross Income ex interest	**13.3**	**8.1**	**21.4**
Gross Margin ex interest (%)	8.9%	17.1%	10.9%

EBITDA

Adjusted EBITDA was negative by R$146.3 million in the quarter and by R$338.7 million in 2018, as shown in the table below:

R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
Net Income (Loss)	-213.2	141.8	-250.4%	-614.0	-338.9	-81.2%
(+/-) Net Financial Expenses (Revenues)	37.0	-262.5	-114.1%	168.5	-80.2	-310.1%
(+) Provision for Income Tax and Social Contribution	-2.1	1.0	-312.9%	0.1	-4.9	-103.0%
(+) Depreciation and Amortization	2.4	4.4	-45.7%	11.0	17.8	-37.9%
(+/-) Minority	-14.2	0.7	-2044.3%	7.0	-11.9	-158.9%
EBITDA[1]	**-190.2**	**-114.6**	**-66.0%**	**-427.4**	**-418.0**	**-2.2%**
(+) Capitalized Interest	2.8	18.7	-85.1%	47.5	68.3	-30.4%
(+/-) Stock Option	0.1	0.2	-70.5%	0.2	0.9	-80.9%
(+) Impairment	41.0	49.0	-16.2%	41.0	49.0	-16.2%
Adjusted EBITDA[2]	**-146.3**	**-46.7**	**-213.1%**	**-338.7**	**-299.9**	**-12.9%**
Adjusted EBITDA Margin (%)	-754.0%	-61.3%	-692.7 p.p.	-227.7%	-92.0%	-135.8 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, plaese refer to the glossary at the end of this document.

The main impacts in EBITDA are described in the gross profit and operating expenses accounts referred to above.

NET FINANCIAL RESULT

Net financial result was a negative R$37.0 million in 4Q18 compared to R$52.9 million in the same period of 2017, excluding the financial discounts obtained in the scope of the corporate debt renegotiations with Banco Bradesco. Year to date, net financial result was a negative R$168.5 million, an improvement of 28% compared to pro-forma figures of 2017. The main positive impacts on financial expenses in 2018 were: (i) a reduction in the Company's debt, as a result of the negotiations with major creditors at the end of 2017, (ii) the decline in the CDI rate and consequent impact on interest rates applicable to corporate debt contracts, as well as (iii) a positive impact from the end of the partnership and settlement of the liability with RB Capital.

R$ MM	4Q18	4Q17	Var. (%)	2018	2017	Var. (%)
Financial Revenues	1.2	319.9	-99.6%	10.5	336.3	-96.9%
Financial Expenses	-38.3	-57.4	33.3%	-179.0	-256.1	30.1%
Financial Result	**-37.0**	**262.5**	**-114.1%**	**-168.5**	**80.2**	**-310.1%**
Discount	**-**	**-315.4**	**-**	**-**	**-315.4**	**-**
Financial Result pro-forma	**-37.0**	**-52.9**	**30.1%**	**-168.5**	**-235.2**	**28.4%**

NET INCOME (LOSS)

Rossi recorded a net loss of R$213.2 million in 4Q18, as detailed above. In 2018, net loss totaled R$614.0 million.

BACKLOG RESULT

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

R$ MM	4Q18	3Q18	Var. (%)
Gross Revenue	19.2	20.7	-7.3%
Costs (w/ financial charges)	-13.4	-14.8	-9.0%
Backlog Result	**5.7**	**5.9**	**-3.1%**
Backlog Margin (%)	29.8%	28.5%	**1.3 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	2019
Consolidated	19.2
Non Consolidated	6.3
Backlog Revenue	**25.4**
Consolidated	(13.4)
Non Consolidated	(3.7)
Backlog Costs	**(17.1)**
Consolidated	29.8%
Non Consolidated	41.0%
Backlog Margin	**32.6%**

The gross margin to be appropriated from non-consolidated projects (41%) 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$0.8 billion, down by 6% compared to the previous quarter.

R$ MM	4Q18	3Q18	Var. (%)
Short Term	**732.7**	**774.4**	**-5.4%**
Units under construction	39.5	40.5	-2.5%
Finished units	672.0	698.0	-3.7%
Receivables from land sale	21.3	35.9	-40.7%
Long Term	**84.1**	**99.9**	**-15.8%**
Units under construction	4.2	4.7	-9.9%
Finished units	77.6	95.2	-18.5%
Total	2.3	-	0.0%
Total	**816.8**	**874.2**	**-6.6%**
Real Estate developments to be recognized under the POC method			
Short Term	15.9	16.0	-0.6%
Long Term	1.8	2.1	-11.6%
Total	**17.8**	**18.1**	**-1.9%**
Total Accounts Receivable	**834.6**	**892.3**	**-6.5%**

MARKETABLE PROPERTIES

The following table details the Marketable Properties recognized in the balance sheet at their historical cost. The reduction in total properties inventory in 4Q18 is mainly due to (i) the provision for impairment of the completed units inventory, (ii) landbank decommissioning and (iii) operations to end partnerships, which resulted in the division of the remaining assets of the projects developed with these partners.

R$ MM	4Q18	3Q18	Var. (%)
Finished properties	251.4	326.8	**-23.1%**
Properties under construction	94.0	94.6	**-0.7%**
Land sites for future developments	346.4	423.7	**-18.3%**
Advances to suppliers	0.8	1.6	**-51.0%**
Capitalized Interest	32.8	34.8	**-5.7%**
Total	**725.3**	**881.5**	**-17.7%**

DEBT

According to the IFRS analysis, Rossi closed 4Q18 with a cash balance of R$69.6 million and total debt of R$1.6 billion. Cash generation reached R$34.0 million, also according to IFRS.

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

R$ MM	4Q18	3Q18	Var. (%)
Short Term	**189.3**	**480.3**	**-60.6%**
Construction Loans	**141.2**	**432.7**	**-67.4%**
SFH	105.3	391.9	-73.1%
CCB [1]	35.9	40.8	-12.0%
Working Capital	24.0	24.1	-0.4%
Receivables Securitization	24.1	23.5	2.9%
Long Term	**1,415.0**	**1,127.2**	**25.5%**
Construction Loans	**1,013.0**	**731.7**	**38.4%**
SFH	422.6	145.5	190.5%
CCB [1]	590.3	586.3	0.7%
Working Capital	402.0	395.5	1.6%
Receivables Securitization	0.0	0.0	0.0%
Total Debt	**1,604.3**	**1,607.5**	**-0.2%**
Cash and Cash Equivalents	69.6	38.8	79.5%
Net Debt	**1,534.7**	**1,568.8**	**-2.2%**
Net Debt / Equity	**n.a**	**n.a**	**n.a**
Cash Burn	**34.0**	**269.9**	**-87.4%**

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.

100%

R$ MM	4Q17	1Q18	2Q18	3Q18	4Q18
Total Debt	**2,212.6**	**2,059.4**	**2,040.4**	**1,728.1**	**1,675.4**
Cash and Equivalents	64.5	70.4	66.9	50.4	77.1
Net Debt	**2,148.1**	**1,989.1**	**1,973.5**	**1,677.7**	**1,598.3**
Net Debt / Equity	**580.7%**	**880.1%**	**1514.5%**	**n.a**	**n.a**
Cash Burn in the quarter	**337.9**	**159.0**	**15.6**	**295.7**	**79.4**
Cash Burn LTM	**-**	**-**	**-**	**-**	**549.8**

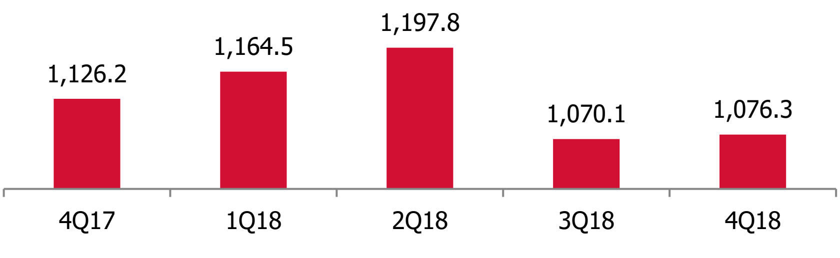
Proportional

R$ MM	4Q17	1Q18	2Q18	3Q18	4Q18
Total Debt	**1,985.8**	**1,984.5**	**1,971.7**	**1,670.3**	**1,643.6**
Cash and Equivalents	50.8	61.9	59.0	43.3	73.6
Net Debt	**1,935.0**	**1,922.6**	**1,912.7**	**1,627.0**	**1,570.0**
Net Debt / Equity	**513.8%**	**822.3%**	**1425.8%**	**n.a**	**n.a**
Cash Burn in the quarter	**323.1**	**12.5**	**9.9**	**285.7**	**57.0**
Cash Burn LTM	**-**	**-**	**-**	**-**	**365.0**

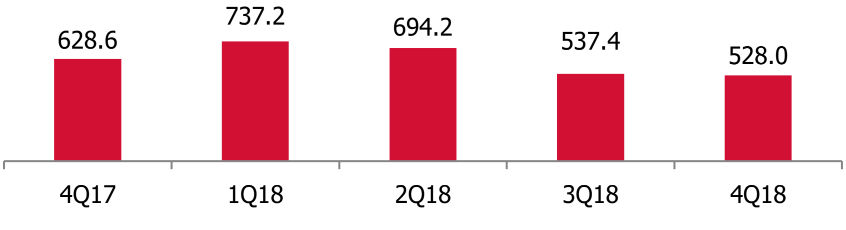
IFRS

R$ MM	4Q17	1Q18	2Q18	3Q18	4Q18
Total Debt	**1,754.8**	**1,901.6**	**1,892.1**	**1,607.5**	**1,604.3**
Cash and Equivalents	46.7	54.4	53.4	38.8	69.6
Net Debt	**1,708.2**	**1,847.3**	**1,838.7**	**1,568.8**	**1,534.7**
Net Debt / Equity	**461.7%**	**817.4%**	**1411.1%**	**n.a**	**n.a**
Cash Burn in the quarter	**301.5**	**(139.1)**	**8.6**	**269.9**	**34.0**
Cash Burn LTM	**-**	**-**	**-**	**-**	**173.5**

Evolution of Corporate Debt IFRS - R$ million



Evolution of SFH debt IFRS - R$ million

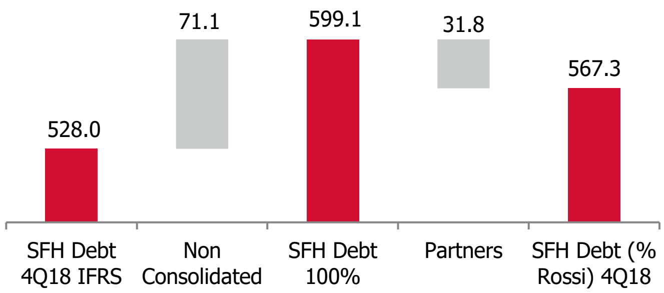


Net debt reconciliation is shown below pursuant to the three approaches:

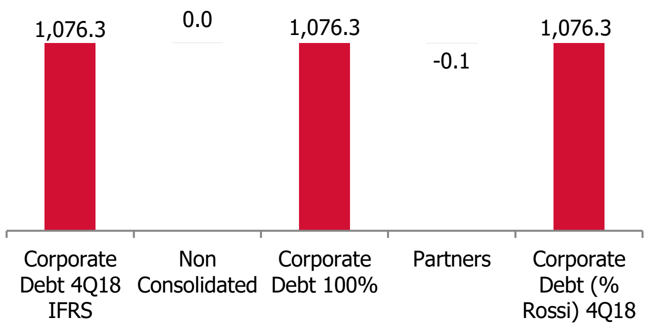
Net Debt Reconciliation - R$ million

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

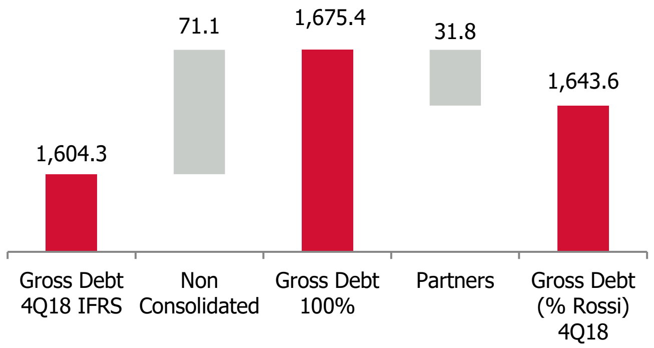
SFH Debt Reconciliation - R$ MM



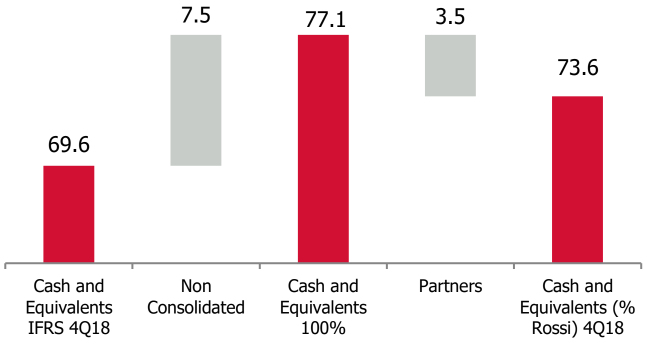
Corporate Debt Reconciliation - R$ MM



Total Debt Reconciliation - R$ MM



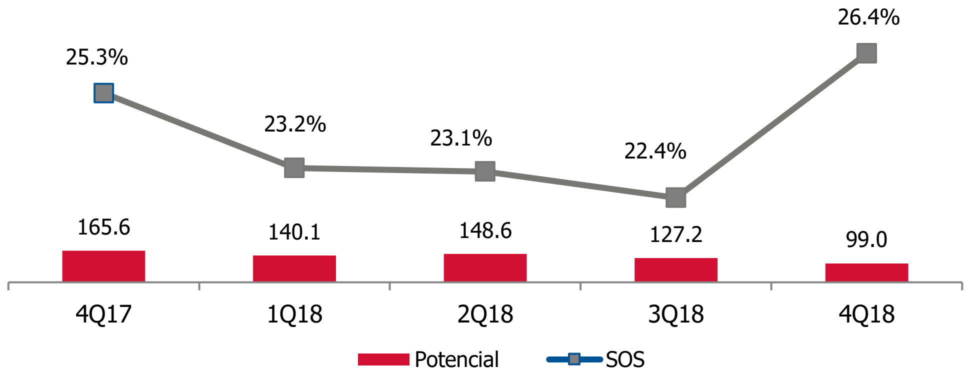
Cash and Cash Equivalents Reconciliation - R$ MM



TRANSFERS

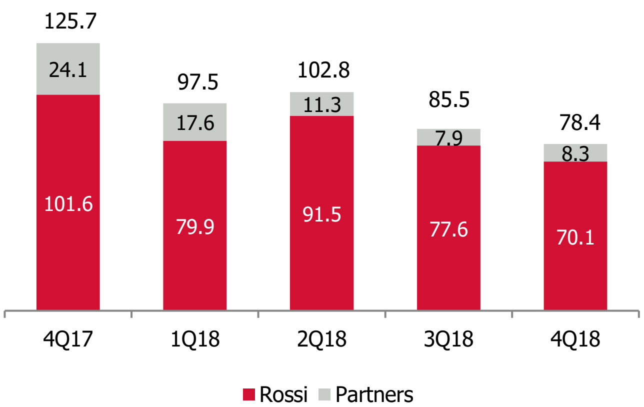
The chart below shows the quarterly index that measures transfer efficiency. The red bars indicate potential transfer amounts, that is, the sum of the outstanding balance of the finished units, legally registered, and possible transfers to financial institutions. Sales Speed (SoS) is measured by the ratio of volume of transfers and settlements in the period to potential value. SoS reached 26% in 4Q18, an increase of 4 p.p. compared to the previous quarter.

Sales Speed (SoS)

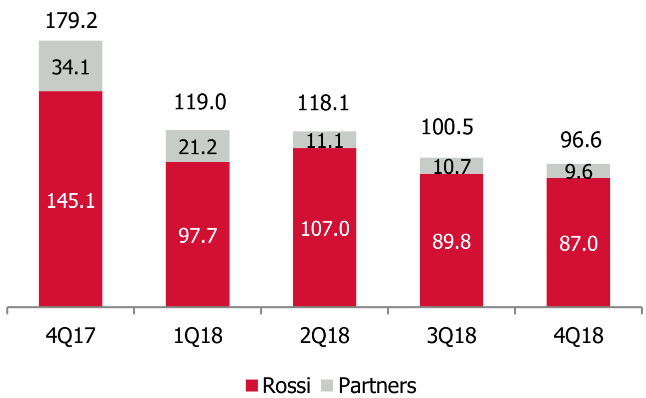


Cash inflows, which considers the volume of transfers and payments received from clients, reached R$96.6 million in the quarter (R$87.0 million – Rossi's share), a decrease of 3% in Rossi's share compared to the previous quarter. The charts below show the evolution of transfers and settlements, as well as cash inflow in recent quarters:

Transfers (transfer + settlement) - R$ million



Cash Inflows - R$ million



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 in 2018.

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 2018: 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 – "Revisão de Informações Intermediárias Executadas pelo Auditor da Entidade" 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 on 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%	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	1,108.7	937.0	615.1	481.3	317.2
Launches	-	-	-	-	-
Inventory + Launches	**1,108.7**	**937.0**	**615.1**	**481.3**	**317.2**
Gross Sales	(168.4)	(123.2)	(92.3)	(89.1)	(45.7)
Sales speech (SOS) (%)	**15.2%**	**13.1%**	**15.0%**	**18.5%**	**14.4%**
Sales cancellation	109.1	72.4	67.6	65.5	36.3
Adjusts / Revalue	(112.3)	(271.1)	(109.1)	(140.5)	3.8
Inventory - EOF	**937.0**	**615.1**	**481.3**	**317.2**	**311.7**

LTM SOS | 100%	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	1,595.5	1,444.0	1,118.0	1,108.7	937.0
Launches	45.4	45.4	45.4	-	-
Inventory + Launches	**1,640.9**	**1,489.4**	**1,163.4**	**1,108.7**	**937.0**
Gross Sales	(860.6)	(692.2)	(575.1)	(473.0)	(350.3)
Sales speech (SOS) (%)	**52.4%**	**46.5%**	**49.4%**	**42.7%**	**37.4%**
Sales cancellation	601.4	492.9	424.3	314.6	241.8
Adjusts / Revalue	(444.7)	(675.0)	(531.3)	(633.0)	(516.9)
Inventory - EOF	**937.0**	**615.1**	**481.3**	**317.2**	**311.7**

EXHIBIT II | IFRS INDICES - R$ MILLION

Quarter SOS - IFRS Consolidated	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	520.7	394.9	470.4	377.6	229.0
Launches	-	-	-	-	-
Inventory + Launches	**520.7**	**394.9**	**470.4**	**377.6**	**229.0**
Gross Sales	(98.9)	(93.9)	(76.9)	(67.8)	(33.3)
Sales speech (SOS) (%)	**19.0%**	**23.8%**	**16.4%**	**18.0%**	**14.5%**
Sales cancellation	61.1	61.4	56.4	53.3	26.2
Adjusts / Revalue	(87.9)	108.0	(72.3)	(134.0)	(4.0)
Inventory - EOF	**394.9**	**470.4**	**377.6**	**229.0**	**217.9**

Quarter SOS - Equity Result	4Q17	1Q18	2Q18	3Q18	4Q18
Inventory - BOF	588.0	542.1	144.8	103.8	88.2
Launches	-	-	-	-	-
Inventory + Launches	**588.0**	**542.1**	**144.8**	**103.8**	**88.2**
Gross Sales	(69.5)	(29.2)	(15.4)	(21.3)	(12.4)
Sales speech (SOS) (%)	**11.8%**	**5.4%**	**10.6%**	**20.5%**	**14.1%**
Sales cancellation	48.0	11.0	11.2	12.2	10.1
Adjusts / Revalue	(24.4)	(379.1)	(36.8)	(6.5)	7.9
Inventory - EOF	**542.1**	**144.8**	**103.8**	**88.2**	**93.8**

ROSSI

EXHIBIT III | INCOME STATEMENT

Income Statement (R$ '000)	4Q18	4Q17	Var. (%) 4Q18 vs. 4Q17	2018	2017	Var. (%) 2018 vs. 2017
Gross Operating Revenue						
Property sales and services	21,227	78,250	-73%	154,413	327,201	-53%
Sales taxes	-1,825	-2,073	12%	-5,688	-1,173	-385%
Net Operating Revenue	**19,401**	**76,176**	**-75%**	**148,724**	**326,028**	**-54%**
Cost of Property and Services	**-41,244**	**-74,411**	**45%**	**-182,938**	**-394,492**	**54%**
Construction and Land	-38,459	-55,727	31%	-135,430	-326,194	58%
Financial Charges	-2,785	-18,684	85%	-47,508	-68,298	30%
Gross Income	**-21,843**	**1,765**	**n.a**	**-34,214**	**-68,464**	**50%**
Gross Margin	**-112.6%**	**2.3%**	**n.a**	**-23.0%**	**-21.0%**	**-2.0 p.p.**
Gross Margin (ex interest)	**-98.2%**	**26.8%**	**n.a**	**8.9%**	**-0.1%**	**9.0 p.p.**
Operating Expenses	**-170,704**	**-120,740**	**-41%**	**-404,221**	**-367,343**	**-10%**
Administrative	-12,927	-14,555	11%	-44,354	-62,968	30%
Selling	-11,344	-10,426	-9%	-47,634	-39,849	-20%
Depreciation and Amortization	-2,395	-4,410	46%	-11,047	-17,784	38%
Equity Result	-14,274	-24,401	42%	-37,164	-77,283	52%
Other Operating Revenue (Expenses)	-129,764	-66,948	-94%	-264,022	-169,459	-56%
Earnings before Financial Result	**-192,547**	**-118,975**	**-62%**	**-438,435**	**-435,807**	**-1%**
Financial Result	**-37,019**	**262,474**	**-114%**	**-168,484**	**80,192**	**-310%**
Financial Revenue	1,240	319,855	-100%	10,546	336,288	-97%
Financial Expenses	-38,259	-57,381	33%	-179,030	-256,096	30%
Operating Income (Loss)	**-229,566**	**143,499**	**-260%**	**-606,919**	**-355,615**	**-71%**
Operating Margin	**n.a**	**188.4%**	**n.a**	**-408.1%**	**-109.1%**	**n.a**
Provision for Taxes and Contributions	-886	-1,471	40%	-8,588	-4,946	-74%
Deferred Income Tax and S. Contribution	3,030	464	553%	8,440	9,808	-14%
Minorities	14,174	-729	-2044%	-6,982	11,862	-159%
Net Income (Loss)	**-213,248**	**141,763**	**-250%**	**-614,049**	**-338,891**	**-81%**
Net Margin	**n.a**	**186.1%**	**n.a**	**-412.9%**	**-103.9%**	**-308.9 p.p.**

EXHIBIT IV | BALANCE SHEET

Assets (R$ '000)	4Q18	3Q18	Var. (%)
Current			
Cash and equivalents	47,369	32,786	44.5%
Tradeble note	22,202	5,976	271.5%
Accounts receivable	732,737	774,381	-5.4%
Tradeble properties	378,932	457,779	-17.2%
Other assets	71,902	100,012	-28.1%
Total Current Assets	**1,253,142**	**1,370,934**	**-8.6%**
Non Current			
Accounts receivable	84,082	99,857	-15.8%
Tradeble properties	346,352	423,689	-18.3%
Judicial deposits	67,140	96,497	-30.4%
Related parties	217,958	231,143	-5.7%
Advances to business partners	254,181	216,599	17.4%
Investments	297,623	508,541	-41.5%
Fixed assets	12,622	13,735	-8.1%
Intangible assets	9,146	10,905	-16.1%
Total Non Current Assets	**1,289,104**	**1,600,966**	**-19.5%**
Total Assets	**2,542,246**	**2,971,900**	**-14.5%**

EXHIBIT IV | BALANCE SHEET (cont.)

Liabilities and Shareholders Equity (R$ '000)	4Q18	3Q18	Var. (%)
Current			
Construction Loans - real estate credit	189,320	480,278	-60.6%
Suppliers	109,794	91,774	19.6%
Accounts payable for land acquisition	94,847	113,438	-16.4%
Salaries and payroll charges	4,082	4,966	-17.8%
Taxes and contributions payable	42,013	40,656	3.3%
Profit sharing payable	419	420	-0.2%
Advances from clients	110,851	165,353	-33.0%
Related parties	231,007	417,326	-44.6%
Deferred taxes and contributions	35,314	37,498	-5.8%
Other accounts payable	176,915	188,599	-6.2%
Total Current	**994,562**	**1,540,308**	**-35.4%**
Non Current			
Construction Loans - real estate credit	1,414,975	1,127,239	25.5%
Accounts payable for land acquisition	4,646	4,400	5.6%
Taxes and contributions payable	9,701	30,310	-68.0%
Provision for risks	138,497	112,749	22.8%
Provision for guarantees	14,842	14,252	4.1%
Deferred taxes and contributions	39,439	38,560	2.3%
Provision for investment losses	111,255	82,739	34.5%
Other accounts payable	59,638	55,196	8.0%
Total Non Current	**1,792,993**	**1,465,445**	**22.4%**
Shareholders' Equity			
Capital stock	2,611,390	2,611,390	0.0%
Treasury stock	-67,071	-70,540	-4.9%
Capital reserve	70,107	70,048	0.1%
Accrued earnings	-2,851,871	-2,635,095	8.2%
Total Shareholders' Equity	**-237,445**	**-24,197**	**881.3%**
Minority Interest	-7,864	-9,656	-18.6%
Total Liabilities and Shareholders' Equity	**2,542,246**	**2,971,900**	**-14.5%**

EXHIBIT V – Inventory (100%)

PSV (R$ million)	Finished	2019	Total
Ananindeua	8.3	-	8.3
Aracaju	65.7	-	65.7
Barueri	-	13.6	13.6
Belo Horizonte	2.4	-	2.4
Brasília	34.1	-	34.1
Campinas	1.0	7.6	8.7
Curitiba	25.1	-	25.1
Duque de Caxias	27.1	-	27.1
Fortaleza	0.3	-	0.3
Hortolândia	0.2	-	0.2
Itaboraí	0.2	-	0.2
Londrina	6.7	-	6.7
Manaus	12.3	-	12.3
Nova Iguaçu	0.5	-	0.5
Other Regions	3.2	-	3.2
Parnamirim	0.7	-	0.7
Paulínia	7.4	-	7.4
Porto Alegre	11.9	23.4	35.3
Recife	5.8	-	5.8
Ribeirão Preto	34.0	-	34.0
Rio de Janeiro	12.2	-	12.2
Salvador	0.1	-	0.1
Santos	3.0	-	3.0
São Paulo	2.9	-	2.9
Sumaré	0.2	-	0.2
Xangri-Lá	1.9	-	1.9
Total	**267.1**	**44.6**	**311.7**

GLOSSARY

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

CPC – Accounting Pronouncements Committee – Created by CFC Resolution No. 1,055/05, 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-operating 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 operating 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.