



August 15th,
2018

2Q18
Results

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

Timeline

Debt Subjected to the Reorganization Plan

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

❖ **Executive Summary**

❖ **Court-supervised Reorganization (CSR)**

Timeline

Debt Subjected to the Reorganization Plan

❖ **Financial and Operational Results**

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ



2Q18 Highlights

- ❖ **Gross sales** recorded a significant improvement, reaching **R\$95 million** in 2Q18, a 93% increase over 1Q18 and 51% over 2Q17. In 1H18, gross sales amounted to R\$144 million, in line with 1H17.
- ❖ Due to better gross sales, **net sales amounted to R\$46 million in 2Q18**, significantly superior when compared to 1Q18 and 2Q17. In the semester, net sales totaled R\$43 million.
- ❖ The general and administrative expenses continue falling, decreasing by 31% in 2Q18 in comparison with 2Q17. In 1H18, G&A expenses dropped 52% over 1H17.
- ❖ Conclusion, in 06/15/2018, of the **Capital Increase** related to the conversion of debt into equity, in the amount of **R\$74.2 million**.
- ❖ In June, the **payment** of the first installment was made to the creditors, amounting to **R\$13.2 million**, as foreseen in the Recovery Plan.
- ❖ The **net loss was 36% down**, from R\$532.4 million in 2Q17 to R\$339.8 million in 2Q18. Comparing 1H18 to 1H17, net loss was 26% down.

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

Timeline

Debt Subjected to the Reorganization Plan

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

Court-supervised Reorganization (CSR)

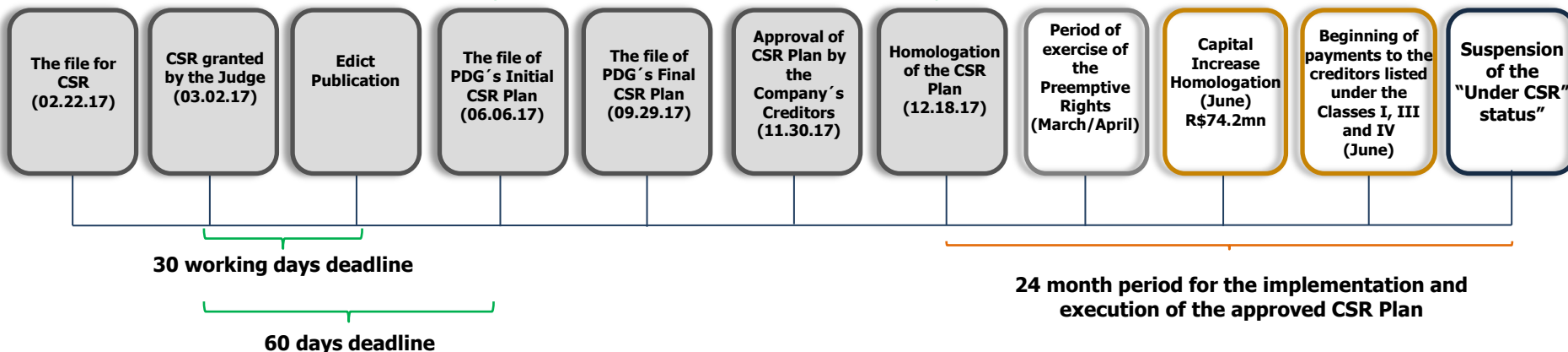
Schedule



Court-supervised Reorganization Schedule

Slightly over 9 months (281 days)

Discussion and resolution of the Final CSR Plan



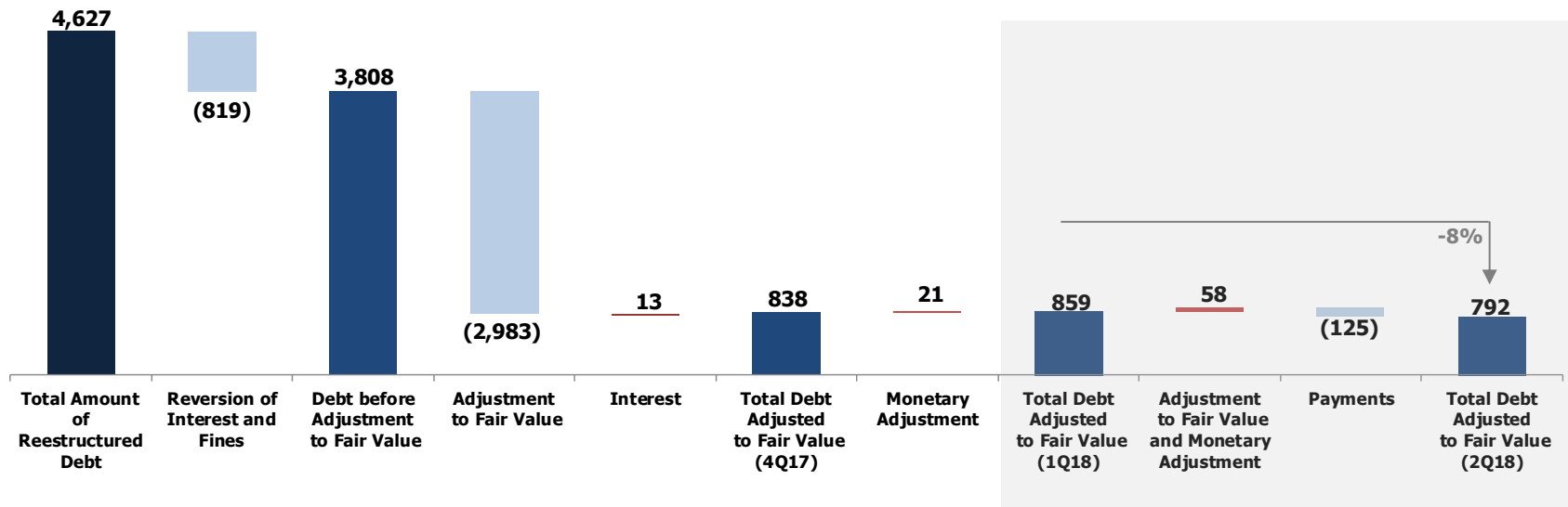
- ❖ Capital increase homologation in 06.15.2018, converting R\$74.2 million of debts into equity;
- ❖ We initiate, in June, the payments to the creditors listed under the Classes I, III and IV. We paid the first installment amounting to R\$13.2 million. As foreseen in the Plan, payments will be made in 6 installments.

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)



Debt Subjected to the Reorganization Plan – R\$ million



- ❖ The debts subjected to the Reorganization Plan were reduced by 8%, going from R\$859 million in the 1Q18 to R\$792 million in the 2Q18. This reduction is explained by (i) the payment of the first of the six installments foreseen in the Plan, occurred in June, to creditors of classes I, III and IV, who chose the payment option “A” and (ii) the conversion of part of the debt into equity by means of a capital increase, amounting to R\$74.2 million.

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

Timeline

Debt Subjected to the Reorganization Plan

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



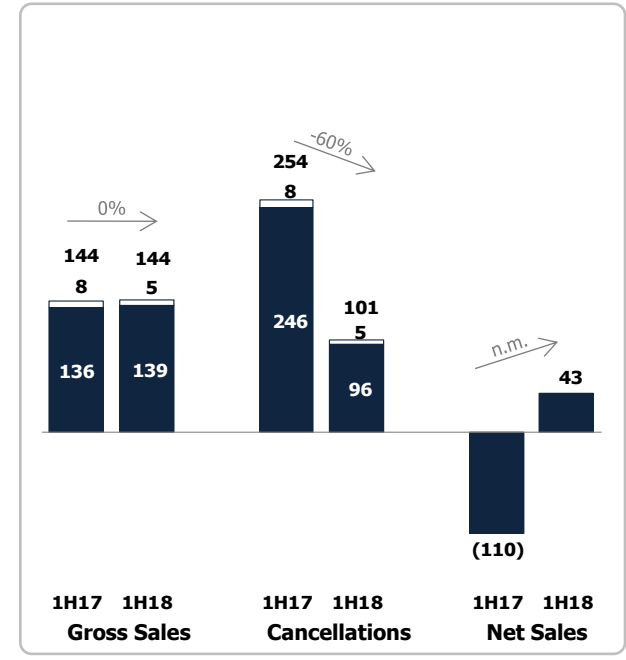
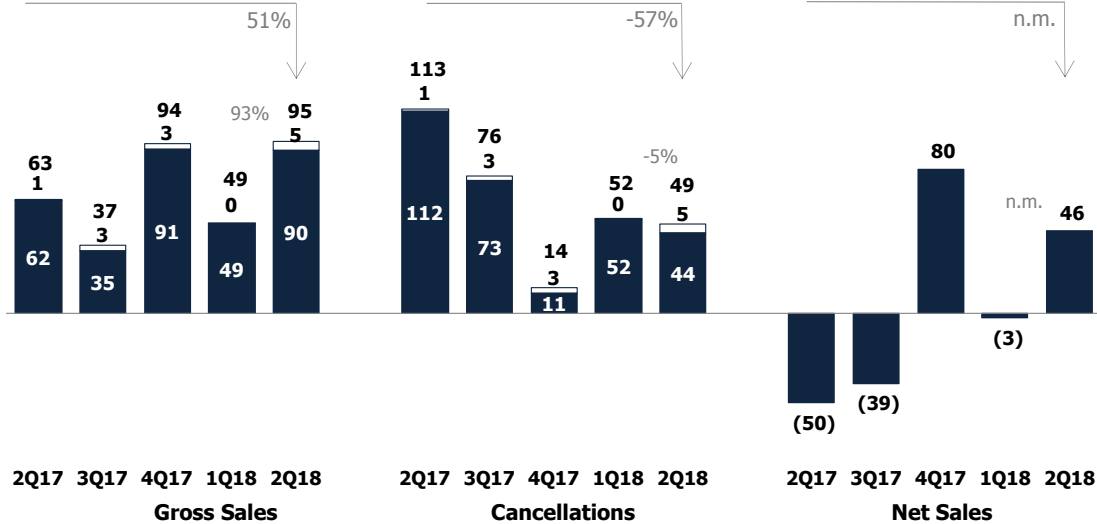
Corcovado
Rio de Janeiro/RJ

Financial and Operational Results

Sales Performance

Sales – R\$ million

□ **Revenida dentro do Trimestre**
 ■ **Valor Líquido de Receita**



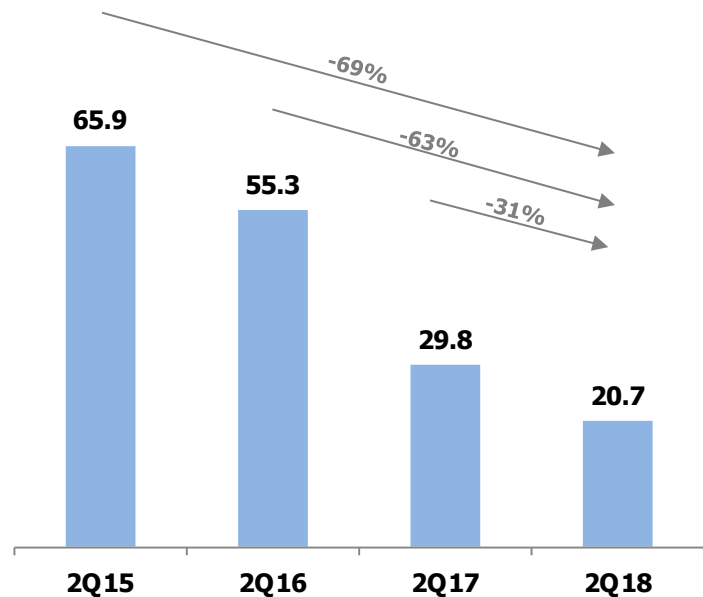
- ❖ Gross sales reached R\$95 million in 2Q18, a 93% rise when compared to 1Q18 and a 51% increase when compared to the 2Q17.
- ❖ Total cancellations came to R\$49 million in 2Q18, 57% down on 2Q17. In the first half, cancellations amounted R\$101 million, 60% reduction over the same period last year.
- ❖ Net sales totaled R\$46 million in 2Q18 and R\$43 million in 1H18.
- ❖ Throughout 2018, we will maintain the strategy to prioritize cancellations of unencumbered units and those with better market liquidity, which are, therefore, immediate cash-generating at the time of resale.

Financial and Operational Results

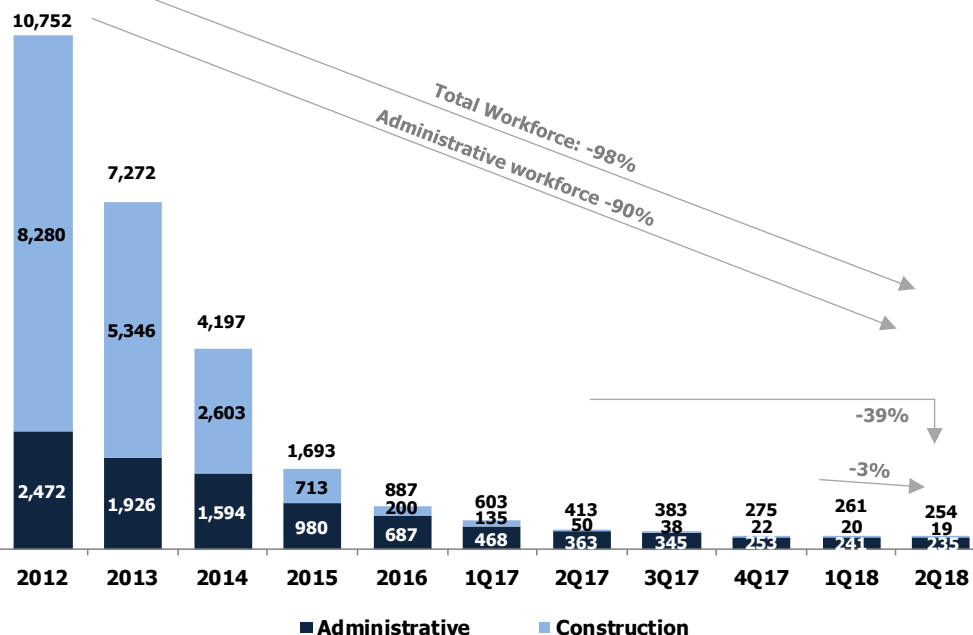
G&A Expenses



G&A Evolution – R\$ million



Headcount



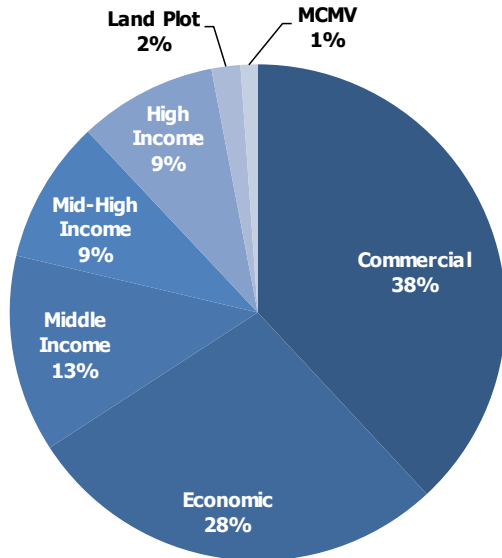
- ❖ Reduction of 31% in G&A expenses between 2Q17 and 2Q18. In 1H18, G&A expenses dropped 52% over 1H17.
- ❖ In 2Q18, we reduced our total headcount by 3% over the previous quarter. When compared to the 2Q17, headcount fell by 39%.
- ❖ Selling, General and Administrative (SG&A) expenses fell by 27% over 2Q17. In the half-year comparison, the SG&A reduction reached 43%.

Financial and Operational Results

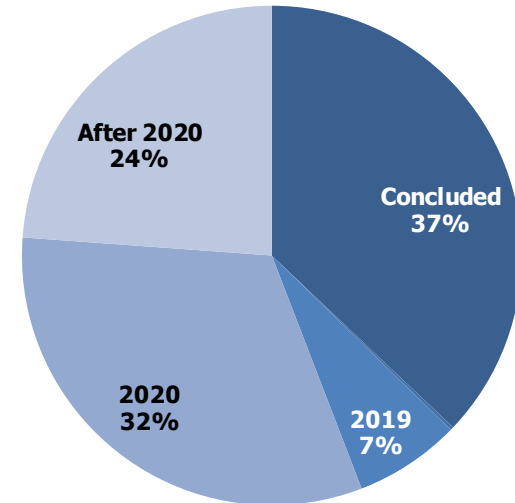
Inventory Quality



Inventory by Product – % of PSV



Inventory by Delivery Schedule – % of PSV



❖ Total inventory at market value was **R\$1,964 million** by the end of 2Q18;

❖ Quality of available inventory:

- 59% in residential products (excluding MCMV, Land Plots, and Commercial);
- 37% is concluded inventory, immediate cash generator. Considering the concluded inventory, 62% are in São Paulo and Rio de Janeiro, and 92% corresponded to projects with more than 60% of units sold.

Financial and Operational Results

Financial Result



Financial Result – R\$ million

R\$ million in IFRS

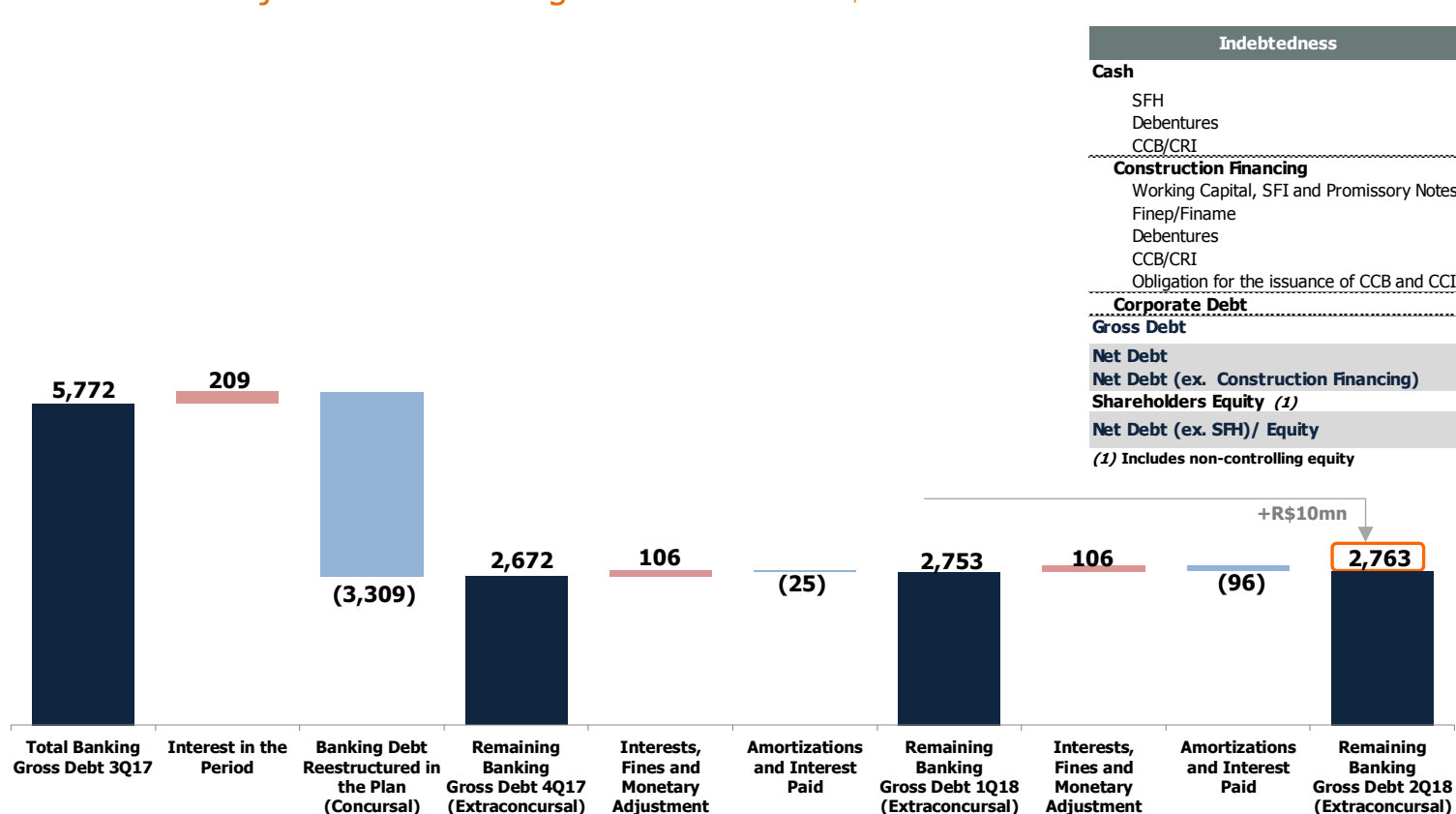
Financial Results (R\$ mn)	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Investment Income	2.4	3.3	-27%	4.2	10.0	-58%
Interest and fines	31.8	9.4	n.m.	58.7	0.6	n.m.
Other financial revenue	(38.3)	2.3	n.m.	(37.4)	2.7	n.m.
Total financial revenues	(4.1)	15.0	n.m.	25.5	13.3	92%
Interest	(76.0)	(357.9)	-79%	(204.8)	(516.0)	-60%
Bank Expenses	0.2	(0.2)	n.m.	(0.3)	(0.5)	-40%
Other	(48.2)	(8.7)	n.m.	(52.5)	(32.7)	61%
Gross Financial Expenses	(124.3)	(366.8)	-66%	(257.6)	(549.2)	-53%
Capitalized Interest on Inventory	(5.7)	7.0	n.m.	1.4	16.0	-91%
Total Financial Expenses	(130.0)	(359.8)	-64%	(256.2)	(533.2)	-52%
Total Financial Result	(134.1)	(344.8)	-61%	(230.7)	(519.9)	-56%

- ❖ The increase in the Interest and fines line is due to the growth of inflation (IGP-M) over the first half of 2018.
- ❖ Since the approval of the Plan, the debts subjected to the Reorganization Plan are corrected by the Brazilian Reference Rate (TR). Therefore, considering the lower correction rate, there was a decrease in the Interest line.
- ❖ During the second quarter, financial expenses totaled R\$130 million, 64% down on 2Q17. In 1H18, financial expenses dropped 52% over 1H17.

Court-supervised Reorganization (CSR)

Debts not subjected to the Reorganization Plan

Debts not subjected to the Reorganization Plan – R\$ million



R\$ million in IFRS

Indebtedness	2Q18	1Q18	(%) Var.
Cash	226	221	2%
SFH	764	763	0%
Debentures	189	180	5%
CCB/CRI	161	152	6%
Construction Financing	1,114	1,095	2%
Working Capital, SFI and Promissory Notes	348	358	-3%
Finep/Finame	6	5	20%
Debentures	305	296	3%
CCB/CRI	989	988	0%
Obligation for the issuance of CCB and CCI	1	11	-91%
Corporate Debt	1,649	1,658	-1%
Gross Debt	2,763	2,753	0%
Net Debt	2,537	2,532	0%
Net Debt (ex. Construction Financing)	1,423	1,437	-1%
Shareholders Equity (1)	- 3,763	- 3,493	8%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

(1) Includes non-controlling equity

- ❖ The Company's bank debt grew R\$10 million between 1Q18 and 2Q18. This increase was due to the interests incurred in the period, after amortizations.
- ❖ During 2Q18, net debt increased by R\$5 million.

Income Statement

Quarterly and Semiannual

Income Statements (R\$ '000) - IFRS	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Operating Gross Revenue						
Real Estate Sales	164,336	145,495	13%	234,918	272,909	-14%
Other Operating Revenues	7,004	5,107	37%	9,188	7,419	24%
(-) Revenues Deduction	(1,453)	7,595	n.m.	(8,722)	(4,115)	n.m.
Operating Net Revenue	169,887	158,197	7%	235,384	276,213	-15%
Cost of Sold Units	(206,905)	(87,954)	n.m.	(268,947)	(199,915)	35%
Interest Expenses	(8,438)	(12,883)	-35%	(16,682)	(16,878)	-1%
Cost of sold properties	(215,343)	(100,837)	n.m.	(285,629)	(216,793)	32%
Gross Income (loss)	(45,456)	57,360	n.m.	(50,245)	59,420	n.m.
Gross margin	<i>n.a.</i>	36.3%	n.m.	<i>n.a.</i>	21.5%	n.m.
Adjusted gross margin ⁽¹⁾	<i>n.a.</i>	44.4%	n.m.	<i>n.a.</i>	27.6%	n.m.
Operating Revenues (expenses):						
Equity Income	(378)	(920)	-59%	(3,916)	(900)	n.m.
General and Administrative	(20,665)	(29,799)	-31%	(36,464)	(75,877)	-52%
Commercial	(3,329)	(3,059)	9%	(12,567)	(10,977)	14%
Taxes	(1,229)	(4,158)	-70%	(1,408)	(12,655)	-89%
Depreciation & Amortization	(14,887)	(11,980)	24%	(56,745)	(18,626)	n.m.
Other	136,364	(368,451)	-63%	(227,168)	(399,456)	-43%
Financial Result	(134,144)	(344,828)	-61%	(230,650)	(519,965)	-56%
Total operating revenues (expenses)	(310,996)	(763,195)	-59%	(568,918)	(1,038,456)	-45%
Income before taxes	(356,452)	(705,835)	-49%	(619,163)	(979,036)	-37%
Income Taxes and Social Contribution	14,010	177,916	-92%	10,088	179,348	-94%
Income before minority stake	(342,442)	(527,919)	-35%	(609,075)	(799,688)	-24%
Minority interest	2,638	(4,493)	n.m.	8,958	(8,444)	n.m.
Net Income (loss)	(339,804)	(532,412)	-36%	(600,117)	(808,132)	-26%
Net margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	<i>n.a.</i>	<i>n.a.</i>	n.m.

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill



August 15th,
2018

2Q18
Results