

**EARNINGS
RELEASE
4Q18 & 2018**

MRV



[B]³ BRASIL
BOLSA
BALÇÃO

 **NOVO
MERCADO**
BM&FBOVESPA

ISEB3
2019



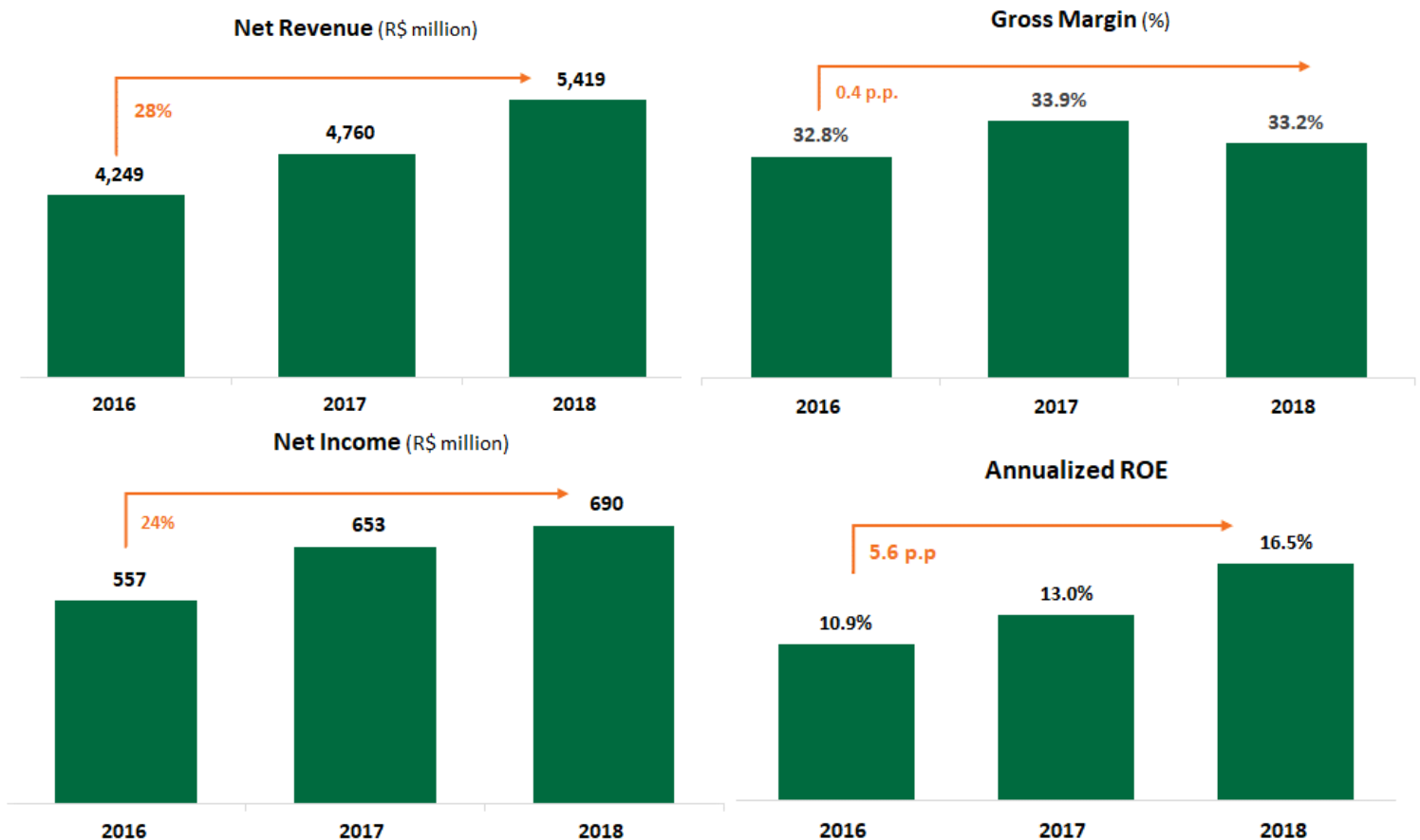
MRV BREAKS RECORDS IN 2018: Net Revenue, Launches and Sales

NET INCOME OF R\$ 191 million in 4Q18

Belo Horizonte, February 28, 2019 - MRV Engenharia e Participações SA (B3: MRVE3), the largest homebuilder in Latin America, announces its results for the fourth quarter of 2018. The financial information are presented in millions of Brazilian Reais (R\$ million), save where otherwise indicated, and is based on the consolidated financial statements prepared and presented in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), based on Guidelines CPC 04 on Technical Interpretation ICPC 02 for Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), consistent with the standards issued by the CPC.

HIGHLIGHTS

- In the 4Q18 we reached a **Net Revenue Record**, of R\$ 1.52 billion, an increase of 10.8% in relation to 4Q17;
- **Quarterly profit of R\$ 191 million**, growth of 5.8% in relation to 4Q17, resulting in a shareholder's earnings per share of R\$ 0.431;
- We achieved an annualized **ROE of 16.5%**, an increase of 3.5 p.p. in relation to 4Q17;
- **Cash generation reached R\$ 469 million** in 2018, an increase of 24.1% in the annual comparison.
- Stable **gross margin with growth in revenue, net income and ROE** over the years.



Message from the Board

- Best operational result of the Company's history**

Over the last four years we have been focused on implementing our strategy: organic growth with efficiency gains and increased profitability. As a result, since 2015, we have seen recurring growth in the volume of launches and sales.

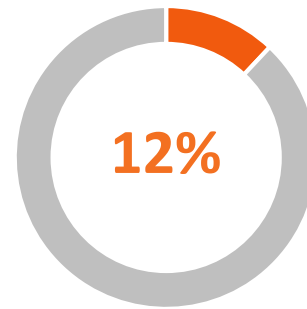
In 2018, we recorded the **best operational result of the Company's history** (100% MRV), with record of launches and sales of R\$ 7.02 billion and R\$ 6.74 billion, respectively. Our net revenue increased 13.8% and net income 5.6%, a result of our focus on operational excellence.

- We Invested in landbank and its diversification**

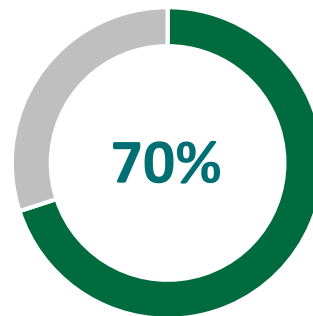
We ended the year with R\$ 50 billion in PSV, corresponding to 322 thousand units, contributing to the progression of our growth in 2019. For the launches estimates in 2019, we already obtained construction license for 26 thousand units, distributed in the 158 cities where we operate.

In the cities where we operate for a longer period, we have 70% of market share, which places us as the preferred brand for our target buyer, providing a greater competitive advantage for the launches absorption and increase of sales.

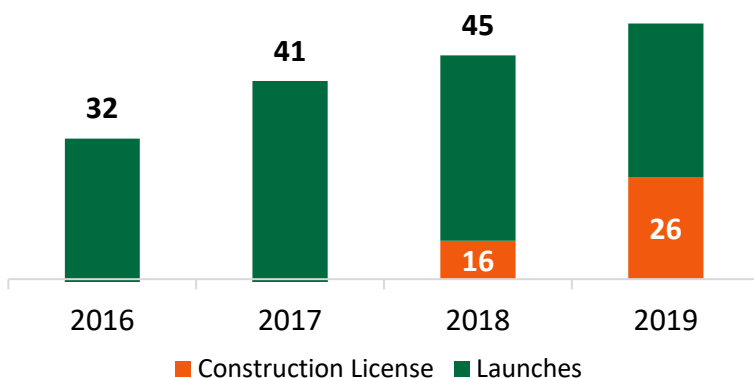
National Market Share



Matured Cities Market Share



Launches Evolution (thousand of units)



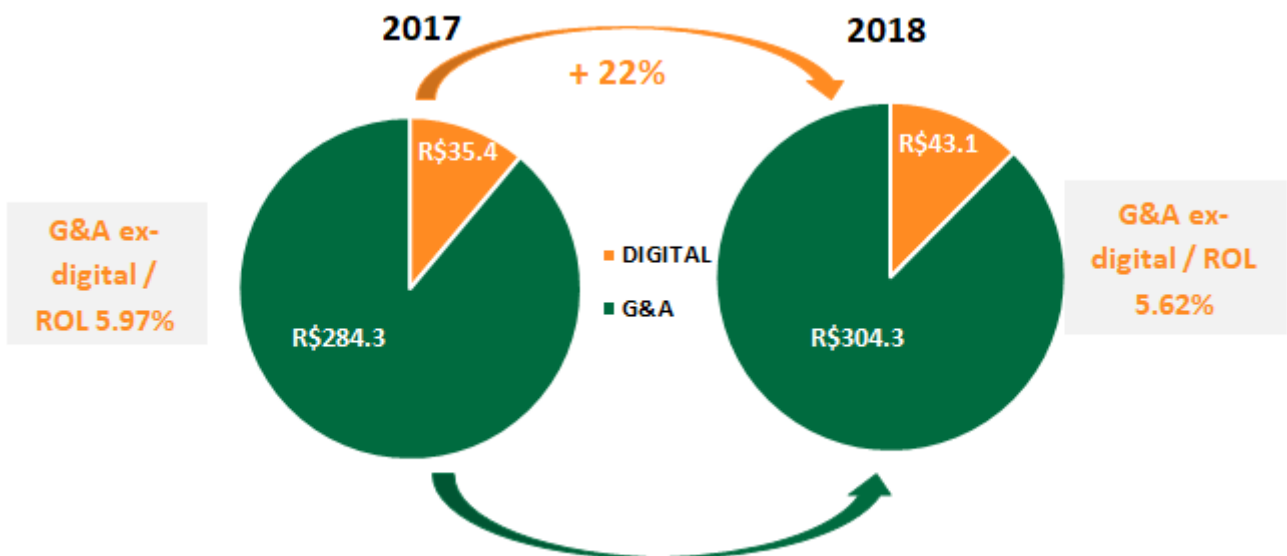
*Construction License: a compulsory document authorizing the Company to build and launch projects.

- **Organizational restructuring**

Since 2014, we began our Succession Plan, in that occasion the current Chief Executive Officers were elected, and now, we started the second stage of the restructuring.

- We have invested in a broad leadership training program, focused on people management, operational excellence and innovation.
- We recognize our employees for their performance and contribution to the Company, and the internal structure is being prepared so that the team will be at the vanguard of the new market challenges, where new innovative businesses are demanding greater agility and efficiency of the teams for searching solutions.
- We have carried out 8 editions of the Trainee Program (leaders of the future), recruiting 116 young talents, and hiring market professionals with complementary skills that can contribute to our growth and longevity.
- We are improving our Employee Value Proposition and “*Jeito de Ser MRV*” through a broad engagement program across the Company.
- To sustain our digital and technological leadership, our range of actions belongs to the **MRV Innovation Hub**, giving greater focus to creating, managing and encouraging initiatives related to innovation. In this model, the organizational architecture will be able to expand sustainable growth with due agility, efficiency and strength, providing more synergy and contact of the leaderships with the operation.
- Our teams are arranged by cross-functional teams - SQUAD's, focused on solving business problems and implementing digital products.
-

DIGITAL INVESTMENTS (in million)



- **Digital Transformation**



Over the past years we have been investing in technology to improve our clients experience throughout their journey. Our strategy is to always be pioneer of the sector in the search of innovative solutions to solve real problems with the use of technology. We can facilitate the lives of our clients, land owners, suppliers, through Digital Analytics, Artificial Intelligence, Mobile Applications among others, offering more products and services.

Among other solutions we have developed our **Market Place**, an exclusive online shopping platform for MRV clients, that consolidates the best brands in the country, with up to 35% discount, straight from manufacture. In this way we build a permanent and positive relationship with our customers even after the delivery of the keys.

These actions contribute to maintain our **market leadership and quality**, offering distinct products, with excellent location, Loyalty programs, services, among others, focused on customer experience and satisfaction. We have the highest NPS (Net Promote Score) of the segment, with the rating of 43!

We are investing strongly in our **digital transformation** with significant gains in all business areas, from the processes and production digitization to the customer experience.

- **New Products**

We launched **two new products**: the SBPE with associative credit by private bank, in partnership with Banco Santander and Luggo - our apartment rental platform.

- **More than 40 Prizes in 2018**

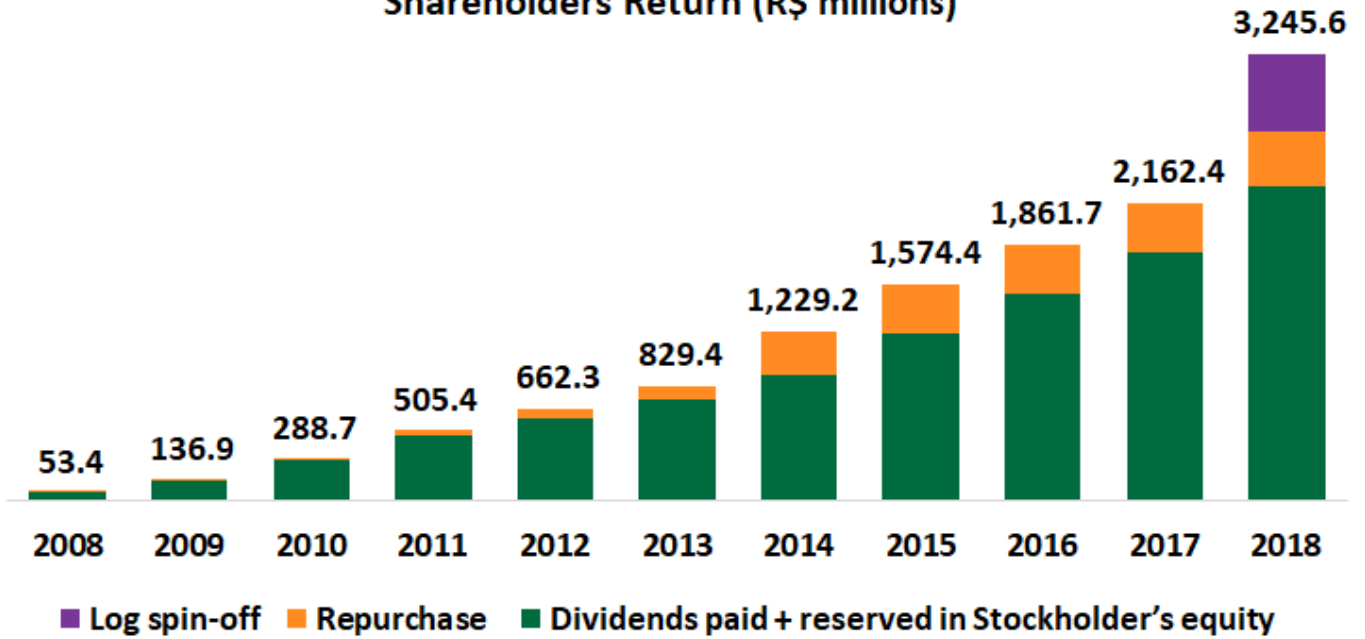
These results of the company are endorsed for more than **40 awards we have conquered during the year**, including: Ernst & Young (EY) World Entrepreneur of the Year, Best Construction Company by Revista Época, Best Technology Contribution Project by Revista Cliente SA and Digital Maturity Index by McKinsey & Company.

- **Shareholders Return**

At the end of 2018, **we conclude the spin-off our joint control company** Log Commercial Properties contributing to the generate value to our shareholders. LOGG3 is the first company in the sector to have its shares traded on the B3 Novo Mercado, the highest level of governance for a listed company.

During the year, **we distributed R\$ 456 million to our shareholders in dividends** and repurchased R\$ 31 million in shares. Furthermore, we have already reserved in Stockholder's Equity the distribution of extraordinary dividends referring to the profit for 2018.

Shareholders Return (R\$ millions)



We appreciate the support and interest of all our stakeholders, who contribute directly and indirectly to MRV, *Building Dreams that Transform the World*.



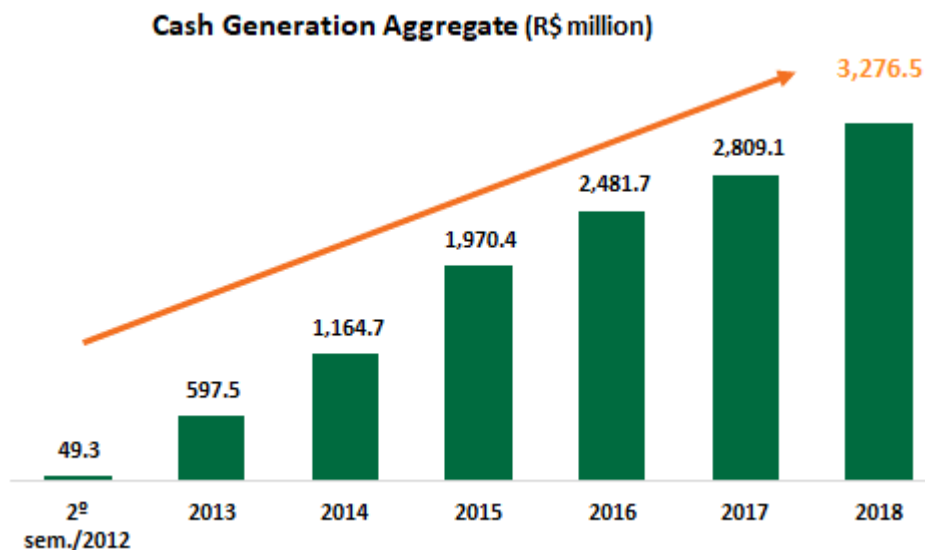
Financial Performance – MRV

Consolidated Financial Highlights (R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Net Operating Revenue	1,505	1,322	1,350	13.9% ↑	11.5% ↑	5,326	4,669	14.1% ↑
Financial results allocated to Net Revenue	16	30	22	46.5% ↓	27.3% ↓	93	91	1.6% ↑
Total Net Operating Revenue	1,521	1,352	1,372	12.5% ↑	10.8% ↑	5,419	4,760	13.8% ↑
Financial Cost recorded under COGS	46	40	55	14.3% ↑	16.5% ↓	183	176	4.0% ↑
Gross Profit	499	447	462	11.7% ↑	7.9% ↑	1,799	1,612	11.6% ↑
% Gross Margin	32.8%	33.0%	33.7%	0.2 p.p. ↓	0.9 p.p. ↓	33.2%	33.9%	0.7 p.p. ↓
Selling expenses	(155)	(147)	(144)	5.4% ↑	7.6% ↑	(586)	(550)	6.5% ↑
Selling expenses / net revenues (%)	10.2%	10.9%	10.5%	0.7 p.p. ↓	0.3 p.p. ↓	10.8%	11.6%	0.7 p.p. ↓
Selling expenses / pre-sales (%)	9.0%	10.2%	8.3%	1.2 p.p. ↓	0.6 p.p. ↑	9.4%	9.1%	0.3 p.p. ↓
General & Administrative Expenses	(89)	(88)	(85)	1.6% ↑	4.4% ↑	(347)	(320)	8.6% ↑
G&A expenses / net revenues (%)	5.9%	6.5%	6.2%	0.6 p.p. ↓	0.4 p.p. ↓	6.4%	6.7%	0.3 p.p. ↓
G&A expenses / pre-sales (%)	5.2%	6.1%	4.9%	0.9 p.p. ↓	0.2 p.p. ↑	5.6%	5.3%	0.3 p.p. ↑
Equity Income	(13)	(8)	(3)	52.3% ↑	411.0% ↓	(28)	(33)	15.7% ↑
EBITDA	273	238	269	14.4% ↑	1.2% ↑	988	892	10.8% ↑
% EBITDA Margin	17.9%	17.6%	19.6%	0.3 p.p. ↑	1.7 p.p. ↓	18.2%	18.7%	0.5 p.p. ↓
Net Income	191	174	180	9.5% ↑	5.8% ↑	690	653	5.6% ↑
% Net margin	12.5%	12.9%	13.1%	0.3 p.p. ↓	0.6 p.p. ↓	12.7%	13.7%	1.0 p.p. ↓
Earnings per share (R\$)	0.431	0.393	0.408	9.7% ↑	5.6% ↑	1.559	1.480	5.3% ↑
ROE (LTM)	12.7%	12.1%	12.2%	0.6 p.p. ↑	0.5 p.p. ↑	12.7%	12.2%	0.5 p.p. ↑
ROE (annualized)	16.5%	12.2%	13.0%	4.2 p.p. ↑	3.4 p.p. ↑	16.5%	13.0%	3.4 p.p. ↑
Unearned Sales Revenues	2,196	2,255	2,416	2.6% ↓	9.1% ↓	2,196	2,416	9.1% ↓
Unearned Costs of Units Sold	(1,284)	(1,291)	(1,395)	0.5% ↓	8.0% ↓	(1,284)	(1,395)	8.0% ↓
Unearned Results	912	965	1,021	5.4% ↓	10.6% ↓	912	1,021	10.6% ↓
% Unearned Margin	41.5%	42.8%	42.3%	1.2 p.p. ↓	0.7 p.p. ↓	41.5%	42.3%	0.7 p.p. ↓
Cash Generation	43	241	38	82.3% ↓	13.8% ↑	467	327	42.8% ↑
Net Debt (Net Cash)	435	313	378	38.8% ↑	15.1% ↑	435	378	15.1% ↑
Net Debt/Shareholders' Equity	8.9%	5.2%	6.5%	3.7 p.p. ↑	2.4 p.p. ↑	8.9%	6.5%	2.4 p.p. ↑
Net Debt/EBITDA LTM	0.44x	0.32x	0.42x	38.3% ↑	3.9% ↑	0.44x	0.42x	3.9% ↑

* In 4Q18 was considered the Shareholders' Equity after Log spin-off.

In the 4Q18, the Company's financial performance reflected the strong operating result we had during 2018, with growth of 5.6% in net sales and 12.1% in the units produced.

As a result, we registered a record net revenue, diluted our SG&A expenses and had a 5.3% increase in earnings per share in the annual comparison. We achieved 26 quarters of recurring cash generation, totaling R\$ 3.3 billion, and distributed R\$ 2.3 billion in dividends.





Operational Performance – MRV

Landbank

Land bank	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
%MRV								
Land Bank (R\$ billion)*	49.7	48.6	45.9	2.3% ↑	8.2% ↑	49.7	45.9	8.2% ↑
Acquisitions/Adjustments (R\$ million)	3,344	4,252	3,428	21.4% ↓	2.5% ↓	7,537	7,384	2.1% ↑
Units*	321,839	318,326	304,862	1.1% ↑	5.6% ↑	321,839	304,862	5.6% ↑
Usable Area (in thousands of sq.m.)	13,382	13,165	11,787	1.7% ↑	13.5% ↑	13,382	11,787	13.5% ↑
Average Price - R\$'000 / unit	151	150	147	1.3% ↑	2.7% ↑	151	147	2.7% ↑
Average Price - R\$'000 / sq.m.	3.7	3.7	3.9	0.6% ↑	4.7% ↓	3.7	3.9	4.7% ↓
% Swap - land bank	52%	52%	50%	0.2 p.p. ↑	2.6 p.p. ↑	52%	50%	2.6 p.p. ↑
% Swap - acquisitions in the period	36%	70%	57%	34.5 p.p. ↓	21.0 p.p. ↓	61%	51%	9.9 p.p. ↑
By financing source - FGTS	100%	100%	100%	0.0 p.p.	0.2 p.p.	100%	100%	0.2 p.p.
By financing source - Savings accounts	0%	0%	0%	0.0 p.p.	0.2 p.p.	0%	0%	0.2 p.p.
100%								
Number of Projects	862	850	759	1.4% ↑	13.6% ↑	862	759	13.6% ↑
Land Bank (R\$ billion)*	52.1	51.3	49.0	1.5% ↑	6.1% ↑	52.1	49.0	6.1% ↑
Units	327,367	325,624	315,358	0.5% ↑	3.8% ↑	327,367	315,358	3.8% ↑
Units per Project	380	383	415	0.9% ↓	8.6% ↓	380	415	8.6% ↓
Usable Area (in thousands of sq.m.)	13,614	13,468	12,214	1.1% ↑	11.5% ↑	13,614	12,214	11.5% ↑
Average Price - R\$'000 / unit	151	149	147	1.3% ↑	2.8% ↑	151	147	2.8% ↑
Average Price - R\$'000 / sq.m.	3.8	3.8	4.0	0.5% ↑	4.8% ↓	3.8	4.0	4.8% ↓

* Includes the residential and allotment segments.

In 2018 we obtained more than 80 thousand units representing a potential PSV of R\$ 12.8 billion. We were able to expand the landbank located in capitals and metropolitan regions, which accounted for more than 70% of our acquisitions. In these cities we still have great opportunity to increase our market share.

We accumulated 42.7 units in our landbank with a construction license, totaling R\$ 6.6 billion in PSV, of which R\$ 3.6 billion already has an incorporation register (IR) issued, equivalent to 23.8 thousand units. In 4Q18, 37 new plots of lands were acquired, representing a PSV of R\$ 2.9 billion and 17 thousand units.

Gross Launches (%MRV)

Launches	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
%MRV								
Launches (R\$ million)*	2,230	1,680	1,671	32.8% ↑	33.5% ↑	6,424	5,627	14.2% ↑
Units	13,852	10,926	11,640	26.8% ↑	19.0% ↑	41,195	37,155	10.9% ↑
Average Launching Size (units)	283	280	315	0.9% ↑	10.1% ↓	288	305	5.4% ↓
Usable Area (in thousands of sq.m.)	589	450	501	30.8% ↑	17.6% ↑	1,728	1,710	1.0% ↑
Average Price - R\$'000 / unit	160	153	144	4.1% ↑	11.2% ↑	155	151	2.3% ↑
Average Price - R\$'000 / sq.m.	3.8	3.7	3.3	1.5% ↑	13.5% ↑	3.7	3.3	13.0% ↑
By financing source - FGTS	95%	96%	100%	1.6 p.p.	5.2 p.p.	97%	99%	1.9 p.p.
By financing source - Savings accounts	5%	4%	0%	1.6 p.p.	5.2 p.p.	3%	1%	1.9 p.p.
Per region - Capital Cities	32%	29%	15%	2.8 p.p.	16.9 p.p.	31%	21%	9.7 p.p.
Per region - Metropolitan Areas	35%	23%	36%	12.3 p.p.	1.0 p.p.	29%	32%	3.4 p.p.
Per region - Secondary Cities	33%	48%	49%	15.2 p.p.	15.9 p.p.	40%	47%	6.3 p.p.
100%								
Number of Projects	49	39	37	25.6% ↑	32.4% ↑	143	122	17.2% ↑
Launches (R\$ million)*	2,405	1,920	1,775	25.3% ↑	35.5% ↑	7,029	6,022	16.7% ↑
Units	14,611	12,132	12,366	20.4% ↑	18.2% ↑	44,515	40,847	9.0% ↑
Usable Area (in thousands of sq.m.)	607	492	507	23.4% ↑	19.6% ↑	1,835	1,762	4.1% ↑
Average Price - R\$'000 / unit	165	158	144	4.0% ↑	14.7% ↑	158	147	7.1% ↑
Average Price - R\$'000 / sq.m.	4.0	3.9	3.5	1.5% ↑	13.3% ↑	3.8	3.4	12.1% ↑

* Includes the residential and allotment segments.

In the 4Q18 we registered a record in the number of launches, achieving R\$ 2.23 billion, 34% increase y-o-y. We have increased our presence in large cities and resume launches for mid income families.

Pre-Sales (%MRV), net of swaps

Pre-sales	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
%MRV								
Pre-sales (R\$ million)*	1,733	1,453	1,735	19.3% ↑	0.1% ↓	6,217	6,055	2.7% ↑
Units	11,371	9,804	11,815	16.0% ↑	3.8% ↓	41,879	40,512	3.4% ↑
Usable Area (in thousands of sq.m.)	479	413	507	16.0% ↑	5.5% ↓	1,773	1,760	0.7% ↑
Average Price - R\$'000 / unit	152	147	146	2.9% ↑	3.6% ↑	148	149	0.5% ↓
Average Price - R\$'000 / sq.m.	3.6	3.5	3.4	2.9% ↑	5.7% ↑	3.5	3.4	2.0% ↑
By financing source - FGTS	97%	95%	96%	1.3 p.p. ↑	0.3 p.p. ↑	96%	96%	0.6 p.p. ↑
By financing source - Savings accounts	3%	5%	4%	1.3 p.p. ↓	0.3 p.p. ↓	4%	4%	0.6 p.p. ↓
Per region - Capital Cities	26%	23%	23%	2.8 p.p.	2.7 p.p.	24%	24%	0.2 p.p.
Per region - Metropolitan Areas	30%	33%	32%	2.5 p.p.	1.6 p.p.	31%	30%	1.0 p.p.
Per region - Secondary Cities	44%	44%	45%	0.3 p.p.	1.1 p.p.	45%	46%	1.1 p.p.
Sales over supply (%) - gross sales	20%	20%	24%	0.2 p.p. ↓	4.2 p.p. ↓	51%	53%	2.4 p.p. ↓
Sales over supply (%) - net sales	17%	16%	20%	2.0 p.p. ↑	2.6 p.p. ↓	43%	44%	0.8 p.p. ↓
100%								
Pre-sales (R\$ million)*	1,890	1,593	1,872	18.6% ↑	0.9% ↑	6,740	6,527	3.3% ↑
Units	12,190	10,441	12,670	16.8% ↑	3.8% ↓	44,692	43,335	3.1% ↑
Usable Area (in thousands of sq.m.)	516	441	544	17.0% ↑	5.1% ↓	1,898	1,886	0.7% ↑
Average Price - R\$'000 / unit	153	148	147	3.5% ↑	4.6% ↑	149	149	0.0% ↓
Average Price - R\$'000 / sq.m.	3.7	3.6	3.4	1.3% ↑	6.4% ↑	3.6	3.5	2.6% ↑

* Includes the residential and allotment segments.

Net sales increased 6% compared to 2017 and 31% compared to 3Q18.

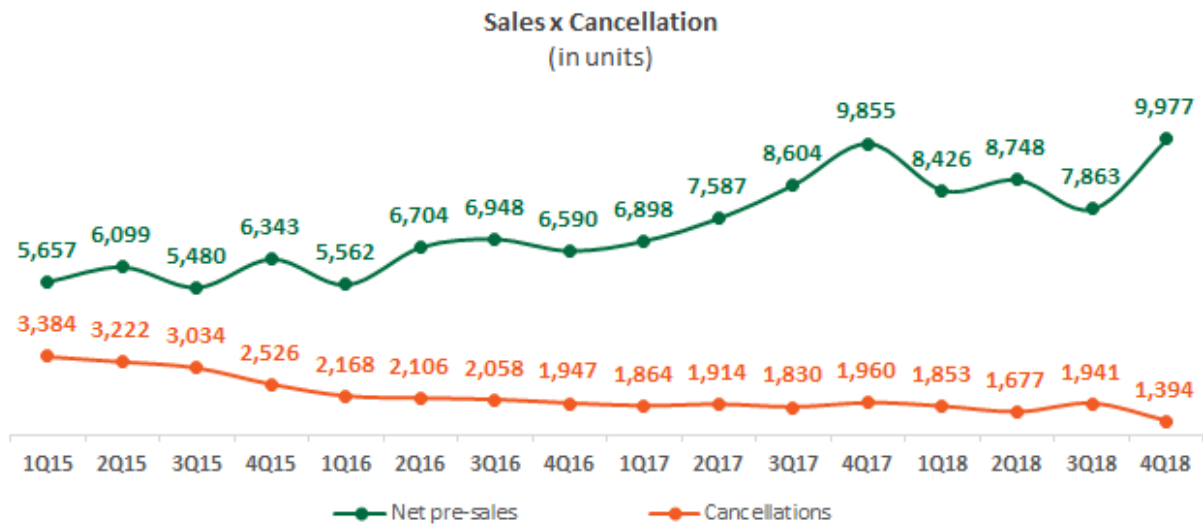
In 4Q18, the scarcity of funds for transferring units, delayed the recognition of R\$ 279 million in sales.

Cancellations (%MRV)

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Gross Sales	1,733	1,453	1,735	19.3% ↑	0.1% ↓	6,217	6,055	2.7% ↑
Cancellations (Contract Value)	200	279	285	28.5% ↓	29.9% ↓	990	1,103	10.3% ↓
Cancellations / Gross Sales	11.5%	19.2%	16.4%	7.69 p.p. ↓	4.89 p.p. ↓	15.9%	18.2%	2.30 p.p. ↓
Net Sales	1,534	1,174	1,451	30.7% ↑	5.7% ↑	5,228	4,952	5.6% ↑

(units)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Gross units Sold	11,371	9,804	11,815	16.0% ↑	3.8% ↓	41,879	40,512	3.4% ↑
Cancelled Units	1,394	1,941	1,960	28.2% ↓	28.9% ↓	6,865	7,569	9.3% ↓
Cancellations / Gross Sales	12.3%	19.8%	16.6%	7.54 p.p. ↓	4.33 p.p. ↓	16.4%	18.7%	2.29 p.p. ↓
Net Sales (units)	9,977	7,863	9,855	26.9% ↑	1.2% ↑	35,014	32,944	6.3% ↑

The process of “Zero Cancellation Program” is contributing to a decline in number of cancellations



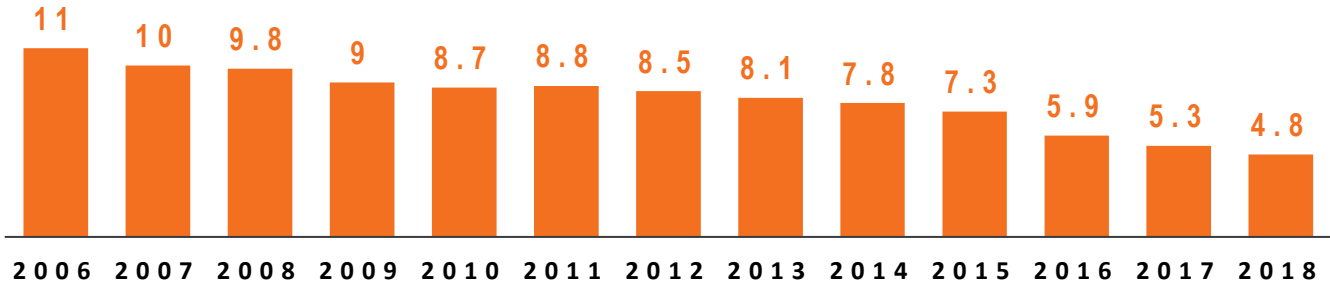
Production

Production	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
%MRV								
Built Units	9,950	10,131	7,903	1.8% ↓	25.9% ↑	36,977	32,821	12.7% ↑
Finished units	7,163	12,873	11,292	44.4% ↓	36.6% ↓	35,642	34,204	4.2% ↑
100%								
Built Units*	10,928	10,967	8,698	0.3% ↓	25.6% ↑	40,264	35,485	13.5% ↑
Finished units	7,560	13,362	12,146	43.4% ↓	37.8% ↓	37,261	38,140	2.3% ↓
Construction sites*	242	245	211	1.2% ↓	14.7% ↑	242	206	17.5% ↑

* Includes the residential and allotment segments.

Sales and aluminum forms projects growth contributed to a 26% increase in y-o-y production volume.

Production Index Evolution



The establishment of new processes, mechanization and automation of the production, along with the use of aluminum forms has been contributing to the expressive decline of the **IP (Productivity Index – It demonstrates how many people are needed to produce one unit per month. The lower the indicator, better the results).**

Estate Financing

Real Estate Financing	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
%MRV								
Client Financing (units)	8,836	10,166	8,872	13.1% ↓	0.4% ↓	40,882	33,046	23.7% ↑
Construction Financing	7,524	6,587	5,378	14.2% ↑	39.9% ↑	34,836	26,383	32.0% ↑
100%								
Client Financing (units)	9,392	10,758	9,479	12.7% ↓	0.9% ↓	43,226	35,391	22.1% ↑
Construction Financing	7,780	7,022	5,873	10.8% ↑	32.5% ↑	36,573	27,595	32.5% ↑

* Includes the residential and allotment segments.

In the 4Q18, there was a 13% decline in client financing in relation to 3Q18 reflecting the units transfer process instability, as a consequence of the FGTS budget reallocation. However, along the year, with the process running well, we had a growth of 23.7% in the units transferred.

Inventory at Market Value (%MRV)

Inventory at Market Value	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17
%MRV					
Inventory at Market Value (R\$ billion)**	7.46	6.54	5.61	14.0%	33.1%
Inventory Duration *	4.3	4.5	3.2	4.4%	33.2%
By Financing Source (PSV)					
FGTS	94%	98%	96%	3.6 p.p.	2.3 p.p.
Savings Accounts	6%	2%	4%	3.6 p.p.	2.3 p.p.
By Construction phase (units)					
Not initiated	19%	13%	16%	5.7 p.p.	3.2 p.p.
Under construction	73%	77%	80%	4.9 p.p.	7.7 p.p.
Finished	9%	9%	4%	0.8 p.p.	4.5 p.p.

* Inventory duration = final inventory / Pre-sales (per quarter)

** Only launches. Does not include landbank.

Financial Performance - MRV

Net Operational Revenue

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Net Operational Revenue	1,505	1,322	1,350	13.9% ↑	11.5% ↑	5,326	4,669	14.1% ↑
Financial results allocated to Net Revenue	16	30	22	46.5% ↓	27.3% ↓	93	91	1.6% ↑
Total Net Operational Revenue	1,521	1,352	1,372	12.5% ↑	10.8% ↑	5,419	4,760	13.8% ↑

Gross Profit

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Gross Profit	499	447	462	11.7% ↑	7.9% ↑	1,799	1,612	11.6% ↑
Gross Margin (%)	32.8%	33.0%	33.7%	0.2 p.p. ↓	0.9 p.p. ↓	33.2%	33.9%	0.7 p.p. ↓

Sales growth and the reduction of MRV operating cycle (mainly due to the increase in production speed with the implementation of the aluminum forms) has contributed to the recurring increase in revenue. The 0.7 p.p. fall in gross margin is a consequence of sales eligible for the 1.5 bracket, which has an average price lower than 2 and 3 brackets.

Financial Cost recorded under COGS

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Financial Cost recorded under COGS	(46)	(40)	(55)	14.3% ↑	16.5% ↓	(183)	(176)	4.0% ↑
% of Net Operating Revenue	3.0%	3.0%	4.0%	0.0 p.p. ↑	1.0 p.p. ↓	3.4%	3.7%	0.3 p.p. ↓
Gross profit with financial cost	499	447	462	11.7% ↑	7.9% ↑	1,799	1,612	11.6% ↑
Gross profit ex.h financial cost	545	487	517	11.9% ↑	5.3% ↑	1,981	1,788	10.8% ↑
Gross Margin ex. financial cost (%)	35.8%	36.0%	37.7%	0.2 p.p. ↓	1.9 p.p. ↓	36.6%	37.6%	1.0 p.p. ↓

Selling, General and Administrative Expenses (SG&A)

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Selling expenses	(155)	(147)	(144)	5.4% ↑	7.6% ↑	(586)	(550)	6.5% ↑
Selling expenses / net revenues (%)	10.2%	10.9%	10.5%	0.7 p.p. ↓	0.3 p.p. ↓	10.8%	11.6%	0.7 p.p. ↓
Selling expenses / pre-sales (%)	9.0%	10.2%	8.3%	1.2 p.p. ↓	0.6 p.p. ↑	9.4%	9.1%	0.3 p.p. ↑
General & Administrative Expenses	(89)	(88)	(85)	1.6% ↑	4.4% ↑	(347)	(320)	8.6% ↑
G&A expenses / net revenues (%)	5.9%	6.5%	6.2%	0.6 p.p. ↓	0.4 p.p. ↓	6.4%	6.7%	0.3 p.p. ↓
G&A expenses / pre-sales (%)	5.2%	6.1%	4.9%	0.9 p.p. ↓	0.2 p.p. ↑	5.6%	5.3%	0.3 p.p. ↑
Other operating (income) expenses	(29)	(23)	(27)	29.6% ↑	7.7% ↑	(95)	(43)	124.1% ↑

The growth of the company and a higher asset turnover contributed to a reduction of 1.1 p.p. in SG&A / ROL expenses, contributing to the ROE increase.

Other operating expenses (revenues): 2017 includes the gain from an increase in equity participation of LOG Commercial Properties and Participações S.A, in the amount of R\$ 46,482, recognized in the third quarter of 2017.

Financial Results

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Financial Expenses	(25)	(23)	(42)	11.2% ↑	39.6% ↓	(103)	(144)	28.7% ↓
Financial Income	36	41	50	11.7% ↓	26.8% ↓	159	226	29.6% ↓
Financial income from receivables from real estate development	19	23	15	16.7% ↓	27.5% ↑	80	57	41.3% ↑
Total	31	42	23	26.8% ↓	31.8% ↑	137	139	1.5% ↓

In the tables below, we demonstrate the total financial result adjusted by the financial charges destined at the cost of real estate sold.

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Financial result	31	42	23	26.8% ↓	31.8% ↑	137	139	1.5% ↓
Financial Cost recorded under COGS	(46)	(40)	(55)	14.3% ↑	16.5% ↓	(183)	(176)	4.0% ↑
Adjusted Total	(15)	2	(32)	1113.7% ↓	51.7% ↓	(46)	(37)	24.5% ↑

EBITDA ¹

R\$ million	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Income before taxes	243	222	226	9.3% ↑	7.5% ↑	879	805	9.1% ↑
Depreciation and Amortization	15	18	12	18.7% ↓	23.5% ↑	63	49	28.8% ↑
Financial Results	(31)	(42)	(23)	26.8% ↓	31.8% ↑	(137)	(139)	1.5% ↓
Financial charges recorded under cost of sales	46	40	55	14.3% ↑	16.5% ↓	183	176	4.0% ↑
EBITDA	273	238	269	14.4% ↑	1.2% ↑	988	892	10.8% ↑
EBITDA Margin	17.9%	17.6%	19.6%	0.3 p.p. ↑	1.7 p.p. ↓	18.2%	18.7%	0.5 p.p. ↓

Net Income

(R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Net Income	191	174	180	9.5% ↑	5.8% ↑	690	653	5.6% ↑
% Net margin	12.5%	12.9%	13.1%	0.3 p.p. ↓	0.6 p.p. ↓	12.7%	13.7%	1.0 p.p. ↓

The Company's growth, along with the reduction in the operating cycle and dilution of SG&A, has contributed to the increase in profit.

Unearned Results

(R\$ million)	Dec/18	Sep/18	Dez/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dez/17
Unearned Sales Revenues	2,196	2,255	2,416	2.6% ↓	9.1% ↓
(-) Unearned Costs of Units Sold	(1,284)	(1,291)	(1,395)	0.5% ↓	8.0% ↓
Unearned Results	912	965	1,021	5.4% ↓	10.6% ↓
Unearned Results Margin	41.5%	42.8%	42.3%	1.2 p.p. ↓	0.7 p.p. ↓

¹ EBITDA: Vide definição no Glossário.

Balance Sheet

Cash and Cash Equivalents and Short-term Investments (Equities and transferable securities)

(R\$ million)	Dec/18	Sep/18	Dez/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dez/17
Cash and cash equivalents	795	875	713	9.2% ↓	11.5% ↑
Short-term investments	1,633	2,099	2,381	22.2% ↓	31.4% ↓
Total	2,428	2,974	3,094	18.4% ↓	21.5% ↓

The payment of dividends and prepayment of construction financing contributed to the reduction of cash balance.

Customers for Incorporation of Real Estate

(R\$ million)	Dec/18	Sep/18	Dez/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dez/17
12 months	2,731	2,717	2,826	0.5% ↑	3.4% ↓
13 to 24 months	1,324	1,400	1,896	5.4% ↓	30.2% ↓
25 to 36 months	208	183	157	13.3% ↑	31.8% ↑
37 to 48 months	110	99	59	11.6% ↑	87.0% ↑
Over 49 months	107	91	91	17.3% ↑	17.2% ↑
Total	4,480	4,490	5,030	0.2% ↓	10.9% ↓
Receivables from real estate development	2,283	2,234	2,614	2.2% ↑	12.7% ↓
Unearned sales revenue	2,196	2,255	2,416	2.6% ↓	9.1% ↓
Total	4,480	4,490	5,030	0.2% ↓	10.9% ↓

Mortgage with MRV (R\$ million)	Dec/18	Set/18	Dec/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dec/17
After Keys Delivery	611	718	556	14.9% ↓	9.9% ↑
Before Keys Delivery	772	791	673	2.4% ↓	14.7% ↑
Total	1,383	1,509	1,229	8.3% ↓	12.6% ↑

Clients (in R\$ million)	dec-18	set-18
Clients	2,565	2,648
Present value adjustment	(47)	(46)
Bad Debt Provision	(234)	(368)
	<u>2,283</u>	<u>2,234</u>
Current	1,454	1,387
Noncurrent	830	847

The Company has an accounting policy that determines that contract installments overdue for more than 2 years must be write off. In 2018, the company write off the amount of R\$173 million. We highlight, that even after the event we continue with the administrative procedure to recovery the receivables.

Advances from Customers

(R\$ million)	Dec/18	Sep/18	Dez/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dez/17
12 months	312	331	565	5.7% ↓	44.7% ↓
13 to 24 months	371	373	336	0.6% ↓	10.4% ↑
Over 24 months	286	289	249	1.1% ↓	14.8% ↑
Total	969	994	1,150	2.5% ↓	15.7% ↓
Advanced receivables	81	81	92	0.7% ↑	11.9% ↓
Advances for barter	888	913	1,058	2.7% ↓	16.1% ↓
Total	969	994	1,150	2.5% ↓	15.7% ↓

Stock (Homes for sale)

(R\$ million)	Dec/18	Sep/18	Dez/17	Chg. Dec/18 x Sep/18	Chg. Dec/18 x Dez/17
Properties under construction	2,581	2,468	2,274	4.6% ↑	13.5% ↑
Completed Units	168	140	101	19.5% ↑	65.9% ↑
Land bank	5,210	5,114	4,577	1.9% ↑	13.8% ↑
Advances to Suppliers	51	42	58	20.5% ↑	12.3% ↓
Inventories of supplies	0	0	3	38.4% ↑	90.1% ↓
Total	8,009	7,764	7,013	3.2% ↑	14.2% ↑
Current	3,752	3,516	3,386	6.7% ↑	10.8% ↑
Non-current	4,257	4,248	3,628	0.2% ↑	17.3% ↑

Indebtedness

By 31st of December 2018, our total debt was R\$2,863 million, totally referred in Brazilian Reais, linked directly to the variation of the interbank deposit certificate and referential rate. During the year, we amortized construction financing debt with fixed interest rates of up to 9.12% annually.

Debt Maturity Schedule

(R\$ million)	Construction Financing	Corporate Debt*	Total
12 months	112	304	416
13 to 24 months	258	601	860
25 to 36 months	152	399	551
37 to 48 months	2	331	333
Over 48 months	0	703	703
Total Debt	524	2,339	2,863

*Include leases and Finame

In 31st of December 2018, the *duration*² of our debt was of 30 months.

² Duration – check glossary in attachment 7.

Debt Breakdown

(R\$ million)	Maturity	Charges	Balance Due	
			dez-18	set-18
Corporate Debt – CDI			2,339	2,658
Debentures - 2nd Issuance (URBAMAIS)	06/21 to 06/23	CDI + 1.22% p.a.	60	61
Debentures - 9th Issuance (1st serie)	02/19 to 02/20	CDI + 1.5% p.a.	69	68
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.3% p.a.	509	498
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI p.a.	88	85
Debentures - 11th Issuance (1st serie)	09/2020	CDI + 1.00 % p.a	288	283
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50 % p.a	217	213
Debentures - 11th Issuance (3rd serie)	09/23 and 09/24	122.1% CDI p.a.	134	126
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40 % p.a	306	301
Debentures - 12th Issuance (2nd serie)	07/24 and 07/25	CDI + 1.70 % p.a	53	52
Debentures - 12th Issuance (3rd serie)	07/2023	CDI + 1.50 % p.a	112	110
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50 % p.a	85	84
CCB which backed the CRI operation	01/17 to 02/23	CDI + 1.15% p.a. to 2.03% p.a.	280	317
08th issue of debentures that back CRI operations	12/2018	CDI + 0.40%	-	320
10th issue of debentures that back CRI operations	07/2019	102% CDI	112	110
Leasing	03/17 to 09/22	CDI + 2.0% p.a. to 2.85% p.a.	25	33
Construction Finance - TR			524	630
Construction Financing	02/16 to 01/23	TR + 8% a 8.84%	516	621
Working capital – TR	04/16 to 03/23	TR + 13.29% p.a.	8	9
Others			-	0.2
Others	03/16 to 10/18	Fixed rate 9.5%	-	0.2
Total			2,863	3,288

Weighted Average Debt Cost

(R\$ million)	Balance Due Dec/18	Balance Due / Total (%)	Average Cost
CDI	2,339	81.7%	CDI + 1.40%
TR	524	18.3%	TR + 8.17%
Total	2,863	100.0%	7.94%

Net Debt

(R\$ million)	Dec/18	Dec/17	Dec/16	Chg. Dec/18 x Dec/17	Chg. Dec/18 x Dec/16
Total debt	2,863	3,288	3,472	12.9% ↓	17.5% ↓
(-) Cash and cash equivalents and Short-term investments	(2,428)	(2,974)	(3,094)	18.4% ↓	21.5% ↓
Net Debt	435	313	378	38.8% ↑	15.1% ↑
Total Shareholders' Equity	4,875	6,001	5,797	18.8% ↓	15.9% ↓
Net Debt / Total Shareholders' Equity	8.9%	5.2%	6.5%	3.7 p.p. ↑	2.4 p.p. ↑
EBITDA LTM	988	985	892	0.3% ↑	10.7% ↑
Net Debt / EBITDA LTM	0.44x	0.32x	0.42x	38.3% ↑	3.9% ↑

* The reduction in Shareholders' Equity is due to LOG spin-off in the amount of R\$ 1,004,636.

Covenants & Corporate Risk

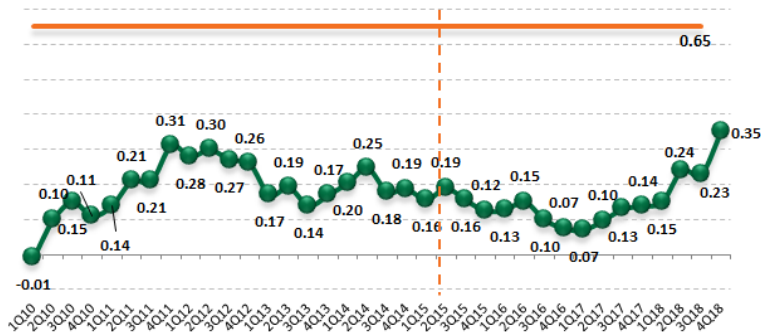


brAA-



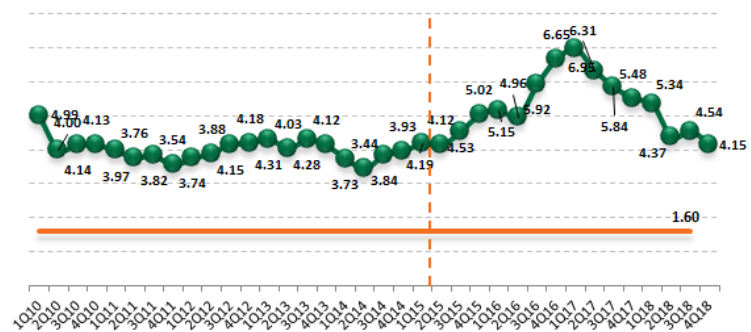
brAA--

Debt Covenant³



$$\frac{\text{Net Debt} + \text{Properties Payable}}{\text{Equity}} < 0.65$$

Receivables Covenant



$$\frac{\text{Receivables} + \text{Unearned Income} + \text{Inventories}}{\text{Net Debt} + \text{Properties Payable} + \text{Unincurred Costs}} > 1.6$$

³ Debt and Receivables Covenants calculated in accordance to new accounting consolidation rules as of 1Q13.



Investor Relations

Leonardo Corrêa

Chief Financial and Investor Relations Officer

Phone: +(55 31) 3615-7106

E-mail: ri@mrv.com.br

www.mrv.com.br/ri

Ricardo Paixão

Investor Relations and Financial Planning Director

Phone: +(55 31) 3615-7295

E-mail: ri@mrv.com.br

www.mrv.com.br/ri

Matheus Torga

Investor Relations Manager

Phone.: +(55 31) 3615-8158

E-mail: ri@mrv.com.br

www.mrv.com.br/ri



Attachment 01 – Consolidated Statement of Income (R\$ million)

R\$ million	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
NET OPERATING REVENUE	1,521	1,352	1,372	12.5% ↑	10.8% ↑	5,419	4,760	13.8% ↑
COST OF PROPERTIES SOLD AND SERVICES	(1,022)	(905)	(910)	12.9% ↑	12.3% ↑	(3,620)	(3,148)	15.0% ↑
GROSS PROFIT	499	447	462	11.7% ↑	7.9% ↑	1,799	1,612	11.6% ↑
<i>Gross Margin</i>	32.8%	33.0%	33.7%	0.2 p.p. ↓	0.9 p.p. ↓	33.2%	33.9%	0.7 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(155)	(147)	(144)	5.4% ↑	7.6% ↑	(586)	(550)	6.5% ↑
General & Administrative Expenses	(89)	(88)	(85)	1.6% ↑	4.4% ↑	(347)	(320)	8.6% ↑
Other operating income (expenses), net	(29)	(23)	(27)	29.6% ↑	7.7% ↑	(95)	(43)	124.1% ↑
Equity Income	(13)	(8)	(3)	52.3% ↑	411.0% ↓	(28)	(33)	15.7% ↓
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	212	180	203	17.7% ↑	4.7% ↑	742	667	11.3% ↑
FINANCIAL RESULTS								
Financial expenses	(25)	(23)	(42)	11.2% ↑	39.6% ↓	(103)	(144)	28.7% ↓
Financial income	36	41	50	11.7% ↓	26.8% ↓	159	226	29.6% ↓
Financial income from receivables from real estate development	19	23	15	16.7% ↓	27.5% ↑	80	57	41.3% ↑
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	243	222	226	9.3% ↑	7.5% ↑	879	805	9.1% ↑
Income Tax and Social Contribution	(33)	(31)	(27)	8.5% ↑	24.0% ↑	(120)	(105)	14.5% ↑
NET INCOME	209	191	199	9.5% ↑	5.3% ↑	758	700	8.3% ↑
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	19	17	19	9.9% ↑	0.2% ↑	68	47	45.5% ↑
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	191	174	180	9.5% ↑	5.8% ↑	690	653	5.6% ↑
<i>Net Margin</i>	12.5%	12.9%	13.1%	0.3 p.p. ↓	0.6 p.p. ↓	12.7%	13.7%	1.0 p.p. ↓
BASIC EARNINGS PER SHARE	0.431	0.393	0.408	9.7% ↑	5.6% ↑	1,559	1,480	5.3% ↑

EBITDA (R\$ million)

R\$ million	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Chg. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
Income before taxes	243	222	226	9.3% ↑	7.5% ↑	879	805	9.1% ↑
Depreciation and Amortization	15	18	12	18.7% ↓	23.5% ↑	63	49	28.8% ↑
Financial Results	(31)	(42)	(23)	26.8% ↓	31.8% ↑	(137)	(139)	1.5% ↓
Financial charges recorded under cost of sales	46	40	55	14.3% ↑	16.5% ↓	183	176	4.0% ↑
EBITDA	273	238	269	14.4% ↑	1.2% ↑	988	892	10.8% ↑
<i>EBITDA Margin</i>	17.9%	17.6%	19.6%	0.3 p.p. ↑	1.7 p.p. ↓	18.2%	18.7%	0.5 p.p. ↓



Attachment 02 – Consolidated MRV Balance Sheet (R\$ million)

ASSETS	31/12/2018	30/09/2018	31/12/2017	Var. Dec/18 x Sep/18	Var. Dec/18 x Dez/17
CURRENT ASSETS					
Cash and cash equivalents	795	875	713	9.2% ↓	11.5% ↑
Short-term investments	1,586	2,077	2,366	23.7% ↓	33.0% ↓
Receivables from real estate development	1,454	1,387	1,592	4.8% ↑	8.7% ↓
Receivables from services provided	4	4	2	3.8% ↓	60.8% ↑
Real estate for sale and development	3,752	3,516	3,386	6.7% ↑	10.8% ↑
Recoverable current taxes	107	116	129	7.8% ↓	17.0% ↓
Deferred expenses	92	90	76	3.2% ↑	22.2% ↑
Other assets	71	68	52	4.6% ↑	36.9% ↑
Total Current Assets	7,861	8,134	8,316	3.4% ↓	5.5% ↓
NONCURRENT ASSETS					
Long-term investments	48	22	15	115.5% ↑	214.4% ↑
Receivables from real estate development	830	847	1,023	2.0% ↓	18.9% ↓
Real estate for sale and development	4,257	4,248	3,628	0.2% ↑	17.3% ↑
Due from related parties	42	54	87	21.7% ↓	51.3% ↓
Deferred expenses	38	32	41	17.8% ↑	6.9% ↓
Financial instruments and derivatives	18	14	5	30.7% ↑	281.6% ↑
Other noncurrent assets	101	103	101	2.3% ↓	0.7% ↓
Investment property	46	1,062	1,074	95.6% ↓	95.7% ↓
Property and equipment	301	269	183	11.7% ↑	64.7% ↑
Intangible Assets	96	92	88	3.4% ↑	9.2% ↑
Total Noncurrent Assets	5,776	6,744	6,243	14.4% ↓	7.5% ↓
TOTAL ASSETS	13,637	14,877	14,559	8.3% ↓	6.3% ↓



Attachment 02 – Consolidated MRV Balance Sheet (R\$ million)– continuation

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2018	30/09/2018	31/12/2017	Var. Dec/18 x Sep/18	Var. Dec/18 x Dez/17
CURRENT LIABILITIES					
Trade accounts payable	380	348	305	9.3% ↑	24.6% ↑
Payables for purchase of investments	5	21	62	75.5% ↓	91.8% ↓
Loans and financing	416	742	842	44.0% ↓	50.6% ↓
Payables for purchase of land	820	811	742	1.0% ↑	10.5% ↑
Advances from customers	312	331	565	5.7% ↓	44.7% ↓
Labor and social liabilities	140	165	117	14.8% ↓	20.0% ↑
Tax liabilities	73	73	62	0.5% ↑	18.9% ↑
Accrual for maintenance of real estate	43	46	49	6.9% ↓	13.2% ↓
Deferred tax liabilities	50	47	55	6.1% ↑	9.1% ↓
Proposed dividends	164	-	155	-	5.6% ↑
Unfunded liabilities - Investments	80	84	89	5.0% ↓	10.0% ↓
Other payables	159	131	208	20.9% ↑	23.5% ↓
Total Current Liabilities	2,641	2,798	3,250	5.6% ↓	18.7% ↓
NONCURRENT LIABILITIES					
Payables for purchase of investments	4	6	-	29.1% ↓	-
Loans and financing	2,447	2,546	2,631	3.9% ↓	7.0% ↓
Payables for purchase of land	2,783	2,619	2,032	6.3% ↑	36.9% ↑
Advances from customers	657	662	585	0.8% ↓	12.3% ↑
Accrual for maintenance of real estate	95	92	96	2.8% ↑	0.9% ↓
Accrual for civil, labor, and tax risks	92	102	96	9.2% ↓	3.7% ↓
Deferred tax liabilities	34	34	42	1.0% ↓	17.9% ↓
Other liabilities	9	18	31	49.4% ↓	70.9% ↓
Total Noncurrent Liabilities	6,121	6,079	5,511	0.7% ↑	11.1% ↑
SHAREHOLDERS' EQUITY					
Equity attributable to the shareholders of the Company	4,630	5,782	5,542	19.9% ↓	16.4% ↓
Non-controlling Interests	244	219	255	11.5% ↑	4.4% ↓
Total Shareholders' Equity	4,875	6,001	5,797	18.8% ↓	15.9% ↓
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,637	14,877	14,559	8.3% ↓	6.3% ↓



Attachment 03 – Consolidated Statement of Cash Flow (R\$ million)

Consolidated (R\$ million)	4Q18	3Q18	4Q17	Chg. 4Q18 x 3Q18	Var. 4Q18 x 4Q17	2018	2017	Chg. 2018 x 2017
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income	209	191	199	9.5% ↑	5.3% ↑	758	700	8.3% ↑
Adjustments to reconcile net income to cash used in operating activities	198	194	153	1.9% ↑	29.0% ↑	518	353	46.5% ↑
Decrease (increase) in operating assets	(136)	47	(189)	391.5% ↓	27.7% ↓	(144)	(299)	51.7% ↓
Increase (decrease) in operating liabilities	(214)	(108)	(66)	97.6% ↑	223.4% ↑	(506)	(422)	19.8% ↑
Net cash generated by (used in) operating activities	57	324	98	82.4% ↓	41.5% ↓	626	332	88.2% ↑
CASH FLOWS FROM INVESTING ACTIVITIES								
Decrease (increase) in investment securities	492	(298)	142	265.3% ↓	246.8% ↑	860	(695)	223.7% ↓
Advances to related parties	(17)	(20)	(45)	17.2% ↓	63.4% ↓	(70)	(116)	39.7% ↓
Receipts from related parties	31	27	5	13.2% ↑	495.9% ↑	126	52	139.9% ↑
Decrease in (acquisition of/contribution to) investments	(7)	(18)	(68)	61.0% ↓	89.9% ↓	(72)	(117)	38.5% ↓
Payment for acquisition of subsidiary	(16)	(16)	(4)	0.0% ↑	318.8% ↑	(65)	(38)	68.8% ↑
Acquisition of fixed and intangible assets	(52)	(62)	(29)	15.5% ↓	81.5% ↑	(192)	(75)	154.4% ↑
Net cash generated by (used in) investing activities	431	(386)	1	211.5% ↓	48562.6% ↓	588	(989)	159.5% ↓
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from stock options' exercise	0	1	0	23.7% ↓	19% ↓	12	5	164.7% ↑
Treasury shares	24	(10)	65	339.5% ↓	62.5% ↓	(6)	115	104.9% ↓
Treasury shares	(32)	-	-	-	-	(32)	(1)	-
Proceeds from loans, financing and debenture	401	1,009	419	60.3% ↓	4.4% ↓	2,114	3,160	33.1% ↓
Payment of loans, financing and debenture	(822)	(828)	(506)	0.7% ↓	62.4% ↑	(2,729)	(2,091)	30.5% ↑
Receive of financial instruments and derivatives	(2)	0	3	-	158.0% ↓	(2)	2	243.0% ↓
Capital transaction	9	(1)	0	-	-	11	(1)	-
Dividends payment	(146)	(0)	-	-	-	(456)	(282)	61.4% ↑
Net contributions (distributions) of noncontrolling interests	(1)	(27)	(17)	96.1% ↓	94.0% ↓	(43)	(45)	4.7% ↓
Net cash (used in) generated by financing activities	(568)	144	(36)	495.7% ↓	1478.6% ↑	(1,132)	861	231.4% ↓
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(80)	81	62	198.7% ↓	228.4% ↓	82	205	60.2% ↑
CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at beginning of the period	875	794	651	10.2% ↑	34.5% ↑	713	508	40.4% ↑
Cash and cash equivalents at end of the period	795	875	713	9.2% ↓	11.5% ↑	795	713	11.5% ↑

Attachment 07 – Glossary

Built Units – Recorded according to the construction’s evolution, equivalent construction.

Cash – Composed by the balance of cash and cash equivalents and financial investments (bonds and securities).

Cash Burn – is measured by the change in net debt, excluding capital increases, purchased shares held in treasury and dividend payments, when available.

Construction financing – Units from projects that had the construction financing approved by a financial institution in the period

Client financing – Quantity of clients (individuals) that signed their mortgages with a financial institution in the period

Pre-Sales – Every contract resulting from the sale of units over a certain period, including units being launched and units in stock.

“Crédito Associativo” – is a type of mortgage offered by Caixa Econômica Federal and Banco do Brasil to individuals that aim to finance their houses during the construction period. On the other hand, the homebuilders will also be paid by the banks according to the percentage of completion method. In this method, the cash flow is faster and more efficient than the traditional method where the company is financed only when the project is delivered.

Duration – Weighted average time of the debt maturity.

EBITDA - is equal to net income plus income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold and not yet delivered that is recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from EBITDA’s calculation. EBITDA is not a Brazilian GAAP measure and should not be considered in isolation and should not be considered an alternative to net income, as an indicator of our operating performance or cash flows or as a measure of our liquidity. EBITDA does not have a standard definition and other companies may measure their EBITDA in a different way. Because the calculation of EBITDA does not take into consideration income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization, minority interest, and expenses related to financial and legal advisory fees in connection with the entry of the selling shareholder and MRV initial public offering, EBITDA is an indicator of our general economic performance which is not affected by changes in interest rates, income tax and social contribution rates and rates of depreciation and amortization. Because EBITDA does not consider certain costs related to our business which could materially affect our profits, such as financial result, taxes, depreciation, amortization and capital expenditures, among others, EBITDA is subject to limitations that impair its use as a measure of our profitability.



EPS - Earnings per share - Basic earnings per share are calculated by dividing income for the period attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the period, less treasury shares, if any.

FFO – Funds from Operations, Net Income minus depreciation.

FFO Margin – Margin calculated dividing the FFO by Net Operational Revenues.

FIP M Plus – Private Equity fund managed by Bradesco BBI.

Finished Units – Recorded according to the construction's conclusion, full project at once.

GLA – Gross leasable area, which corresponds to the areas available for lease.

INCC – *Índice Nacional de Custos da Construção* – inflation index associated with construction costs of residential units.

Land bank – land held in stock with the estimated PSV

LOG Commercial Properties – Subsidiary company, jointly controlled, in the business of industrial and commercial properties.

LOG-CP Portfolio – contemplates the GLA of the projects in operation, in construction and the potential GLA in development.

Minha Casa Minha Vida – The Program Minha Casa Minha Vida, known as MCMV, is the national housing program of the Federal Government, which aims to reduce the housing deficit. The program envisages the construction of 3 million units for families earning up to 10 minimum wages. This program has two versions: Minha Casa Minha Vida, released in April 2009, with the goal of building one million houses to be contracted until 2010, and Minha Casa Minha Vida 2, released in 2010 with the goal of building two million additional homes, to be contracted between 2011 and 2014.

NOI - Net Operating Income, that is equal to the operating revenues less project direct expenses.

Novo Mercado - Special listing segment of the BM&FBOVESPA, with differentiated corporate governance rules, in which the Company was included on July 23, 2007.

OCPC 04 and PoC Method (Percentage of Completion) – Revenues, as well as the costs and expenses relating to the real estate development activity, are recognized along the real estate project's construction period, in line with the evolution of the cost incurred, according to OCPC 04. Most of our sales consist of credit sales carried out through instalments. On an overall basis, we receive the value (or part of the value, in case of credit sales) in the sales contracts before revenue recognition. The revenue from real estate development relative to a certain period reflects the recognition of sales that were previously contracted.

PSV – Potential Sales Value - The PSV value is equivalent to the total number of potential launch Units, multiplied by the Unit's average estimated sales price.

RET – Special Tax Regime



ROE – Return on Equity – ROE is defined as the ratio between net income (after interest and taxes) and the average shareholder's equity.

SBPE – *Sistema Brasileiro de Poupança e Empréstimo* – Real Estate mortgage using funds from the savings accounts' deposits.

SFH Funds – Funds from the National Housing System (SFH) are originated from the Governance Severance Indemnity Fund for Employees (FGTS) and from savings accounts deposits (SBPE).

Swap Agreements – A system in which the land-owner gets a certain number of units to be built on the land in exchange for the land.

Unearned Results – the balance of real estate sale transactions already contracted, referring to uncompleted properties, non-incurred budgeted costs (according to budgets), and unearned revenue from sale of properties, not reflected in the financial statements.

Yield on cost – Defined as the Rent Revenues divided by Total investment.



Disclaimer

Unless otherwise stated, the operating data refer to MRV's share in projects.

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of MRV. These are mere projections and, as such, are based exclusively on the Management's expectations about the future of the business.

These expectations are highly dependent upon required approvals and licenses for projects, market conditions, performance of the Brazilian economy, the sector and international markets and, therefore, are subject to changes without prior notice.

This performance report includes accounting data and non-accounting data such as operating and financial results and outlooks based on the expectations of the Board of Directors. The non-accounting data such as values and units of Launches, Pre-Sales, amounts related to the housing program "Minha Casa Minha Vida", Inventory at Market Value, Land bank, Unearned Results, cash disbursement and Guidance were not subject to review by the Company's independent auditors.

The EBITDA, in this report, represents the net income before income tax and social contribution, net financial result, financial costs recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold and not yet delivered that is recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from EBITDA's calculation. EBITDA is not a Brazilian GAAP and IFRS measure and should not be considered in isolation and should not be considered an alternative to net income, as an indicator of our operating performance or cash flows or as a measure of our liquidity. Because the calculation of EBITDA does not take into consideration income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest, EBITDA is an indicator of MRV general economic performance which is not affected by changes in interest rates, income tax and social contribution rates and rates of depreciation and amortization. Because EBITDA does not take into account certain costs related to our business which could materially affect our profits, such as financial result, taxes, depreciation, amortization and capital expenditures, among others, EBITDA is subject to limitations that impair its use as a measure of our profitability.

Relationship with Independent Auditors

Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors KPMG Auditores Independentes S/S ("KPMG") did not provide services during the year of 2017 other than those relating to external audit. The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.

About MRV

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 39 years of experience, active in 158 cities, in 22 Brazilian states and in the Federal District. MRV is listed on the B3's Novo Mercado under the ticker MRVE3.