

4Q10 and 2010 Results

March 29, 2011

CYRELA BRAZIL REALTY

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4Q10 and 2010 Results

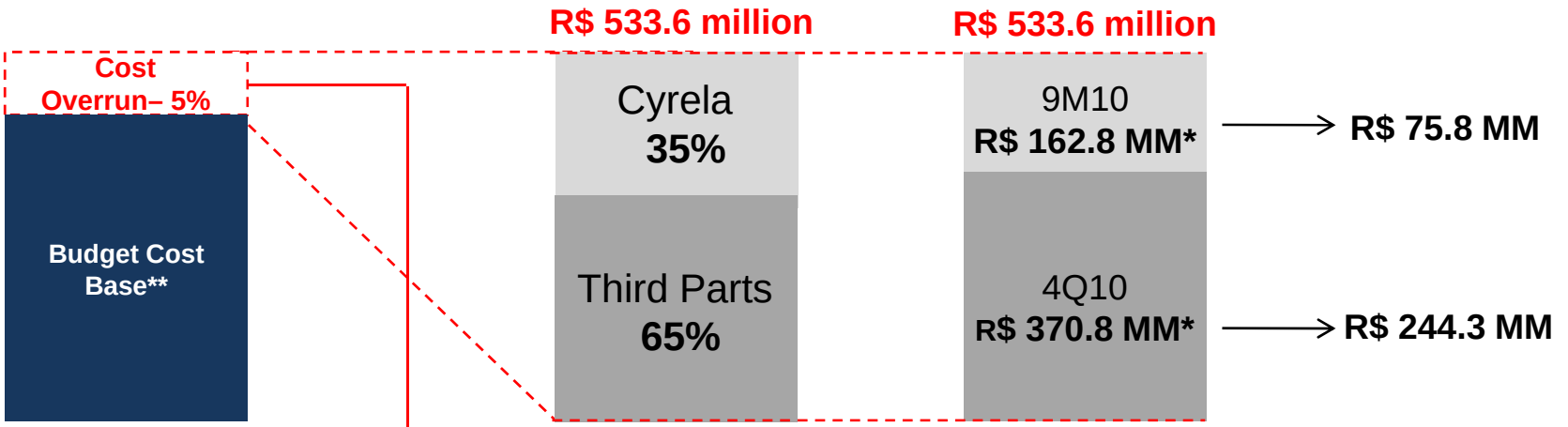
Introduction	**Elie Horn**
Highlights	**Luis Largman**
Cyrela - Operating Results	**Ubirajara Freitas**
Living - Operating Results	**Antonio Guedes**
Cyrela - Financial Results	**Luis Largman**

Cyrela's Highlights

- **Focus on 2011:**
  - **Focus on organic growth**
  - **Our partnerships structure has been redesigned**
  - **Reduction of costs and SG&A in the next years**
- **We fulfilled our volumes guidance for 2010:**
  - **110.3% of minimum point for launches**
  - **99.5% of minimum point for sales**
- **Focus on Living's growth for the next years**
- **Margins: projects launched and recognized in 2010 with REF margin of 36%**
- **Landbank: All land plots related to 2011 launches were acquired up to the end of 2010**
- **Solid Financial position with positive cash generation in 2011**

Cost Overrun – Result Impact

Construction Sites with cost overrun	Result Impact



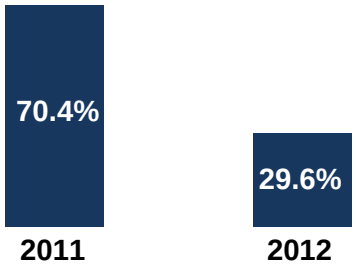
70% of the costs overrun concentrated on 30 construction sites

10 construction sites represents 40% of the costs overruns

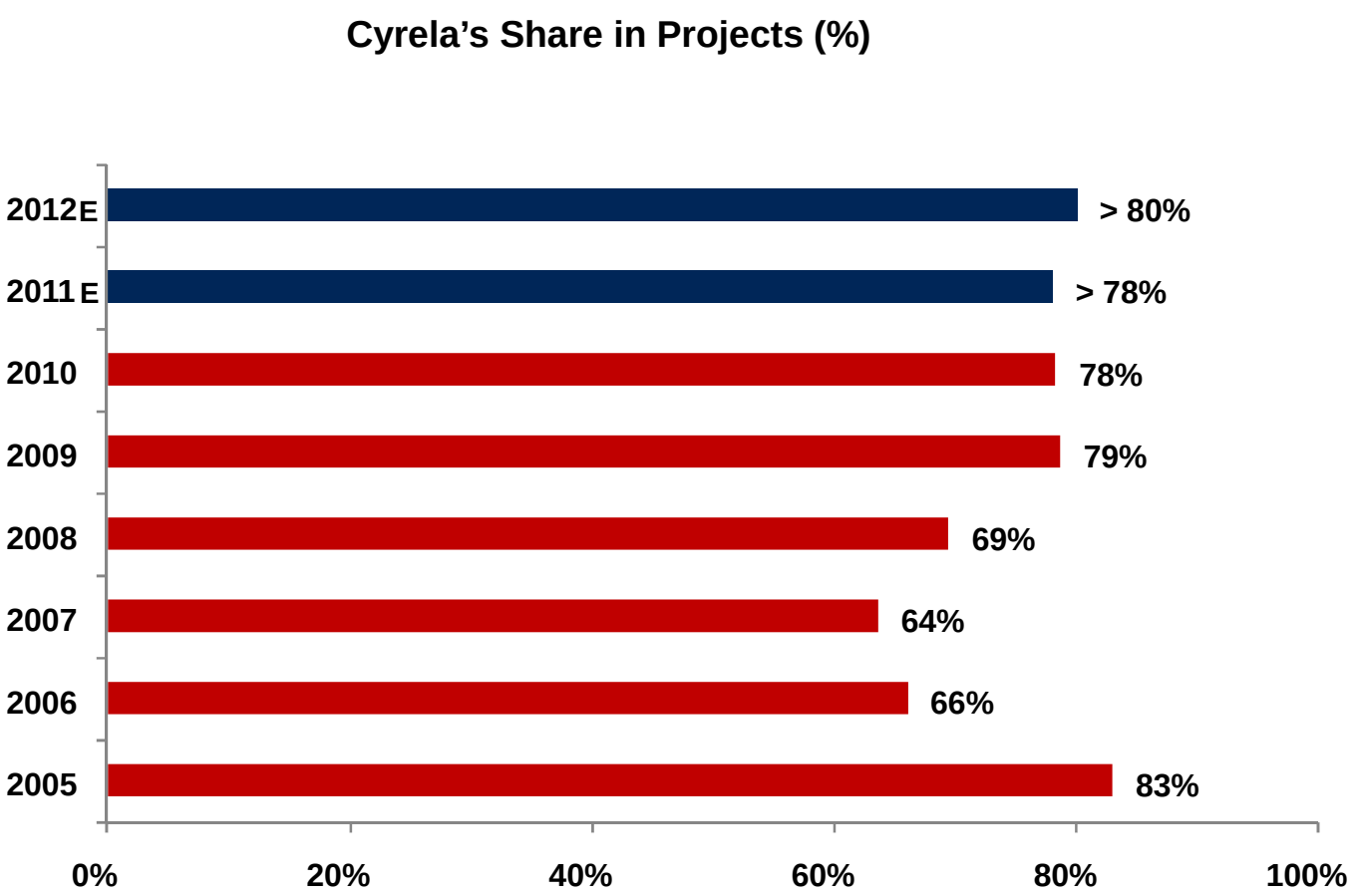
* Urban Developments Included

** Budget Cost Base from Dec/09 of R$ 10.2 billion

Delivery Timeline of Construction Sites with Costs Overrun

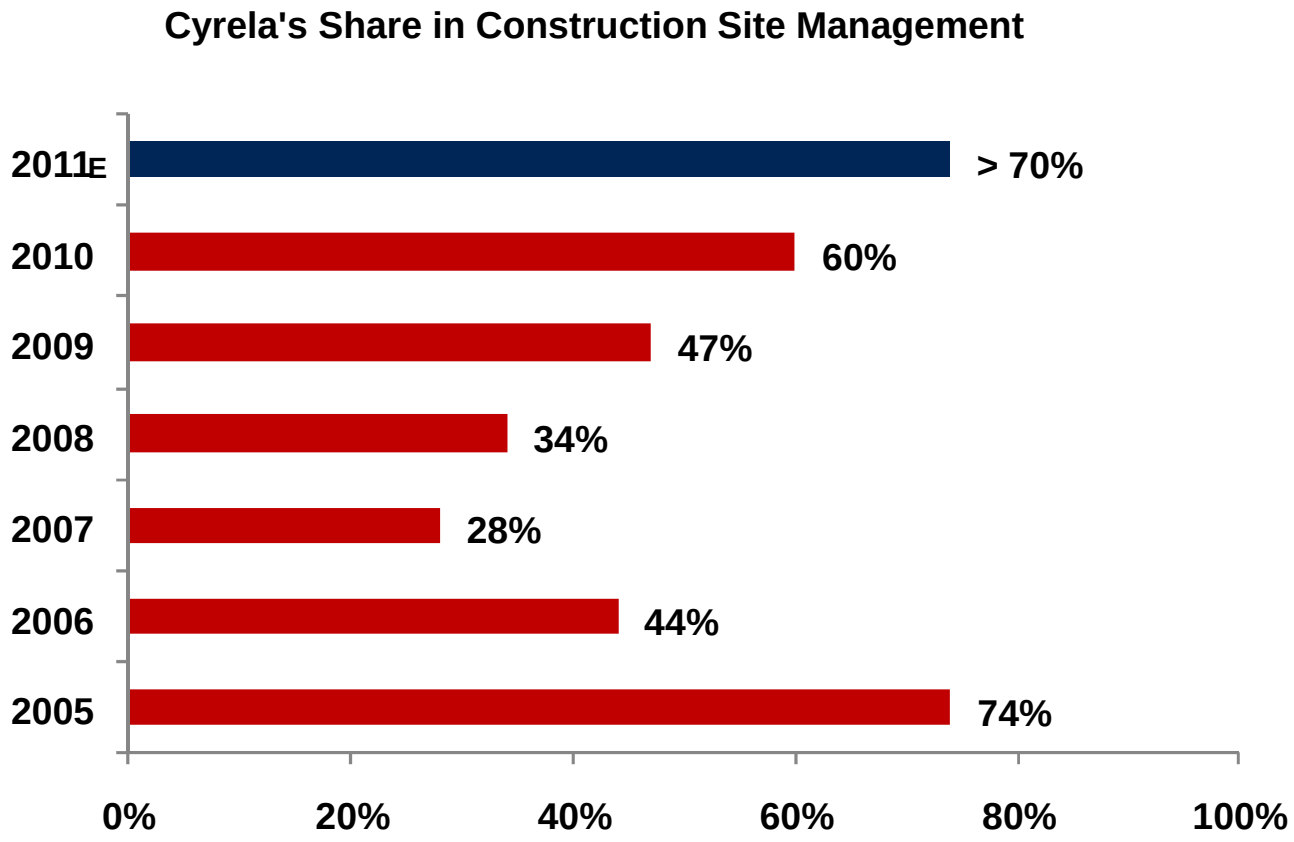


Cyrela's Share in Projects



Organic growth in construction sites

- **Adequacy of the organic growth strategy in the construction sites, with reduction on the use of third parties constructors.**



Guidance Revision

Estimated launches and sales for 2010-2012

Guidance	2011	2012
Launches (R$ billion)	7.6 to 8.5	8.7 to 9.8
Sales (R$ billion)	6.9 to 7.7	8.0 to 8.9
% Cyrela	> 78%	> 80%

Living's Share

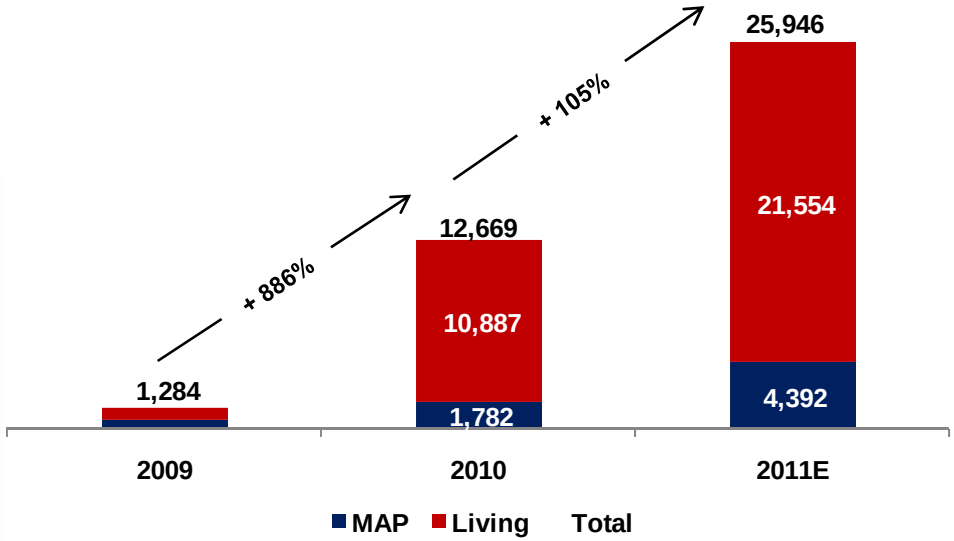
Living - Launches		%
2011	3.0 to 3.5	39% to 41%
2012	3.7 to 4.5	43% to 46%

Margins over net revenues for 2010-2012

	2011	2012
Gross margin	27% to 31%	31% to 35%
EBITDA margin	15% to 19%	18% to 22%

Units Delivered and Transferred

Units Transferred by Segment



- 15,400 units delivered in 2010 in 71 projects
- R$ 4.1 billion in PSV of delivered units
- Living delivered 7,053 units in 27 projects, with PSV of R$ 945.6 million
- 205 construction sites at the end of 2010, 90 of which are Living's projects.
- 138 projects to be transferred, 90 of which by Living

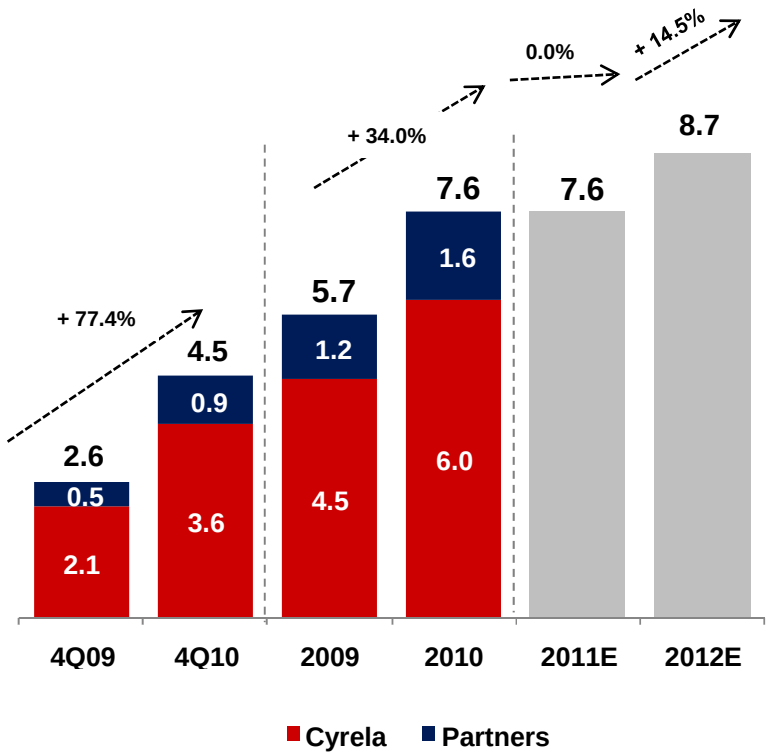


Operating Results

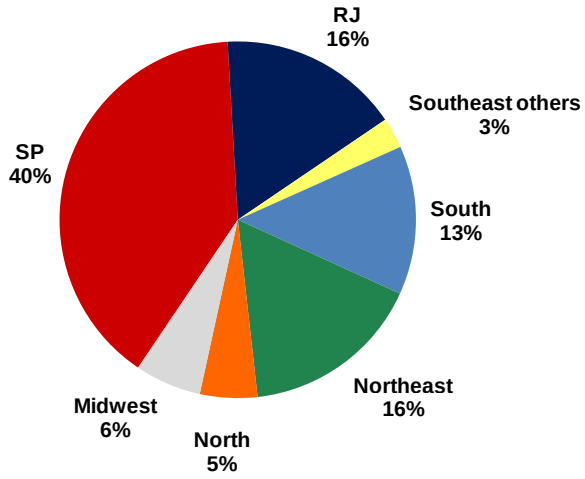
Cyrela and Living Launches

- 56 projects launched in 4Q10 ➡ 108 in 2010
- Average price: R$ 335.2 thd/unit in 4Q10 ➡ R$ 275.8 thd/unit in 2010
- Price/ sq.m. : R$ 4.6 thd/sq.m. in 4Q10 ➡ R$ 4.1 thd/sq.m. in 2010

Launches
(R$ billion)



Breakdown by Region - 2010

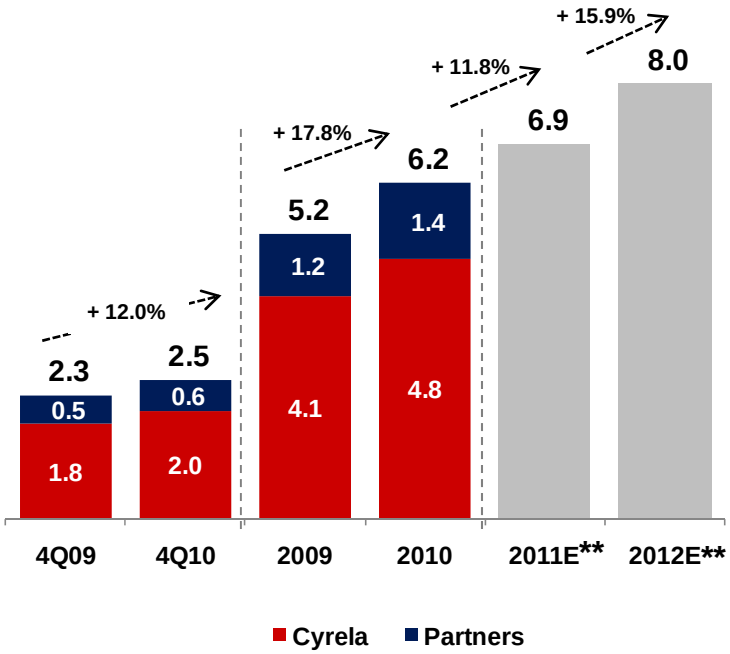


* Considering minimum point of guidance for launches in 2011 and 2012

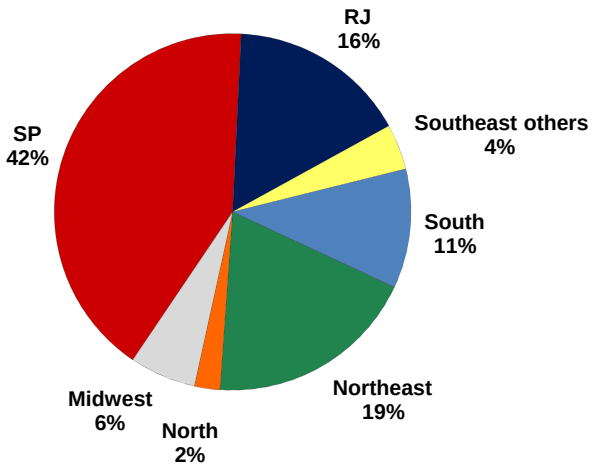
Cyrela and Living Pre-Sales

- 21.2 % of 4Q10 sales were related to inventory sales
- 8.7 thd units sold in 4Q10 ➡ 23.5 thd units sold in 2010
- Inventories on Dec. 31, 2010: R$ 4.9 bn (100%) and R$ 3.9 bn (%CBR) ➡ 8.5 months of sales*

Sales
(R$ billion)



Sales by region - 2010

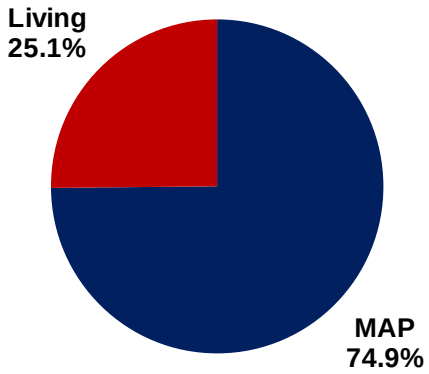


*Considering monthly average of sales for the 2011 guidance
** Considering minimum point of the guidance for sales

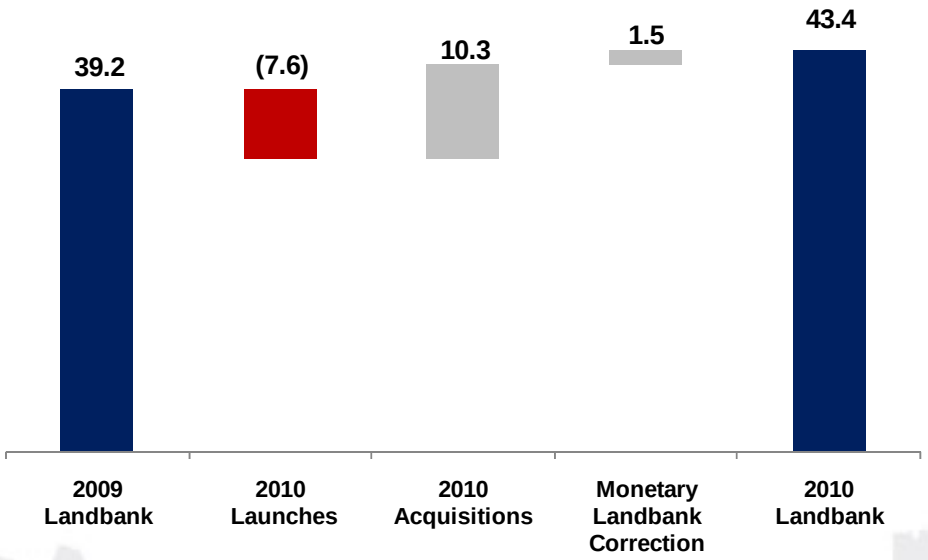
Landbank

- PSV of R$ 43.4 bn (100%) and R$ 36.6 bn (%CBR)
- 42 plots of land acquired in 4Q10 with PSV of R$ 3.9 bn
- 79% of landbank acquired through swaps
- 245 projects with 177,000 units
- All land plots related to 2011 launches have already been acquired

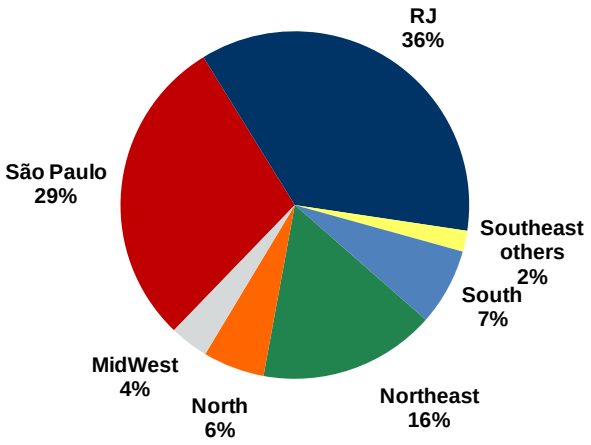
Land Plots by Segment



Cyrela's Landbank *(Potential PSV – R$ billion)*



Land Plots by Region





Living Operating Results

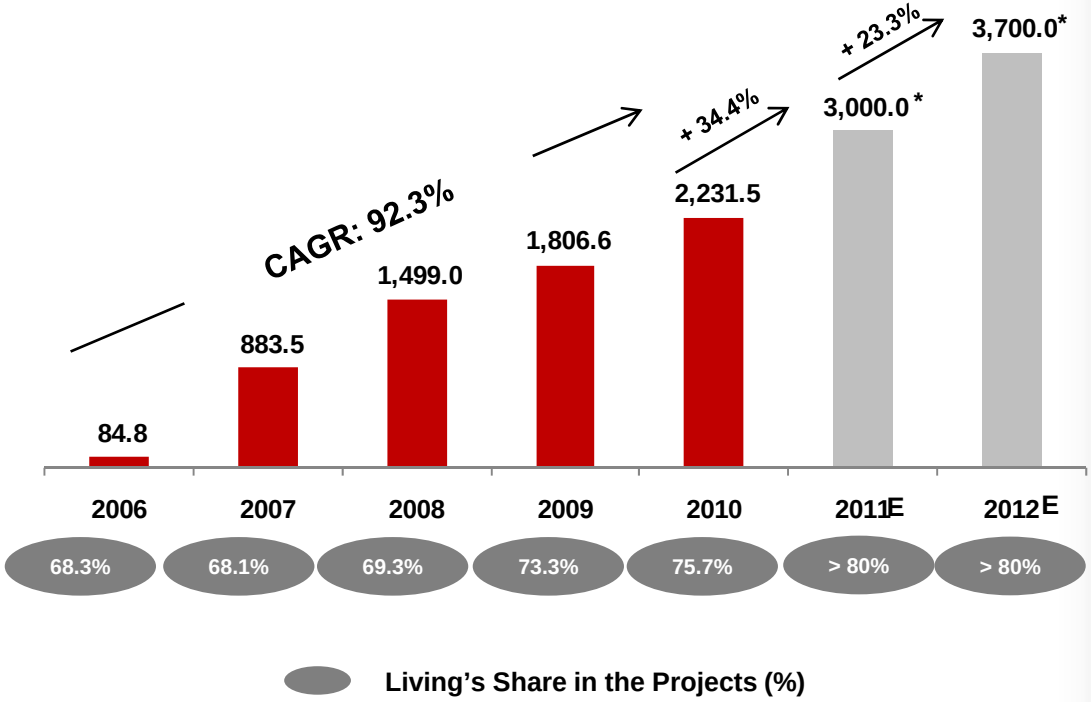
Living's Performance

- **2006: Cyrela entered in the low-income segment through partnerships**
- **2009: Living started developing its own technology.**

  Federal Government created the Minha Casa, Minha Vida Program.

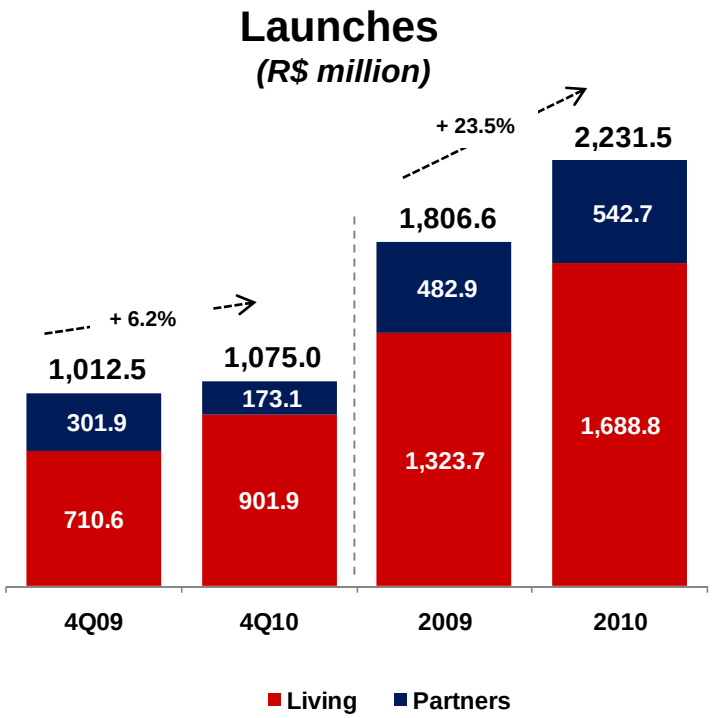
  Acceleration of the platform's organic growth.
- **2010: CAGR of 92.3% from 2006 to 2010.**
- **2011 and 2012: Growth expectations with increase of Living's share in the new projects.**

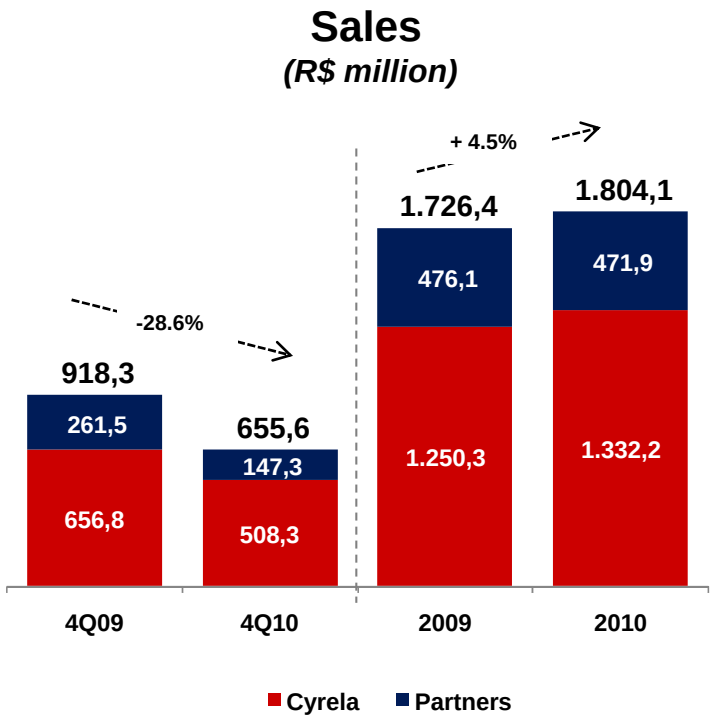
Living's Launches
(R$ million)



* Considering bottom of guidance

Living's Launches and Sales



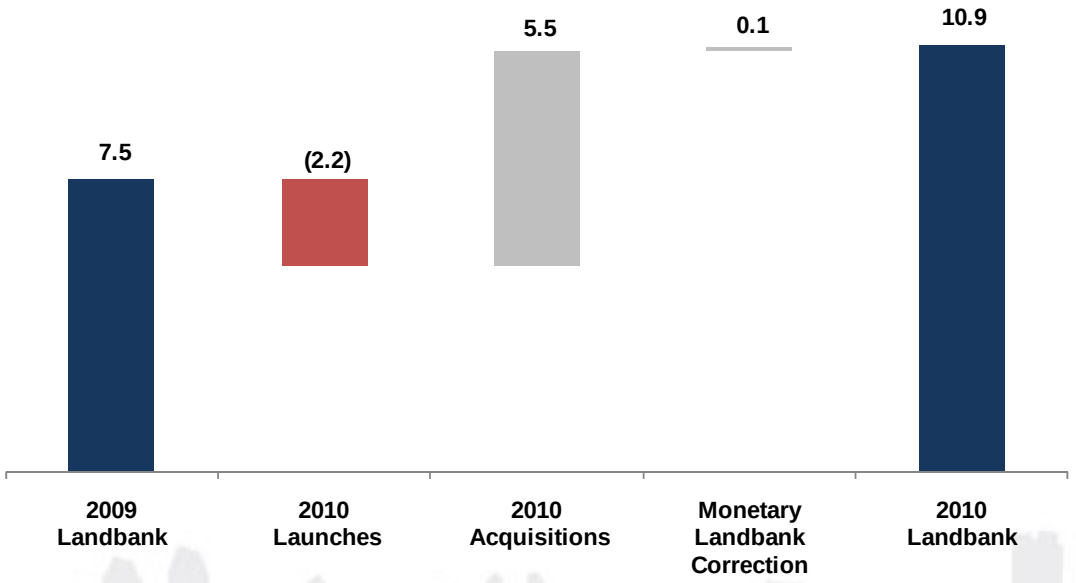


- 22 projects launched in 4Q10 ➡ 48 in 2010
- 15.3 thd units lauched in 2010 ➡ 52% within the "MCMV1" Program
- Living's Sales: 25.8% of PSV sold in 4Q10 and 29.2% in 2010
- 4.4 thd units sold in 4Q10 ➡ 13.1 thd units in 2010

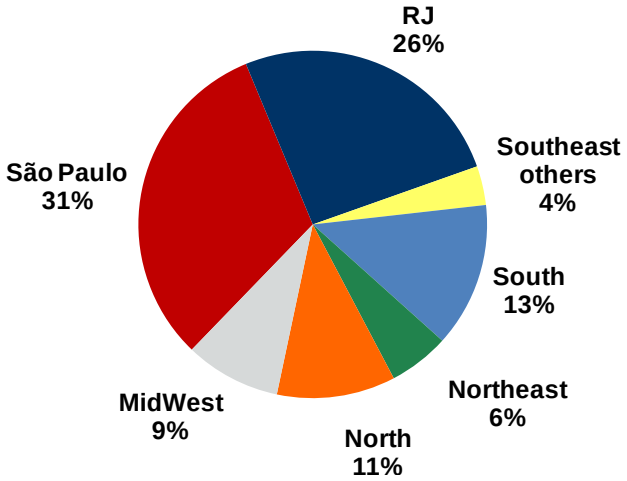
Living's Landbank

- Potential PSV of R$ 10.9 bn (100%) and of R$ 9.2 bn (% Living)
- 23 plots of land acquired in 4Q10 ➡ PSV of R$ 1.9 bn
- 71% of landbank paid through swaps
- Average price per unit - R$ 127.3 thd

Living's Landbank
(Potential PSV – R$ million)



Breakdown by Region



“Minha Casa, Minha Vida” Program

Living in MCMV (BB / CAIXA)	
TOTAL	**40,620**
Breakdown:	
Submitted	1,500
Approved for sale	11,351
To be contracted	5,409
Contracted	22,360

Living - Transferred	
2009	696
2010	10,887
Total	**11,583**

From the total transferred units, 9,140 were under the MCMV program and 2,443 under the SFH

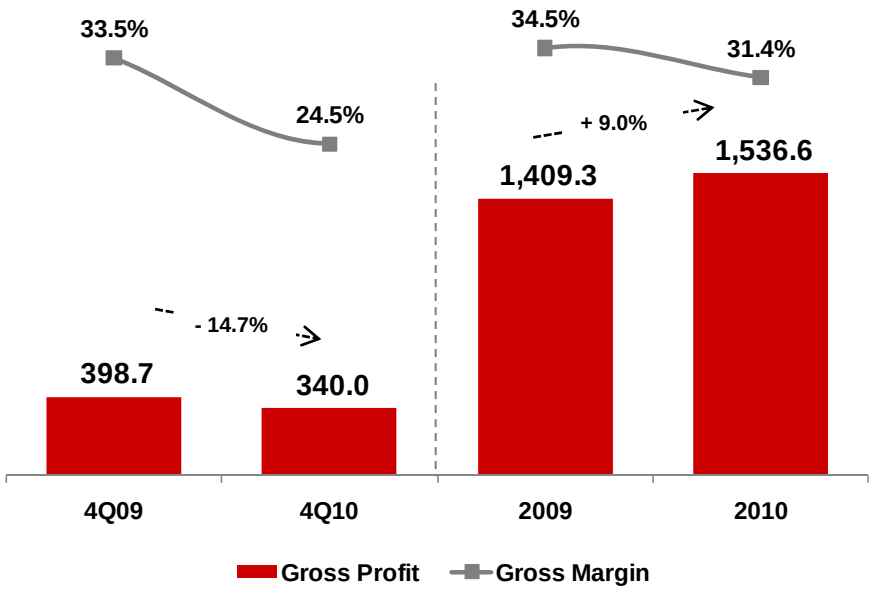
3,626 units were transferred in the last quarter of 2010.



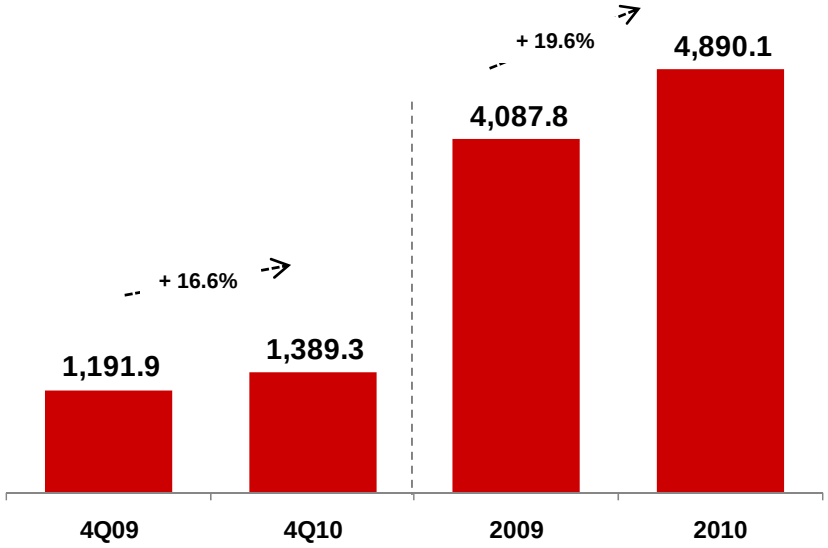
Financial Highlights

Financial Results *(R$ million)*

Gross Profit

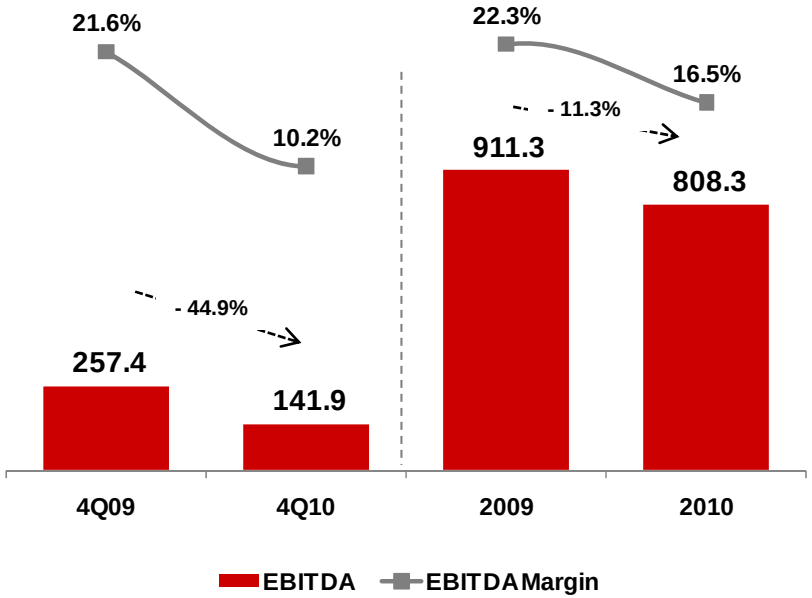


Net Revenue

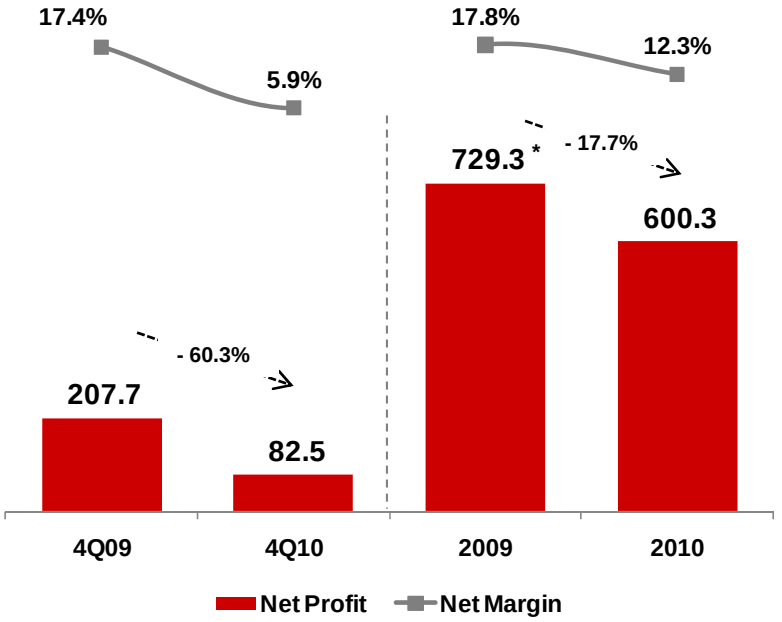


Financial Results *(R$ million)*

EBITDA



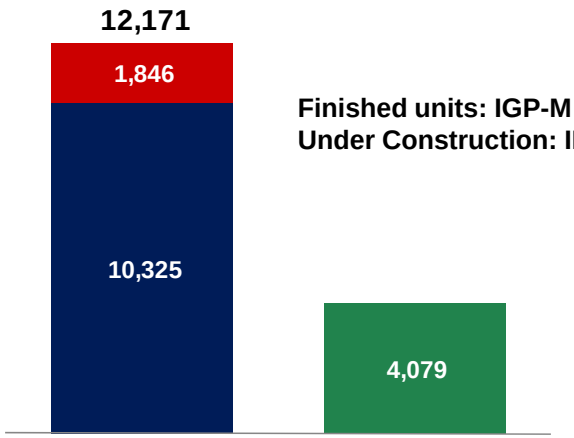
Net Income



*Net income in 2009 includes the non-recurring effect of an R$ 80.6 million gain from the sale of Agra Empreendimentos Imobiliários S.A.

Accounts Receivable *(R$ million)*

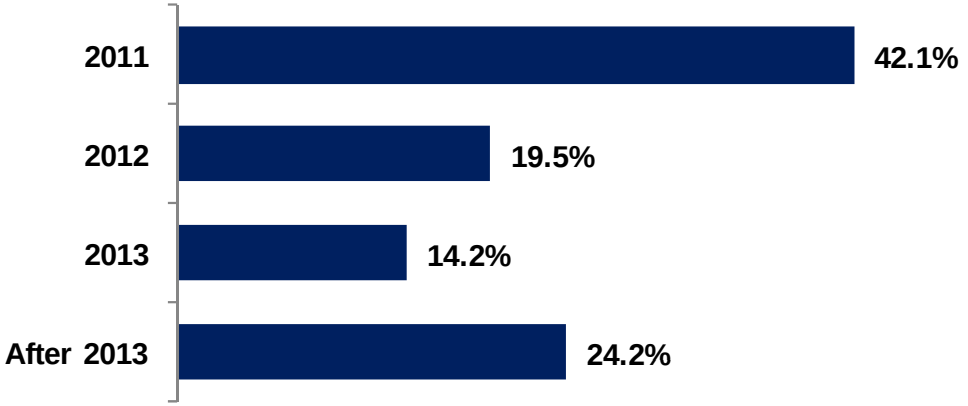
Accounts Receivable And Costs to be incurred



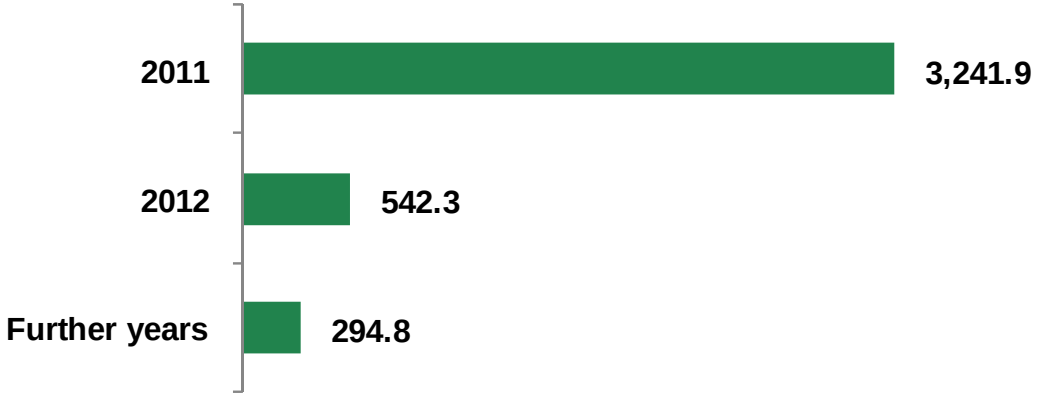
Finished units: IGP-M + 12%
Under Construction: INCC

- Constructed units
- Units under construction
- Construction costs to incur – sold units

Receivable Schedule *(R$ million)*



Schedule of costs to be incurred (sold units- R$ million)



Liquidity

Debt *(R$ million)*	**Balance December 31, 2010**	**Maturity**	**Cost**
SFH	**1,947.7**	**2010 to 2014**	**TR + ~ 10.4% p.a.**
Debentures 1st issue	**500.0**	**2012 ,2013,2014**	**CDI + 0.48% p.a.**
Debentures 2nd issue	**61.9**	**2018***	**CDI + 0.65% p.a.**
Debentures 3rd issue	**350.0**	**2014**	**CDI + 0.81% p.a.**
Debentures 4rd issue	**300.0**	**2014**	**115% CDI**
Bradesco (*stand-by*) and others	**202.5**	**Nov/2010, Nov/2011, Nov/2012, Nov/2013**	**CDI + 0.81% p.a.**
Loans (foreign currency) – US$ 50 million	**50.0**	**Jun/2012**	**Libor + 4.3% p.a.**
Total Debt withSFH	**3,412.1**		
Total Debt without SFH	**1,464.4**		
Cash and Cash Equivalents	**(1,154.6)**		
Net Debt withSFH	**2,257.5**		
Net Debt without SFH	**309.8**		

$$\frac{\text{Net Debt with SFH}}{\text{LTM EBITDA}} = 2.8$$

$$\frac{\text{Net Debt without SFH}}{\text{LTM EBITDA}} = 0.4$$

* Interest rate renegotiation in Jan/11

Contact us

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