
Urban Office and Hotel
Curitiba

RESULTS

4th Quarter 2012

and

FY 2012

March 21st, 2013

CYRELA
BRAZIL REALTY



Results – 4Q12 and 2012

Introduction	Elie Horn
Operational Results	Raphael Horn
Financial Results	José Florêncio Rodrigues

Cyrela Highlights

- **Gross Margin of 32.8% (w/o "RET"), up 1.9 p.p. vs 3Q12. Considering the benefit of "RET" changes, gross margin stood at 35.0%.**
- **EBITDA Margin of 21.5% (w/o "RET"), up 4.4 p.p. vs 3Q12. Considering the benefit of "RET" changes, EBITDA margin stood at 24.1% in 4Q12.**
- **Cash Generation of R$ 240 million in the quarter and R$ 424 million in 2012 (ex-dividends).**
- **Pre-Sales of R$ 1.7 billion in 4Q12 and R$ 6,0 bilion in 2012.**
  - **The bottom of the revised sales guidance for 2012 (R$ 6.0 – R$ 7.0).**
- **Launches of R$ 2.1 billion in 4Q12 and R$ 5.6 billion in 2012.**
- **Net Revenue of R$ 1.5 billion in 4Q12 and R$ 6.0 billion in the year.**
- **Net Debt / Equity of 44.8% in 4Q12 vs 49.5% in 3Q12.**

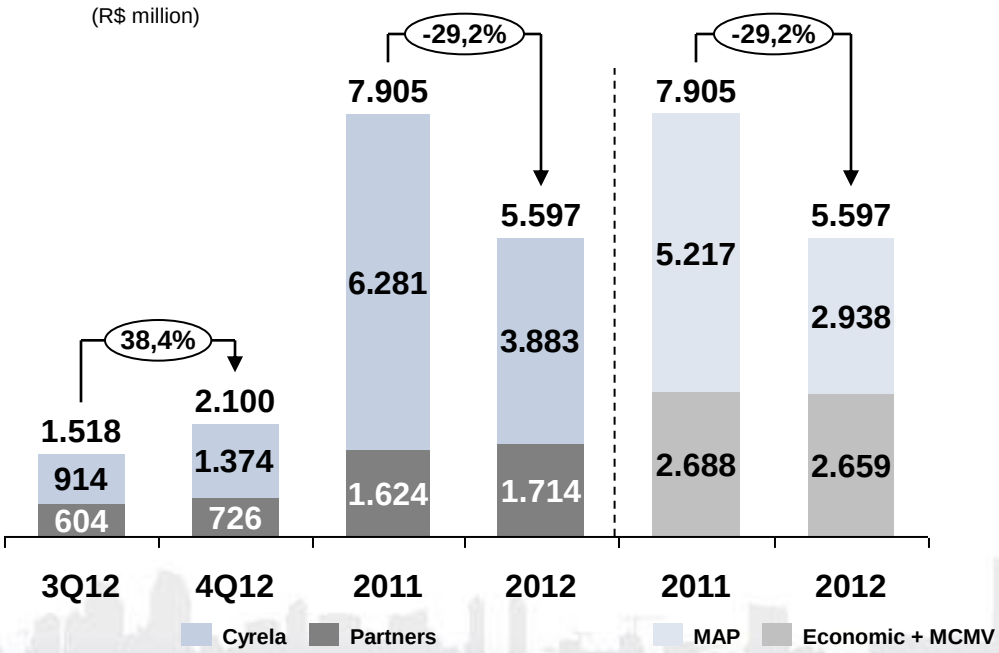


Operating Results

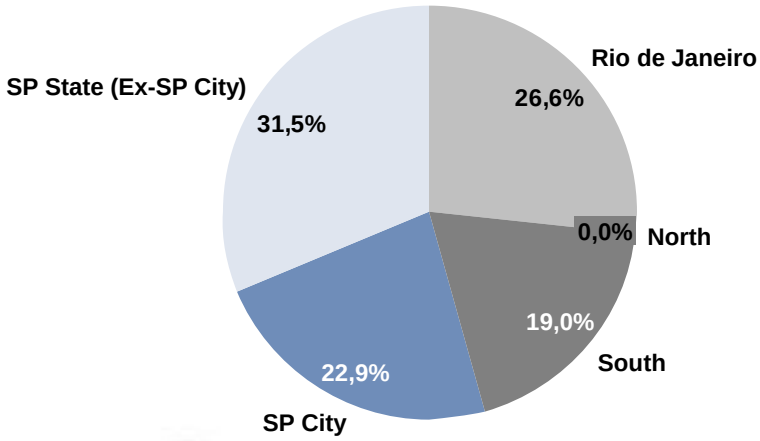
Launches

- Launches of R$ 2,100 million in 4Q12 vs R$ 1,518 million in 3Q12. For the year, launches reached R$ 5,597 million vs R$ 7,905 million in 2011;
- Price/m² (ex-lots): R$ 3.2 thd/m² (R$ 5.4 thd ex-Faixa 1) in 4Q12 vs R$ 5.4 thd/m² in 3Q12. In 2012, the price by square meter was R$ 4.2 thd (R$ 5.3 thd ex-Faixa 1) vs R$ 4.9 thd in 2011;
- Price / unit (ex-lots): R$ 162 thd/unit in 4Q12 (R$ 277 thd ex-Faixa 1) vs R$ 342 thd/unit in 3Q12. In 2012, the average price per unit was R$ 243 thd (R$ 328 thd ex-Faixa 1) vs R$ 303 thd per unit in 2011.

Launches



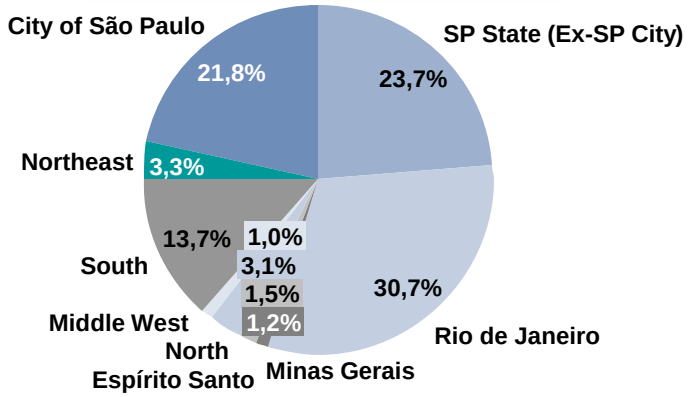
Launches by Region 4Q12



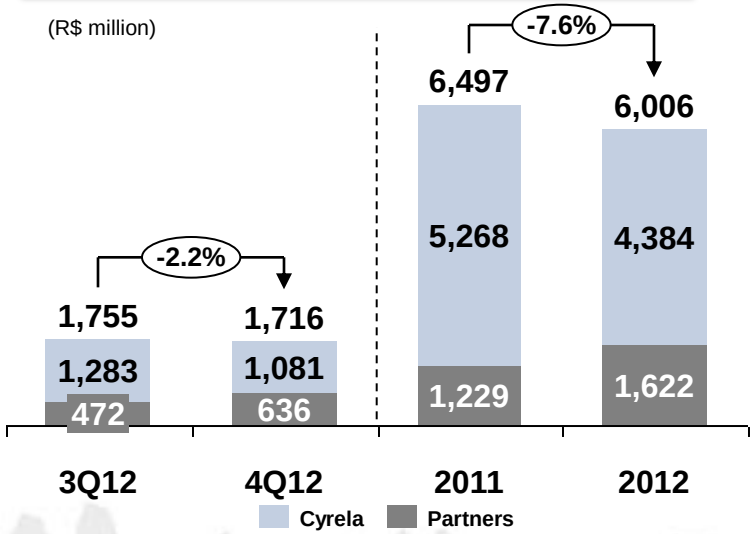
Pre-Sales

- 35.8% of 4Q12 sales were from inventories
- 3.5 thd units sold in 4Q12, compared to 5.5 thd in 3Q12 (Considering "Faixa 1" we sold 10.9 thd units).

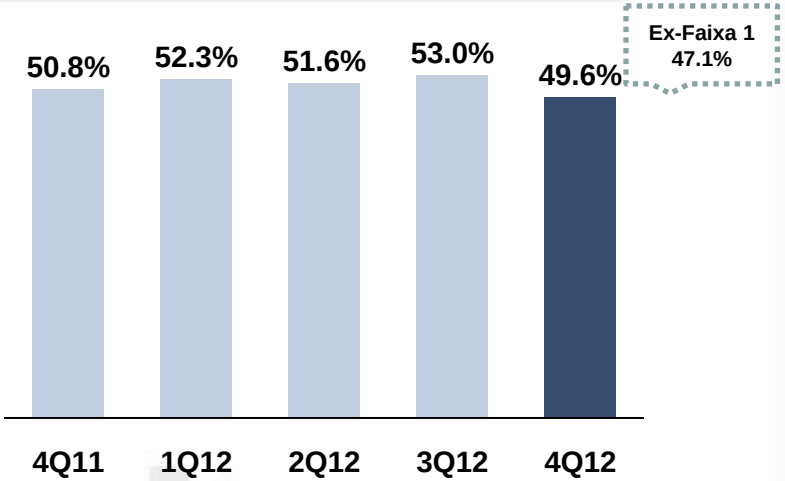
Sales by Region 4Q12



Pre-Sales



Sales over Supply 12M

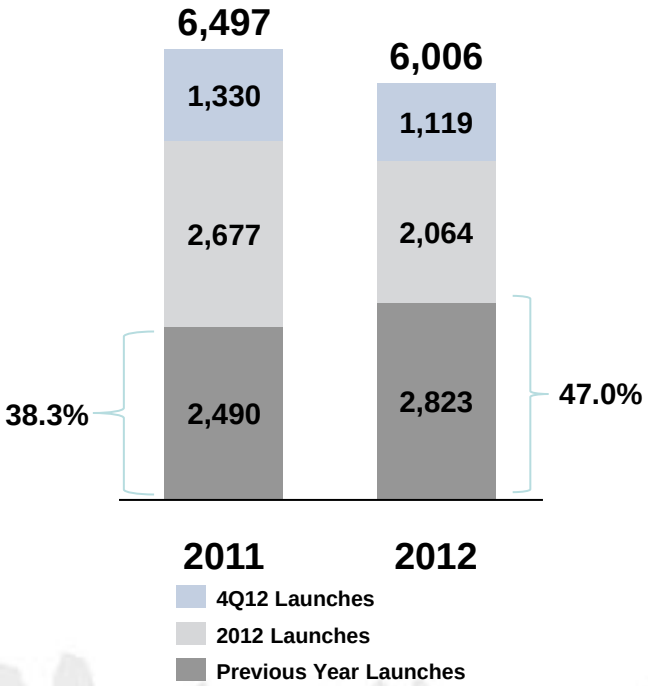


Pre-Sales

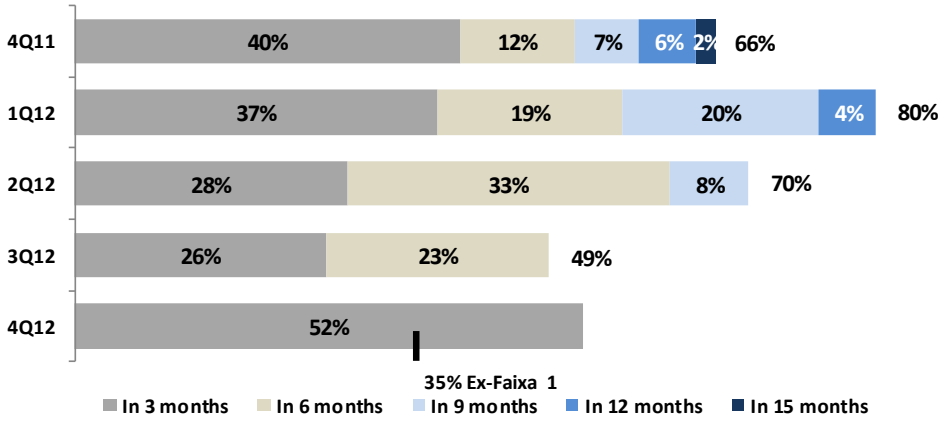
- **47.0% (R$ 2,823 million) refers to sales of launches made up to Dec/11.**
- **Sales speed of 1Q12 vintage reached 80%, while the 2Q12 vintage reached 70% and the 3Q12 vintage has sold 49%.**

Sales by Vintage of Launching

(R$ million)



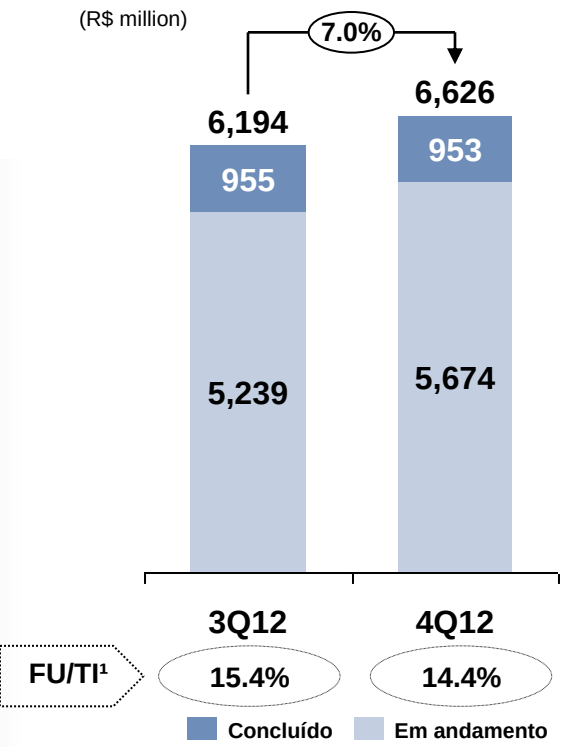
Sales over Supply 12M



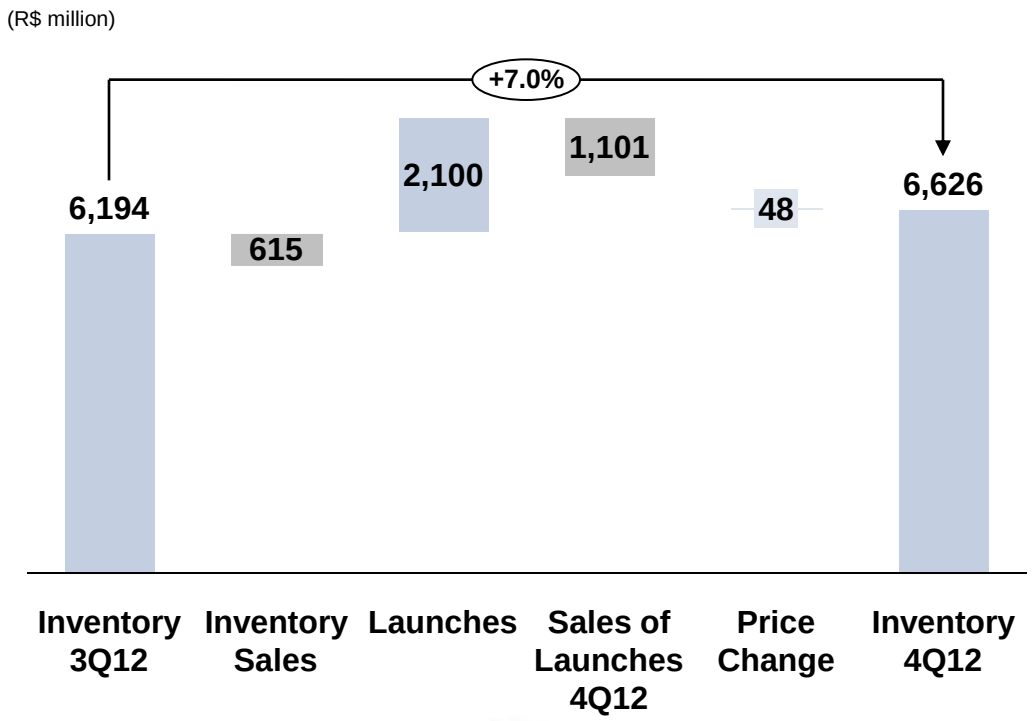
Inventory

- Inventory of R$ 6.6 billion (R$ 5.1 billion %CBR);
- 14.4% of finished units (vs 15.4% in 3Q12);
- R$ 135.6 million of 4Q12 sales were from finished units

Inventory



Change in Inventory

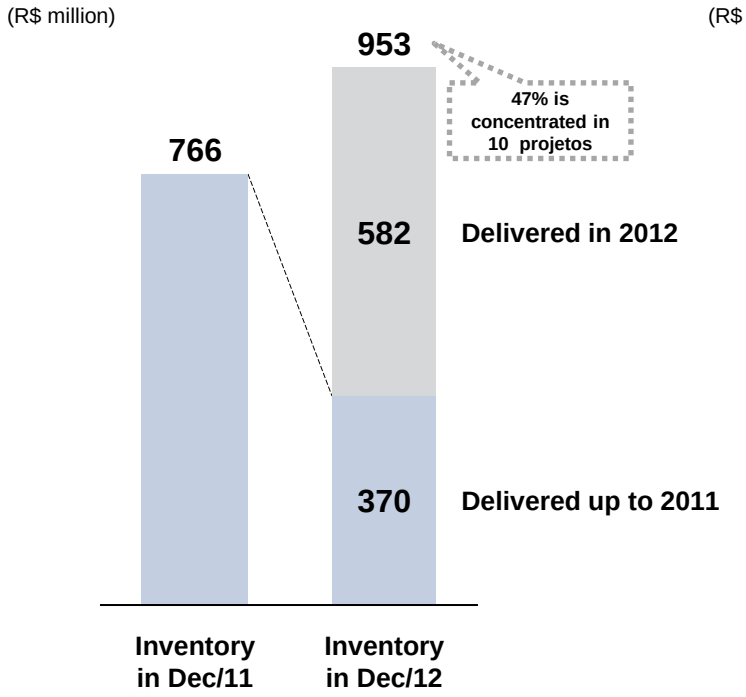


¹ Finished Units / Total Inventory

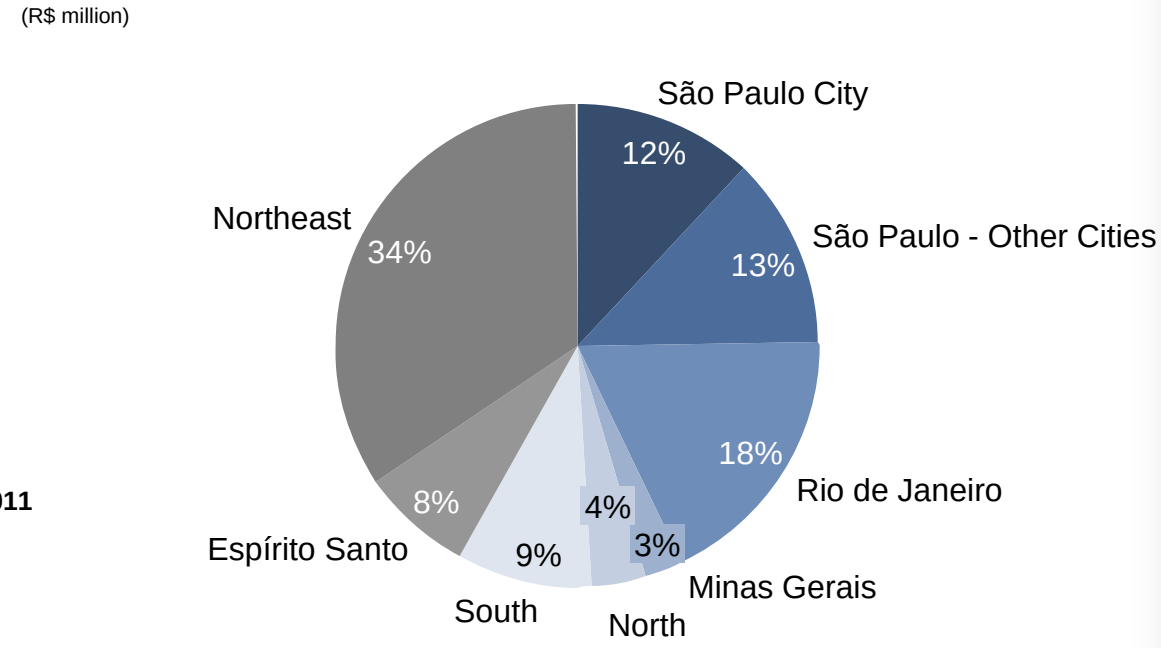
Inventory of Finished Units

- R$ 953 million of finished units inventory (vs. R$ 954 million in 3Q12).
- 42% of finished units are in the Northeast region and in Espírito Santo.
- Sales over Supply of units that were finished in dez/11 was 51.7%.

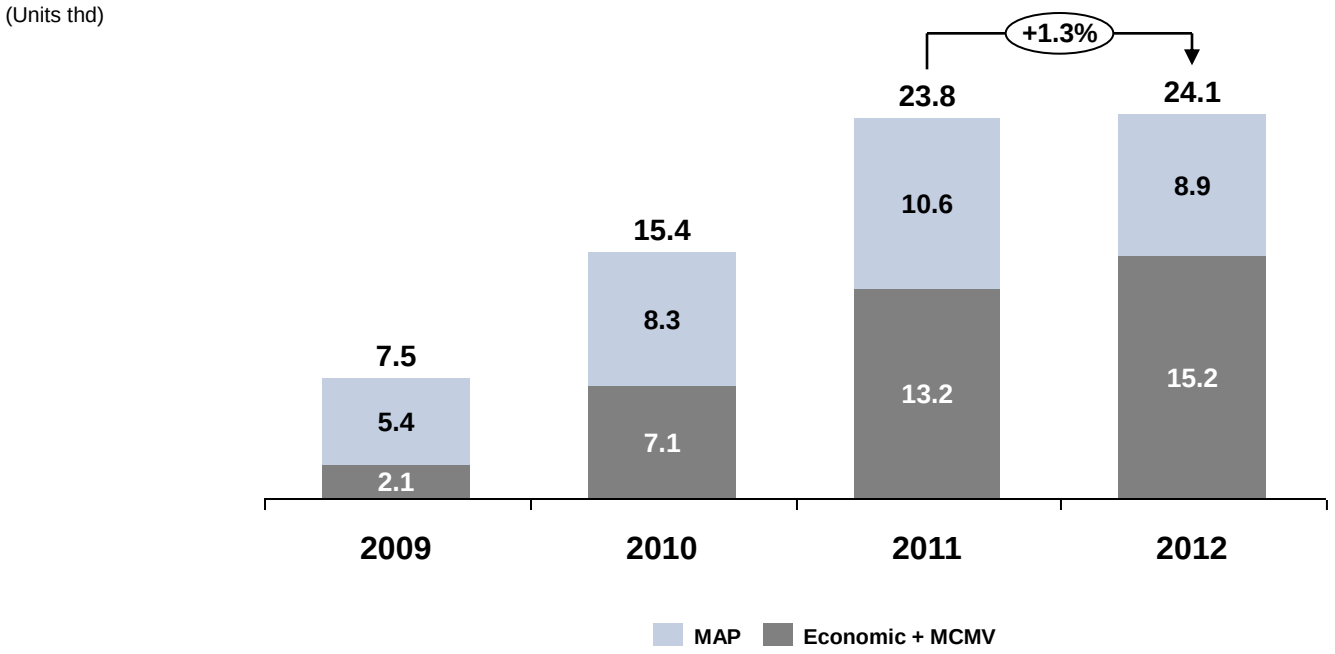
Finished Units



Finished Units Breakdown



Delivered Units



- 4.9 thd units delivered in 4Q12 in 20 projects, totaling 24,1 thd units delivered in 2012
- Economic + MCMV segments: 2,3 thd units in 8 projects in 4Q12 and 15.2 thd units delivered in 54 projects during the year.
- Units delivered in 4Q12 represented a PSV of R$ 1.8 billion and, in the year, a R$ 5.8 billion.



Financial Highlights

“RET” change impacts

Considerations:

- Government Law (MP 601/12, of December 28,2012

- **Tax rate of projetcs framed in RET (“Special Tax Regime”) drops from 6% to 4%, as discribed below:**

I – 1.71% - Cofins
II – 0.37% - PIS/Pasep;
III – 1.26% - Income tax; and
IV – 0.66% - CSLL

Impacts expected:

- 70 - 75% of Company’s receivables are framed under the “RET” system;

- Two impacts in the Income Statement:
  (i) New revenues related to developments submitted to RET to be charged 4% instead of 6%; and

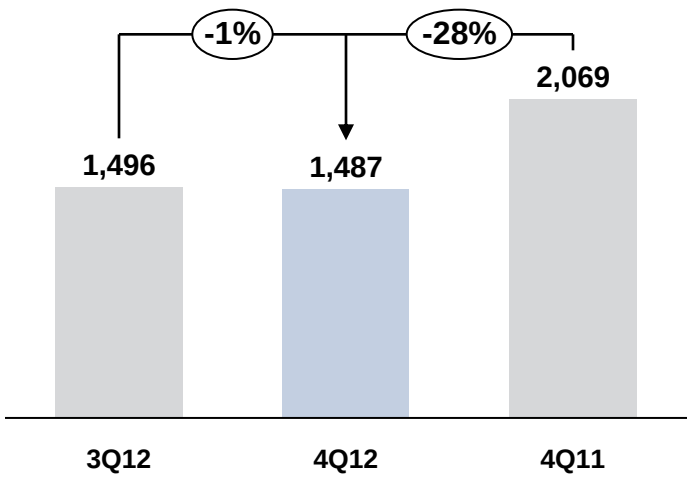
  (ii) Reversion of deferred tax from 6% to 4% generating a positive effect in the Income Statement in a non-cash, one-off event this quarter.

Impact of R$ 88.7 MM in the balance sheet of 4Q12.

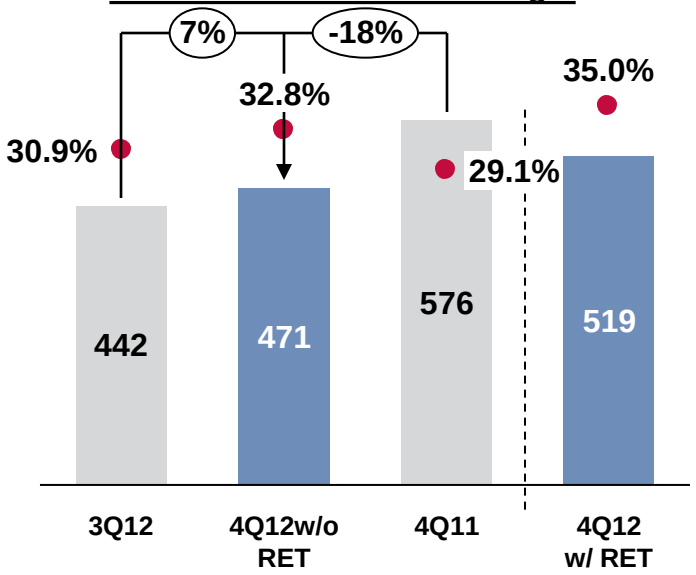
Financial Results

Gross Revenue

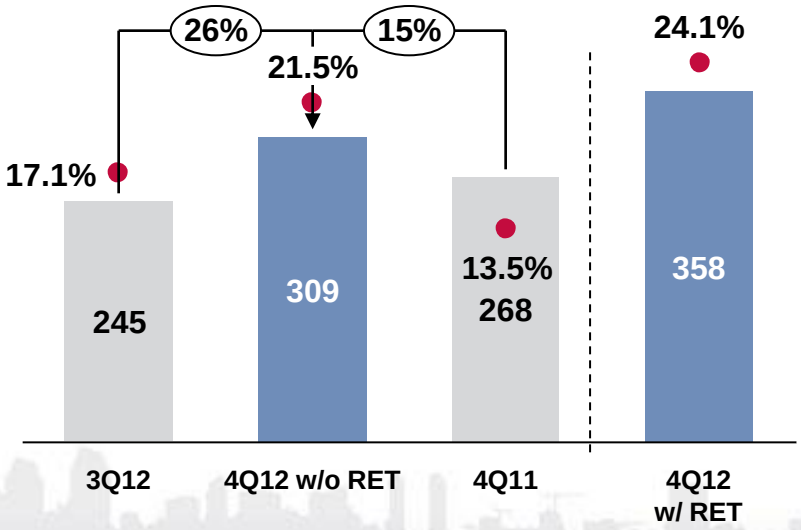
(R$ million)



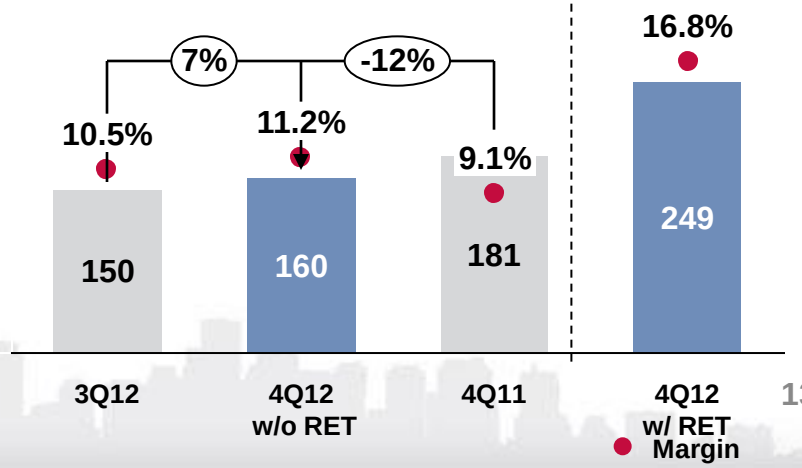
Gross Profit and Gross Margin



EBITDA and EBITDA Margin

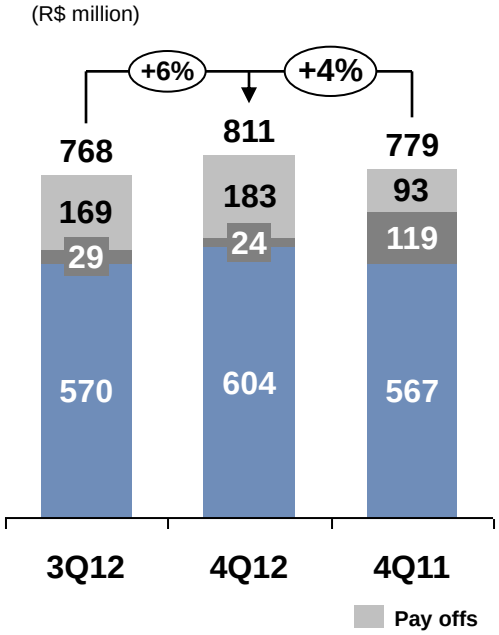


Net Income and Net Margin

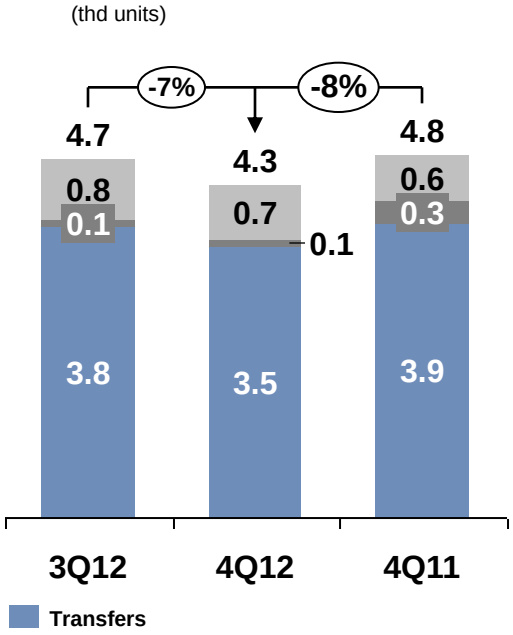


Transfers, Pay offs, Trust Deed

Volume



Units



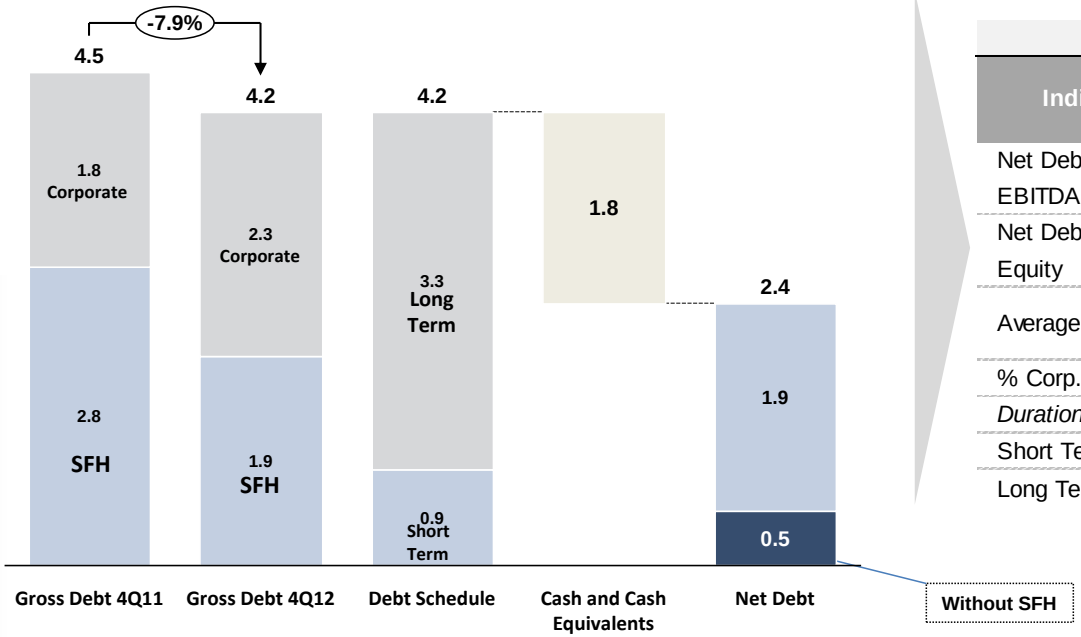


- In 4Q12 the volume of transfers, pay offs and trust deeds was R$ 811 million, 6% higher than in 3Q12.
- The reason for that is a higher share of MAP segment in total mix (from 26% to 31%), and an increase in the average outstanding amount of R$ 40 thd (from R$ 280 thd to R$ 320 thd).

Liquidity and Debt

Net Debt

(R$ bilhões)

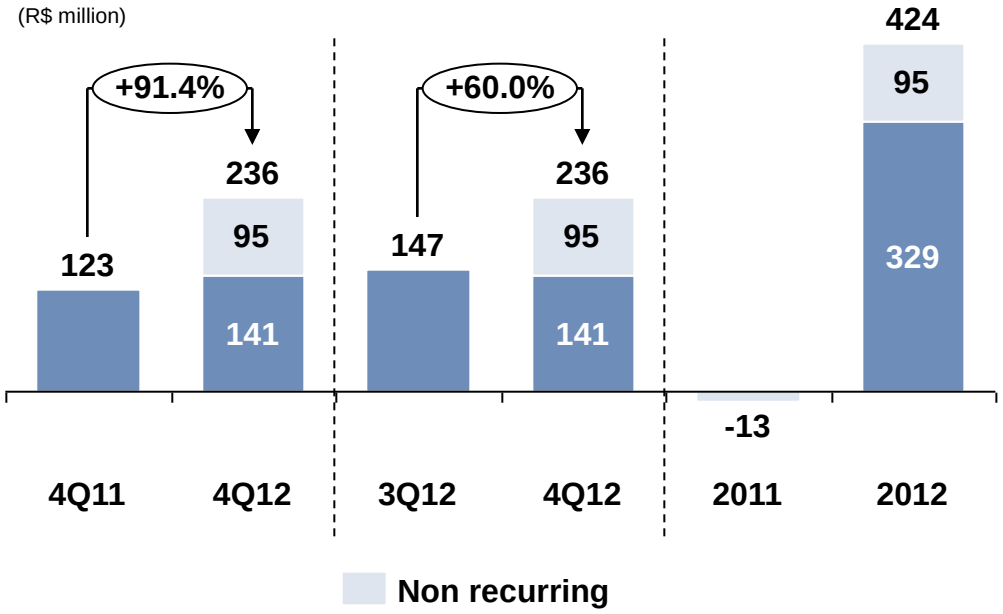


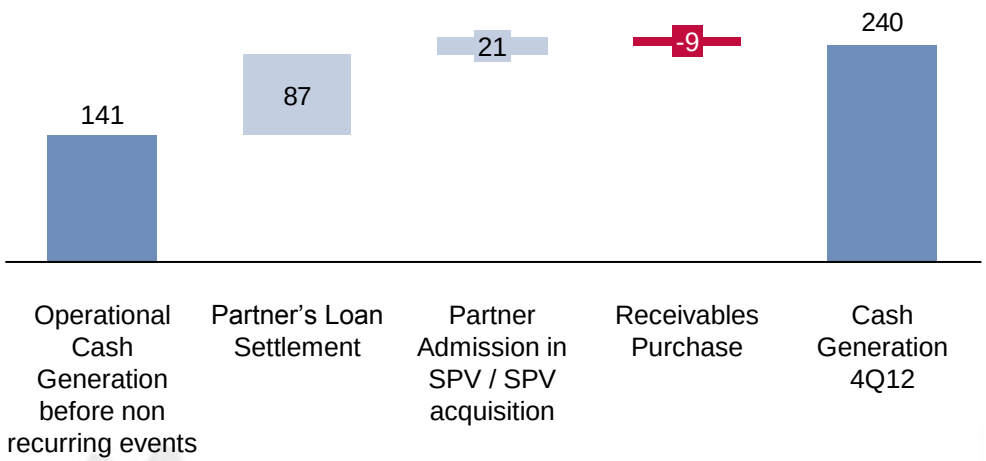
Reduction of 10.4 p.p. in 2012

Indicators	2011 Debt Total	2012 Debt Total	Δ 2012 x 2011	2012 Debt w/o SFH
Net Debt/ EBITDA 12M	3.12x	2.31x	0.81x	0.53x
Net Debt/ Equity	55,2%	44,8%	-10,40 p.p.	9,2%
Average Cost	With SFH: 109,5% CDI SFH: TR + 10,5% p.a.	With SFH: 111,8% CDI SFH: TR + 9,9% p.a.	2,3 p.p. CDI TR - 0,6 p.p.	111,8% CDI
% Corp. Debt / Total	40,0%	54,8%	14,76 p.p.	n.a.
Duration	2.8 years	2.2 years	-0.6 year	2.2 years
Short Term	24%	21%	-3,00 p.p.	12%
Long Term	76%	79%	3,00 p.p.	88%

- **In the year, Net Debt/Equity decreased by 10,4 p.p;**
- **Gross debt has decreased R$ 300 million (7,9%);**

Cash Generation / Burn*





- **Cash generation of R$ 240 million in 4Q12, compared to R$ 147 million in 3Q12 and R$ 123 million in 4Q11.**
- **Cash generation of R$ 424 million in 2012, compared to a cash burn of R$ 13 million in 2011.**
- **In 4Q12, R$ 99 million out of the R$ 240 million of cash generation were related to non-operational activities:**
  (i) R$ 87 million: loan settlement from partners,
  (ii) R$ 21 million: admission of a new partner in a project / SPV acquisition ,
  (iii) burn of R$ 9 million: receivable purchase.

• Ex dividend payment, buyback program, acquisition of equity.
• **Erratum: In the net debt calculation from Dec/11 there was an error of R$ 6 million which have impacted positively the 4Q11 and negatively the 1Q12.**

Contact IR

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