

4Q09 and 2009 Results

March 26, 2010

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4Q09 and FY2009

Introduction — **Elie Horn**

Operating Results Living and Cyrela — **Luis Largman**

Financial Results — **Saulo Lara**

Highlights

- **Cyrela**
  - ✓ **Launches: R$ 2.6 bn in 4Q09 and R$ 5.7 bn in 2009, 11% above top end of guidance**
  - ✓ **Contracted Sales: R$ 2.3 bn in 4Q09 and R$ 5.2 bn in 2009, 3% above top end of guidance**
  - ✓ **Net Profit: R$ 729.3 million, 2.6 times higher than in 2008**
- **Living:**
  - ✓ **16.1 thd units launched, 10.3 thd of them within "Minha Casa, Minha Vida" program in 2009**
- **Construction**
  - ✓ **7,510 units delivered in 2009, of which 2,096 are Living units**
  - ✓ **156 ongoing construction sites and 58 to be started this year**
  - ✓ **17 thd to 21 thd units to be delivered in 2010**
- **Funding**
  - ✓ **Follow-on: R$ 1.2 bn raised in the primary offering aiming to the growth for the next years**
  - ✓ **Stand-by of R$ 300 million signed with Banco do Brasil**

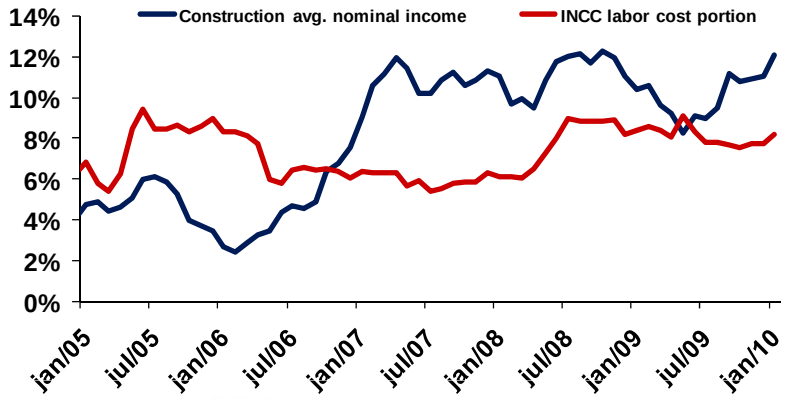
Challenges for the future

Pressure on construction costs:

- **Labor:**
  - ✓ Reduction of productivity at the construction sites stemming from the hiring of untrained labor at the same price
  - ✓ Increase in the cost of labor not properly reflected in the INCC-FGV index
- **Equipment:**
  - ✓ Increases in the prices of equipment not properly reflected in the INCC-FGV index

What Cyrela is doing:

- Reviewing the prices of its products
- Guaranteeing execution of the more critical portions of construction: rigging, concrete structure, electric and hydraulic installations
- Training employees in electrical and hydraulic operations through the “Construindo Profissionais” Program

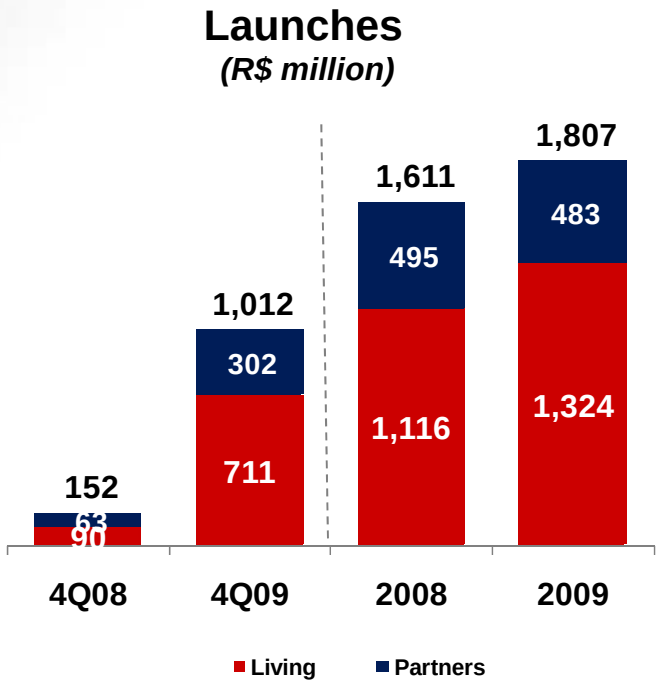


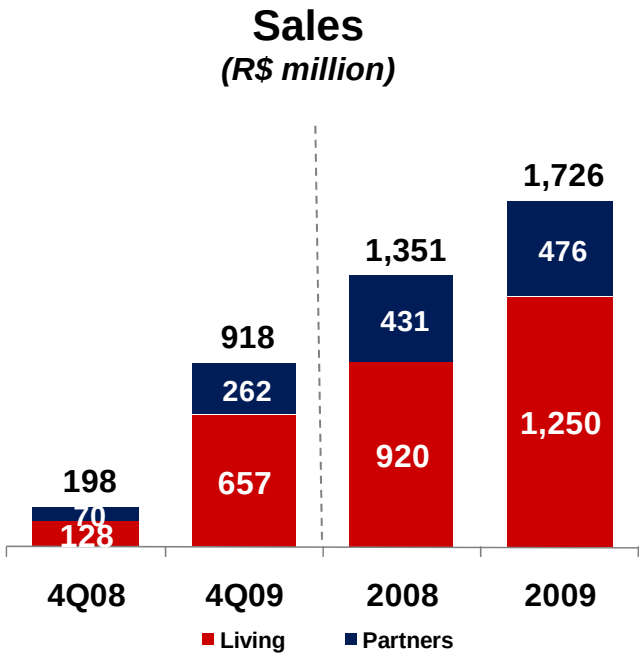
Source: IBGE/PME, FGV and MCM Consultores



Operating Results Living

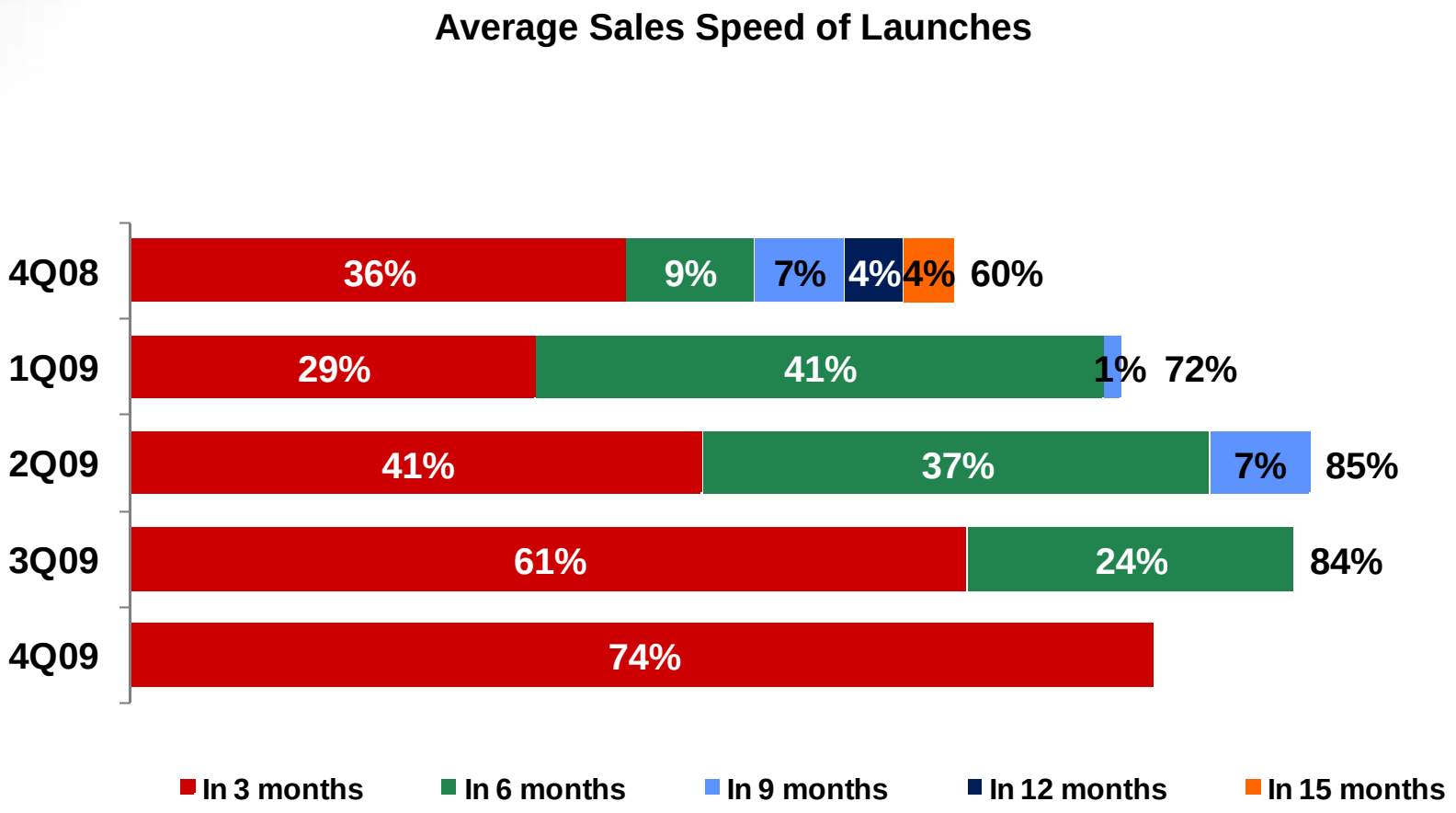
Living's Launches and Sales – 4Q09 and 2009





- 23 projects launched in 4Q09, totaling 45 in 2009
- 16.1 thd units launched in 2009, of which 10.3 thd units within "MCMV" program
- 14,913 units sold in 2009 with an average price of R$ 115.7 thd of which 8,354 units within "MCMV" program

Sales Speed Living



Living Highlights in 4Q09

Living above R$ 130 thd/unit



Liber Bosque
Clube Pirituba - SP

Launched in Nov/09
PSV: R$ 43 million
Units: 269
Average price: R$ 145 thd/un.

98% SOLD



Plaza Sprada - PR

Launched in Dec/09
PSV: R$ 31 million
Units: 180
Average price: R$ 174 thd/un.

100% SOLD



Pleno Residencial
1st and 2nd phases - PA

Launched in Nov/09 and Dec/09
PSV: R$ 60 million
Units: 432
Average price: R$138 thd/un.

89% SOLD

Living – "Minha Casa, Minha Vida"



Recreio das Laranjeiras - ES

Launched in Oct/09
PSV: R$ 52 million
Units: 512
Average price: R$101 thd/un.

82% SOLD



Único Guarulhos - SP

Launched in Nov/09
PSV: R$ 223 million
Units: 2,380
Average price: R$ 94 thd/un.

99% SOLD



Vitória Jundiaí - SP

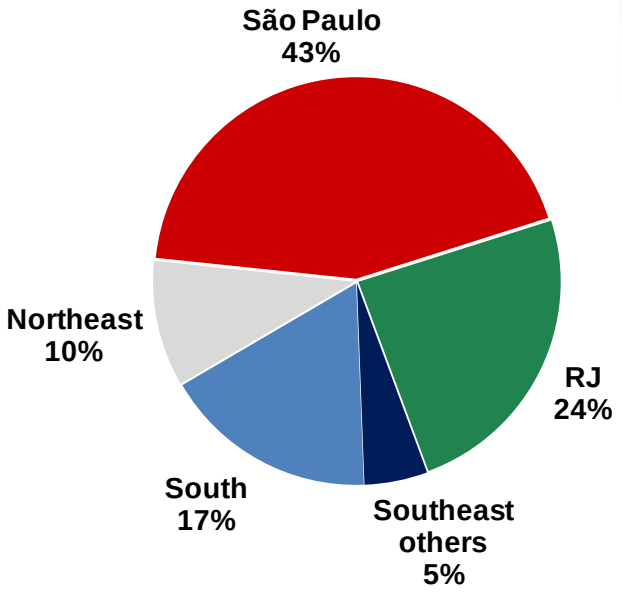
Launched in Dec/09
PSV: R$ 48 million
Units: 512
Average price: R$ 94 thd/un.

100% SOLD

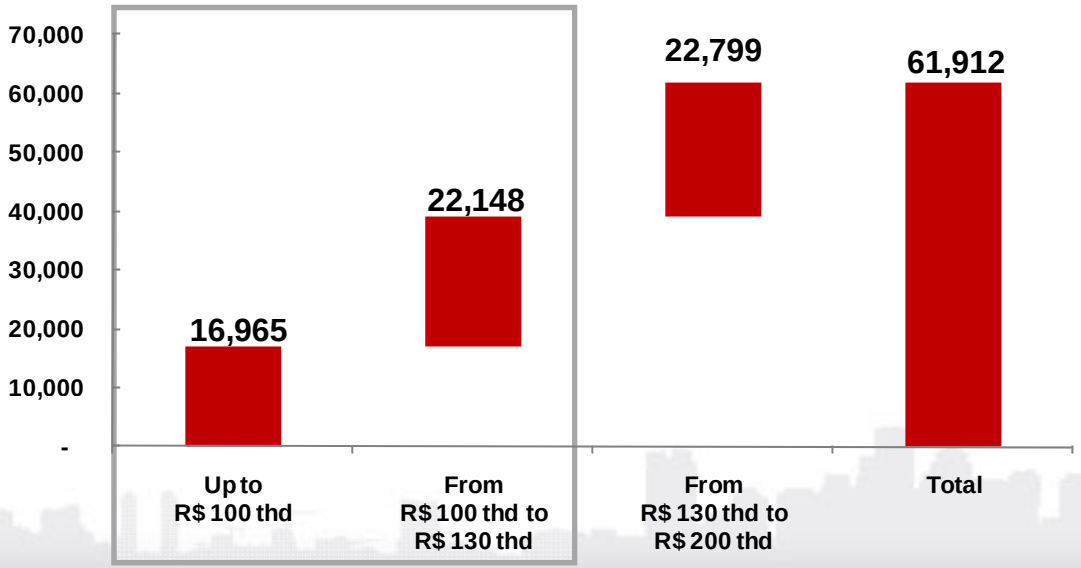
Note: Until 03/01/2010

Living's Landbank – 4Q09

- **Potential PSV: R$ 7.5 billion (100%) and R$ 6.1 billion (% Living)**
- **89 plots of land**
- **68% paid through swaps**
- **Unit's average price - R$ 121 thd**



Landbank by unit price



“Minha Casa, Minha Vida” Program

Caixa Econômica Federal Figures

Contracted units

	CEF	Living	
0-3 Minimum Wages	197,588	2,560	1%
3-6 Minimum Wages	93,665	4,304	5%
6-10 Minimum Wages	35,837	6,964	19%
Total	***327,090***	***13,828***	***4%***

Living target:
3 to 10 M.W.
8.7% of *market share* in approvals

Living submitted units

Evaluation	Contracting Company (PJ)	Contracting Company (PJ) and (PF)

Approved for sale		To be contracted		Contracted		Total
9,878	+	6,244	+	13,828	=	29,950

+

Transferred
1,705

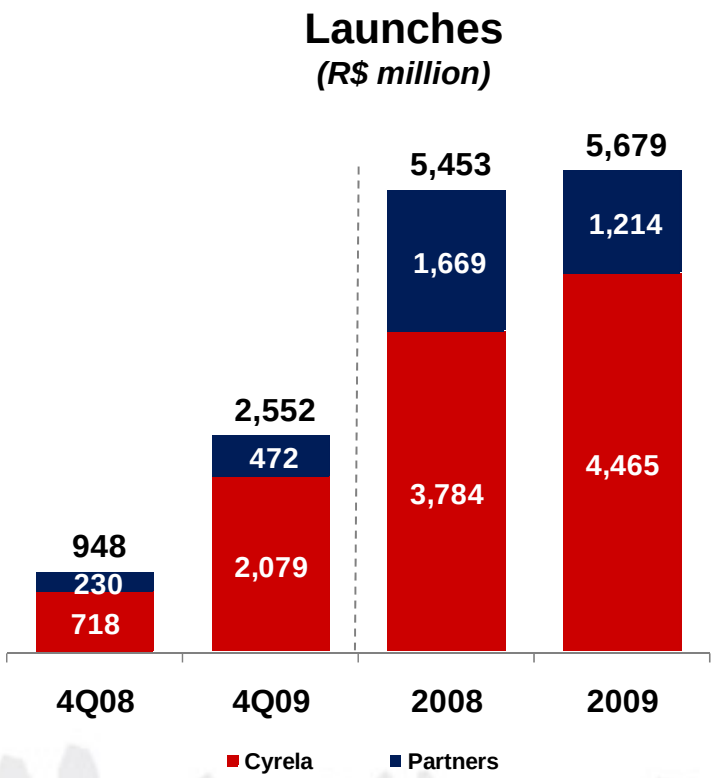
Note.:
Contracts of Caixa in Feb, 2010
Living updated until Mar 2010

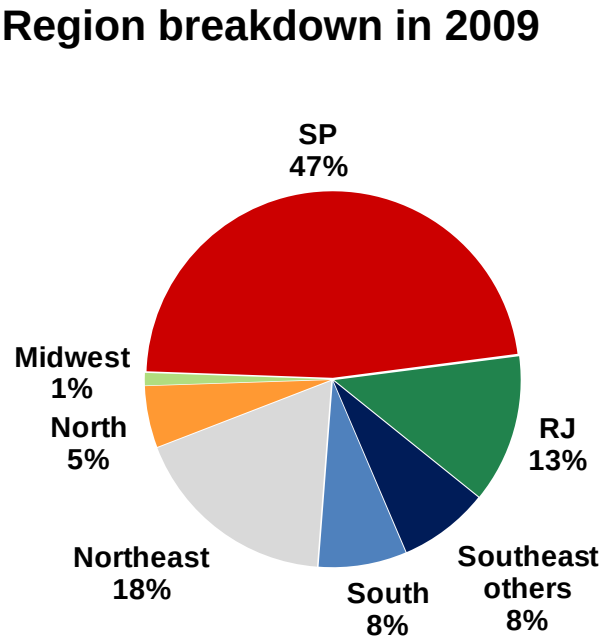


Operating Results

Launches Cyrela + Living

- 42 projects launched in 4Q09 and 91 in 2009
- Average price: R$ 215 thd/unit or R$ 3.2 thd/sq.m.
- LIVING: 39.7% of PSV launched in 4Q09 and 31.8% in 2009

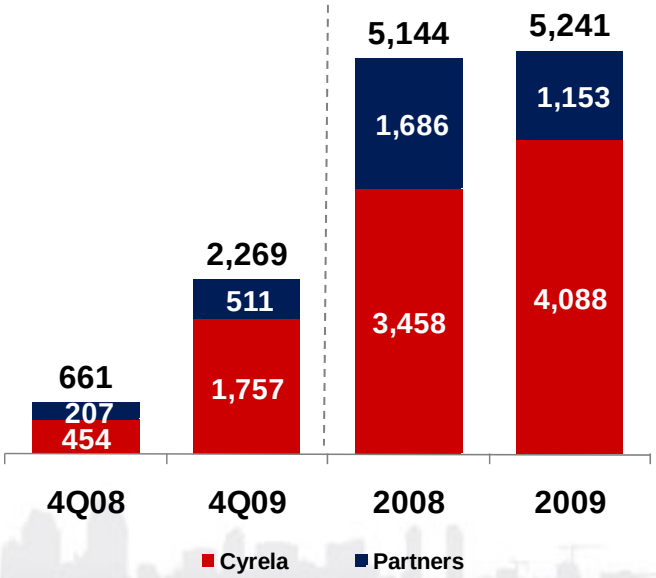




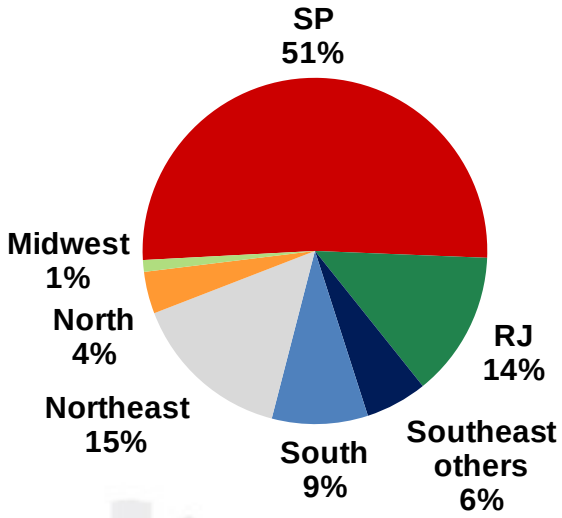
Sales Cyrela + Living

- 24.0 thd units sold in 2009
- VSO: 37.6% in the quarter (vs. 32.1% in 3Q09) and 59.0% in 2009
- LIVING: 40.5% of PSV sold in 4Q09 and 32.9% in 2009
- 27% of sales in 2009 are related to inventories
- Inventories 2009YE: R$ 3.6 bn (100%) and R$ 2.7 bn (%CBR) ➡ 8 months of sales*

Sales
(R$ million)

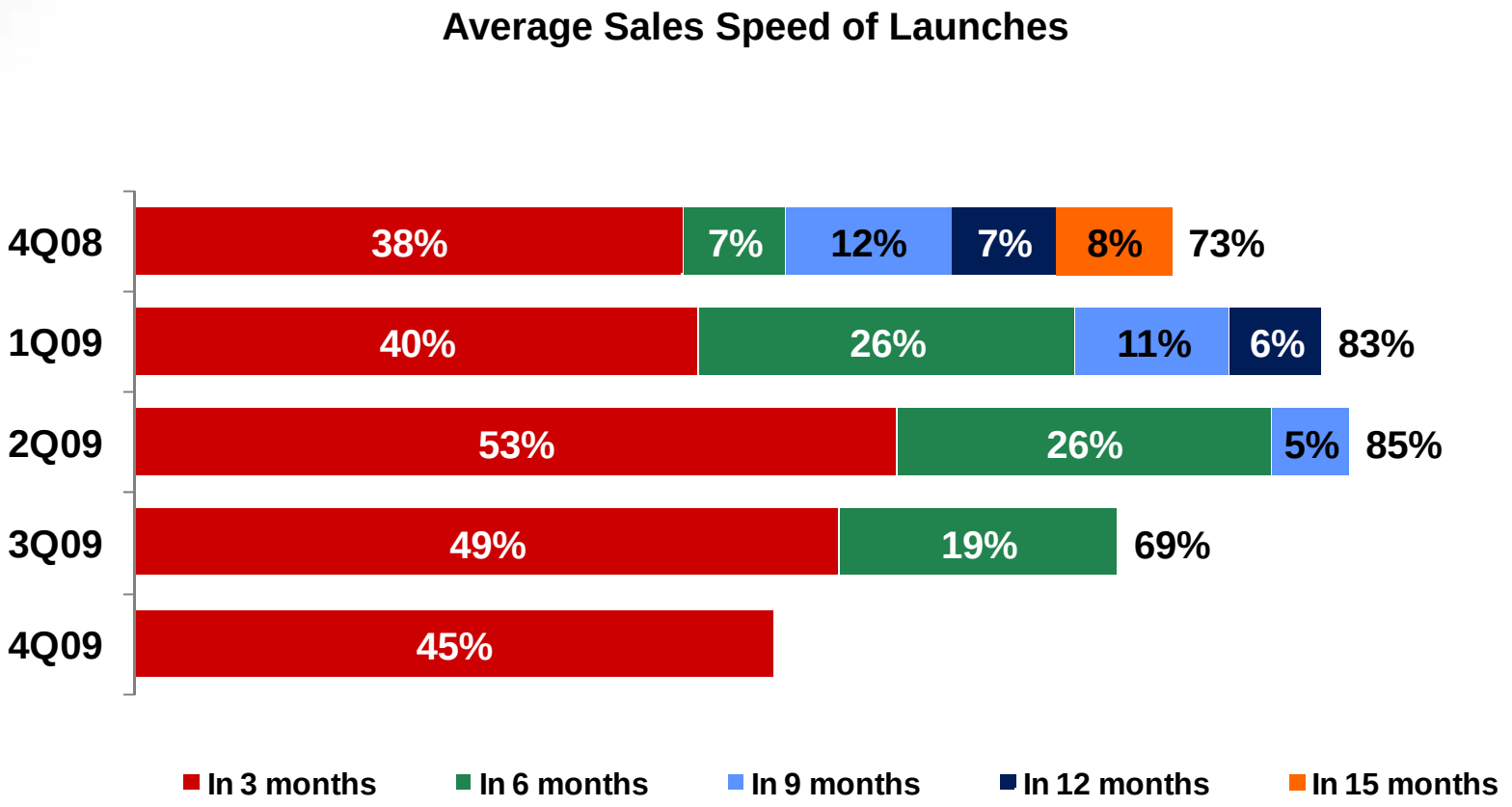


Region breakdown in 2009

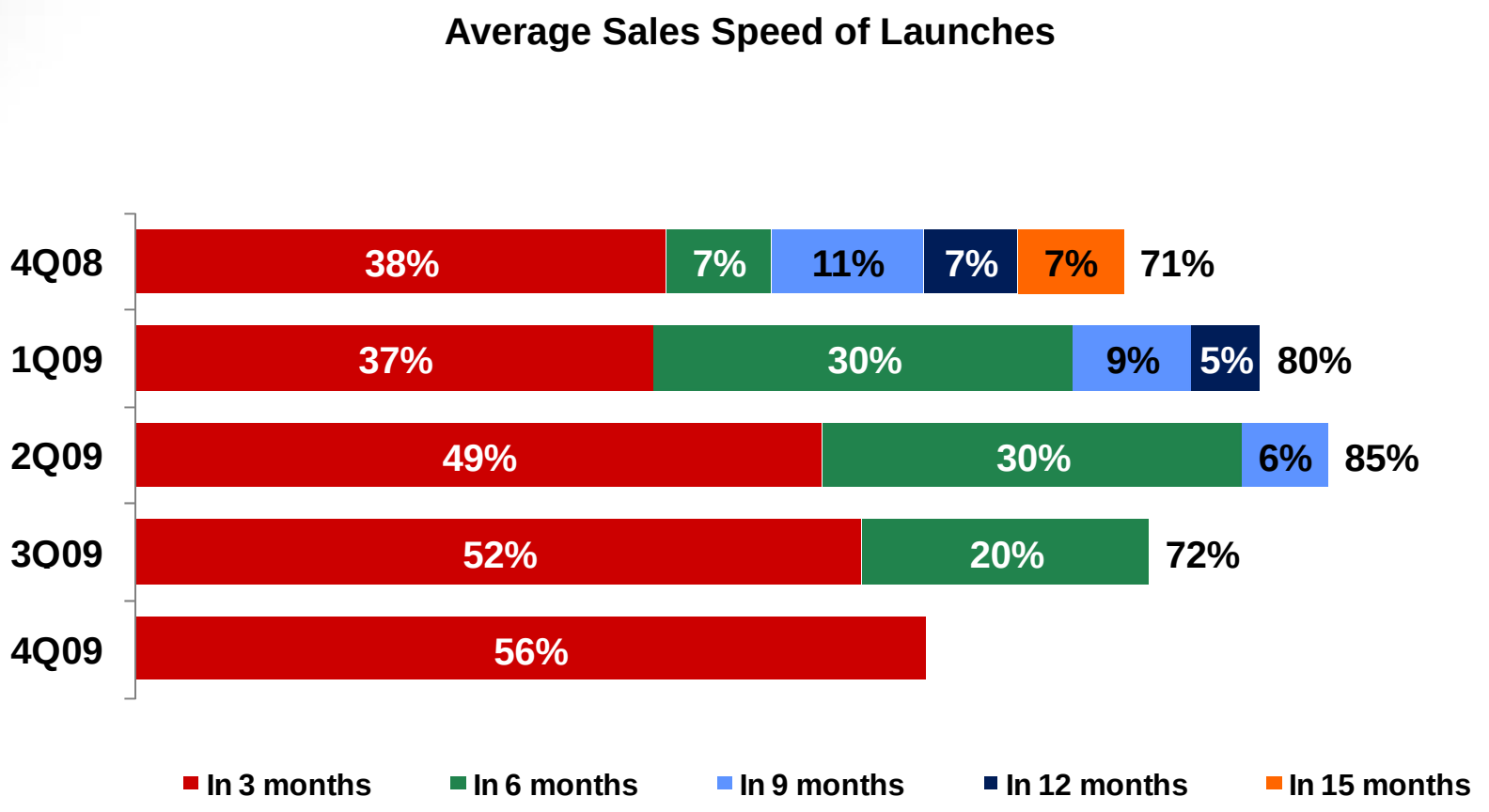


* Considering monthly average sales in 2009

Sales Speed Cyrela



Sales Speed Cyrela + Living



Cyrela Highlights in 4Q09

- **Recovery of the demand in the mid to high segments and high speed of sales of launches**



Praça Santana - SP

Launched in Oct/09
PSV: R$ 66 million
Units: 108
Average price: R$ 614 thd/un.

100% SOLD

Le Parc Boa Viagem 1° Fase - PE



Launched in Dec/09
PSV: R$ 170 million
Units: 352
Average price: R$ 484 thd/un.

61% SOLD



Andalus - SP

Launched in Nov/09
PSV: R$ 119 million
Units: 298
Average price: R$ 398 thd/un.

98% SOLD

Upper Northway - RS



Launched in Oct/09
PSV: R$ 29 million
Units: 125
Average price: R$ 234 thd/un.

100% SOLD

Note: Sales until Mar/10

Units Delivered in 2009

- 7,510 thousand units delivered in 47 projects with PSV launched of R$ 2.9 billion
- Living delivered 8 projects in 2009 totaling 2,096 units with PSV R$ 221.4 million
- In December 2009, there were 175 construction work sites, of which 65 sites are Living and 110 are Cyrela projects
- 17 thd to 21 thd units to be delivered in 2010



Vitória Vila Matilde (Living) – SP
Delivered in Oct/09



Contemporâneo C. Belo – SP
Delivered in Oct/09



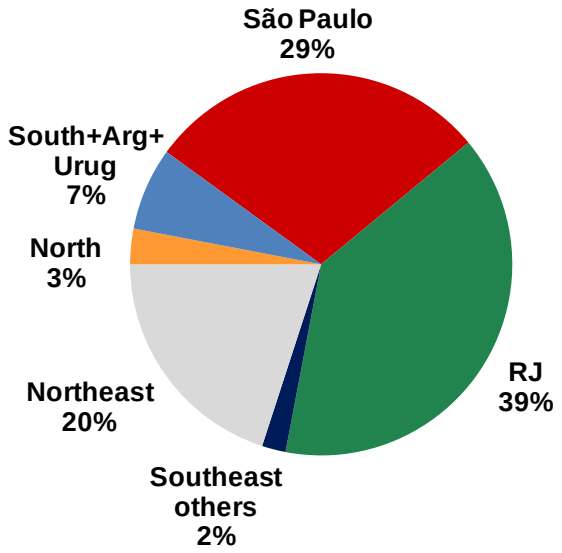
Contemporâneo – RS
Delivered in Mar/09

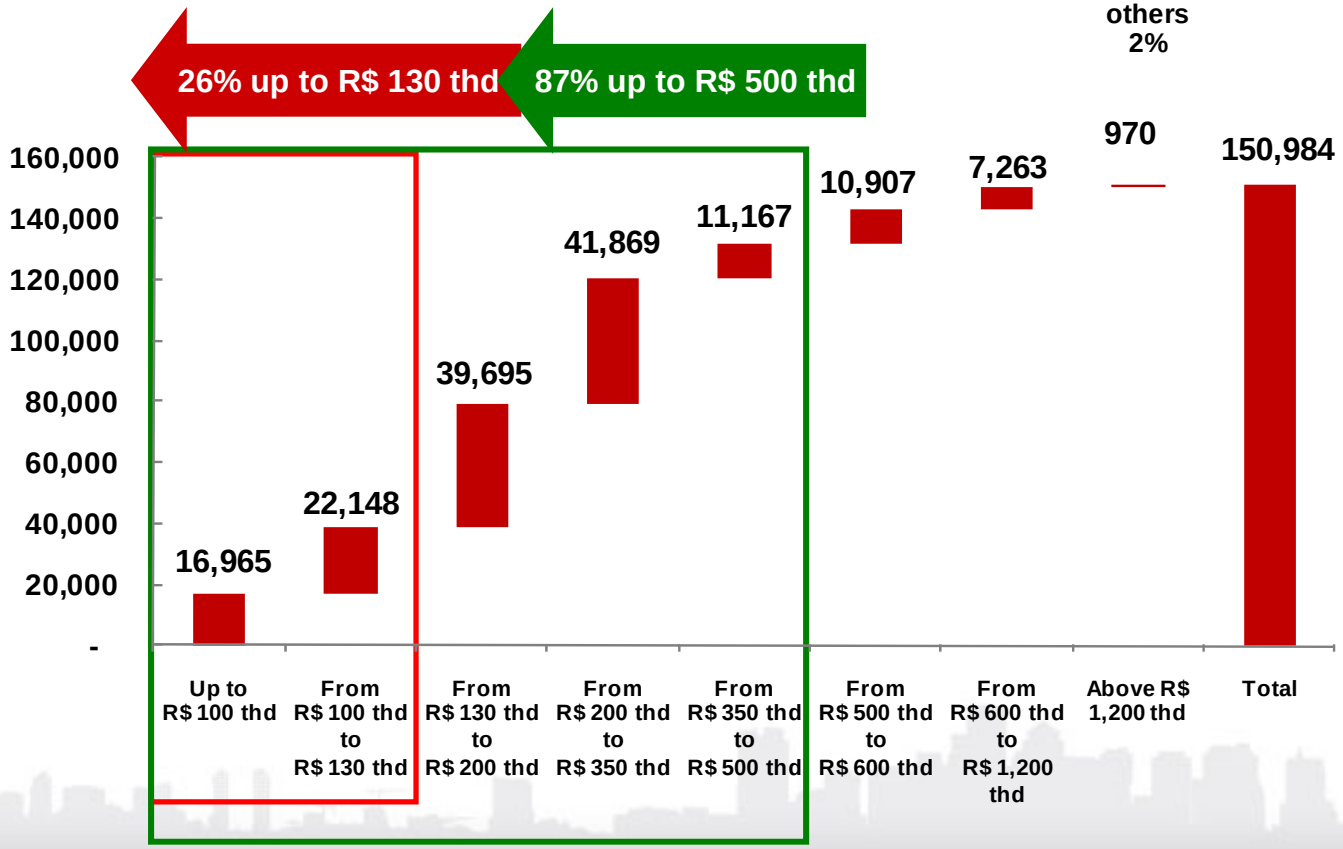


Les Residences de Monaco - RJ
Delivered in Nov/09

Landbank

- R$ 39.2 billion of PSV (R$ 32.5 billion %CBR)
- 72.6 % paid through swaps
- 204 projects with 151.0 thousand units



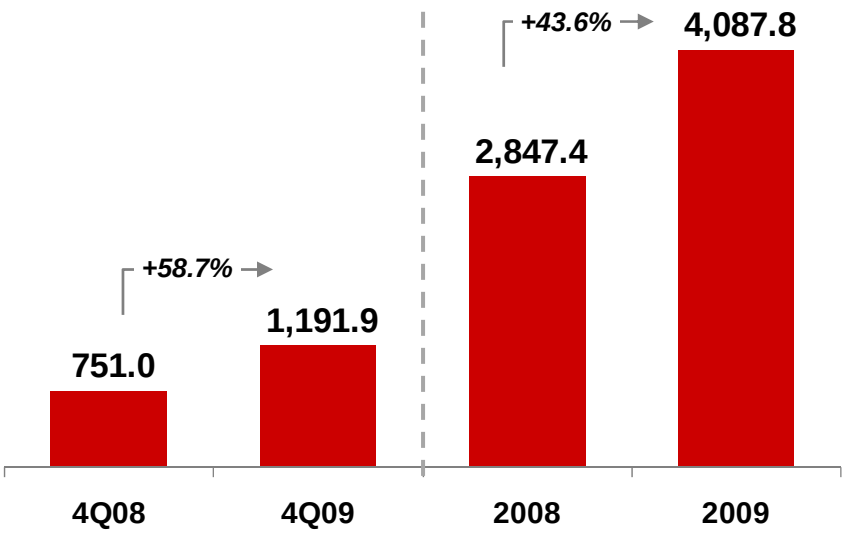




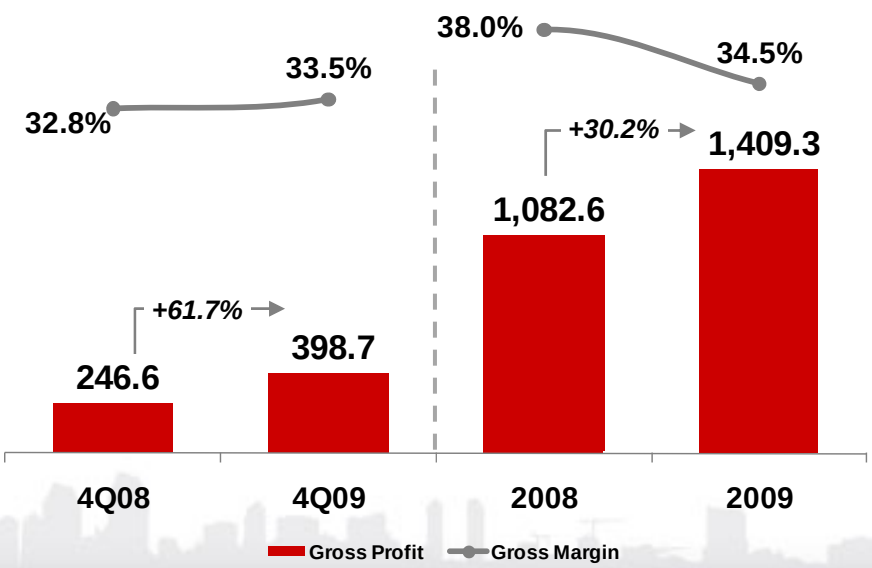
Financial Results

Financial Results

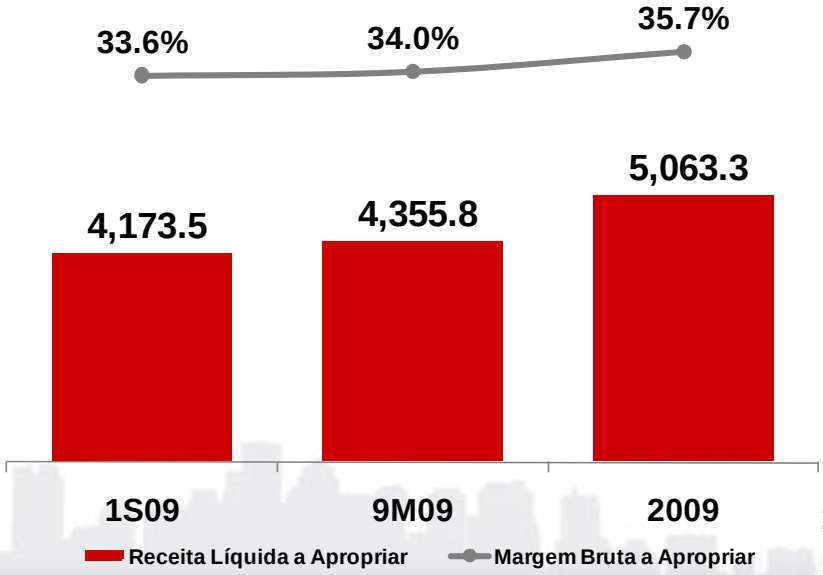
Net Revenue
(R$ million)



Gross Income
(R$ million)

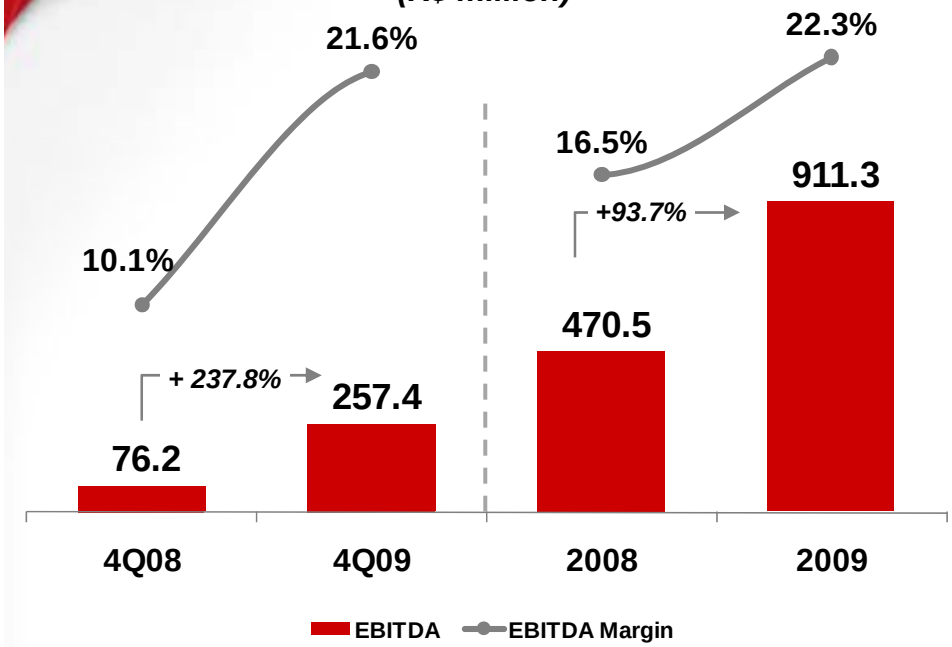


Backlog
(R$ million)

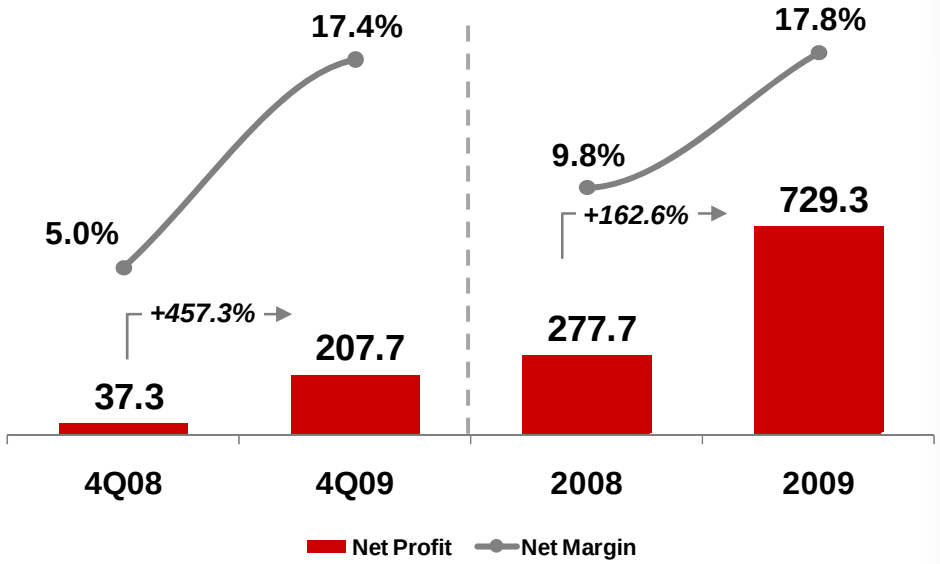


Financial Results

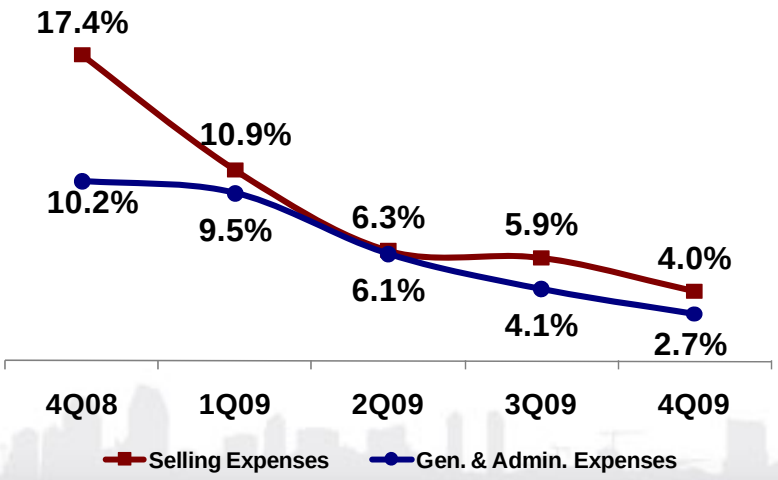
EBITDA
(R$ million)



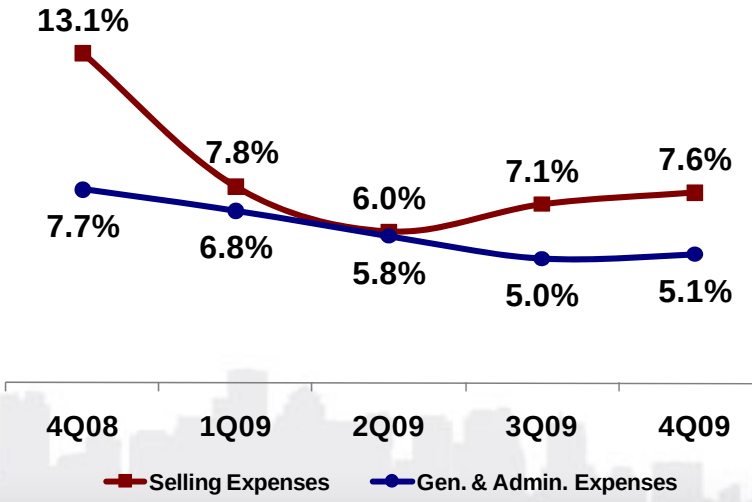
Net Profit
(R$ million)



Ratio Expenses to Sales

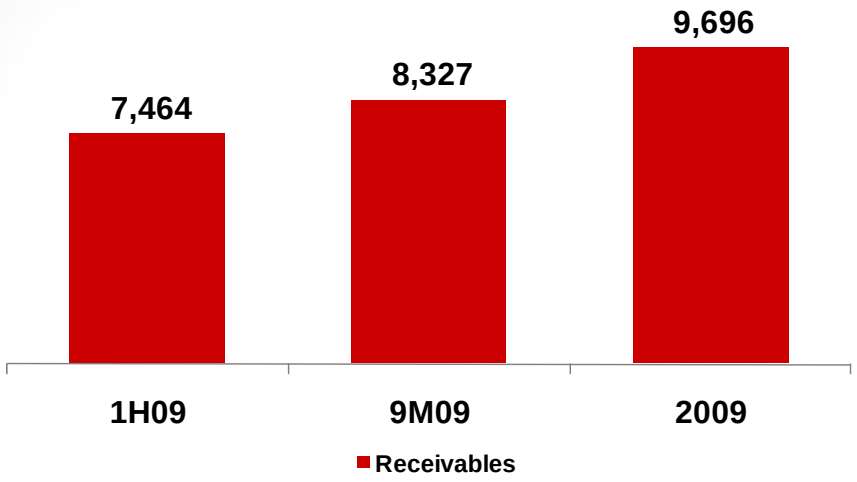


Ratio Expenses to Net Revenue

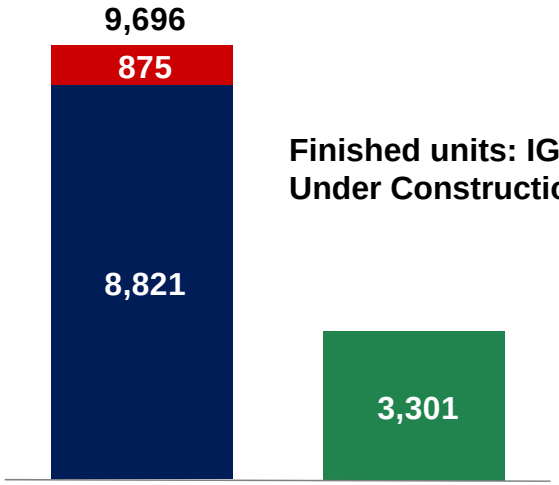


Accounts Receivable

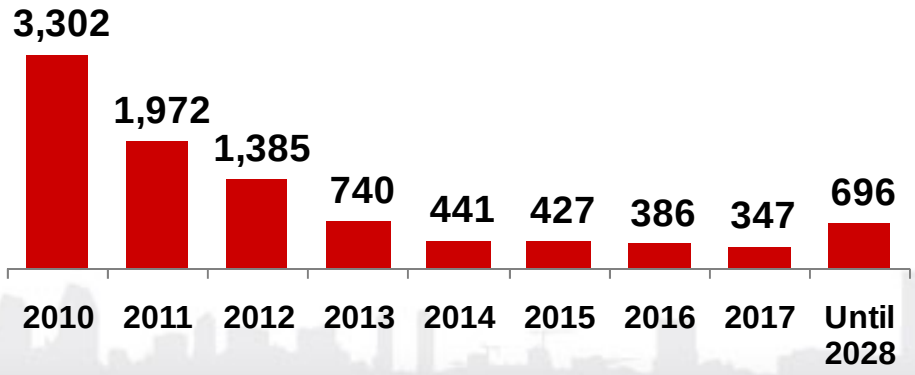
Accounts receivable performance
(R$ million)



Receivable's remuneration
(R$ million)



Receivables Schedule
(R$ million)



Liquidity

Debt *(R$ million)*	**Balance Dec 31, 2009**	**Maturity**	**Cost**
SFH	**1,190.3**	**2009 to 2014**	**TR + ~ 10.4% p.a.**
Debentures 1st issuance	**500.0**	**2012 ,2013,2014**	**CDI + 0.48% p.a.**
Debentures 2nd issuance*	**259.4**	**2018**	**CDI + 0.65% p.a.**
Debentures 3rd issuance	**350.0**	**2014**	**CDI + 0.81% p.a.**
Bradesco (*stand-by*) and others	**213.4**	**Nov/2010, Nov/2011, Nov/2012, Nov/2013**	**CDI + 0.81% p.a.**
Loans (foreign currency) – US$ 50 million	**87.1**	**Sep/2011 and Sep/2012**	**Libor + 3.5% and 4.3% p.a.**
Total Debt withSFH	**2,600.2**		
Total Debt without SFH	**1,409.9**		
Cash and Cash Equivalents	**(1,665.8)**		
Net Debt withSFH	**934.5**		
Net Debt without SFH	**(255.9)**		

$$\frac{\text{Net Debt withSFH}}{\text{LTM EBITDA}} = 1.0 \text{ time}$$

$$\frac{\text{Net CASH without SFH}}{\text{LTM EBITDA}} = 0.3 \text{ time}$$

* In Jan/2010: R$ 61.9 million outstanding

Contact us

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