

CR2 ANNOUNCES ITS RESULTS FOR 2Q19

Rio de Janeiro, August 14th, 2019 – CR2 Empreendimentos Imobiliários S.A. (Bovespa: CRDE3; OTC: CREIY) announces its results for the second quarter of 2019 (2Q19). The company's consolidated financial statements are prepared according to accounting practices adopted in Brazil pursuant to the Law of Corporations and regulations issued by the Brazilian Securities and Exchange Commission (CVM).

2Q19 HIGHLIGHTS

- **Signing of the definitive deed of the Parque das Águas Land, concluding the sale process;**
- **Cash and Cash Equivalents of R\$ 25,906 thousand;**
- **Zero Corporate Debt.**

2Q19 EARNINGS AND CONFERENCE CALL

INVESTOR RELATIONS

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Portuguese Conference Call May 21th, 2019

4:00 pm (Brasília time)
3:00 pm (Eastern time)

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English Conference Call May 21th, 2019

5:00 pm (Brasília time)
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OPERATING AND FINANCIAL HIGHLIGHTS

Consolidated Financials (R\$'000)	2Q19	2Q18	Δ2Q/2Q	2Q19	Δ2Q/1Q
Net Operating Revenue	83	1.468	-94,3%	28.006	-99,7%
Gross Profit	(499)	257	-294,0%	(3.039)	-84%
% Gross Profit Margin	-600,6%	17,5%	-618,1 p.p.	-10,8%	-589,8 p.p.
Gross Profit (ex-SFH Interest)	(495)	311	-259,0%	(3.010)	-84%
%Gross Profit Margin (ex-SFH Interest)	-596,3%	21,2%	-617 p.p.	-10,7%	-585,5 p.p.
EBITDA(1)	(1.508)	(2.092)	27,9%	(5.411)	72%
% EBITDA Margin	-1816%	-143%	-1674 p.p.	-19%	-1797 p.p.
Net Profit before minority interest	(1.055)	(1.595)	33,9%	(6.167)	83%
% Net Margin before minority interest	-1271,1%	-108,7%	-1162 p.p.	-22,0%	-1249 p.p.
Net Profit	(1.057)	(1.450)	27,1%	(6.063)	83%
% Net Margin	-1273%	-99%	-1175 p.p.	-22%	-1252 p.p.
Basic Earnings per Share - EPS R\$	(0,44)	(0,03)	-1225,4%	(2,55)	82,9%
Revenues to be Recognized	0	0	-	0	-
Results to be Recognized	0	0	-	0	-
Margin to be Recognized	0,0%	0,0%	0,0 p.p.	0,0%	0,0 p.p.
Cash	25.906	23.588	9,8%	27.155	-4,6%
Net Debt (ex-SFH)	0	0	-	0	-
Net Debt (ex-SFH) / Shareholders Equity	-	-	-	-	-
Net Debt	0	0	-	0	-
Net Debt / Shareholders Equity	-	-	-	-	-
Shareholders Equity	160.435	186.770	-14,1%	161.492	-0,7%

Operating (R\$'000)	2Q19	2Q18	Δ2Q/2Q	2Q19	Δ2Q/1Q
Total Contracted Sales ⁽²⁾	474	1.686	-71,9%	1.377	-65,6%
Total Contracted Sales (%CR2) ⁽²⁾	454	1.345	-66,2%	1.311	-65,4%
Sales over Supply - SoS (%CR2) ⁽³⁾	30,9%	23,8%	7 p.p.	50,4%	-19,5 p.p.
Units Sold in the Period	4	9	-55,6%	7	-42,9%

(1) EBITDA— adds back to Net Profit: minority interest, taxes and social tax, D&A, financial expense, SFH interest, sales stand amortization and ESOP.

(2) Excluding financial income. Physical exchange net for Villaggio del Mare, Barra Allegro and Via Parque, and financial exchange net for the Verano project.

(3) Sales over Supply (SoS): [contracted sales of the period / (inventory at the beginning of the period + physical exchange net entries of the period)].



EARNINGS RELEASE 2Q19

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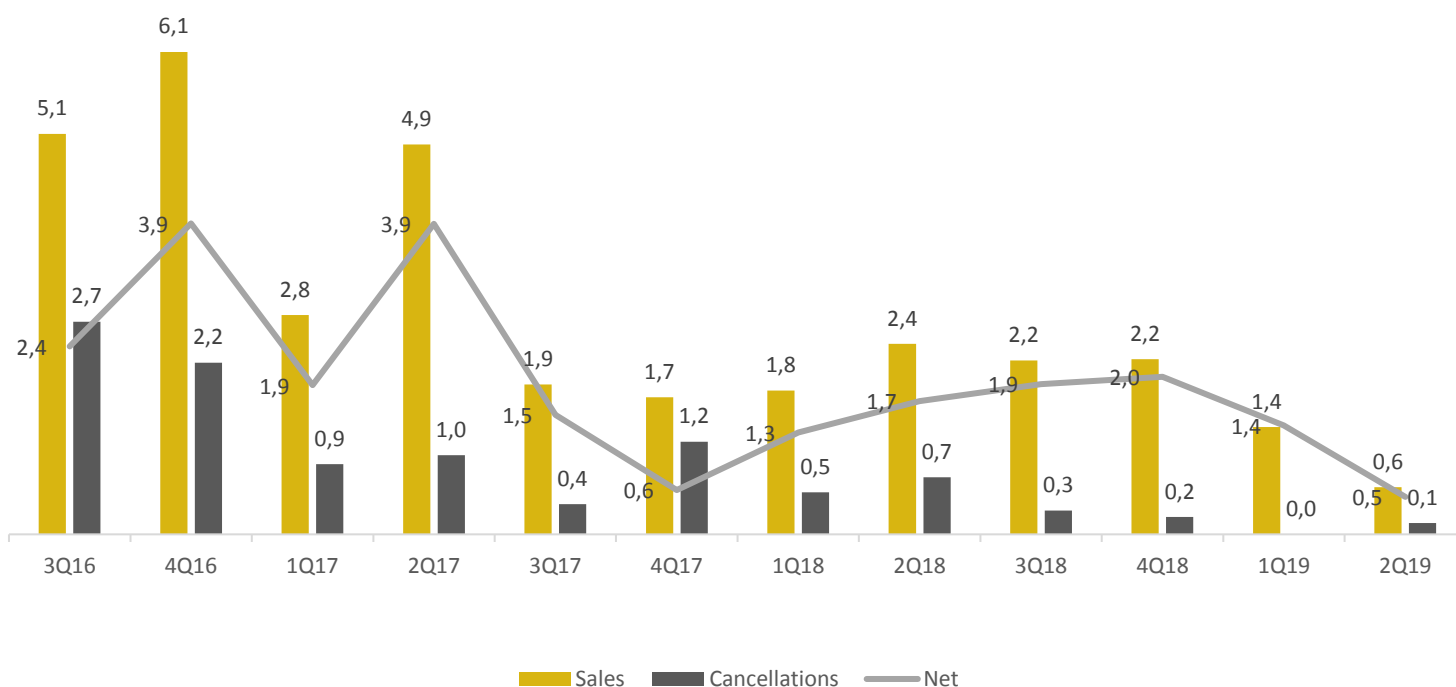
CONTRACTED SALES

Contracted sales net of cancellations totaled R\$ 500 thousand in 2Q19, a 71% reduction in comparison to 2Q18.

In view of the scenario of deterioration of the Brazilian economy, the Company adopted the strategy of monetizing its assets and reducing the G&A, focusing most of the efforts on the sale of the units in stock.

As a result of this strategy the the inventory of units reduces and therefore the contracted sales. The cancellations keeps decreasing, now represented by a residual base with a harder an slower cancellation process.

Gross Contracted Sales x Cancellations (R\$ Millions)



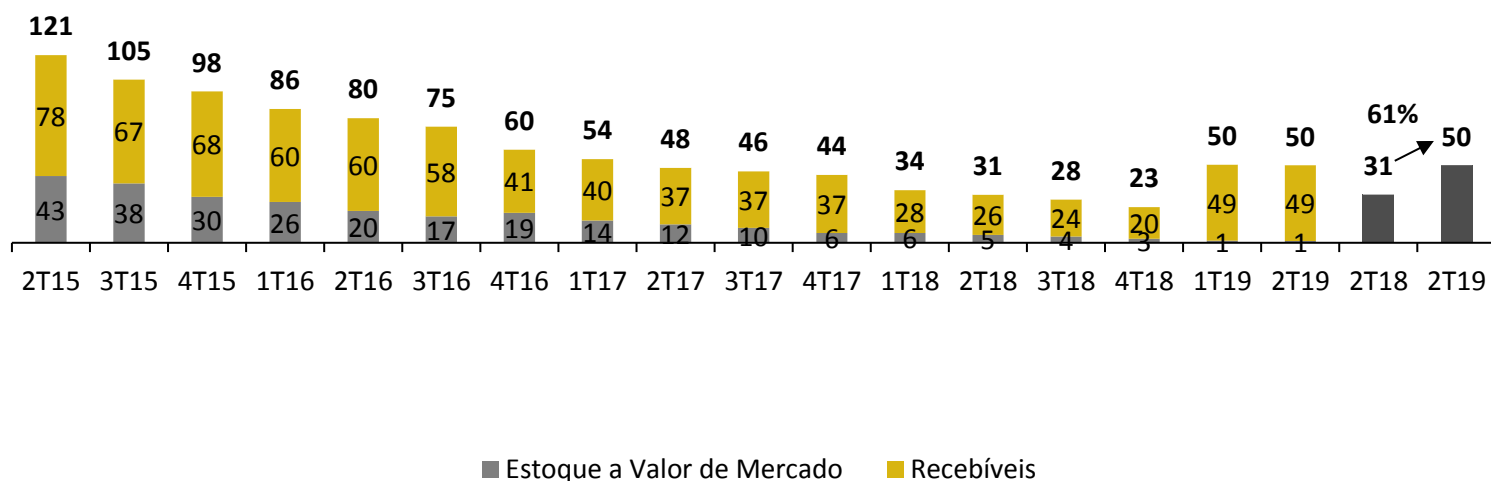
INVENTORY AT MARKET VALUE AND RECEIVABLES

We ended the 2Q19 with R\$ 1.1 million of inventory at market value, presenting a 78% reduction in comparison with 2Q18 and 24% in comparison with 1Q19 (R\$ 1.3 million).

Receivables from clients totaled R\$ 49 million in this quarter, a 88% increase over 2Q18, leveraged by the Parque das Águas land sale.

The sum of Inventory (at market value) + Receivables, when compared to 2Q18, increased 61%.

Evolução - Recebíveis + Estoque (R\$ Milhões)



The next three tables shows the breakdown of Inventory at Market Value per SPE, the statement of the main receivables and the breakdown of Receivables from Clients per SPE.

Currently the Campinho development has the most significant participation in the inventory, which represents 69% (R \$ 725 thousand) of the value of Inventories.

Inventory Market per SPE (R\$ '000)											
SPEs	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	%(2Q19)
Jardim Paradiso	2.355	2.933	2.471	696	1.166	1.046	818	580	123	114	11%
Jardim Paradiso 1-A	250	356	356	230	463	237	123	123	123	0	0%
Jardim Paradiso 1-B	2.105	2.577	2.115	465	703	809	695	456	0	114	11%
Parque das Águas	6.893	4.762	3.761	1.824	1.960	1.462	616	155	0	0	0%
Green	0	0	0	475	456	456	456	0	0	0	0%
Verano I	0	0	0	0	0	0	0	0	0	0	0%
Verano II	1.293	690	500	499	475	475	475	0	0	0	0%
Verano III	0	0	0	0	0	0	0	0	0	0	0%
Campinho	1.800	1.350	1.052	1.160	725	725	580	580	725	725	69%
SP 1	165	165	165	428	143	0	0	0	0	0	0%
Aqua Park 1	0	0	0	0	0	0	0	0	0	0	0%
Aqua Park 2	165	165	165	143	143	0	0	0	0	0	0%
Aqua Park 3	0	0	0	162	0	0	0	0	0	0	0%
Top Life Itamaraty	0	0	0	0	0	0	0	0	0	0	0%
Mirante Bonsucesso	0	0	0	124	0	0	0	0	0	0	0%
Top Life Park	0	0	0	0	0	0	0	0	0	0	0%
Residências Premium	430	430	430	850	450	450	450	450	0	0	0%
HC Felicitá	595	595	300	257	238	238	209	209	0	0	0%
Barra Allegro	575	575	575	0	428	0	0	0	0	0	0%
Splendor Valqueire I	320	320	320	219	219	219	219	551	551	219	21%
Splendore Valqueire II	0	0	0	0	0	0	0	0	0	0	0%
Splendore Valqueire III	0	0	0	0	0	0	0	0	0	0	0%
CIMOL	0	0	0	0	0	0	0	0	0	0	0%
Total:	14.426	11.819	9.574	6.406	6.258	5.070	3.822	2.525	1.399	1.058	100%

At the end of 2Q19, Receivable from Clients totaled R\$ 48.9 million, of which R\$ 29,2 million refers to the Parque das Águas land sale and R\$ 17.4 million refers to Link financial swap, whose occupancy permit was issued in 2Q14.

Accounts Receivable from Transfer of Receivables is constituted when the credit is transferred to banks and turns into cash according to the registration of contracts in the Post-key Transfer of Receivables financial model, and according to construction works' percentage of completion in the "Crédito Associativo" financing model. This account ended 2Q19 with R\$ 766 thousand, while Direct Financing ended the quarter on zero.

(R\$ '000)	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Receivables from Real Estate Sales	79.191	68.037	67.725	60.543	59.847	58.047	40.930	39.643	36.809	37.473	28.202	26.420	26.420	23.973	20.446	49.518	49.575
Revenues to be Recognized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advances from Clients	(1.019)	(1.031)	(140)	(116)	(120)	(128)	(125)	(125)	(142)	(60)	(397)	(486)	(486)	(37)	(4)	(459)	(648)
TOTAL Receivables from Clients	78.172	67.006	67.585	60.427	59.727	57.919	40.805	39.518	36.666	37.413	27.805	25.934	25.934	23.936	20.442	49.059	48.927
Receivable from Transfer of Receivables	21.080	17.063	6.269	14.368	13.240	9.950	6.642	5.436	5.413	847	2.030	1.260	1.260	983	675	362	766
Direct Finacing	3.024	3.030	2.965	2.723	2.236	1.599	965	733	705	465	126	29	29	8	0	0	0
TOTAL Receivables	102.276	87.099	76.818	77.518	75.203	69.468	48.412	45.687	42.785	38.725	29.961	27.223	27.223	24.927	21.118	49.421	49.693

SPEs	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	Indexation
SPE 23 (Link)	41.273	42.344	42.817	28.049	27.403	27.513	27.642	27.981	20.529	20.473	20.482	17.781	17.481	17.397	IGP-M +12% a.a.*
Jardim Paradiso	4.084	3.008	2.744	2.045	1.485	609	604	699	303	8	8	0	0	0	IGP-M +12% a.a.
Parque das Águas	6.193	6.164	4.783	4.149	3.809	2.898	2.857	2.400	2.286	2.158	1.465	1.470	29.986	30.595	IGP-M +12% a.a.
Green	4.277	4.139	3.887	3.107	3.119	2.536	2.494	1.919	1.250	1.213	902	0	0	0	IGP-M +12% a.a.
Campinho	983	726	436	436	436	701	707	689	519	549	254	350	222	0	IGP-M
SP 1	1.612	1.307	1.307	1.453	1.426	750	749	2.474	1.640	793	126	227	249	220	IGP-M
Acqua Park 1	87	306	292	113	108	91	90	88	87	44	44	80	0	0	IGP-M
Acqua Park 2	142	142	142	351	351	0	0	0	0	0	0	0	0	0	IGP-M
Acqua Park 3	555	276	126	126	304	126	126	1	1	1	1	0	0	0	IGP-M
Top Life Itamaraty	461	211	370	211	146	146	0	146	0	0	0	0	0	0	IGP-M
Mirante Bonsucesso	205	210	216	491	355	227	227	3	148	150	1	0	0	0	IGP-M
Top Life Park	161	161	161	161	161	161	161	161	161	81	81	148	0	0	IGP-M
Manau	0	0	0	0	0	0	0	2.074	1.296	519	0	0	0	0	INCC-DI
Residências Premium	432	439	446	449	719	536	455	0	0	0	0	0	384	0	IGP-M +12% a.a.
HC Felicitá	667	693	436	205	207	208	209	210	211	0	0	0	142	133	IGP-M +12% a.a.
Barra Allegro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	IGP-M +12% a.a.
Splendor Valqueire I	411	414	569	419	420	421	420	421	549	349	349	216	219	216	IGP-M +12% a.a.
Splendore Valqueire II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	IGP-M +12% a.a.
Splendore Valqueire III	0	0	0	0	0	0	0	0	0	0	0	0	0	0	IGP-M +12% a.a.
CIMOL	494	494	494	494	494	494	494	621	518	391	351	399	378	367	IGP-M +12% a.a.
Total:	60.427	59.727	57.919	40.805	39.518	36.666	36.631	37.413	27.805	25.934	23.936	20.442	49.059	48.927	-

* From July/14. INCC prior to this date.

LAND BANK

The land Cidade Paradiso and Parque das Águas represent 89% of the book value in the Company's land bank.

The land Parque das Águas was negotiated by the amount R\$ 31.0 million, as informed on the last reports disclosed by the Company and its definitive deed has been signed, ending the sale process.

Project	City (State)	Segment	Book Value (R\$'000)	Book/m ² (R\$'000)	%CR2
Cidade Paradiso	Nova Iguaçu (RJ)	Economy	76.552	29	100%
Diamond	Campo Grande (RJ)	Medium/Commercial	7.206	1.803	80%
Sta. Cecília - Madureira	Nova Iguaçu (RJ)	Economy	5.442	9	100%
Total			89.200	27	

ANALYSIS OF THE INCOME STATEMENT

In 2Q19, Net Revenue totaled R\$ 83 thousand, compared to R\$ 1,468 thousand in 2Q18.

Gross losses ex-SFH interest totaled R\$ 495 thousand, compared to R\$ 311 thousand of gross Profit in 2Q18.

(R\$ '000)	2Q19	2Q18	Δ2Q/1Q	2Q19	Δ2Q/1Q
Net Revenue	83	1.468	-94%	28.006	-100%
Gross Profit	(499)	257	-294%	(3.039)	-84%
Gross Margin	-600,6%	17,5%	-618,1 p.p.	-10,8%	-589,8 p.p.
SFH Interest Impact	4,3 p.p.	3,7 p.p.	64,4 p.p.	0,1 p.p.	424,3 p.p.
Gross Profit (ex-SFH Interest)	(495)	311	-259%	(3.010)	-84%
Gross Margin (ex-SFH Interest)	-596,3%	21,2%	-617,5 p.p.	-10,7%	-585,5 p.p.

GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

G&A was R\$ 2.184 million in this quarter, presenting a reduction of 20% when compared to 2Q18 (R\$ 2.742 million).

In comparison with the 1Q19 the G&A increased 3%, mainly because of the 120% increase in the legal expences. This is an item that presents variations at each quarter, due to the costs and timeframes of each legal cause, and the increase in the second quarter has been recurring over the years, as can be observed.

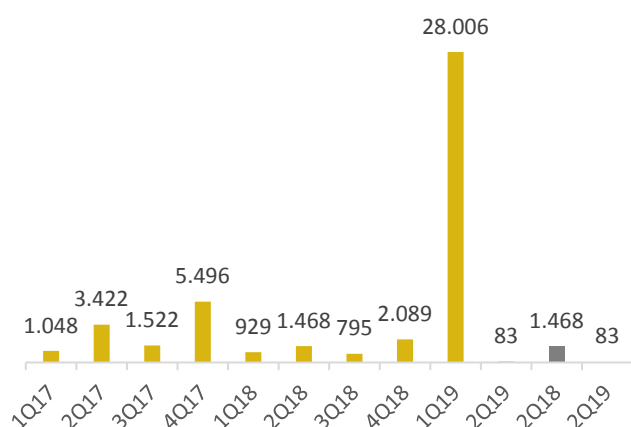
(R\$ '000)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2Q19/2Q18
G&A	3.394	3.129	3.042	2.996	2.897	2.578	2.130	2.742	3.021	2.419	2.128	2.184	-20%
Personnel Expenses	1.307	963	1.019	695	1.241	1.012	1.090	728	1.317	786	1.163	758	4%
Rent (HQ)	27	30	30	30	30	28	26	23	58	43	6	7	-70%
Condominium (SPEs)	310	427	314	164	289	92	115	135	425	25	19	-10	-108%
Unit Sold	8	85	14	9	111	3	6	1	2	-1	0	-3	-449%
Inventory	302	342	300	156	179	89	109	134	423	26	19	-7	-105%
Legal Expenses	1.116	1.108	1.061	1.468	1.011	1.076	511	1.490	716	1.105	486	1.068	-28%
Others	634	601	618	639	325	370	388	366	505	460	454	361	-1%

GROSS PROFIT AND NET PROFIT

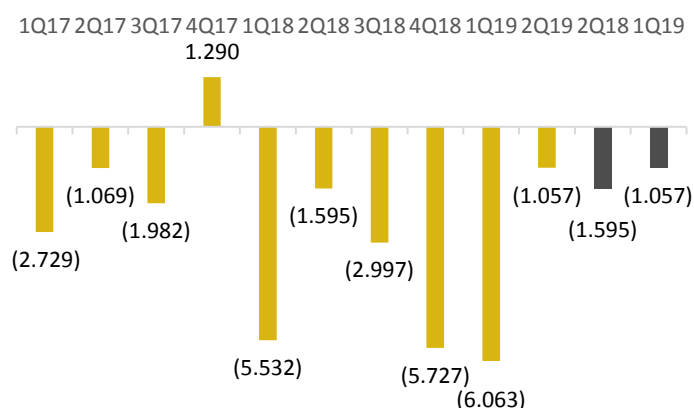
In the 2Q19 the Company's Net Losses totaled R\$ 1,057 thousand compared to R\$ 1,595 thousand losses in 2Q18.

The Net Revenue was R\$ 83 thousand in the 2Q19, compared to R\$ 1,468 thousand in 2Q18.

Net Revenue (R\$ '000)



Net Profit (R\$ '000)



STATEMENT OF CASH FLOW

The net cash in the 2Q19 was negative in R\$ 1,249 thousand compared to negative R\$ 220 in the 2Q18.

Statement of Cash Flow (R\$ '000)	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Losses Before Corporate Income Tax and Social Tax on Net Income	(2.034)	2.309	(7.416)	(1.427)	(2.674)	(10.081)	(5.061)	(1.095)
Reconciliation of net income to net cash provided by operating activities	81	(1.167)	5.438	(364)	(639)	13.161	437	(960)
Assets' Variation	2.173	4.525	1.044	2.100	4.164	7.660	3.063	597
Receivables from real estate development and sales	77	(697)	1.824	2.109	3.014	(1.205)	(28.182)	727
Receivables from third parties	3.053	1.810	(1.059)	916	328	2.800	374	(389)
Real estate for sale	658	2.728	277	754	910	1.202	30.610	84
Others	(1.615)	684	2	(1.679)	(88)	4.863	261	175
Liabilities' Variation	(150)	(1.148)	762	(26)	(280)	89	515	1.138
Net Cash Provided by Operating Activities	70	4.519	(172)	283	571	10.829	(1.046)	(320)
Corporate Income Tax and Social Tax on Net Income paid	0	(398)	(216)	(89)	0	(430)	(135)	(121)
Net Cash from investing activities	1	0	0	0	4	1.604	396	(792)
Debt	0	0	0	0	0	0	0	0
Debentures (net)	0	0	0	0	0	0	0	0
Loans and financing (net)	0	0	0	0	0	0	0	0
Real Estate Receivables Certificate - CRI (Link)	(15)	(277)	(8)	(12)	(5)	(8)	(3)	(15)
Real estate credit assignments	(188)	(285)	(8)	(12)	(5)	(8)	(3)	(15)
Secured amounts as collateral on the CRI	173	8	0	0	0	0	0	0
Financing Activities with Shareholders	(2)	(645)	0	(402)	(400)	(7.719)	(91)	(1)
Noncontrolling interest	(3)	(322)	0	(2)	(399)	(8.004)	114	(1)
Others	1	(323)	0	(400)	(1)	285	(205)	0
Net Increase /(decrease) in Cash and Cash Equivalents	54	3.199	(396)	(220)	170	4.276	(879)	(1.249)

APPENDIX I – INCOME STATEMENT

Income Statement (R\$ '000)	2Q19	2Q18	Δ2Q/2Q	1Q19	Δ2Q/1Q
Net Operating Revenue	83	1.468	-94%	28.006	-100%
Cost of real estate development and sale (Ex-SFH Interest)	(578)	(1.157)	-50%	(31.017)	-98%
SFH Interest	(4)	(54)	-93%	(28)	-87%
Gross Profit	(499)	257	-294%	(3.039)	-84%
<i>Gross Margin</i>	<i>-600,6%</i>	<i>17,5%</i>	<i>-618 p.p.</i>	<i>-10,8%</i>	<i>-589,8 p.p.</i>
<i>Gross Margin(ex-SFH Interest)</i>	<i>-596,3%</i>	<i>21,2%</i>	<i>-617 p.p.</i>	<i>-10,7%</i>	<i>-585,5 p.p.</i>
Operating Revenue (Expenses)					
General and Administrative Expenses					
G&A (Ex-Stock Option Plan)	(2.184)	(2.742)	-20%	(2.128)	3%
Expenses with Stock Option Plan	0	0	-	0	-
Selling Expenses					
Selling Expenses (ex-Stands Amortization)	(22)	(58)	-62%	(37)	-41%
Stands Amortization	0	0	-	0	-
Depreciation and Amortization	(3)	(32)	-91%	(6)	-50%
Tax Expenses	(31)	(39)	-21%	(19)	63%
Other Operating Income (Expenses)	1.222	435	-181%	(217)	-
Operating Revenue (Loss) before Financing Results	(1.517)	(2.179)	-30%	(5.446)	-
Net Interest Income (Expense):					
Interest on Equity	-	-	0%	-	0
Financial Result	422	752	-44%	385	9%
Operating Revenue (Loss) after Financing Results	(1.095)	(1.427)	-23%	(5.061)	-
Real State Asset Sales Income (Loss)	0	-	-	-	-
Employees Profit Sharing	0	0	-	(75)	-
Income and social contribution taxes	38	(168)	-123%	(1.031)	-104%
Net Income (Loss) before Minority Interest	(1.055)	(1.449)	-27%	(6.063)	-
<i>Net Margin Before Minority Interest</i>	<i>-1271,1%</i>	<i>-98,7%</i>	<i>-1172 p.p.</i>	<i>-18,3%</i>	<i>-1252,8 p.p.</i>
Minority Interest	(2)	(146)	-101%	(104)	-
Reversal on interest equity	-	-	-	-	-
Net Income (Loss) in the Period	(1.057)	(1.595)	-34%	(6.167)	-
<i>Net Margin After Minority Interest</i>	<i>-1273,5%</i>	<i>-108,7%</i>	<i>-1165 p.p.</i>	<i>-18,3%</i>	<i>-1255,2 p.p.</i>
Weighted Average Shares Outstanding					
Basic Earnings per Share - EPS	(0,44)	(0,03)	1225%	(2,55)	-83%

Net Profit	2Q19	2Q18	Δ2Q/2Q	1Q19	Δ2Q/1Q
Net Profit	(1.057)	(1.449)	-27%	(6.167)	-83%
Minority Interest	2	(146)	-101%	104	-
Income tax and Social Contribution	(38)	168	-123%	1.031	-104%
Depreciation and Amortization	3	33	-91%	6	-50,0%
Financial Result	(422)	(752)	-44%	(385)	9,5%
SFH Interest	4	54	-93%	27	-86,8%
Stands Amortization	0	0	-	0	-
Expenses with Stock Option Plan	0	0	-	0	-
EBITIDA	(1.508)	(2.092)	-28%	(5.384)	-
% EBITIDA Margin	-1816,8%	-142,5%	-1674 p.p.	-358,3%	-1459 p.p.

APPENDIX II – BALANCE SHEET

Assests (R\$ '000)	4Q18	3Q18
Cash and Cash Equivalents	25.906	27.155
Financial Investments	0	0
Swap	0	0
Receivables from Real Estate Sales	9.671	2.457
Receivables from Third Parties	1.779	1.273
Properties for sale	8.182	8.267
Recoverable Taxes	1.804	1.806
Advances	1	0
Loan Operation with Related Parties	335	335
Receivables from Related Parties	0	0
Other Assets	3.459	3.492
Total Current Assets	51.137	44.785
Non-current Assets		
Receivables from Real Estate Sales	39.904	47.061
Receivables from Third Parties	1.746	1.848
Properties for sale	82.225	82.224
Loan Operation with Related Parties	0	0
Receivables from Related Parties	0	0
Tax Credits	0	0
Other Non-Current Assets	5.034	5.175
Investments	2.993	2.993
Net Property and Equipment	32	35
Difered	0	0
Intangible assets	0	0
Total Non-current Assets	131.934	139.336
Total Assets	183.071	184.121

Liabilities and Shareholder's Equity (R\$ '000)	4Q18	3Q18
Debentures	0	0
Bank Loans	0	0
Swap	0	0
Construction Financig - SFH	0	0
Advances from Customers	648	459
Real Estate Financing	0	0
Cash	0	0
Financial Swap	0	0
Deferred Income and Social Contribution Taxes	611	187
Provision for Taxes	1.139	1.174
Provision for Matters	688	688
Accounts Payable	4.346	4.184
Credit Assignments sold with guarantee	42	42
Dividend Payable	0	0
Capital Decrease	25	25
Other Liabilities	0	0
Total Current Liabilities	7.499	6.759
Non-Current Liabilities		
Debentures	0	0
Bank Loans	0	0
Accounts Payable - third parties	1.044	0
Construction Financing - SFH	0	0
Deferred Income and Social Contribution Taxes	2.520	3.249
Provision for Matters	6.868	6.868
Credit Assignments sold with guarantee	55	69
Advances for Future Capital Increase	3	3
Obligation to Build	4.647	4.636
Total Non-Current Liabilities	15.137	15.869
Shareholders' Equity		
Capital Stock	166.991	184.244
Capital Reserves	0	0
Retained Earnings/Losses (accumulated deficit)	(7.118)	(23.316)
Other Compreheensive Results	27	27
Shareholders' Equity - Holding Company	159.900	160.955
Minority Interest	535	538
Total Shareholders' Equity	0	0
Total Liabilities and Shareholder's Equity	183.071	184.121

GLOSSARY

Cash Consumption – Measured by the change in net debt, less capital increases and dividends paid.

CPC – Accounting Pronouncements Committee - Created by CFC Resolution No. 1.055/05, the objective of the CPC is to "study, prepare and issue Technical Standards regarding Accounting procedures and the dissemination of such information, to allow the issuance of regulations by the Brazilian regulator aimed at centralizing and standardizing accounting production processes, always taking into account the convergence of Brazilian Accounting practices with international standards."

EBITDA – Earnings before interest, income tax and social contributions on net income, depreciation and amortization, financial charges incurring on the cost of real estate sold.

EBITDA is not a measure of financial performance in accordance with accounting practices adopted in Brazil, and should not be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to operating cash flows or as a measure of liquidity.

Adjusted EBITDA – Determined from the net income before interest, income tax and social contributions on net income, depreciation and amortization, financial charges in the cost of real estate sold, expenses for the issue of shares, expenses for option plans and other non-operating expenses. Adjusted EBITDA is not a measure of financial performance in accordance with accounting practices adopted in Brazil, should not be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to operating cash flows or as a measure of liquidity.

IGP-M – General Price Index – Market, published by the Getúlio Vargas Foundation.

INCC – National Cost of Construction Index, measured by the Getúlio Vargas Foundation.

Land Bank – The total amount of land held by the Company for future development, acquired in cash or through financial exchange transactions.

Income to Allocate Margin – Equivalent to "Income to Allocate" divided by the "Revenues to be Recognized," to be recognized in future periods

PoC Method – Revenue, costs and expenses arising from real estate development activities are recognized in line with the cost incurred accounting method (Percentage of Completion method, or PoC), which measures the actual cost of the undertaking against the total budgeted cost for each phase of the project.

Financial Exchange – A land purchase method by means of which the site owner receives an exchange in a determined percentage of the units or the revenue from the future development to be built on the site. Acquiring land through such swaps, we seek to reduce the need for cash funding and consequently increase the returns.

Sales to be Recognized - Unearned revenues correspond to sales contracts for which revenue is recognized in future periods, depending on the progress of the work and not at the time of the contract signing. Thus, the balance of Sales to be Allocated represents revenue to be recognized in future periods deriving from past sales.

SFH Funds – SFH funds originate in the Workers’ Time of Service Guarantee Fund (FGTS) of savings deposits. Commercial banks are required to invest 65.0% of these deposits in real estate for the acquisition of property by an individual or by real estate developers at lower rates than the private sales market.

Results of Sales to be Recognized – Due to the recognition of revenues and costs resulting from the pace of construction (PoC method) and not at the time of the signing of the contracts, we recognize revenue and expenses of incorporation of the signed contracts in future periods. Thus, the balance of Income to Allocate represents revenues less costs to be recognized in future periods from past sales

Contracted Sales – Refers to each contract resulting from the sale of a property unit during a given period, including those being launched. Contracted sales are recognized as revenue in line with the pace of the completion of the projects (PoC method). BR GAAP does not contain a definition of “Contracted Sales.”

PSV – Potencial Sales Value

Launched PSV – The Potencial Sales Value corresponding to the total amount that may be obtained by the Company from the sale of all the units of a real estate project launch at a certain price.

CR2 PSV – The Potencial Sales Value obtained or to be obtained by CR2 through the sale of all units of a given real estate project, at the pre-determined price at launch, proportional to its share in the venture.

SoS – Sales over supply.

LEGAL NOTICES

The company has an arbitration agreement with the Market Arbitrage Committee, according to the Commitment Clause in its Bylaws.

Pursuant to Securities Exchange Commission Instructions 381 and 386, we report that no payment was made for services rendered by Grant Thornton Auditores Independentes, other than the fees for auditing of the financial statements.

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