

CR2 ANNOUNCES ITS RESULTS FOR 3Q19

Rio de Janeiro, November 13th, 2019 – CR2 Empreendimentos Imobiliários S.A. (Bovespa: CRDE3; OTC: CREIY) announces its results for the third quarter of 2019 (3Q19). 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).

3Q19 HIGHLIGHTS

- **Cash and Cash Equivalents of R\$ 27,023 thousand;**
- **Zero Corporate Debt.**
- **Positive Net Cash generation of R\$ 1,117 thousand in the quarter**
- **Condominium Partial Termination - Link Office Mall & Stay**
- **Subsequent Event: discharge of the obligations on the negotiation of the properties in Campo Grande upon the delivery of the fraction held in the properties.**

3Q19 EARNINGS AND CONFERENCE CALL

INVESTOR RELATIONS

Felipe Shalders
CEO, Investor Relations and
Technical Officer

Contact:

Phone: +55 (21) 3031-4600 / 3095-4600
ri@cr2.com.br

Portuguese Conference Call November 14th, 2019

4:00 pm (Brasília time)
2:00 pm (Eastern time)

Phone.: +55 11 2188-0155
Code: CR2

Replay: +55 11 2188-0400
Replay Code: CR2

Website: ri.cr2.com.br

English Conference Call November 14th, 2019

5:00 pm (Brasília time)
3:00 pm (Eastern time)

Phone.: +55 11 2188-0155/1 646 843-6054
Code: CR2

Replay: +55 11 2188-0155
Replay Code: CR2

Website: ri.cr2.com.br

OPERATING AND FINANCIAL HIGHLIGHTS

Consolidated Financials (R\$'000)	3Q19	3Q18	Δ3Q/3Q	2Q19	Δ3Q/2Q
Net Operating Revenue	378	795	-52,5%	83	355,4%
Gross Profit	(16)	(740)	-97,8%	(499)	-97%
% Gross Profit Margin	-4,2%	-93,0%	88,8 p.p.	-600,6%	596,4 p.p.
Gross Profit (ex-SFH Interest)	(15)	(685)	-97,8%	(495)	-97%
%Gross Profit Margin (ex-SFH Interest)	-4,0%	-86,2%	82 p.p.	-596,3%	592,3 p.p.
EBITDA(1)	(1.895)	(2.849)	33,5%	(1.508)	-26%
% EBITDA Margin	-501%	-358%	-143 p.p.	-1816%	1315 p.p.
Net Profit before minority interest	(1.327)	(2.719)	51,2%	(1.055)	-26%
% Net Margin before minority interest	-351,1%	-342,0%	-9 p.p.	-1271,1%	920 p.p.
Net Profit	(1.758)	(2.996)	41,3%	(1.057)	-66%
% Net Margin	-465%	-377%	-88 p.p.	-1273%	808 p.p.
Basic Earnings per Share - EPS R\$	(0,73)	(0,06)	-1109,7%	(0,44)	-66,3%
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	27.023	23.758	13,7%	25.906	4,3%
Net Debt (ex-SFH)	0	0	-	0	-
Net Debt (ex-SFH) / Shareholders Equity	-	-	-	-	-
Net Debt	0	0	-	0	-
Net Debt / Shareholders Equity	-	-	-	-	-
Shareholders Equity	158.573	183.652	-13,7%	160.435	-1,2%

Operating (R\$'000)	3Q19	3Q18	Δ3Q/3Q	2Q19	Δ3Q/2Q
Total Contracted Sales ⁽²⁾	378	1.930	-80,4%	474	-20,4%
Total Contracted Sales (%CR2) ⁽²⁾	465	1.753	-73,5%	454	2,3%
Sales over Supply - SoS (%CR2) ⁽³⁾	59,2%	35,1%	24 p.p.	38,6%	20,6 p.p.
Units Sold in the Period	3	10	-70,0%	4	-25,0%

(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) 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

3Q19

INDEX

CONTRACTED SALES	4
INVENTORY AT MARKET VALUE AND RECEIVABLES	5
LAND BANK	8
ANALYSIS OF THE INCOME STATEMENT	8
GENERAL AND ADMINISTRATIVE EXPENSES (G&A)	9
GROSS PROFIT AND NET PROFIT	9
STATEMENT OF CASH FLOW	10
APPENDIX I – INCOME STATEMENT	11
APPENDIX II – BALANCE SHEET	12
<u>GLOSSARY</u>	<u>13</u>
<u>LEGAL NOTICES.....</u>	<u>13</u>
<u>PUBLIC ACCOUNTANTS RELATIONSHIP</u>	<u>15</u>

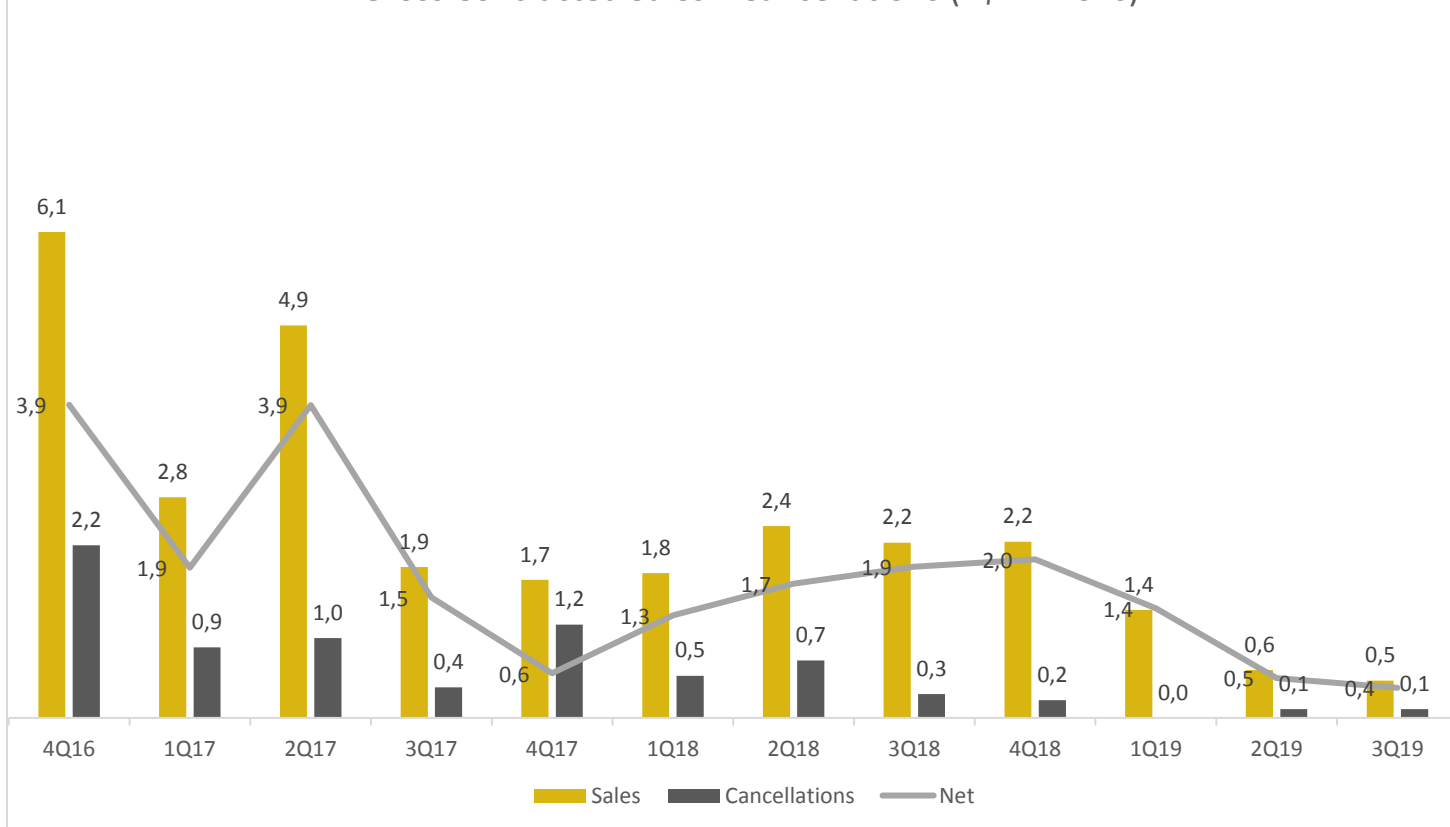
CONTRACTED SALES

Contracted sales net of cancellations totaled R\$ 400 thousand in 3Q19, a 80% reduction in comparison to 3Q18.

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 3Q19 with R\$ 4.9 million of inventory at market value, presenting a 22% increase in comparison with 3Q18 and 344% in comparison with 2Q19 (R\$ 1.1 million).

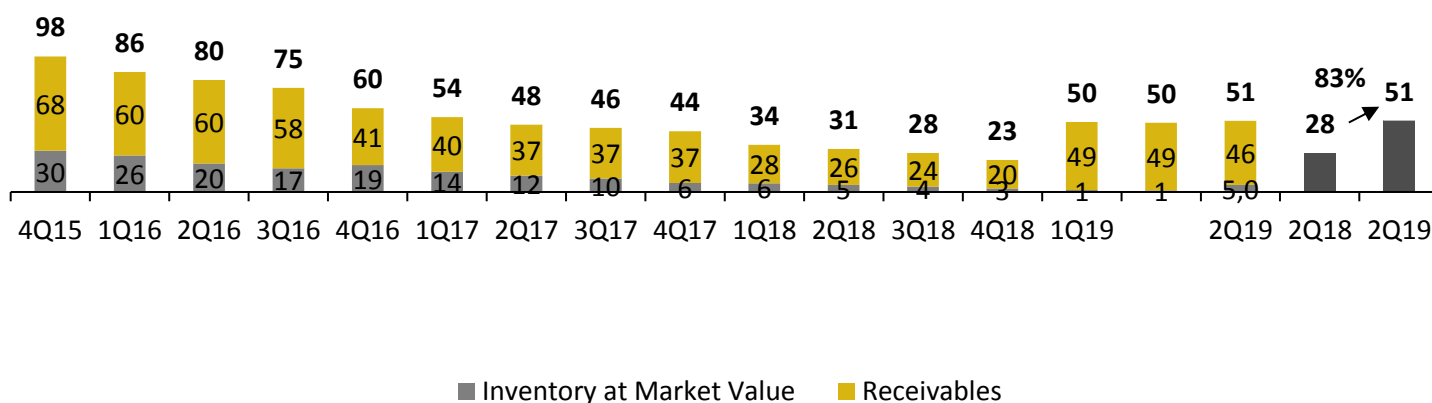
On this quarter the Company signed the condominium partial termination on the Link Office & Mall project, on which it had a 40% financial Exchange, receiving as payment 18 units that now incorporate the Company's inventory.

Receivables from clients totaled R\$ 46 million in this quarter, a 93% increase over 3Q18, leveraged by the Parque das Águas land sale.

In comparison to 2Q19 the receivables suffered a reduction of 5% impacted mainly by the condominium partial termination on Link Office & Mall project.

The sum of Inventory (at market value) + Receivables, when compared to 3Q18, increased 83%.

Receivables + Inventory Evolutions (R\$ Millions)



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.

After the partial termination of the condominium on Link Office & Mall the inventory increased 375% at R\$ 5,024 thousand.

Link Office & Mall has the most significant participation in the inventory representing 93% of the value of Inventories.

SPEs	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	%(3Q19)
Jardim Paradiso	2.933	2.471	696	1.166	1.046	818	580	123	114	0	0%
Jardim Paradiso 1-A	356	356	230	463	237	123	123	123	0	0	0%
Jardim Paradiso 1-B	2.577	2.115	465	703	809	695	456	0	114	0	0%
Parque das Águas	4.762	3.761	1.824	1.960	1.462	616	155	0	0	0	0%
Green	0	0	475	456	456	456	0	0	0	0	0%
Verano I	0	0	0	0	0	0	0	0	0	0	0%
Verano II	690	500	499	475	475	475	0	0	0	0	0%
Verano III	0	0	0	0	0	0	0	0	0	0	0%
Campinho	1.350	1.052	1.160	725	725	580	580	725	725	145	3%
SP 1	165	165	428	143	0	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	143	143	0	0	0	0	0	0	0%
Aqua Park 3	0	0	162	0	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	124	0	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	850	450	450	450	450	0	0	0	0%
HC Felicitá	595	300	257	238	238	209	209	0	0	0	0%
Barra Allegro	575	575	0	428	0	0	0	0	0	0	0%
Splendor Valqueire I	320	320	219	219	219	219	551	551	219	219	4%
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%
Splendore Valqueire III	0	0	0	0	0	0	0	0	0	4.660	93%
CIMOL	0	0	0	0	0	0	0	0	0	0	0%
Total:	11.819	9.574	6.406	6.258	5.070	3.822	2.525	1.399	1.058	5.024	100%

At the end of 3Q19, Receivable from Clients totaled R\$ 46.3 million, of which R\$ 31,5 million refers to the Parque das Águas project and R\$ 13.7 million refers to Link financial swap that presented a reduction after the partial condominium termination.

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 3Q19 zeroed and the Direct Financing also ended the quarter on zero.

(R\$ '000)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Receivables from Real Estate Sales	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	46.819
Revenues to be Recognized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advances from Clients	(1.031)	(140)	(116)	(120)	(128)	(125)	(125)	(142)	(60)	(397)	(486)	(486)	(37)	(4)	(459)	(648)	(540)
TOTAL Receivables from Clients	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	46.279
Receivable from Transfer of Receivables	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	0
Direct Finacing	3.030	2.965	2.723	2.236	1.599	965	733	705	465	126	29	29	8	0	0	0	0
TOTAL Receivables	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	46.279

SPEs	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	Indexation
SPE 23 (Link)	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	13.736	IGP-M +12% a.a.*
Jardim Paradiso	3.008	2.744	2.045	1.485	609	604	699	303	8	8	0	0	0	0	IGP-M +12% a.a.
Parque das Águas	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	31.516	IGP-M +12% a.a.
Green	4.139	3.887	3.107	3.119	2.536	2.494	1.919	1.250	1.213	902	0	0	0	0	IGP-M +12% a.a.
Campinho	726	436	436	436	701	707	689	519	549	254	350	222	0	251	IGP-M
SP 1	1.307	1.307	1.453	1.426	750	749	2.474	1.640	793	126	227	249	220	217	IGP-M
Acqua Park 1	306	292	113	108	91	90	88	87	44	44	80	0	0	0	IGP-M
Acqua Park 2	142	142	351	351	0	0	0	0	0	0	0	0	0	0	IGP-M
Acqua Park 3	276	126	126	304	126	126	1	1	1	1	0	0	0	0	IGP-M
Top Life Itamaraty	211	370	211	146	146	0	146	0	0	0	0	0	0	0	IGP-M
Mirante Bonsucesso	210	216	491	355	227	227	3	148	150	1	0	0	0	0	IGP-M
Top Life Park	161	161	161	161	161	161	161	161	81	81	148	0	0	0	IGP-M
Manau	0	0	0	0	0	0	2.074	1.296	519	0	0	0	0	0	INCC-DI
Residências Premium	439	446	449	719	536	455	0	0	0	0	0	384	0	0	IGP-M +12% a.a.
HC Felicitá	693	436	205	207	208	209	210	211	0	0	0	142	133	122	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	414	569	419	420	421	420	421	549	349	349	216	219	216	219	IGP-M +12% a.a.
Splendor Valqueire II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	IGP-M +12% a.a.
Splendor 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	621	518	391	351	399	378	367	219	IGP-M +12% a.a.
Total:	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	46.279	-

LAND BANK

The land Cidade Paradiso and Parque das Águas represent 87% of the book value in the Company's land bank.

Due to the subsequent event of discharge of the obligations on the negotiation of the properties in Campo Grande upon the delivery of the fraction held in the properties, a provision for loss of R\$ 2,149 thousand was recorded in the quarter over the land bank. The Land Bank decreased of the provision totaled R\$ 87,049 thousand

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	7.205	1.802	80%
Sta. Cecília - Madureira	Nova Iguaçu (RJ)	Economy	5.442	9	100%
Total			89.198	27	

ANALYSIS OF THE INCOME STATEMENT

In 3Q19, Net Revenue totaled R\$ 378 thousand, compared to R\$ 795 thousand in 3Q18.

Gross losses ex-SFH interest totaled R\$ 15 thousand, compared to R\$ 685 thousand of losses in 3Q18.

(R\$ '000)	3Q19	3Q18	Δ3Q/2Q	2Q19	Δ3Q/2Q
Net Revenue	378	795	-52%	83	355%
Gross Profit	(16)	(740)	-98%	(499)	-97%
Gross Margin	-4,2%	-93,0%	88,8 p.p.	-600,6%	596,4 p.p.
SFH Interest Impact	0,3 p.p.	6,8 p.p.	-652,5 p.p.	4,3 p.p.	-406,9 p.p.
Gross Profit (ex-SFH Interest)	(15)	(685)	-98%	(495)	-97%
Gross Margin (ex-SFH Interest)	-4,0%	-86,2%	82,2 p.p.	-596,3%	592,3 p.p.

GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

G&A was R\$ 2.453 million in this quarter, presenting a reduction of 19% when compared to 3Q18 (R\$ 3.021 million).

In comparison with the 2Q19 the G&A increased 12%, mainly because of the 9% increase in the Company's Personnel Expenses.

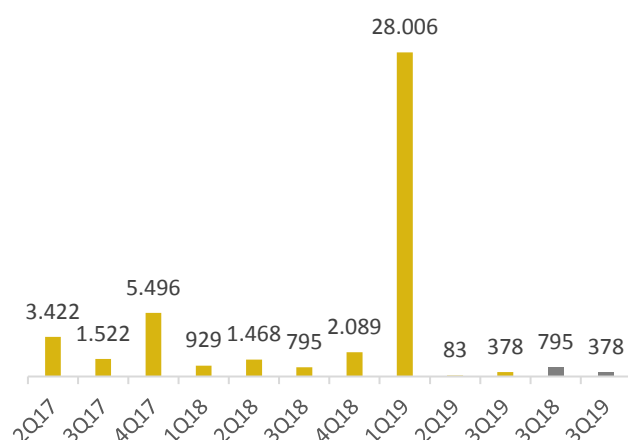
(R\$ '000)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	3Q19/3Q18
G&A	3.042	2.996	2.897	2.578	2.130	2.742	3.021	2.419	2.128	2.184	2.453	-19%
Personnel Expenses	1.019	695	1.241	1.012	1.090	728	1.317	786	1.163	758	1.436	9%
Rent (HQ)	30	30	30	28	26	23	58	43	6	7	44	-24%
Condominium (SPEs)	314	164	289	92	115	135	425	25	19	-10	8	-98%
Unit Sold	14	9	111	3	6	1	2	-1	0	-3	-3	-247%
Inventory	300	156	179	89	109	134	423	26	19	-7	10	-98%
Legal Expenses	1.061	1.468	1.011	1.076	511	1.490	716	1.105	486	1.068	570	-20%
Others	618	639	325	370	388	366	505	460	454	361	396	-22%

GROSS PROFIT AND NET PROFIT

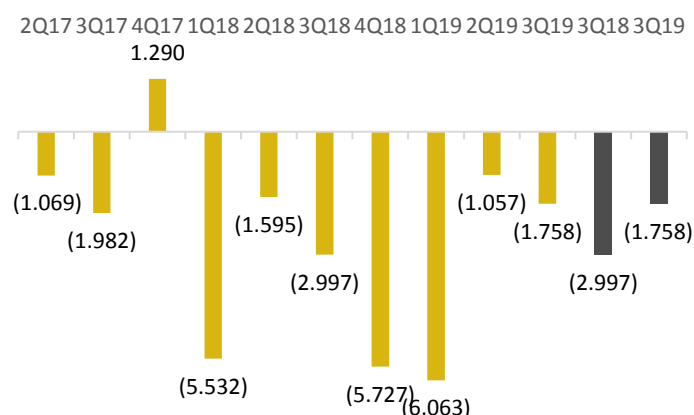
In the 3Q19 the Company's Net Losses totaled R\$ 1,758 thousand compared to R\$ 2,997 thousand losses in 3Q18.

The Net Revenue was R\$ 378 thousand in the 3Q19, compared to R\$ 795 thousand in 3Q18.

Net Revenue (R\$ '000)



Net Profit (R\$ '000)



STATEMENT OF CASH FLOW

The net cash in the 3Q19 was positive in R\$ 1,117 thousand compared to negative R\$ 170 in the 3Q18, presenting a 557% increase.

Statement of Cash Flow (R\$ '000)	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
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)	(1.579)
Reconciliation of net income to net cash provided by operating activities	81	(1.167)	5.438	(364)	(639)	13.161	437	(960)	(4.231)
Assets' Variation	2.173	4.525	1.044	2.100	4.164	7.660	3.063	597	7.394
Receivables from real estate development and sales	77	(697)	1.824	2.109	3.014	(1.205)	(28.182)	727	6.853
Receivables from third parties	3.053	1.810	(1.059)	916	328	2.800	374	(389)	815
Real estate for sale	658	2.728	277	754	910	1.202	30.610	84	(2.227)
Others	(1.615)	684	2	(1.679)	(88)	4.863	261	175	1.953
Liabilities' Variation	(150)	(1.148)	762	(26)	(280)	89	515	1.138	(330)
Net Cash Provided by Operating Activities	70	4.519	(172)	283	571	10.829	(1.046)	(320)	1.254
Corporate Income Tax and Social Tax on Net Income paid	0	(398)	(216)	(89)	0	(430)	(135)	(121)	(130)
Net Cash from investing activities	1	0	0	0	4	1.604	396	(792)	0
Debt	0	0	0	0	0	0	0	0	0
Debtures (net)	0	0	0	0	0	0	0	0	0
Loans and financing (net)	0	0	0	0	0	0	0	0	0
Real Estate Receivables Certificate - CRI (Link)	(15)	(277)	(8)	(12)	(5)	(8)	(3)	(15)	(7)
Real estate credit assignments	(188)	(285)	(8)	(12)	(5)	(8)	(3)	(15)	(7)
Secured amounts as collateral on the CRI	173	8	0	0	0	0	0	0	0
Financing Activities with Shareholders	(2)	(645)	0	(402)	(400)	(7.719)	(91)	(1)	0
Noncontrolling interest	(3)	(322)	0	(2)	(399)	(8.004)	114	(1)	0
Others	1	(323)	0	(400)	(1)	285	(205)	0	0
Net Increase /(decrease) in Cash and Cash Equivalents	54	3.199	(396)	(220)	170	4.276	(879)	(1.249)	1.117

APPENDIX I – INCOME STATEMENT

Income Statement (R\$ '000)	3Q19	3Q18	Δ3Q/3Q	2Q19	Δ3Q/2Q
Net Operating Revenue	378	1.468	-74%	83	355%
Cost of real estate development and sale (Ex-SFH Interest)	4.267	(1.157)	-469%	(578)	-838%
SFH Interest	(1)	(54)	-98%	(4)	-71%
Gross Profit	(16)	257	-106%	(499)	-97%
<i>Gross Margin</i>	-4,2%	17,5%	-22 p.p.	-600,6%	596,4 p.p.
<i>Gross Margin(ex-SFH Interest)</i>	-4,0%	21,2%	-25 p.p.	-596,3%	592,3 p.p.
Operating Revenue (Expenses)					
General and Administrative Expenses					
G&A (Ex-Stock Option Plan)	(2.453)	(2.742)	-11%	(2.184)	12%
Expenses with Stock Option Plan	0	0	-	0	-
Selling Expenses					
Selling Expenses (ex-Stands Amortization)	(166)	(58)	186%	(22)	655%
Stands Amortization	0	0	-	0	-
Depreciation and Amortization	(3)	(32)	-91%	(3)	0%
Tax Expenses	(25)	(39)	-36%	(31)	-19%
Other Operating Income (Expenses)	333	435	23%	1.222	-
Operating Revenue (Loss) before Financing Results	(2.330)	(2.179)	7%	(1.517)	-
Net Interest Income (Expense):					
Interest on Equity	-	-	0%	-	0
Financial Result	751	752	0%	422	78%
Operating Revenue (Loss) after Financing Results	(1.579)	(1.427)	11%	(1.095)	-
Real State Assest Sales Income (Loss)	0	-	-	-	-
Employees Profit Sharing	(47)	0	-	0	-
Income and social contribution taxes	(179)	(168)	7%	38	-571%
Net Income (Loss) before Minority Interest	(1.327)	(1.449)	-8%	(1.055)	-
<i>Net Margin Before Minority Interest</i>	-351,1%	-98,7%	-252 p.p.	-1271,1%	920,0 p.p.
Minority Interest	(431)	(146)	-395%	(2)	-
Reversal on interest equity	-	-	-	-	-
Net Income (Loss) in the Period	(1.758)	(1.595)	10%	(1.057)	-
<i>Net Margin After Minority Interest</i>	-465,1%	-108,7%	-356 p.p.	-1273,5%	808,4 p.p.
Weighted Average Shares Outstanding					
Basic Earnings per Share - EPS	(0,73)	(0,03)	2104%	(0,44)	66%

Net Profit	3Q19	3Q18	Δ3Q/3Q	2Q19	Δ3Q/2Q
Net Profit	(1.758)	(1.449)	21%	(1.057)	66%
Minority Interest	431	(146)	-395%	2	-
Income tax and Social Contribution	179	168	7%	(38)	-571%
Depreciation and Amortization	3	33	-91%	3	0,0%
Financial Result	(751)	(752)	0%	(422)	78,2%
SFH Interest	1	54	-98%	4	-71,2%
Stands Amortization	0	0	-	0	-
Expenses with Stock Option Plan	0	0	-	0	-
EBITIDA	(1.895)	(2.092)	-9%	(1.508)	-
% EBITIDA Margin	-501,3%	-142,5%	-359 p.p.	-1816,8%	1315 p.p.

APPENDIX II – BALANCE SHEET

Assets (R\$ '000)	3Q19	2Q19
Cash and Cash Equivalents	27.023	25.906
Financial Investments	0	0
Swap	0	0
Receivables from Real Estate Sales	9.734	9.671
Receivables from Third Parties	1.116	1.779
Properties for sale	10.409	8.182
Recoverable Taxes	1.808	1.804
Advances	1	1
Loan Operation with Related Parties	335	335
Receivables from Related Parties	0	0
Other Assets	1.318	3.459
Total Current Assets	51.744	51.137
Non-current Assets		
Receivables from Real Estate Sales	37.085	39.904
Receivables from Third Parties	1.643	1.746
Properties for sale	82.225	82.225
Loan Operation with Related Parties	0	0
Receivables from Related Parties	0	0
Tax Credits	0	0
Other Non-Current Assets	5.218	5.034
Investments	2.993	2.993
Net Property and Equipment	29	32
Difered	0	0
Intangible assets	0	0
Total Non-current Assets	129.193	131.934
Total Assets	180.937	183.071

Liabilities and Shareholder's Equity (R\$ '000)	3Q19	2Q19
Debentures	0	0
Bank Loans	0	0
Swap	0	0
Construction Financig - SFH	0	0
Advances from Customers	540	648
Real Estate Financing	0	0
Cash	4.660	0
Financial Swap	0	0
Deferred Income and Social Contribution Taxes	966	611
Provision for Taxes	1.259	1.139
Provision for Matters	2.290	688
Accounts Payable	4.098	4.346
Credit Assignments sold with guarantee	40	42
Dividend Payable	0	0
Capital Decrease	25	25
Other Liabilities	0	0
Total Current Liabilities	9.218	7.499
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	2.040	2.520
Provision for Matters	5.246	6.868
Credit Assignments sold with guarantee	50	55
Advances for Future Capital Increase	4	3
Obligation to Build	4.660	4.647
Total Non-Current Liabilities	13.044	15.137
Shareholders' Equity		
Capital Stock	166.991	166.991
Capital Reserves	0	0
Retained Earnings/Losses (accumulated deficit)	(8.445)	(7.118)
Other Compreheensive Results	27	27
Shareholders' Equity - Holding Company	158.573	159.900
Minority Interest	102	535
Total Shareholders' Equity	0	0
Total Liabilities and Shareholder's Equity	180.937	183.071

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.

This presentation contains certain statements that are neither reported financial results or other historical information. They are forward-looking statements. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond CR2's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators, the Company's ability to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, inflation and consumer confidence, on a global, regional or national basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. CR2 does not undertake any obligation to publicly release any revisions to these forward looking statements to reflect events or circumstances after the date of this presentation.

PUBLIC ACCOUNTANTS RELATIONSHIP

Pursuant to Securities Exchange Commission Instructions 381/03, CR2 Empreendimentos Imobiliários informs the hiring of Grant Thornton Auditores Independentes only for the due diligence of its financial statements which do not include any advisory or other types of services that would compromise the validation of the hired service with possible conflict of interests or the auditors' impartiality commitments.