

CYRELA

*PUBLIC MEETING
DECEMBER, 2016*



CYRELA

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AGENDA

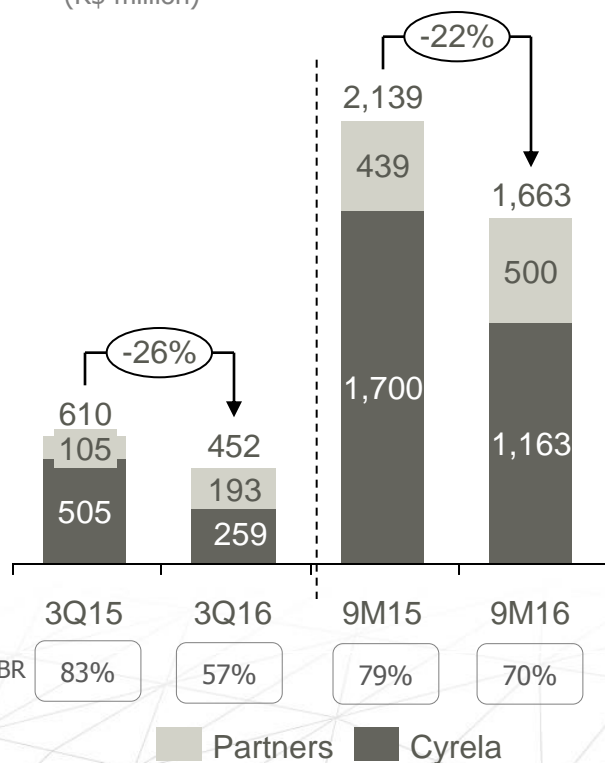
- Operational and Financial Results;
- Sector Fundamentals;
- 2017;
- Long Term.

CYRELA'S LAUNCHES

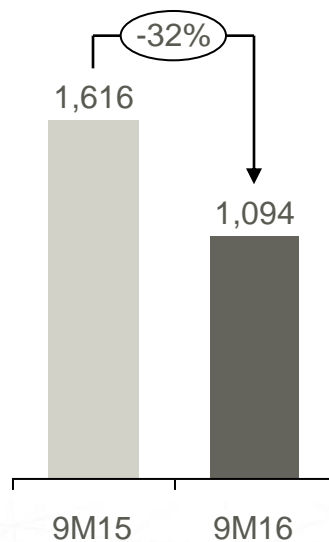
- R\$ 452 million in 3Q16 vs. R\$ 610 million in 3Q15.
- In the year, launches of R\$ 1,663 million vs. R\$ 2,139 million in 9M15.
- In 3Q16, %CBR of 57% vs. 83% in 3Q15.

Launches

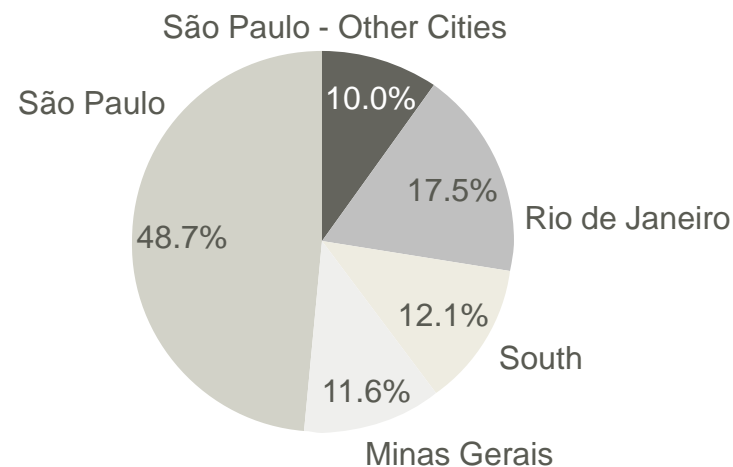
(R\$ million)



Ex-swap and "Faixa 1" (%CBR)



Launches per Region 2016

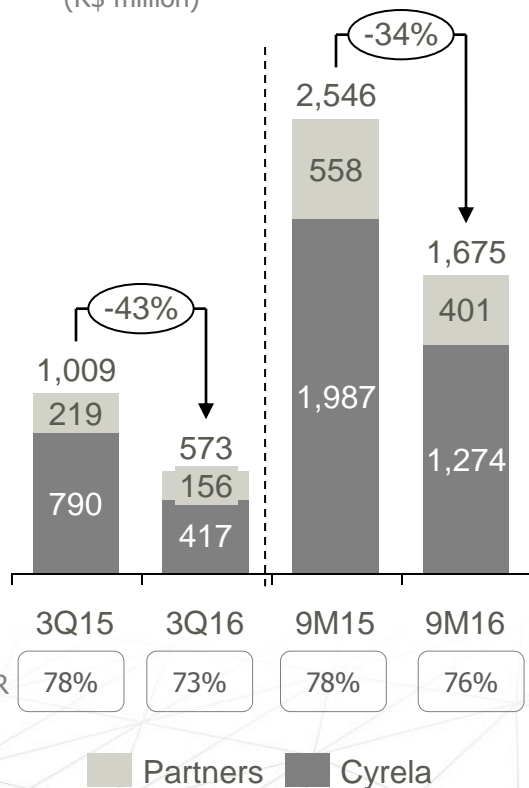


CYRELA'S PRE-SALES

- %CBR of 73% in 3Q16.
- In the year, sales accounted for R\$ 1,675 million vs. R\$ 2,546 million in 9M15.
- Inventory sales in 3Q16 represent 52% of total sales.

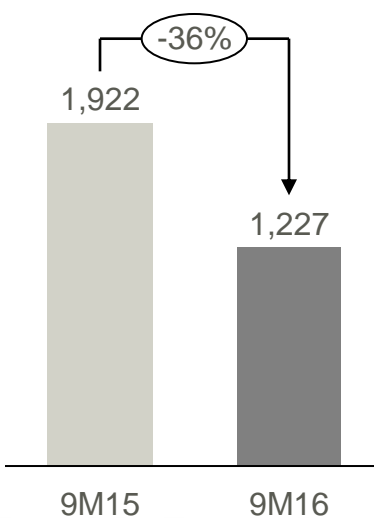
Pre - sales

(R\$ million)

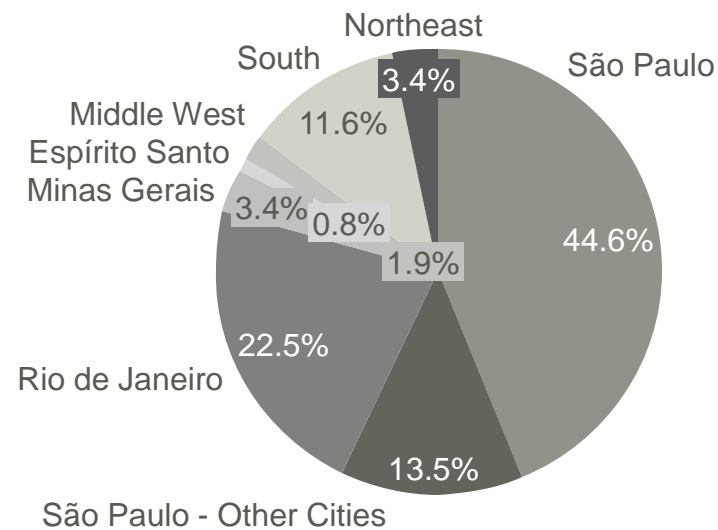


Ex-Swap and "Faixa 1" (%CBR)

(R\$ million)



Pre – Sales by Region – 2016

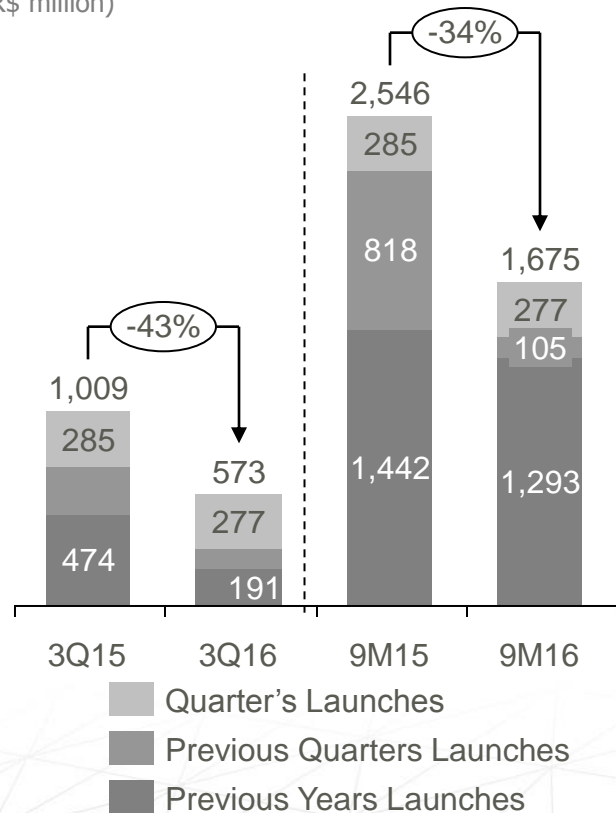


SALES SPEED

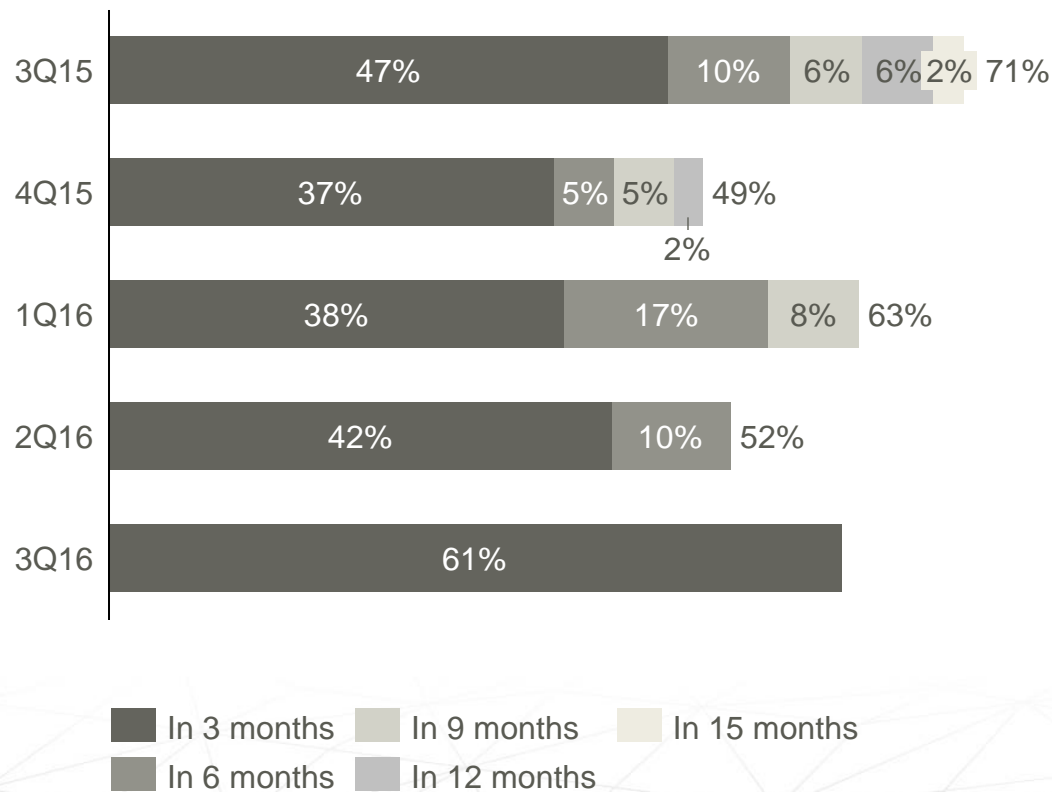
- The SOS_{12M} of 3Q16 attained 27.2%.

Pre – Sales by Launch Period

(R\$ million)



Sales Speed

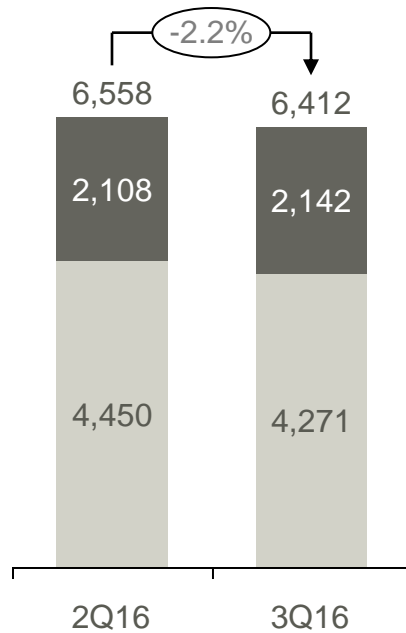


INVENTORY

- R\$ 6.4 billion in inventories (R\$ 5.2 billion %CBR);
- 33% of finished units inventories (vs. 32% in 2Q16).

Inventory

(R\$ million)



FU/TI*

32%

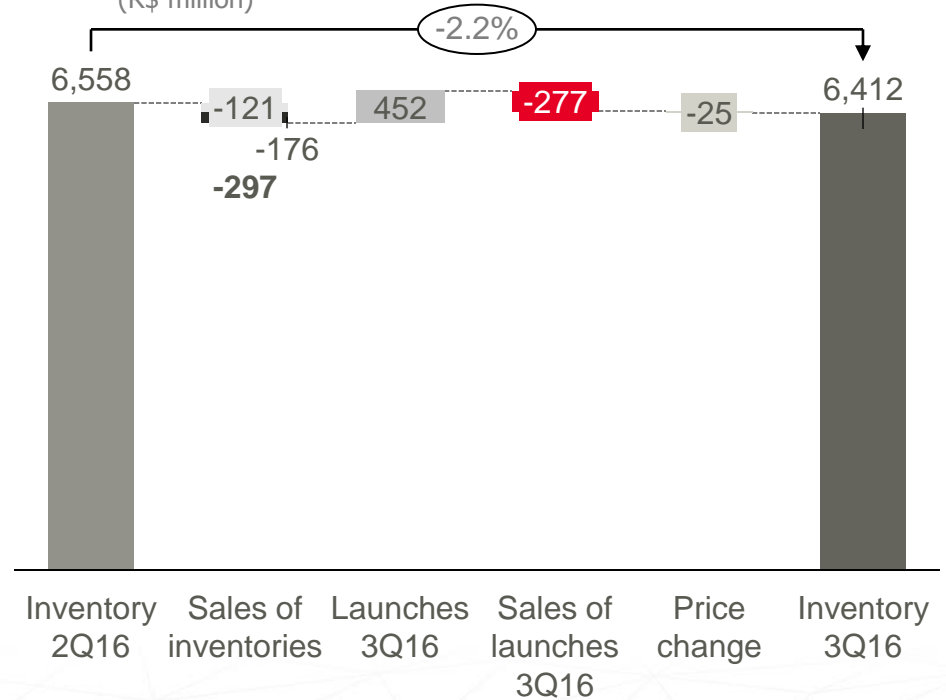
33%

■ Finished units ■ Units under construction

*: FU = Finished Units / TI = Total Inventory

Change in Inventory

(R\$ million)



■ Units under Construction

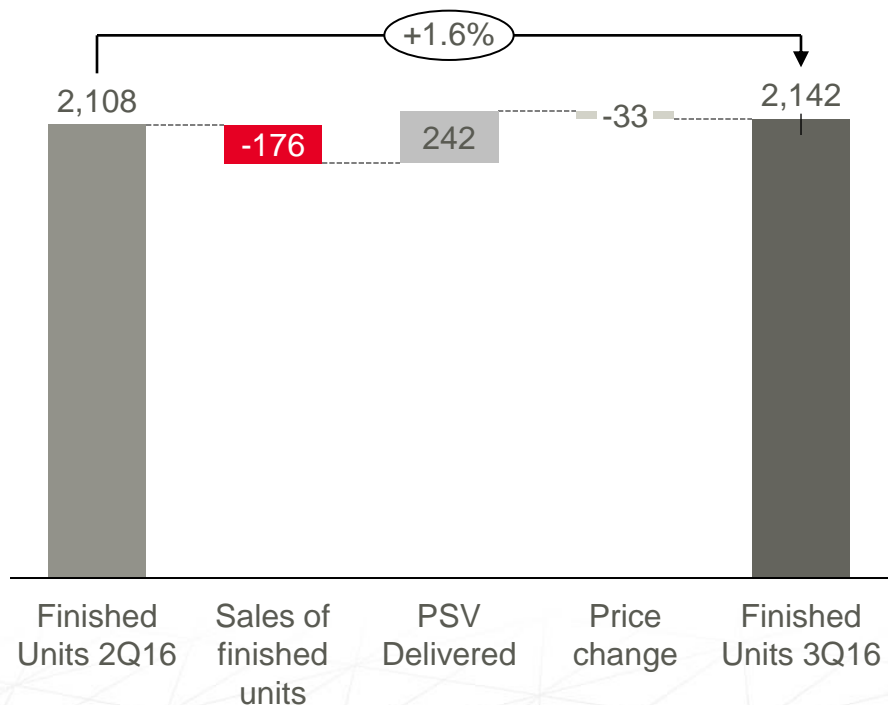
■ Finished Units

FINISHED UNITS

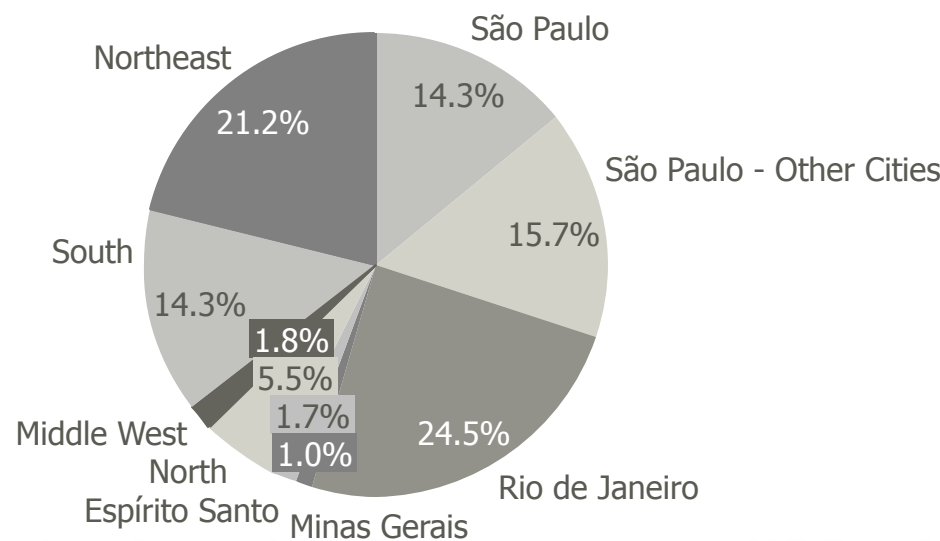
- R\$ 2,142 million of finished units inventories (vs. R\$ 2,108 million in 2Q16).

Finished Units

(R\$ million)



Breakdown

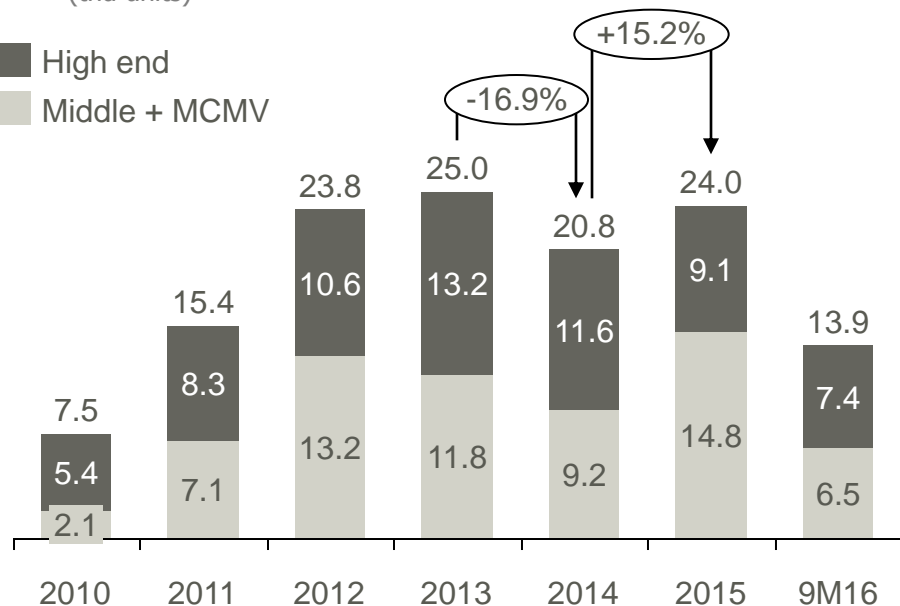


DELIVERED UNITS

Delivered Units

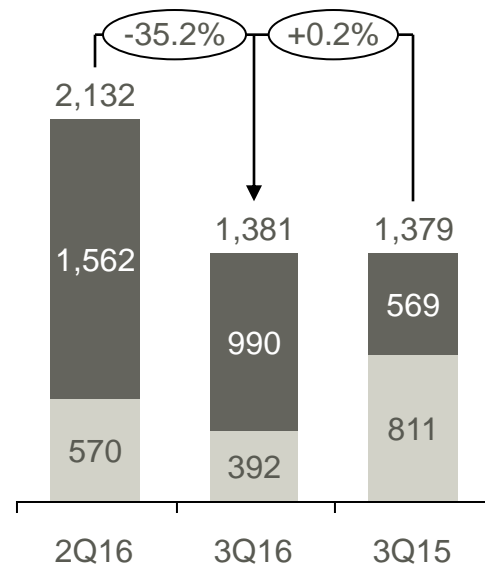
(thd units)

■ High end
■ Middle + MCMV



Delivered PSV

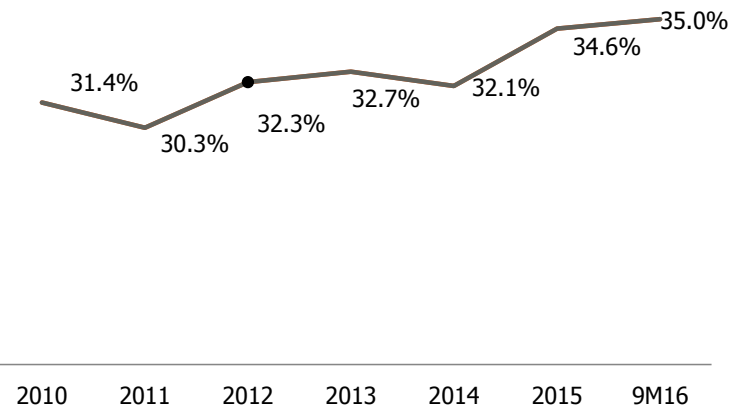
(R\$ billion)



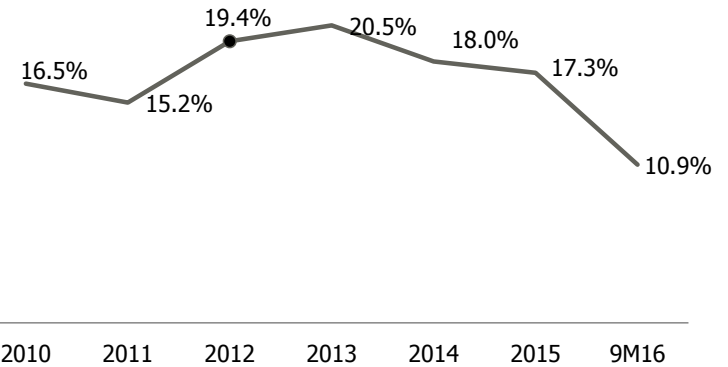
- 3.7 thousand units delivered in 3Q16, in 15 projects. In the year, 13.9 thousand units delivered, in 51 projects;
- Middle + MCMV: 1.3 thousand units delivered in 5 projects in 3Q16.
- The units delivered in 3Q16 represent launches PSV of R\$ 1,4 billion. In the semester, the PSV delivered represented R\$ 5,5 billion.

FINANCIAL RESULTS - YTD

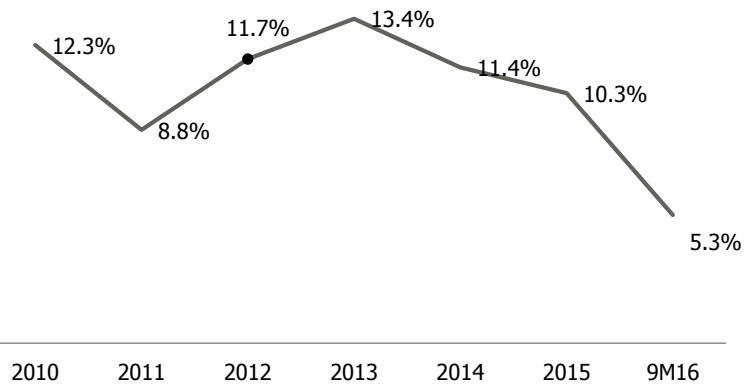
Gross Margin



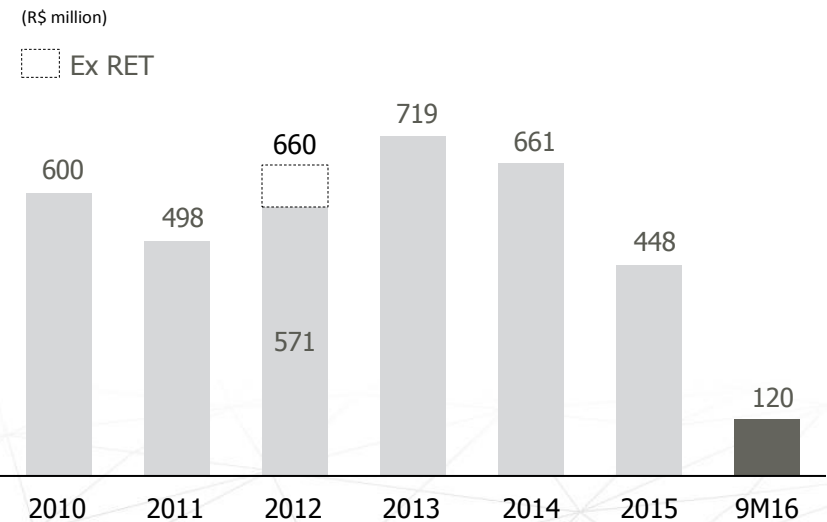
EBITDA Margin



Net Margin

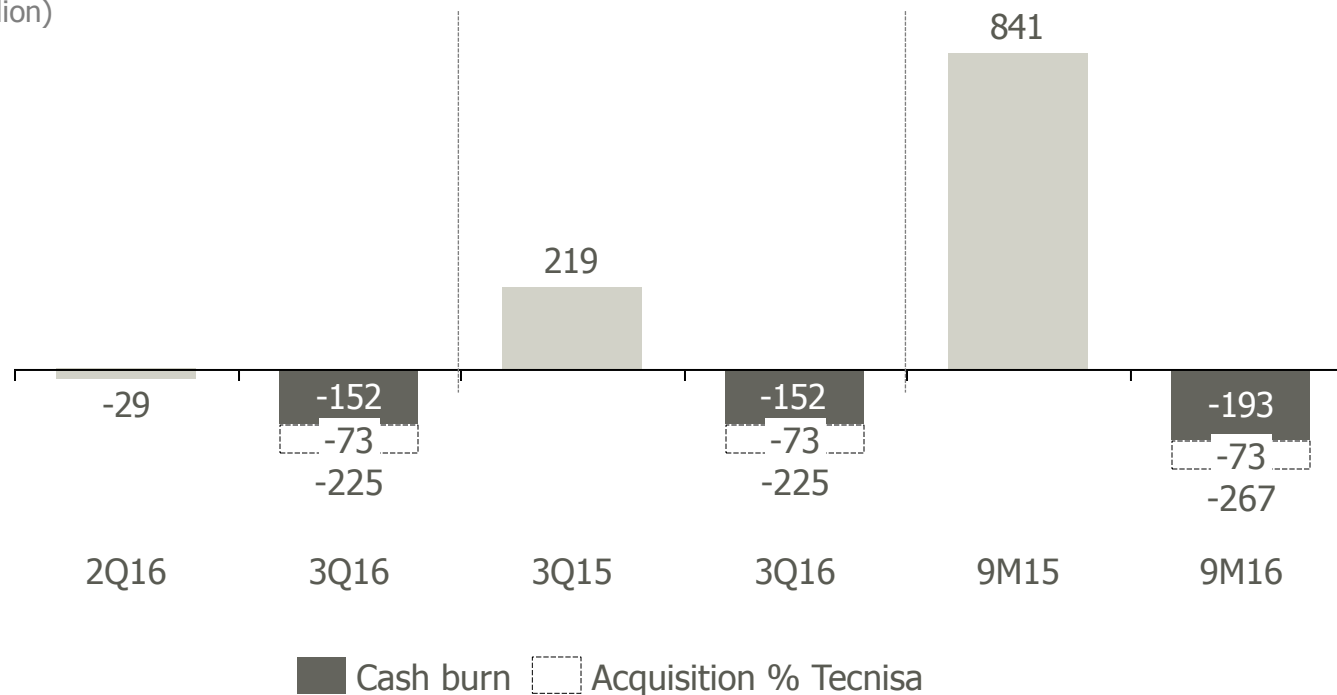


Net Income



CASH GENERATION*

(R\$ million)

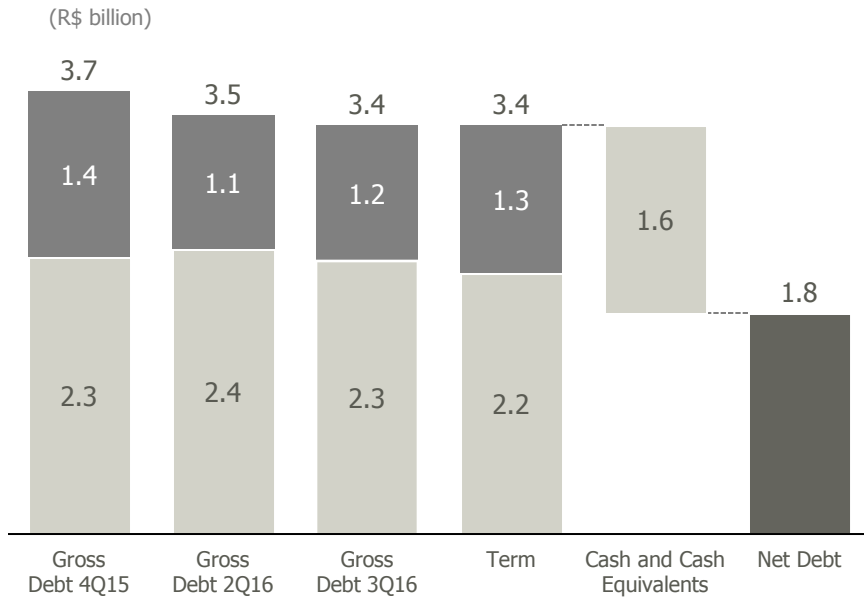


- Cash consumption of R\$ 225 million in 3Q16 (R\$ 152 million ex-Tecnisa), vs. a cash consumption of R\$ 29 million in 2Q16 and a cash generation of R\$ 219 million in 3Q15. In the year, cash consumption of R\$ 267 million, vs. a cash generation of R\$ 841 million in 9M15.

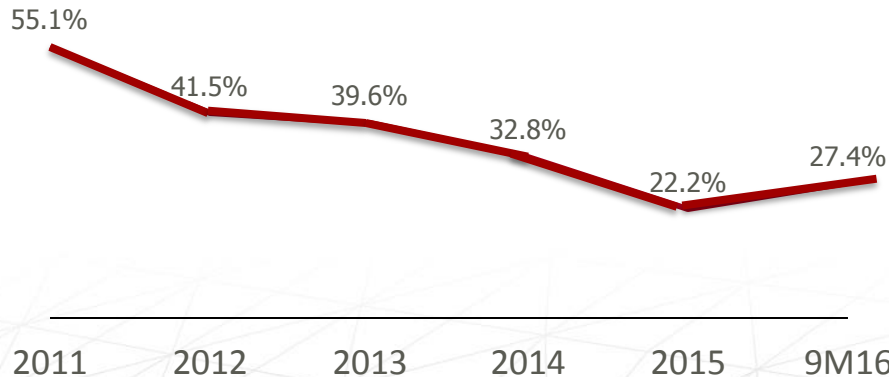
*Ex dividend payment, buyback program and stake acquisition.

LIQUIDITY AND DEBT INDICATORS

Debt



Net Debt / Equity



Indicators	Total Debt	Debt Ex-SFH
Net Debt/ EBITDA 12M	4.72x	-1.08x
Net Debt/ Equity	27.4%	
Average Cost	W/o SFH: 101.4% CDI SFH: TR + 9.14% p.y.	
Duration	1.7 year	1.4 year
Short Term	40%	46%
Long Term	60%	54%

AGENDA

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- Sector Fundamentals;

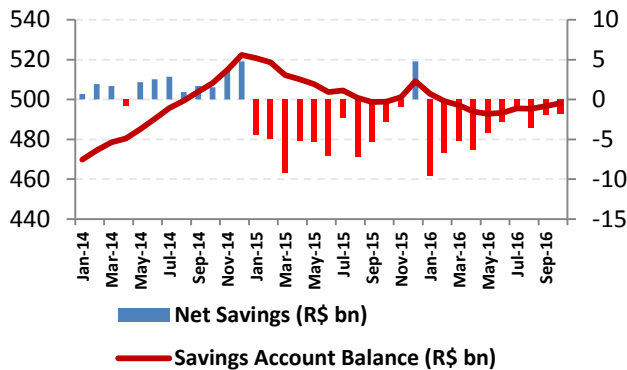
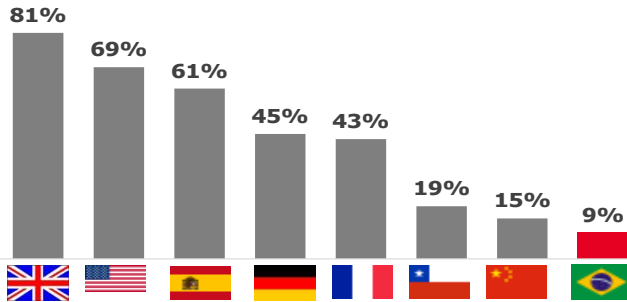
- 2017;

- Long Term.

SECTOR FUNDAMENTALS ARE IMPACTED IN THE SHORT TERM

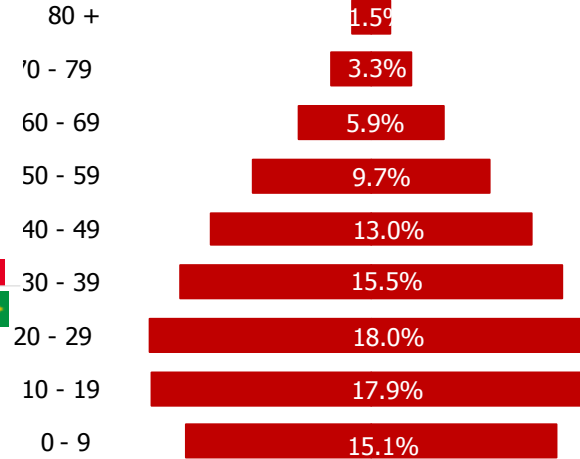
CREDIT

Residential Credit / GDP



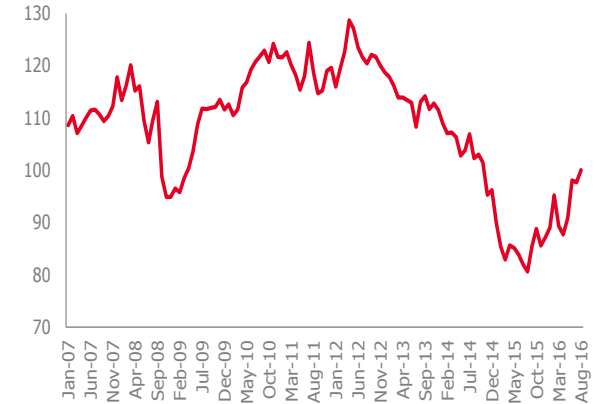
- Banks are more restrictive. Although, recent news shows lower restrictions;
- In the long term, there is still room for mortgage growth if SELIC rate goes down.

DEMOGRAPHY



- 47% of the population is among the range 20 to 49 year-old.

CONFIDENCE



- Consumer confidence is recovering;
- It brings a good sign for next years.

MORTGAGE RATE INCREASE BRINGS MORE SALES CANCELLATION

Example

Assumptions: Loan-to-Value 80% (LTV)

	2014		2016
Unit value	R\$400,000	→	R\$400,000
Interest Rate (TR+)	9% p.a	+ 2.5 p.p. →	11,5% p.a
Loan term	35 years	→	35 years
1st installment - SAC	R\$ 3,068	→	R\$ 3,678
Monthly Income	R\$ 12,273	+20% →	R\$ 14,712
Income Commitment	25.0%	→	25.0%

Recent News: SFH¹ ceiling increased (corporate financing) up to R\$ 950 thd (SP and RJ) and up to R\$ 800 thd (other regions) | CEF²: LTV up to 90% | 25 bps⁴ reduction and up to 1.5% in projects financed by CEF.

¹ Sistema Financeiro da Habitação; ² Caixa Econômica Federal;

³ Loan-to-Value; ⁴ plus other conditions.

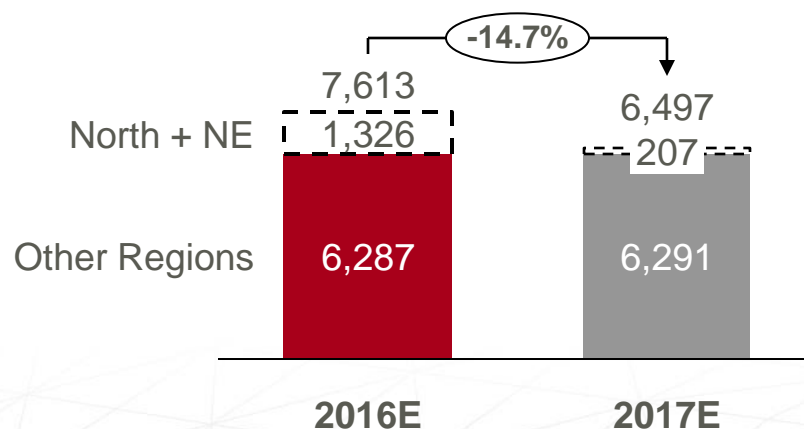
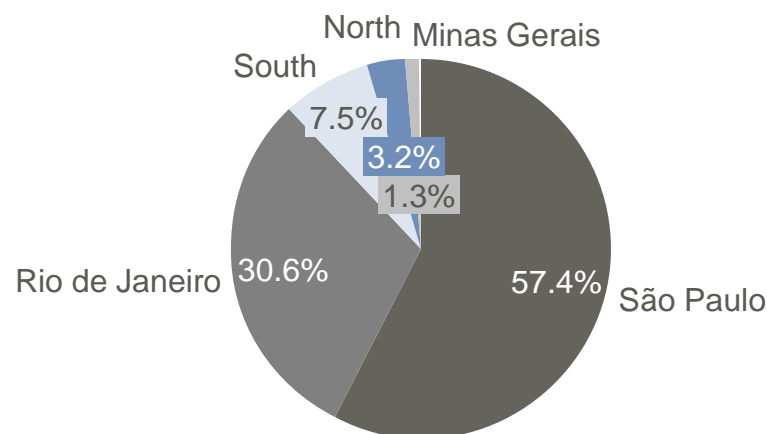
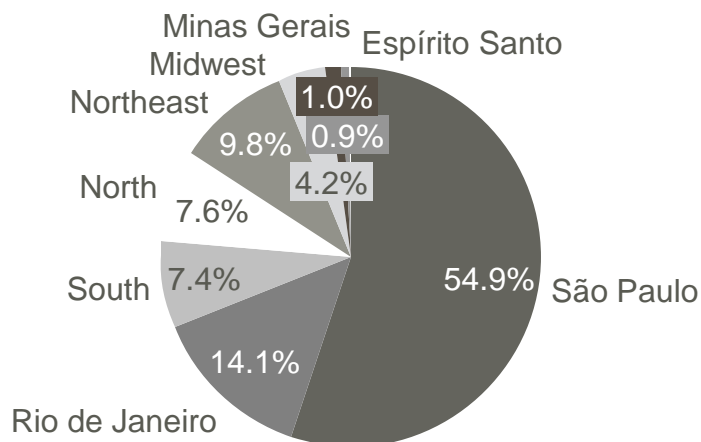
AGENDA

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DELIVERIES¹

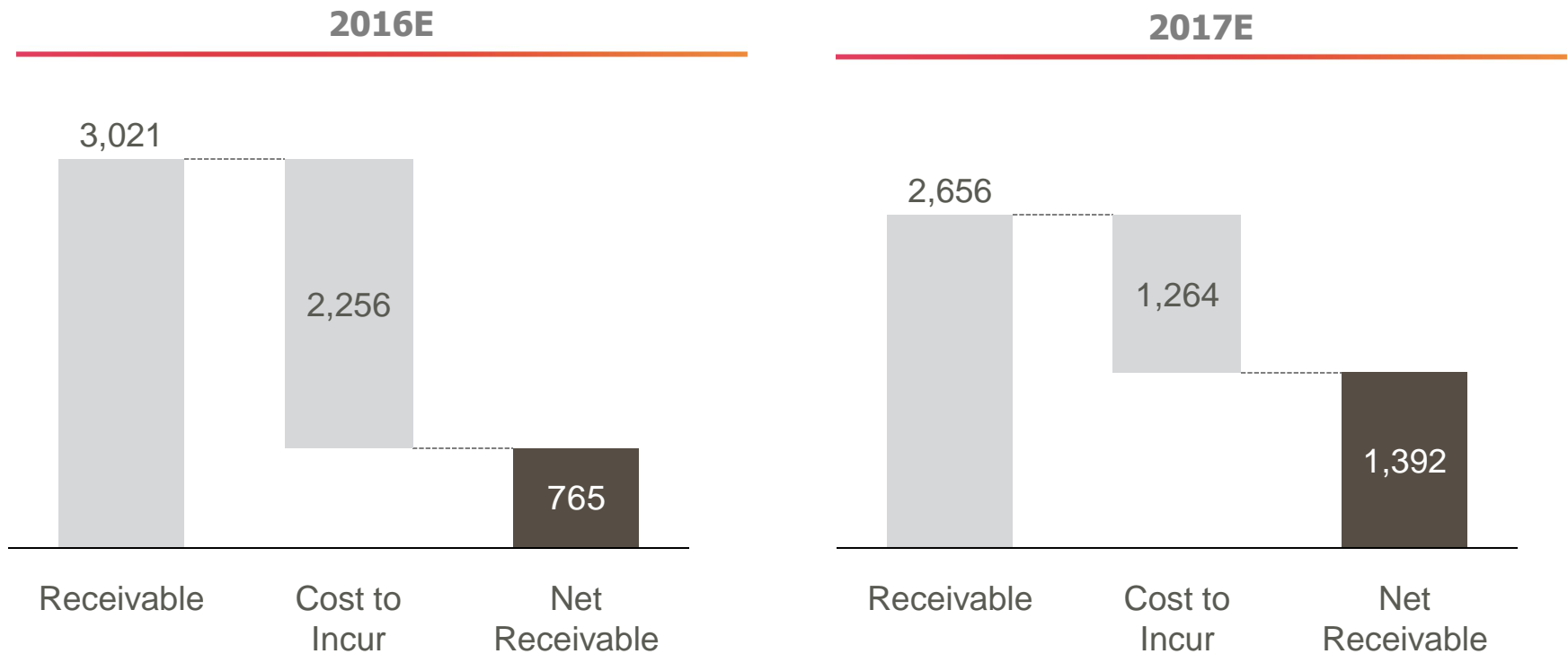
2016E

2017E



¹ It reflects the outlook considering current construction schedules. It may vary due to construction evolution.

NET RECEIVABLES¹



- For next year, cost to incur reduces by more than R\$ 1 billion and it should support the cash generation.

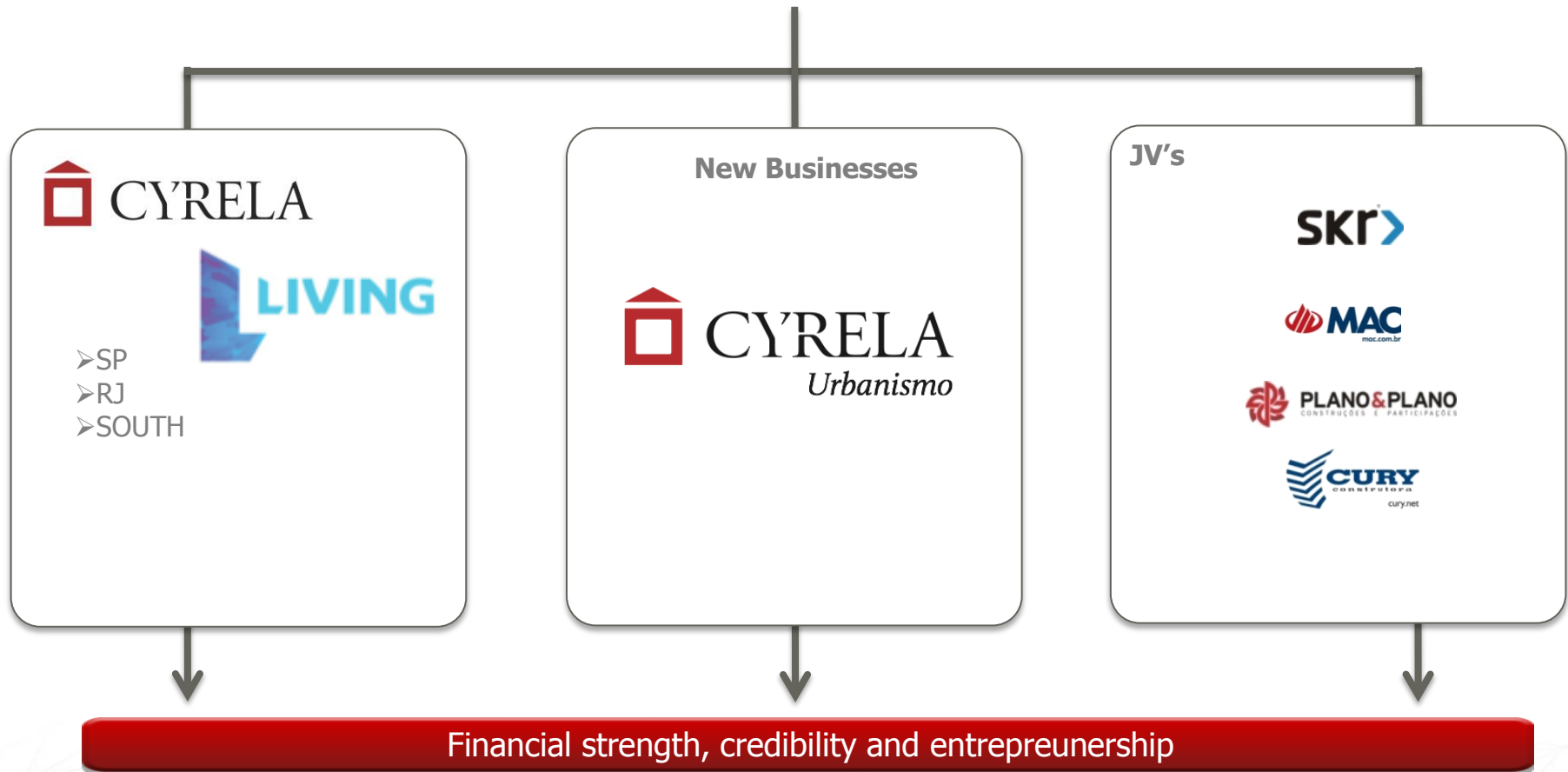
¹ It shows current cash and cost position, not including sales' cancellation.

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RECOGNIZED BRANDS AND DIVERSIFIED PORTFOLIO

CYRELA



CYRELA FOCUS

Engeneering

- 100% of construction in Northeast is already finished.
- The last construction in the North region will be delivery in 2017.
- Savings on constructions budget are a fact.

Inventory

- Focus on sales of inventory.
- Priority on sales of finished units.

G&A

- Current structure is dimensioned for the "new Cyrela".
- Contingencies may reduce because all constructions with delay are delivered.

Cash Generation

- Strong reduction of cost to incur tend to bring positive impact for FCF.

Launches

- Assertiveness on launches;
- Market Inteligencie is a diferencial.

Funding

- The Company has been changing expensive debts for cheaper ones.
- Net Debt / Equity is in heathy position.

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