

## RNI reports 3Q18 Results

**São José do Rio Preto, November 7, 2018:** RNI (B3: RDNI3), a real estate developer and builder, announces today its audited results for the third quarter of 2018. The following financial and operating information is presented on a consolidated basis in accordance with generally accepted accounting practices in Brazil based on Brazilian Corporation Law, International Financial Reporting Standards (IFRS) and the rules issued by the Brazilian Accounting Pronouncements Committee (CPC).

### Period Highlights:

- **Launch** of Green Life São Marcos, a project under Bracket 3 of the program My House, My Life (MHML), with 320 units and total PSV of R\$63 million, marking RNI's return after five years without any launches under the program;
- In 3Q18, **net sales** grew 33% compared to 2Q18. In 9M18, cancellations decreased 19% compared to 9M17, with a monthly average of R\$11 million;
- Expansion of the **landbank** destined for MHML projects by acquiring two lots located in the Midwest and signing an option agreement for a lot in São Paulo, which combined represent potential sales value (PSV) of R\$424 million;
- **General and administrative expenses** were R\$10.1 million in 3Q18, down 5% from 2Q18. In the year to date, G&A expenses were R\$17.5 million, 37% lower than in 9M17;
- The financial restructuring supported a significant increase in **net financial income** for the year, which came to R\$10.8 million, compared to R\$1.1 million in 9M17;
- Bolstered by the non-recurring recognition of the sale of a lot, **net income** in 3Q18 was R\$2.7 million. In the year to date, the net loss was 75% lower than in 9M17;
- 3Q18 marks the seventh straight quarter of **cash generation**, which amounted to R\$18 million in the year. The **Net debt/Equity** ratio ended the quarter at 32.2% (-7p.p. vs. 3Q17);

### Conference Call to discuss the 3Q18 Results:

Portuguese (with simultaneous translation into English)

**November 8, 11:00 a.m. (Brasília time)/ 08:00 a.m. (New York time)**

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## OPERATING AND FINANCIAL HIGHLIGHTS

The complete consolidated financial statements for 3Q18, accompanied by the respective notes, can be found in the Quarterly Information (ITR) document, which is available on our Investor Relations website ([ri.rni.com.br](http://ri.rni.com.br)) and on the website of the Securities and Exchange Commission of Brazil – CVM ([www.cvm.gov.br](http://www.cvm.gov.br)).

Operating and Financial Information								
Highlights	3Q18	2Q18	3Q18 vs 2Q18	3Q17	3Q18 vs 3Q17	9M18	9M17	9M18 vs 9M17
<b>Launches</b>								
Project Launches - RNI PSV (R\$ '000)	63,247	-	N/A	-	N/A	140,693	-	N/A
Project Launches - Total PSV (R\$ '000) <sup>(1)</sup>	63,311	-	N/A	-	N/A	140,756	-	N/A
RNI's share of total launches	100%	-		-		100%	-	
# Projects Launched	1	-	N/A	-	N/A	3	-	N/A
Units Launched	320	-	N/A	-	N/A	502	-	N/A
Average Price of Units Launched (R\$/sqm)	3,805	-	N/A	-	N/A	2,660	-	N/A
Average Price of Units Launched (R\$ '000/unit)	198	-	N/A	-	N/A	280	-	N/A
<b>Contracted Sales</b>								
Gross Contracted Sales RNI PSV (R\$ '000)	63,734	59,210	8%	74,690	-15%	208,767	255,347	-18%
Gross Contracted Sales Total PSV (R\$ '000)	75,399	70,343	7%	86,579	-13%	243,045	292,427	-17%
Net Contracted Sales RNI PSV (R\$ '000)	37,716	29,139	29%	47,057	-20%	125,952	150,044	-16%
Net Contracted Sales Total PSV (R\$ '000) <sup>(2)</sup>	44,736	33,581	33%	52,697	-15%	142,489	168,068	-15%
RNI's share of total Contracted Sales	84%	87%	-2.5 p.p.	89%	-5.0 p.p.	88%	89%	-0.9 p.p.
<b>Financial Indicators in R\$ '000</b>								
Net Revenue	57,289	41,107	39%	73,034	-22%	148,497	216,761	-31%
Gross Profit	18,249	9,685	88%	7,058	159%	33,601	5,009	571%
% Gross Margin	31.9%	23.6%	8.3 p.p.	9.7%	22.2 p.p.	22.6%	2.3%	20.3 p.p.
Adjusted EBITDA <sup>(3)</sup>	2,837	(6,464)	N/A	(1,346)	N/A	(11,692)	(33,865)	-65%
% Adjusted EBITDA Margin	5.0%	-15.7%	20.7 p.p.	-1.8%	N/A	-7.9%	-15.6%	7.7 p.p.
Net Income	2,521	(9,119)	N/A	(12,960)	-119%	(18,348)	(74,160)	-75%
% Net Margin	4.4%	-22.2%	26.6 p.p.	-17.7%	22.1 p.p.	-12.4%	-34.2%	21.9 p.p.
Earnings per Share (in R\$)	0.06	(0.22)	N/A	(0.31)	N/A	(0.43)	(1.76)	-75%
Shares Outstanding <sup>(4)</sup>	42,189	42,189	0%	42,189	0%	42,189	42,189	0%
<b>Backlog Revenue</b>								
Backlog Revenue (R\$ '000)	125,782	126,271	0%	79,379	58%	125,782	79,379	58%
Backlog Results (R\$ '000)	28,118	27,496	2%	24,420	15%	28,118	24,420	15%
% Backlog Margin	22.4%	21.8%	0.6 p.p.	30.8%	-8.4 p.p.	22.4%	30.8%	-8.4 p.p.
<b>Balance Sheet</b>								
Net Debt (R\$ '000)	204,393	206,134	-1%	262,454	-22%	204,393	262,454	-22%
Net Debt ex Production Debt (R\$ '000)	(13,258)	56,484	-123%	15,078	-188%	(13,258)	15,078	-188%
Cash Position (R\$ '000)	96,007	118,920	-19%	112,387	-15%	96,007	112,387	-15%
Shareholders' Equity (R\$ '000)	635,187	630,878	1%	669,922	-5%	635,187	669,922	-5%
Net Debt/Shareholders' Equity	32.2%	32.7%	-0.5 p.p.	39.2%	-7.0 p.p.	32.2%	39.2%	-7.0 p.p.
Net Debt ex Production Debt/Shareholders' Equity	-2.1%	9.0%	-11.0 p.p.	2.3%	-4.3 p.p.	-2.1%	2.3%	-4.3 p.p.

(1) Total PSV Launched, including Rodobens' share added to partners

(2) Total Contracted Sales value of all project that Rodobens participates, including Rodobens' share added to partners'. Including cancellations of Contracted Sales.

(3) Adjusted EBITDA: includes capitalized interest because it is an operating expenses.

(4) Shares Outstanding: excludes treasury shares.



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## MESSAGE FROM MANAGEMENT

To date, 2018 has been a year full of uncertainties, surprises, shifts in direction and expectations. Some factors affected the market and consumer confidence in general, such as the industry strikes, FIFA World Cup and uncertainties regarding the elections.

Despite this scenario, RNI continued to execute its previously defined business plan. In this context, August marked our return to the My Home, My Life program with the launch of the project Life São Marcos in São José do Rio Preto, São Paulo. No less importantly, we also have a pipeline of good projects already approved for launch in 4Q18.

Still on the execution of our strategy, this quarter we reinforced our landbank, especially in the MHML segment, by acquiring two lots in the Midwest and signing an option agreement for a lot in São Paulo.

We remain focused on streamlining our structure for RNI's sustainable growth over the coming years, although it is important to highlight the work performed to date, which has reduced our general and administrative expenses by 37% and generated savings in nominal terms of R\$17.5 million.

Our debt balance ended the quarter at R\$300 million, down 20% from R\$375 million in 3Q17. Not only did we reduce the debt balance in nominal terms, but we also changed its composition. Corporate debt now accounts for only 28% of total debt, which is one of the Company's lowest levels ever. The Net Debt/Equity ratio of 32.2% and the longer debt profile give us the conditions and security to embark on this new operational cycle, with a tireless focus on executing our business plan and consequently leverage RNI's growth.

The Management

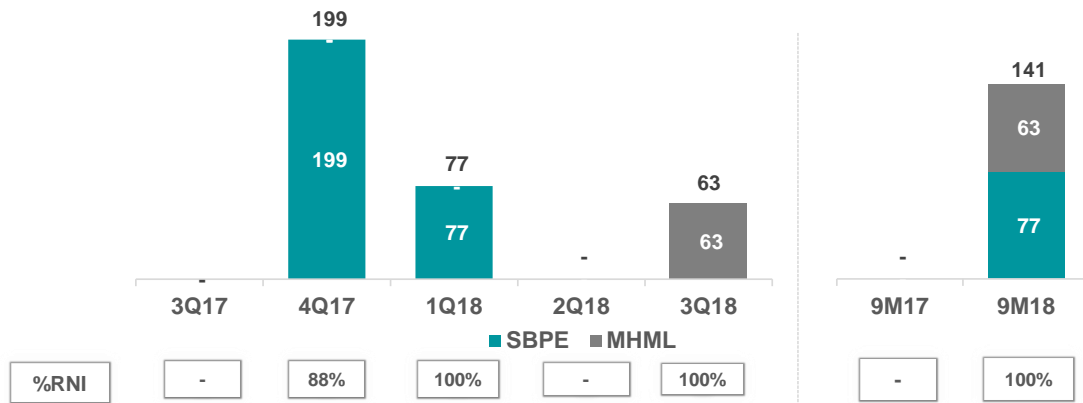


## LAUNCHES

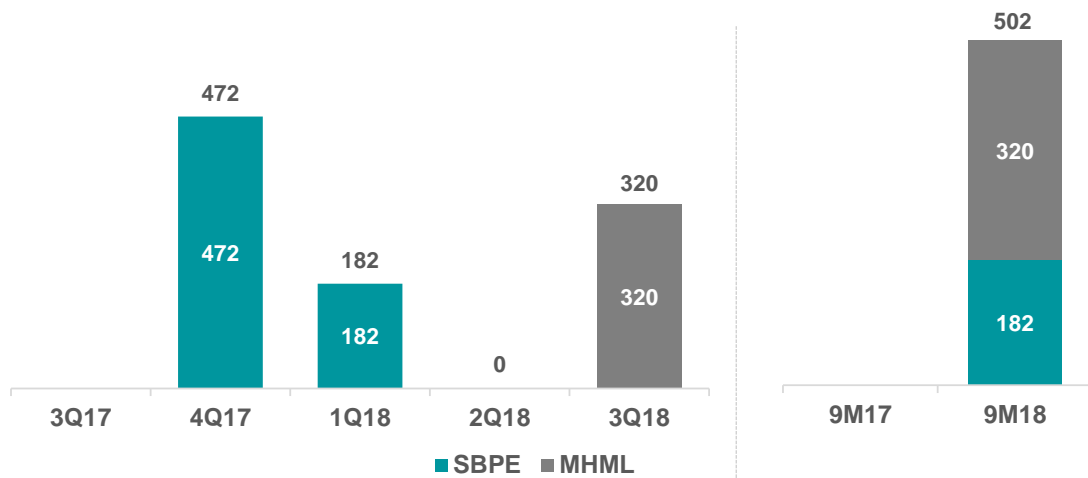
The third quarter marked RNI's return to the My Home, My life (MHML) segment after five years with no launches under the federal housing program. Launched at the end of August 2018 in São José do Rio Preto/SP, Green Life São Marcos has four towers and 320 units, 23% of which already have been sold. The move represents the execution of the company's business plan to reenter the low-income segment.

As a result, launches in 3Q18 represented potential sales of R\$63 million. This brought launches in the year to date to R\$141 million in potential sales, with more projects slated to be launched in 4Q18.

### Launches - Total PSV (R\$MM)



### Launches - Units



## CONTRACTED SALES

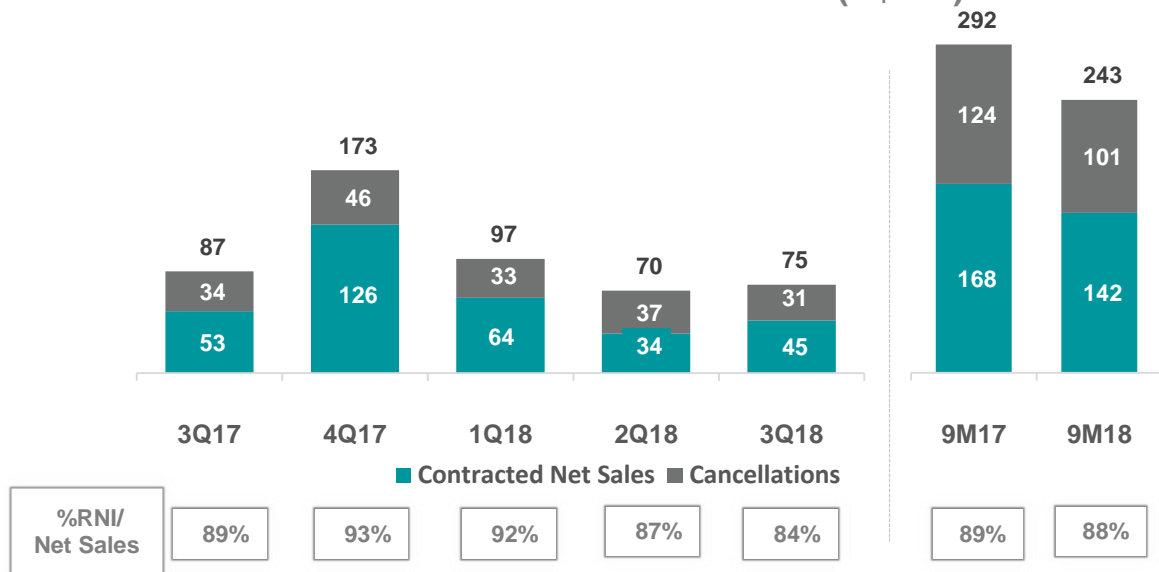


Total gross sales in 3Q18 amounted to R\$75 million, increasing 7% on the prior quarter, bringing gross sales in the year to date to R\$243 million, down 17% from 9M17.

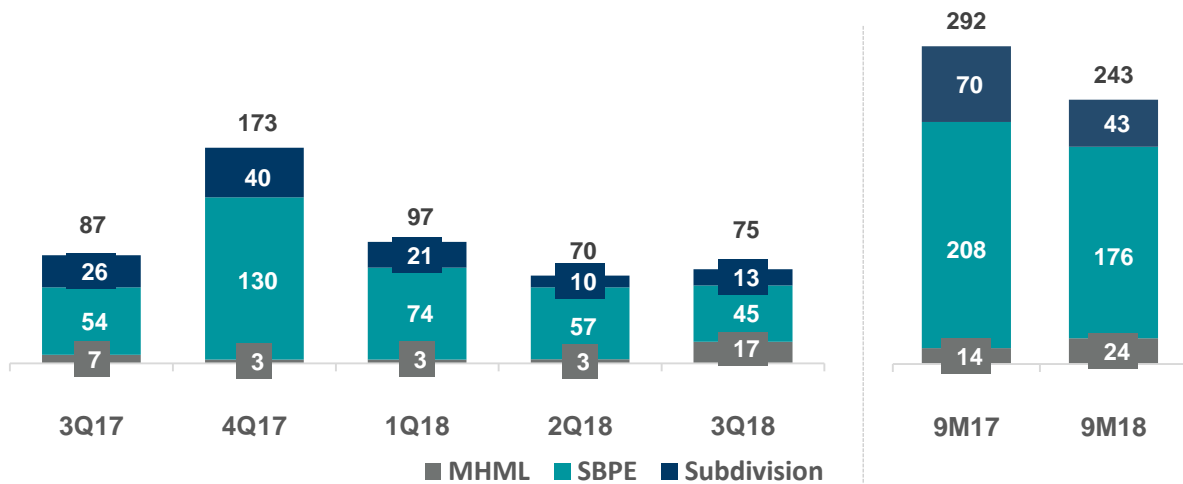
Cancellations amounted to R\$31 million in 3Q18 and to R\$101 million in 9M18, down 19% from 9H17. Average monthly cancellations remained at R\$10 million, down from the monthly average in the previous quarter and from the levels reported in 2017.

The combination of higher gross sales and lower cancellations leveraged net sales, which amounted to R\$45 million in 3Q18, 33% higher than in 2Q18. In the year to date, net sales came to R\$142 million.

### Gross Contracted Sales - Total PSV (R\$MM)

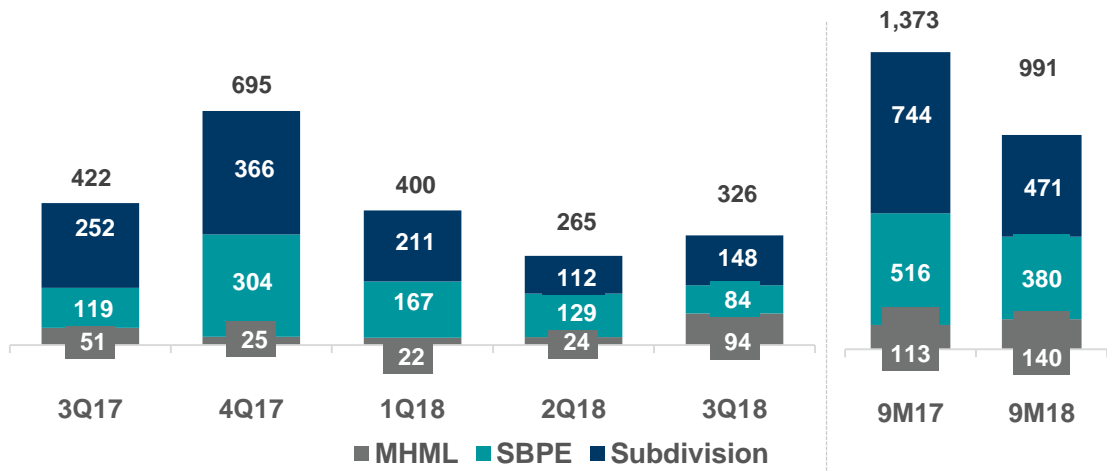


### Gross Contracted Sales - Total PSV (R\$MM)

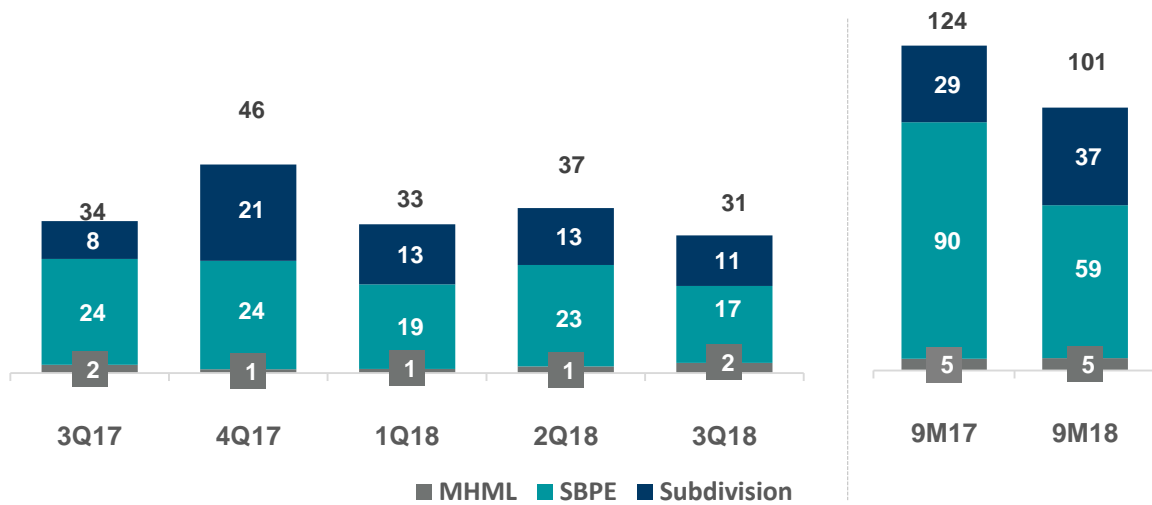




## Gross Contracted Sales - Units

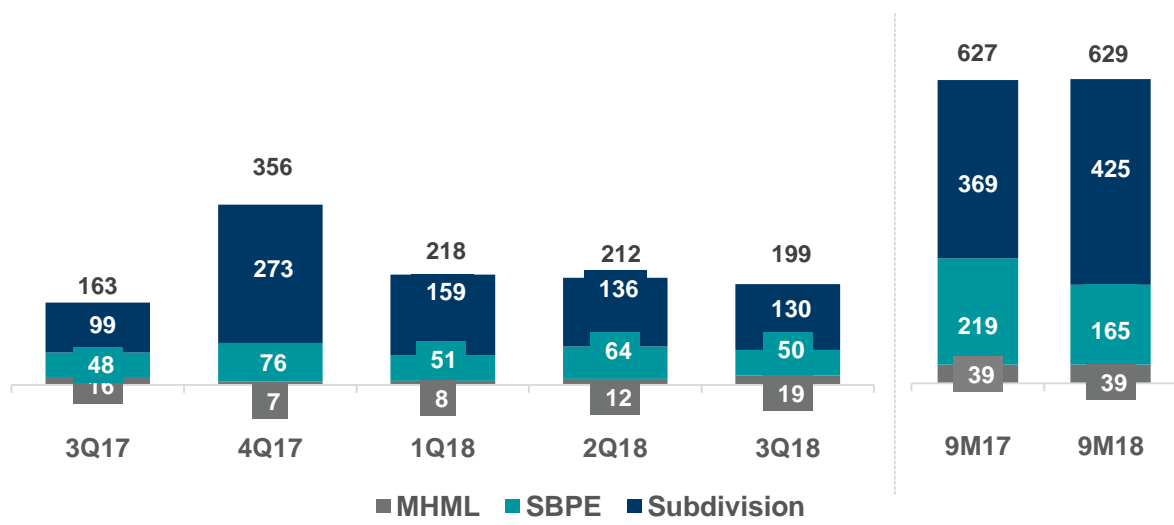


## Cancellations - Total PSV (R\$MM)





## Cancellations - Units





## Inventory Turnover Ratio

The consolidated inventory turnover ratio in 3Q18 stood at 9%, recovering 2 p.p. from 2Q18.

SELECTED QUARTELY SALES DATA					
(R\$MM)	3Q17	4Q17	1Q18	2Q18	3Q18
Inventory at Start of Period	480	424	452	463	435
Project Launches	-	199	77	-	63
Contracted Sales	53	126	64	34	45
Sales from Same Period Launches	-	72	15	-	14
Sales from Past Period Launches	53	54	50	34	30
Inventory Turnover Ratio <sup>(1)</sup>	11%	20%	12%	7%	9%
Sales from Same Period Launches/Contracted Sales	0%	57%	23%	0%	32%
Sales from Past Period Launches/Contracted Sales	100%	43%	77%	100%	68%
Sales from Same Period Launches/Project Launches	N/A	36%	19%	N/A	23%

<sup>(1)</sup> Inventory Turnover Ratio, calculated by: (Contracted Sales during the period)/(Market Value of Initial Inventory) + (PSV of launches in the period).

## INVENTORY\*

On September 30, 2018, the total potential sales value (PSV) of our inventory at market value stood at R\$465 million, represented by 1,521 units.

- The share of finished units in the Company's total inventory based on RNI's interest fell from 33% in 2Q18 to 29% in 3Q18, reflecting the project launched in the period, in which RNI holds a 100% interest.

Status	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
Projects Delivered	273	18%	147,111	32%	114,771	29%
Under Construction	1,248	82%	318,079	68%	278,035	71%
<b>Total</b>	<b>1,521</b>	<b>100%</b>	<b>465,189</b>	<b>100%</b>	<b>392,806</b>	<b>100%</b>

Product	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
MHML	268	18%	51,836	11%	51,647	13%
SBPE	748	49%	354,647	76%	306,163	78%
Subdivision	505	33%	58,707	13%	34,997	9%
<b>Total</b>	<b>1,521</b>	<b>100%</b>	<b>465,189</b>	<b>100%</b>	<b>392,806</b>	<b>100%</b>

- Units in the inventory of SBPE projects decreased by 4%. Meanwhile, the increase in MHML inventory reflects the project launched in the period.

Product	2Q18		3Q18	
	Inventory Units	Market Value of Inventory (R\$ '000)	Inventory Units	Market Value of Inventory (R\$ '000)
MHML	22	4,397	268	51,836
SBPE	782	371,111	748	354,647
Subdivision	523	59,697	505	58,707
<b>Total</b>	<b>1,327</b>	<b>435,205</b>	<b>1,521</b>	<b>465,189</b>

- Inventory is concentrated in São Paulo state, which accounts for 70% of total PSV.

Region	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
BA	19	1%	5,282	1%	5,277	1%
CE	10	1%	9,060	2%	8,970	2%
GO	436	29%	47,397	10%	23,699	6%
MG	8	1%	1,034	0%	895	0%
MT	222	15%	70,512	15%	70,441	18%
PR	2	0%	368	0%	367	0%
RJ	3	0%	1,577	0%	1,020	0%
RS	17	1%	4,148	1%	4,144	1%
SC	0	0%	0	0%	0	0%
SP	804	53%	325,812	70%	277,993	71%
<b>Total</b>	<b>1,521</b>	<b>100%</b>	<b>465,189</b>	<b>100%</b>	<b>392,806</b>	<b>100%</b>

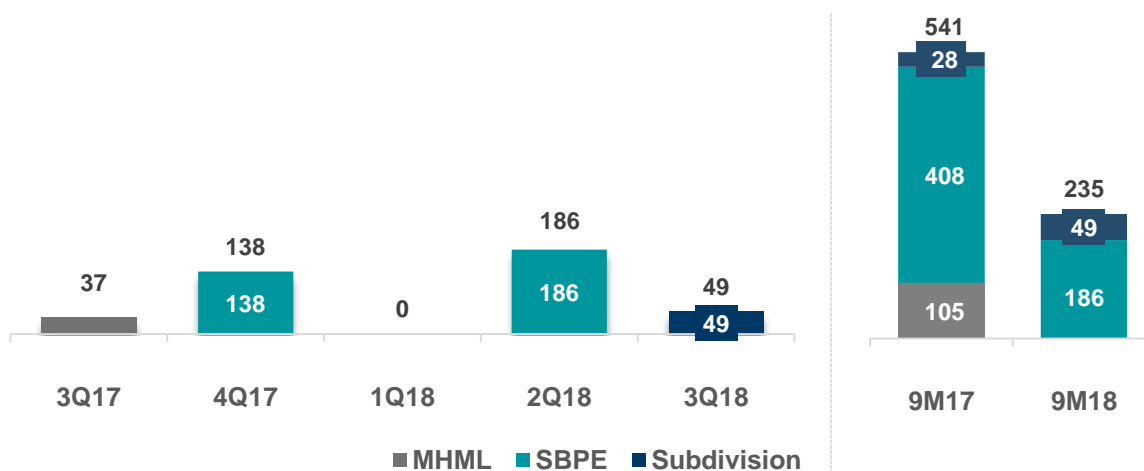
\*Inventory net of commissions



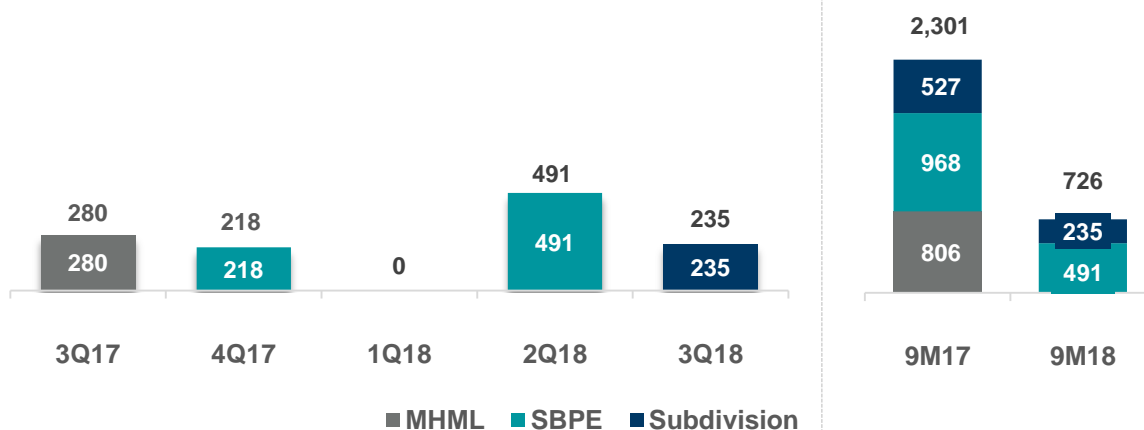
## PROJECTS DELIVERED

In 3Q18, units with potential sales value of R\$49 million were delivered in the period, which is explained by the subdivision project delivered in the interior of São Paulo state.

### Projects Delivered - Total PSV (R\$MM)



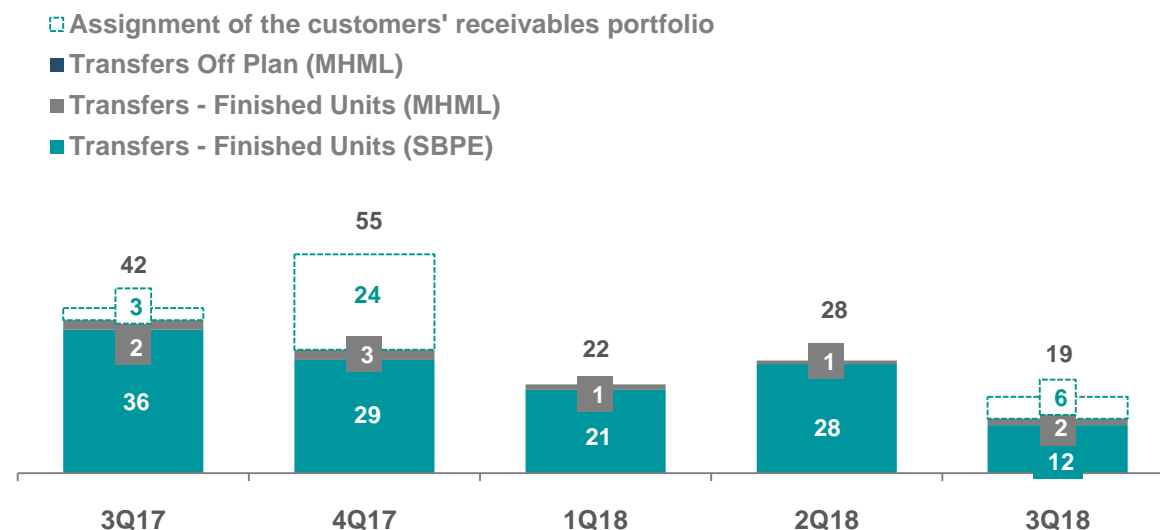
### Projects Delivered - Units



## TRANSFER TO BANKS OF CLIENT BALANCES / OFF-PLAN PROPERTIES

Transfers of client balances and off-plan properties amounted to R\$19 million in 3Q18. Meanwhile, portfolio assignment operations in the quarter amounted to R\$6 million. In the year to date, total transfers came to R\$70 million.

### Individual Mortgages (R\$MM)



## LANDBANK – DEVELOPMENT

The aggregate PSV of the landbank for residential projects (acquired or secured by purchase option) stood at R\$3.6 billion. Of this amount, R\$3.0 billion (83% of the total) was in properties effectively acquired and R\$0.6 billion (17% of the total) in properties secured by purchase options, which were distributed across 18 cities in 8 states.

Development		Total PSV (in R\$MM)			
State	Cities	Acquired	Under Option	Total	% of Total
BA	1	81	-	81	2%
MG	1	196	-	196	5%
CE	1	217	-	217	6%
MS	1	94	-	94	3%
MT	3	278	299	577	16%
GO	2	371	-	371	10%
SC	1	48	-	48	1%
SP	8	1,682	297	1,978	56%
<b>Total</b>	<b>18</b>	<b>2,967</b>	<b>595</b>	<b>3,562</b>	<b>100%</b>

The variation in the landbank effectively acquired in the quarter was mainly due to: (i) the acquisition of two lots in the Midwest region for projects under the MHML program; and (ii) modifications to projects. For the landbank secured by purchase options, there was the cancellation of rights to a lot also located in the Midwest, which partially offset by the signing of one option agreement for a lot in São Paulo city.

Changes in Landbank Acquired		Landbank Reconciliation
		Total PSV (in R\$MM)
<b>2Q18 Acquired Position</b>		<b>2,672</b>
(-) Launches		(63)
(+) Acquired Areas		272
( +/- ) Project Revision		86
<b>3Q18 Acquired Position</b>		<b>2,967</b>

Changes in Landbank - Under Option		Total PSV (in R\$MM)
<b>2Q18 Under Option Position</b>		<b>753</b>
(+) New areas under option		152
(-) Discarded Options		(302)
(-) Project Revision		(9)
<b>3Q18 Under Option Position</b>		<b>595</b>
<b>Total Landbank 3Q18</b>		<b>3,561</b>

On September 30, 2018, 60% of PSV of the development landbank was represented by swap agreements and 40% by cash agreements.

## LANDBANK – SUBDIVISION

The following table shows the landbank for subdivision projects. At the end of the quarter, the PSV of the subdivision landbank stood at R\$411 million, 100% of which refers to properties acquired.

Subdivision		Total PSV (in R\$MM)			
State	City	Acquired	Under Option	Total	%Total
GO	1	7	-	7	2%
SP	3	404	-	404	98%
<b>Total</b>	<b>4</b>	<b>411</b>	<b>-</b>	<b>411</b>	<b>100%</b>

The variation in the landbank was mainly due to sale of 1 area in the South region.

Changes in Landbank - Acquired	Landbank Reconciliation
	Total PSV (in R\$ MM)
<b>2Q18 Acquired Position</b>	<b>479</b>
(-) Sold Areas / Discarded	(68)
<b>3Q18 Acquired Position</b>	<b>411</b>

On September 30, 2018, 98% of the PSV of the subdivision landbank was represented by swap agreements and 2% by cash agreements.

## FINANCIAL PERFORMANCE

### INCOME STATEMENT

Consolidated, R\$ '000	3Q18	2Q18	3Q18 vs 2Q18	3Q17	3Q18 vs 3Q17	9M18	9M17	9M18 vs 9M17
Net Operating Revenue	57,289	41,107	39%	73,033	-22%	148,497	216,760	-31%
COGS	(39,040)	(31,422)	24%	(65,976)	-41%	(114,896)	(211,752)	-46%
Gross Profit	18,249	9,685	88%	7,057	159%	33,601	5,008	571%
Gross Margin	31.9%	23.6%	8.3 p.p.	9.7%	22.2 p.p.	22.6%	2.3%	20.3 p.p.
Adjusted Gross Profit*	20,794	13,288	56%	15,073	38%	44,367	32,308	37%
Adjusted Gross Margin*	36.3%	32.3%	4.0 p.p.	20.6%	15.7 p.p.	29.9%	14.9%	15.0 p.p.
<b>Operating Expenses</b>	<b>(18,706)</b>	<b>(20,234)</b>	-8%	<b>(18,038)</b>	4%	<b>(57,848)</b>	<b>(72,095)</b>	-20%
Selling expenses	(6,675)	(7,494)	-11%	(7,375)	-9%	(20,882)	(28,038)	-26%
General and Administrative Expenses	(10,170)	(10,721)	-5%	(14,894)	-32%	(30,390)	(47,941)	-37%
Equity Income	1,279	(799)	N/A	4,275	-70%	327	7,664	-96%
Other Operating Revenue	(3,140)	(1,220)	157%	(44)	7036%	(6,903)	(3,780)	83%
Adjusted EBITDA	2,837	(6,464)	N/A	(1,346)	N/A	(11,692)	(33,865)	-65%
Adjusted EBITDA Margin	5.0%	-15.7%	20.7 p.p.	-1.8%	6.8 p.p.	-7.9%	-15.6%	7.7 p.p.
Net Financial Income (Expenses)	4,982	2,660	87%	1,562	219%	10,840	1,127	862%
Income tax and social contribution	(1,851)	(1,639)	13%	(2,598)	-29%	(5,167)	(8,110)	-36%
Net Income Shareholder	2,521	(9,119)	N/A	(12,960)	N/A	(18,348)	(74,160)	-75%
Net Margin	4.4%	-22.2%	26.6 p.p.	-17.7%	22.1 p.p.	-12.4%	-34.2%	21.9 p.p.

\*Excludes financial expenses recorded at cost.

**Net Revenue** came to R\$57.3 million, increasing 39% from R\$41.1 million in 2Q18, mainly due to i) recognition of the non-recurring sale of one lot in the period; ii) improvement in volume and the cancellation mix, especially for finished units; and iii) acceleration in the pace of construction works. Compared to 9M17, it is important to note the change in the sales mix, given the launches in 2017 and 2018. With their construction curve still in the early stage, these projects' sales have a moderate impact on the result. In addition, 9M17 was marked by a high volume of projects delivered, i.e., products whose revenue was recognized in full.

**Adjusted Gross Margin** was 36.3%, 4.0 p.p. higher than in 2Q18. In addition to the non-recurring sale of a lot, this growth is explained by: i) the lower impact from cancellations on gross income, and ii) the progress in the construction of high-margin projects. In 9M18, adjusted gross margin was 29.9%, with the expansion compared to 9M17 mainly due to: i) the efforts to recover sales margins; ii) the benefits from streamlining the portfolio and consequently the lower impact of cancellations; and iii) the amendment to and execution of sales agreement recognized during 2018.

Operating Revenues (Expenses), R\$ '000	3Q18	2Q18	3Q18 vs 2Q18	3Q17	3Q18 vs 3Q17	9M18	9M17	9M18 vs 9M17
<b>Operating Expenses</b>	<b>(18,706)</b>	<b>(20,234)</b>	-8%	<b>(18,038)</b>	4%	<b>(57,848)</b>	<b>(72,095)</b>	-20%
Selling expenses	(6,675)	(7,494)	-11%	(7,375)	-9%	(20,882)	(28,038)	-26%
Commission	(2,304)	(1,792)	29%	(3,177)	-27%	(6,897)	(13,011)	-47%
Other selling expenses	(4,371)	(5,702)	-23%	(4,198)	4%	(13,985)	(15,028)	-7%
General and Administrative Expenses	(10,170)	(10,721)	-5%	(14,894)	-32%	(30,390)	(47,941)	-37%
Equity Income	1,279	(799)	N/A	4,275	-70%	327	7,664	-96%
Other Operating Revenue	(3,140)	(1,220)	157%	(44)	7036%	(6,903)	(3,780)	83%

**Selling Expenses** amounted to R\$6.7 million in 3Q18, down 11% from 2Q18, when the expenses incurred for the launch of ARVO in São Paulo were recognized. In 9M18, selling expenses decreased 26% due to: i) lower costs with commissions; and ii) the effects from the restructuring carried out during 2017.

**General and Administrative Expenses** in 3Q18 amounted to R\$10.1 million, down 5% from 2Q18, due to the reversal of legal provisions and savings on third-party service agreements. In the year to date, G&A expenses decreased 37%, mainly due to: i) the positive results from the rescaling of the administrative structure; and ii) the savings obtained from the review conducted of third-party service agreements.

**Equity Income** was R\$1.3 million in the quarter, reversing the loss in 2Q18, reflecting the better performance of the projects in the cities of Goiânia and Ribeirão Preto.

In 3Q18, **Other Operating Revenues/Expenses** stood at negative R\$3.1 million, up 157% from 2Q18. The decrease was due to the write-off of the disposal of a property.

Consolidated Adjusted EBITDA, R\$ '000	3Q18	2Q18	3Q18 vs 2Q18	3Q17	3Q18 vs 3Q17	9M18	9M17	9M18 vs 9M17
<b>Net Income Consolidated (RNI + Minority Interest)</b>	<b>2,674</b>	<b>(9,528)</b>	<b>N/A</b>	<b>(12,016)</b>	<b>N/A</b>	<b>(18,574)</b>	<b>(74,069)</b>	<b>-75%</b>
(+) Income tax and social contribution	1,851	1,639	13%	2,598	-29%	5,167	8,110	-36%
(+) Net Financial Income	(4,982)	(2,660)	87%	(1,562)	219%	(10,840)	(1,127)	862%
(+) Depreciation & Amortization	749	482	55%	1,618	-54%	1,789	5,921	-70%
<b>EBITDA</b>	<b>292</b>	<b>(10,067)</b>	<b>N/A</b>	<b>(9,362)</b>	<b>N/A</b>	<b>(22,458)</b>	<b>(61,165)</b>	<b>-63%</b>
<b>EBITDA Margin</b>	<b>0.5%</b>	<b>-24.5%</b>	<b>25.0 p.p.</b>	<b>-12.8%</b>	<b>13.3 p.p.</b>	<b>-15.1%</b>	<b>-28.2%</b>	<b>13.1 p.p.</b>
(+) Financial Expenses on Cost	2,545	3,603	-29%	8,016	-68%	10,766	27,300	-61%
<b>Adjusted EBITDA*</b>	<b>2,837</b>	<b>(6,464)</b>	<b>N/A</b>	<b>(1,346)</b>	<b>N/A</b>	<b>(11,692)</b>	<b>(33,865)</b>	<b>-65%</b>
<b>Adjusted EBITDA Margin</b>	<b>5.0%</b>	<b>-15.7%</b>	<b>20.7 p.p.</b>	<b>-1.8%</b>	<b>6.8 p.p.</b>	<b>-7.9%</b>	<b>-15.6%</b>	<b>7.7 p.p.</b>

\* EBITDA: net income for the period, plus income tax, financial expenses net of financial income, and depreciation, amortization and depletion. Adjusted EBITDA refers to the adjustment of expenses with capitalized interest, given the operational nature of this expense.

**Adjusted EBITDA** was R\$2.8 million in 3Q18, compared to negative R\$6.4 million in 2Q18. In 9M18, Adjusted EBITDA was negative R\$11.7 million, down 65% from the negative result in 9M17.

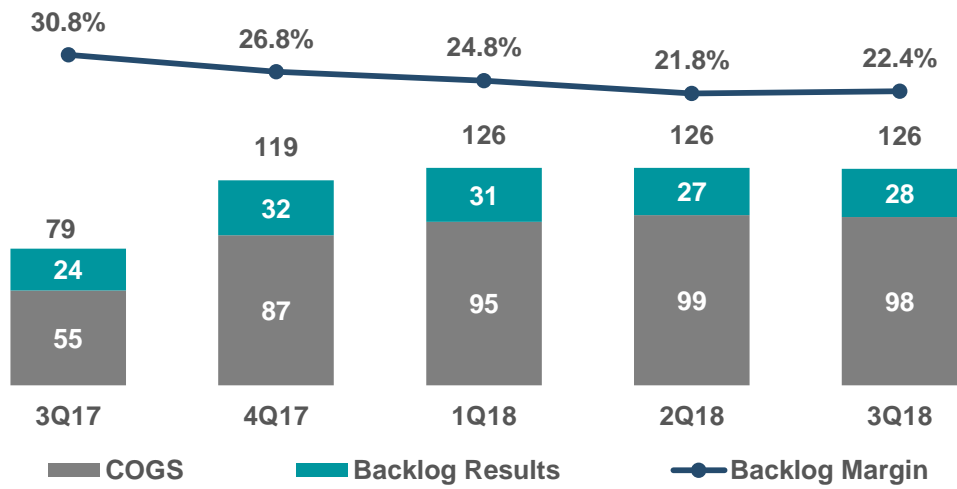
Net Interest (Expenses) Revenue, R\$ '000	3Q18	2Q18	3Q18 vs 2Q18	3Q17	3Q18 vs 3Q17	9M18	9M17	9M18 vs 9M17
Monetary Variation, Net	7,516	3,508	114%	4,419	70%	15,435	9,300	66%
Financial Revenue	5,632	5,444	3%	6,824	-17%	17,075	23,929	-29%
Financial Expenses	(8,166)	(6,292)	30%	(9,681)	-16%	(21,670)	(32,102)	-32%
<b>Total</b>	<b>4,982</b>	<b>2,660</b>	<b>87%</b>	<b>1,562</b>	<b>219%</b>	<b>10,840</b>	<b>1,127</b>	<b>862%</b>

In 3Q18, **Financial Income** was R\$5.0 million, compared to R\$2.7 million in 2Q18. The increase was driven mainly by strong variation in the indexes used to adjust agreements. Net financial income increased from R\$1.1 million in 9M17 to R\$10.8 million, mainly due to the reduction in financial charges given the lower debt balance and the adjustment of agreements in the own portfolio.

**Net Income** in 3Q18 was R\$2.7 million, reversing the loss net of R\$9.5 million in 2Q18. In 9M18, net income came to R\$18.3 million, decreasing 75% from the net loss of R\$74 million in 9M17.



Backlog Results (R\$ MM) and Backlog Margin (%)



**Backlog Margin** at the end of 3Q18 stood at 22.4%, with the improvement in comparison with 2Q18 due to i) the recovery in gross sales margin; and ii) the significant revenue inflows from the project launched in the period.

Note that the amounts recorded in Backlog Margin have not yet been subjected to PIS/COFINS taxes and do not include the financial expenses related to COGS.



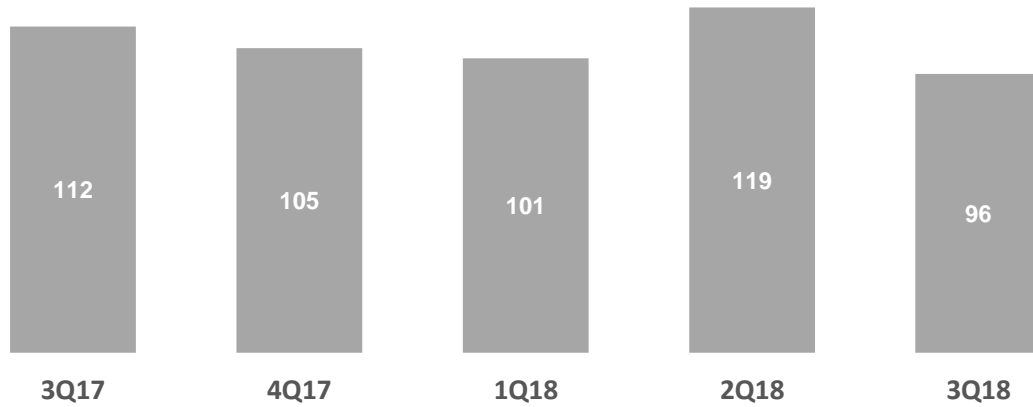


## BALANCE SHEET: Main items

### Cash Position

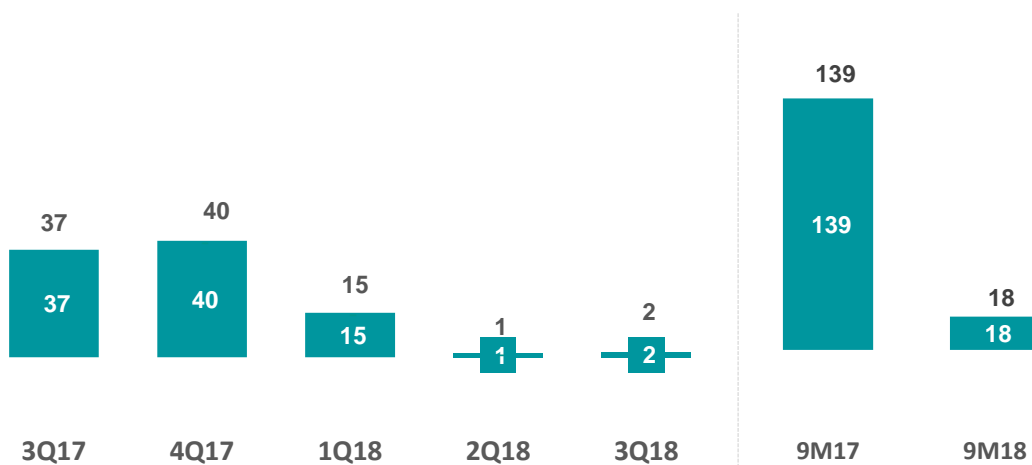
RNI ended 3Q18 with a cash position of R\$96 million.

### Cash Position



Cash generation amounted to R\$2 million in 3Q18 and R\$18 million in 9M18. The slowdown in cash generation is due to the new cycle of RNI, with the start of construction of projects recently launched.

### Cash Generation



## Trade Accounts Receivable

The balance of Trade Accounts Receivable stood at R\$484 million on September 30, 2018, of which R\$383 million is recorded on the balance sheet with the associated revenue already recognized. Of this total, R\$183 million is recorded in current assets and R\$200 million in non-current assets, as shown in the following table.

Credits with clients (R\$ '000)	3Q18	%	2Q18	%	3Q18 vs 2Q18	3Q17	%	3Q18 vs 3Q17
<b>Current Assets</b>								
Amounts Realized	182,797	38%	219,029	42%	-17%	308,620	54%	-41%
Amounts Non Realized	29,822	6%	28,752	6%	4%	24,188	4%	23%
<b>Total Current Assets</b>	<b>212,619</b>	<b>44%</b>	<b>247,781</b>	<b>48%</b>	<b>-14%</b>	<b>332,808</b>	<b>59%</b>	<b>-36%</b>
<b>Non Current Assets</b>								
Amounts Realized	199,913	41%	199,562	38%	0%	189,195	33%	6%
Amounts Non Realized	71,404	15%	71,496	14%	0%	45,633	8%	56%
<b>Total Non Current Assets</b>	<b>271,317</b>	<b>56%</b>	<b>271,058</b>	<b>52%</b>	<b>0%</b>	<b>234,828</b>	<b>41%</b>	<b>16%</b>
<b>TOTAL</b>	<b>483,936</b>	<b>100%</b>	<b>518,839</b>	<b>100%</b>	<b>-7%</b>	<b>567,636</b>	<b>100%</b>	<b>-15%</b>

Credits not yet recorded on the balance sheet and whose revenue has not yet been recognized on the income statement using the percentage of completion (PoC) method totaled R\$101 million on September 30, 2018. The difference between the R\$126 million recognized under Backlog and this R\$100 million refers to advances from clients, which came to R\$26 million at the end of 3Q18.

The performed receivables portfolio stood at R\$333 million on September 30, 2018.

The following table provides a breakdown and the status of performed receivables classified by phase and order of monetization:

PERFORMED Receivables Account details (R\$ million)	3Q18	2Q18	%
Clients transferred (filed at notary) awaiting credit	18,105	19,475	5.4%
Clients in Analysis/Transfer to Banks	16,904	44,361	5.1%
Clients from recently concluded units with certificates of occupancy, pending documentation	1,898	2,654	0.6%
Clients in legal discussion with secured fiduciary sale	6,538	7,104	2.0%
Clients with potential cancellation (further conversion into inventory)	35,241	35,651	10.6%
Others	16,950	13,987	5.1%
<b>Performed Receivables Account (Not Financed by the Company)</b>	<b>95,636</b>	<b>123,232</b>	<b>28.7%</b>
Clients Financed by Company	221,511	186,670	66.5%
Clients Financed by Company (Pro-Soluto)	16,034	13,742	4.8%
<b>Total of Performed Clients Receivables Account</b>	<b>333,183</b>	<b>323,646</b>	<b>100.0%</b>

\* The portfolio degree liquidity is indicated per color. The strongest color means greater liquidity, while the lighter color suggests lower liquidity

The following table shows the changes in the performed receivables portfolio:

Changes in Performed Receivables	3Q18
(beginning of period)	323,646
(+) Performed during the period	40,485
(-) Received in the period	23,850
(-) Transfer / Rescission of Performer clients written in the period	20,592
(+) Monetary variation - adjustment index in the period	15,260
(+) Sales of inventory in the period	17,547
(-) Cancelled sales during the period	17,842
(+) Others	(1,472)
<b>Balance</b>	<b>333,183</b>

## Loans and Financing

An analysis follows of the Company's debt position in relation to its Cash Balance and Shareholders' Equity.

	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Net Cash (1)</b>	<b>112</b>	<b>105</b>	<b>101</b>	<b>119</b>	<b>96</b>
<b>Debts (2)</b>	<b>375</b>	<b>328</b>	<b>309</b>	<b>325</b>	<b>300</b>
<b>Construction Funding</b>	<b>247</b>	<b>207</b>	<b>203</b>	<b>226</b>	<b>218</b>
Construction Loans	166	129	109	59	54
CCBI/CRI	82	78	94	166	164
<b>Bank debt</b>	<b>127</b>	<b>121</b>	<b>106</b>	<b>99</b>	<b>83</b>
CCBI/CRI	75	70	54	53	37
Debentures	52	51	52	0	0
Working Capital	0	0	0	46	46
<b>Net Debt (2-1)</b>	<b>262</b>	<b>223</b>	<b>208</b>	<b>206</b>	<b>204</b>
<b>Shareholders' Equity</b>	<b>670</b>	<b>650</b>	<b>639</b>	<b>631</b>	<b>635</b>
<b>Net Debt/Shareholders' Equity</b>	<b>39.2%</b>	<b>34.3%</b>	<b>32.5%</b>	<b>32.7%</b>	<b>32.2%</b>
<b>Net Debt (ex-SFH/SFI)/Shareholders' Equity</b>	<b>2.3%</b>	<b>2.4%</b>	<b>0.7%</b>	<b>-3.1%</b>	<b>-2.1%</b>

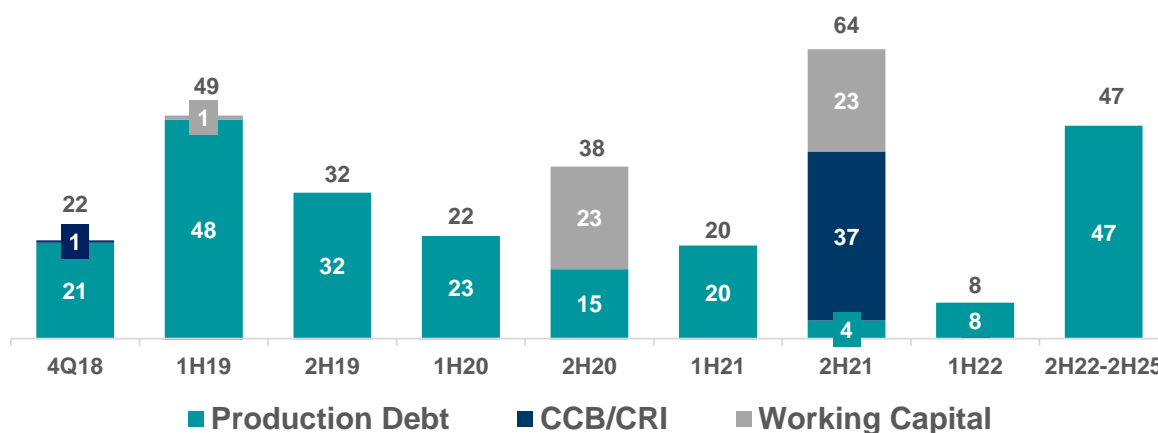
The balance of construction financing (Plano Empresário) in September 2018 was R\$54 million, R\$5 million lower than the balance in June 2018. In the period, the amortization of construction financing of finished projects more than offset the financing obtained for new projects.

In terms of corporate debt, in July, the Company amortized an installment of the 377<sup>th</sup> Bank Credit Note (CCB), in the amount of R\$16 million.

In the year to date, the balance of corporate debt decreased by 32% to R\$38 million. As a result, the share of corporate debt in total debt ended the quarter at 28%, which is one of RNI's lowest levels ever.

On September 30, 2018, the Net Debt/Equity ratio stood at 32.2%, down 7 p.p. from 39.2% at September 30, 2017.

The debt maturity schedule is shown below:

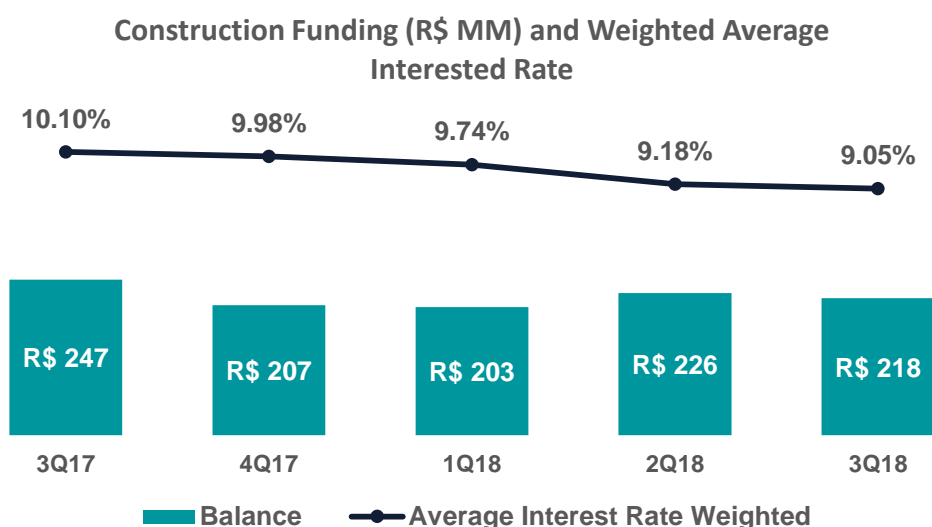


Our debt is divided into the following types of credit facilities:

Loans and Financing	Rate	3Q18
Construction Loans	TR + 8.0% to 10.5% p.a.	54,098
CCB/CRI	TR + 11.5% p.a. ; TR + 14.9% p.a ; CDI + 2.0% p.a. and 115.0% of CDI	163,553
<b>Construction Loan</b>		<b>217,651</b>
CCB/CRI*	CDI + 2,2% p.a.	36,861
Working Capital	CDI + 1,6% p.a.	45,888
<b>Bank debt</b>		<b>82,749</b>
<b>Total</b>		<b>300,399</b>

\*Funds raised through CCB/CRI are used to finance real estate projects.

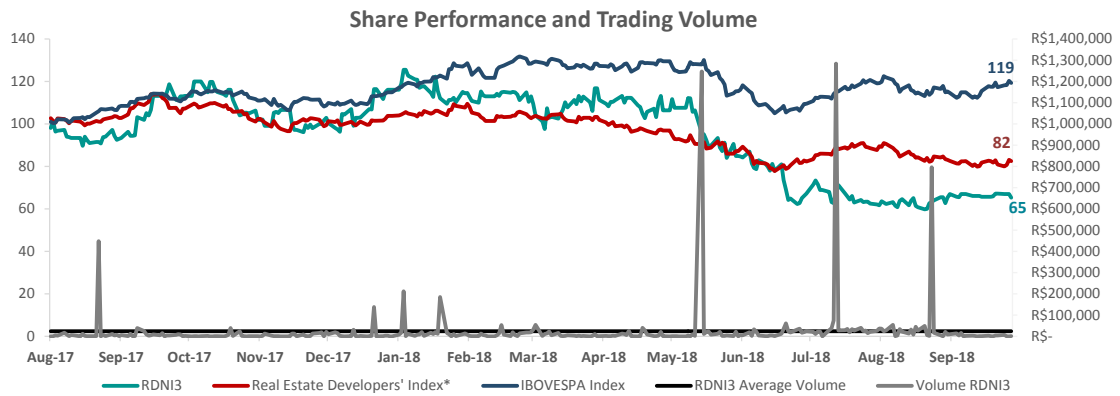
The following chart shows the evolution of construction debt and the average interest rate weighted by the share of the outstanding balance of each project in the total.





## RDNI3 Stock Performance

The following chart shows the performance of RDNI3 stock in the last 12 months in terms of price and trading volume. The stock's closing quote on September 30, 2018 was R\$3.46.



\*Index composed of the stocks CYRE3, DIRR3, EVEN3, EZTC3, GFS3, HBOR3, JHSF3, MRVE3, PDGR3, RDNI3, RSID3, TCSA3, TRIS3 and VIVR3 weighted by market capitalization.

Base = 100 on August 31, 2017

Source: Bloomberg

### DISCLAIMER

The statements contained herein regarding the business prospects, projections of financial and operating results and growth prospects that affect the operations of RODOBENS, as well as any other forward-looking statements regarding the Company's business are merely estimates and as such are subject to risks and uncertainties and therefore are not guarantees of future results. These forward-looking statements depend substantially on market conditions, government regulations, competitive pressures, performance of the industry and the Brazilian economy and other factors, and therefore are subject to change without prior notice.

## Consolidated Balance Sheet

BALANCE SHEET (R\$ '000)	3Q18	2Q18	3Q18 vs. 2Q18	3Q17	3Q18 vs. 3Q17
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>	<b>503,858</b>	<b>571,713</b>	<b>-12%</b>	<b>636,198</b>	<b>-21%</b>
Cash and Equivalents	94,241	116,986	-19%	99,173	-5%
Trade accounts receivable	182,797	219,029	-17%	308,620	-41%
Accounts Receivable from sale of lots	2,162	2,220	-3%	3,941	-45%
Real estate for sale	181,164	185,726	-2%	168,664	7%
Credits with third parties	17,731	19,053	-7%	23,071	-23%
Expenses to be transferred to SPEs <sup>1</sup>	2,059	2,147	-4%	2,009	2%
Sales expenses to be recognized	4,236	4,446	-5%	3,346	27%
Prepaid expenses	1,739	2,252	-23%	2,866	-39%
Clients co-obligation	377	377	0%	2,003	-81%
Dividends Receivable	77	77	0%	255	-70%
Other receivables	17,275	19,400	-11%	22,250	-22%
<b>NON-CURRENT ASSETS</b>	<b>654,167</b>	<b>593,289</b>	<b>10%</b>	<b>596,177</b>	<b>10%</b>
Financial Investments	1,766	1,934	-9%	13,214	-87%
Trade accounts receivable	199,913	199,562	0%	189,195	6%
Related parties	1,353	590	129%	95	1324%
Deposits in court	7,007	7,078	-1%	7,037	0%
Dividends Receivable	7,251	7,273	0%	-	N/A
Real estate for sale	171,654	140,009	23%	140,643	22%
Land to be received	124,177	103,035	21%	98,995	25%
Investments in subsidiaries and joint subsidiaries	118,913	110,977	7%	118,446	0%
Property, plant and equipment	18,209	19,209	-5%	16,259	12%
Intangible assets	3,924	3,622	8%	3,953	-1%
<b>TOTAL ASSETS</b>	<b>1,158,025</b>	<b>1,165,002</b>	<b>-1%</b>	<b>1,232,375</b>	<b>-6%</b>
<b>LIABILITIES &amp; Shareholders' Equity</b>					
<b>CURRENT LIABILITIES</b>	<b>208,860</b>	<b>263,259</b>	<b>-21%</b>	<b>357,839</b>	<b>-42%</b>
Trade accounts payable	16,616	14,506	15%	19,396	-14%
Construction Loans	79,536	99,619	-20%	168,603	-53%
Borrowing	888	948	-6%	-	N/A
Bank Credit Bill ("CCB")	298	14,759	-98%	29,633	-99%
Debentures	-	-	N/A	52,237	N/A
Social and labor obligations	5,300	4,615	15%	5,486	-3%
Tax obligations	2,731	1,983	38%	4,007	-32%
Current accounts with partners in projects	544	491	11%	624	-13%
Accounts payable for property acquisitions	43,540	67,242	-35%	27,345	59%
Deferred Taxes	7,543	6,598	14%	8,746	-14%
Provision for customer warranty	9,259	9,472	-2%	12,598	-27%
Advances from clients	24,557	26,023	-6%	9,558	157%
Related parties	1,079	993	9%	971	11%
Provision for losses in subsidiaries	1,701	1,645	3%	1,085	57%
Accounts payable for acquisition of equity interest	-	-	N/A	1,124	N/A
Other accounts payable	14,891	13,988	6%	11,968	24%
Clients co-obligation	377	377	0%	2,003	-81%
<b>NON-CURRENT LIABILITIES</b>	<b>313,978</b>	<b>270,865</b>	<b>16%</b>	<b>204,614</b>	<b>53%</b>
Deferred Taxes	17,981	17,364	4%	18,246	-1%
Construction Loans	138,115	126,306	9%	78,773	75%
Borrowing	45,000	45,000	0%	-	N/A
Bank Credit Bill ("CCB")	36,563	38,422	-5%	45,595	-20%
Provision for contingencies	12,238	14,193	-14%	16,457	-26%
Accounts payable for property acquisitions	64,081	29,580	117%	45,543	41%
<b>SHAREHOLDERS' EQUITY</b>	<b>635,187</b>	<b>630,878</b>	<b>1%</b>	<b>669,922</b>	<b>-5%</b>
Share capital	512,438	512,438	0%	512,438	0%
Legal reserve	27,140	27,140	0%	27,140	0%
Retained earnings	117,836	117,836	0%	210,994	-44%
Treasury stock	(16,020)	(16,020)	0%	(16,020)	0%
Accrued income	(18,348)	(20,869)	-12%	(74,161)	-75%
Non-controlling interest	12,141	10,353	17%	9,531	27%
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,158,025</b>	<b>1,165,002</b>	<b>-1%</b>	<b>1,232,375</b>	<b>-6%</b>

## Consolidated Statement of Income

INCOME STATEMENT	3Q18	2Q18	3Q18 vs. 2Q18	3Q17	3Q18 vs. 3Q17	9M18	9M17	9M18 vs. 9M17
(R\$ '000)								
<b>NET OPERATING REVENUE</b>	<b>57,289</b>	<b>41,107</b>	<b>39%</b>	<b>73,034</b>	<b>-22%</b>	<b>148,497</b>	<b>216,761</b>	<b>-31%</b>
COST OF PROJECTS SOLD	(39,040)	(31,422)	24%	(65,976)	-41%	(114,896)	(211,752)	-46%
<b>GROSS PROFIT</b>	<b>18,249</b>	<b>9,685</b>	<b>88%</b>	<b>7,058</b>	<b>159%</b>	<b>33,601</b>	<b>5,009</b>	<b>571%</b>
<b>OPERATING INCOME (EXPENSES)</b>	<b>(18,706)</b>	<b>(20,234)</b>	<b>-8%</b>	<b>(18,038)</b>	<b>4%</b>	<b>(57,848)</b>	<b>(72,095)</b>	<b>-20%</b>
Selling expenses	(6,675)	(7,494)	-11%	(7,375)	-9%	(20,882)	(28,038)	-26%
General and administrative expenses	(10,170)	(10,721)	-5%	(14,894)	-32%	(30,390)	(47,897)	-37%
Other Operating Income	(3,140)	(1,220)	157%	(44)	7036%	(6,903)	(3,780)	83%
Equity Income	1,279	(799)	n.a.	4,275	-70%	327	7,664	-96%
<b>OPERATING INCOME (LOSS) BEFORE INTEREST INCOME (EXPENSE)</b>	<b>(457)</b>	<b>(10,549)</b>	<b>-96%</b>	<b>(10,980)</b>	<b>-96%</b>	<b>(24,247)</b>	<b>(67,086)</b>	<b>n.a.</b>
<b>NET INTEREST (EXPENSES) REVENUE</b>	<b>4,982</b>	<b>2,660</b>	<b>87%</b>	<b>1,562</b>	<b>219%</b>	<b>10,840</b>	<b>1,127</b>	<b>862%</b>
Monetary variations, net	7,516	3,508	114%	4,419	70%	15,435	9,300	66%
Interest income	5,632	5,444	3%	6,824	-17%	17,075	23,929	-29%
Interest expenses	(8,166)	(6,292)	30%	(9,681)	-16%	(21,670)	(32,102)	-32%
<b>EARNINGS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>4,525</b>	<b>(7,889)</b>	<b>n.a.</b>	<b>(9,418)</b>	<b>n.a.</b>	<b>(13,407)</b>	<b>(65,959)</b>	<b>n.a.</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(1,851)</b>	<b>(1,639)</b>	<b>13%</b>	<b>(2,598)</b>	<b>-29%</b>	<b>(5,167)</b>	<b>(8,110)</b>	<b>-36%</b>
Current	(1,882)	(1,773)	6%	(3,734)	-50%	(5,771)	(14,274)	-60%
Deferred charges	31	134	-77%	1,136	-97%	604	6,164	-90%
<b>NET INCOME BEFORE NON-CONTROLLING INTERESTS</b>	<b>2,674</b>	<b>(9,528)</b>	<b>n.a.</b>	<b>(12,016)</b>	<b>n.a.</b>	<b>(18,574)</b>	<b>(74,069)</b>	<b>n.a.</b>
Minority interests	(153)	(409)	-63%	(944)	-84%	(226)	(91)	148%
<b>NET INCOME</b>	<b>2,521</b>	<b>(9,119)</b>	<b>n.a.</b>	<b>(12,960)</b>	<b>n.a.</b>	<b>(18,348)</b>	<b>(74,160)</b>	<b>n.a.</b>
Earnings per share (in R\$)	0.06	(0.22)	n.a.	(0.31)	n.a.	(0.43)	(1.76)	n.a.

## Consolidated Cash Flow

CASH FLOW Consolidate (R\$ '000)	3Q18	3Q17	9M18	9M17
<b>CASH FLOW PROVIDED BY OPERATIONS ACTIVITIES</b>				
<b>NET INCOME</b>	<b>2,674</b>	<b>(12,016)</b>	<b>(18,574)</b>	<b>(74,069)</b>
Adjustments to reconcile net income (loss) in the period to net cash provided by (used in) operating activities				
Deferred Taxes	1,562	(2,288)	(345)	(13,342)
Depreciation/Amortization	1,733	2,698	3,834	7,516
Expenses with stock option plan	-	15	19	69
Equity income	(1,356)	(4,278)	(893)	(7,660)
Provision for doubtful accounts	344	8,616	2,229	4,763
Result from divestiture	4,310	300	4,611	450
Provisions for losses in subsidiaries	77	3	566	(3)
Derecognition of property, plant and equipment	51	166	313	1,234
Provision for contingencies	(1,955)	(1,441)	(3,654)	(3,620)
Interest and monetary variations on loans	5,985	10,860	20,760	43,443
Provision for warranties	326	(143)	305	(1,376)
<b>Increase (decrease) in operating assets</b>				
Credits with clients	35,838	20,894	79,261	129,228
Land to be received	(21,084)	234	(36,082)	48,290
Real estate for sale	(27,083)	(21,285)	(58,823)	21,209
Credit with third parties	1,344	5,432	7,064	17,106
Expenses to be transferred to SPCs	88	(428)	466	(709)
Selling expenses to be recognized	210	757	323	1,802
Prepaid expenses	513	508	555	(2,080)
Other credits	1,992	1,372	204	(1,471)
Related parties	(763)	28	(1,117)	2
Legal provisions	71	(607)	(230)	133
<b>Increase (decrease) in operating liabilities</b>				
Suppliers	2,110	100	3,796	(1,449)
Taxes and social charges payable	2,923	(617)	6,263	8,839
Income tax and social contribution	10,799	35,435	44,209	34,190
Provision for warranties	(539)	(539)	(2,840)	-
Land acquisitions payable	(1,466)	(5,662)	(519)	(12,539)
Advance from customers	53	55	14	(561)
Debt with related parties	86	26	108	62
Accounts payable for equity acquisition	-	(1,615)	-	(4,541)
Other accounts payable	903	(2,938)	82	(5,480)
Clients co-obligation	-	(355)	-	(427)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>				
Payment interest-free financing	(5,800)	(10,312)	(19,151)	(40,486)
Income Tax and Social Contribution Payment	(1,490)	(4,214)	(6,665)	(11,852)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>				
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(1,087)	(1,181)	(6,739)	(1,817)
Increase of investments	(11,415)	1,706	(3,443)	(3,196)
Financial investments	168	18,927	5,107	10,508
<b>NET CASH USED IN INVESTING ACTIVITIES</b>				
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>				
Amortization of borrowings	(49,336)	(81,347)	(231,136)	(288,939)
New borrowings	24,834	17,400	202,582	52,795
<b>NON-CONTROLLING SHAREHOLDERS</b>				
Dividends payable - Non-controlling shareholders	(270)	-	(405)	(3,932)
Capital increase by non-controlling shareholders	1,905	56	4,553	515
Capital decrease by non-controlling shareholders	-	(26)	(437)	(3,671)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>				
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>CASH EQUIVALENTS</b>				
Cash balance				
At the beginning of the period	116,986	123,983	98,072	199,814
At the end of the period	94,241	99,173	94,241	99,173
	<b>(22,745)</b>	<b>(24,810)</b>	<b>(3,831)</b>	<b>(100,641)</b>