

RNI Reports 4Q & 2018 Earnings

São José do Rio Preto, March 14, 2019: RNI (B3: RDNI3), a real estate developer and builder, announces today its audited results for the fourth quarter and full year 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:

- The fourth quarter registered the highest **launch** volume of the year, of R\$183 million. In 2018, launches amounted to R\$323 million, up 62% on the prior year. The My Home My Life (MHML) program accounted for 55% of total launches;
- Lowest volume of **cancellations** in any year since the IPO, of R\$144 million in 2018, down 17% from 2017;
- Expansion of **landbank** allocated to MHML projects in 2018 with the acquisition/optioning of 10 projects in the South, Southeast, Midwest and Northeast regions with combined potential sales value (PSV) of R\$1.7 billion;
- **Adjusted Gross Margin** of 29.1% in 2018, expanding 13.4 p.p. from 2017;
- **General and administrative expenses** amounted to R\$40.9 million in 2018, representing a reduction of 36%, or R\$23.2 million, from 2017;
- The debt's restructuring led the Net Debt (Ex-Production Debt) / Equity ratio to end the year at negative 1.8%, compared to positive 2.4% at the end of 2017;
- **Net Financial result** in the year of R\$13.8 million, compared to R\$2.0 million in 2017, reflecting the liability management efforts made by the company;
- Net loss improves by 72% or R\$67.1 million to end the year at R\$26.1 million.

Conference Call to Discuss the 4Q18 Results:

Portuguese (with simultaneous translation into English)

March 15, 10:00 a.m. (Brasília time) / 09:00 hs (New York time)

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OPERATING AND FINANCIAL HIGHLIGHTS

The complete consolidated financial statements for 4Q18 and 2018, accompanied by the respective notes, can be found in the Standardized Financial Statements (DFP) available on our Investor Relations website ri.rni.com.br and on the website of the Securities and Exchange Commission of Brazil (CVM) www.cvm.gov.br.

Operating and Financial Information								
Highlights	4Q18	3Q18	4Q18 vs 3Q18	4Q17	4Q18 vs 4Q17	2018	2017	2018 vs 2017
Launches								
Project Launches - RNI PSV (R\$ '000)	150,863	63,247	139%	175,064	-14%	291,556	175,064	67%
Project Launches - Total PSV (R\$ '000) ⁽¹⁾	182,565	63,311	188%	199,248	-8%	323,322	199,248	62%
Project Launches - Total PSV - SBPE (R\$ '000)	68,625	-	N/A	199,248	-66%	146,071	199,248	-27%
Project Launches - Total PSV - MHML (R\$ '000)	113,940	63,311	80%	-	N/A	177,251	-	N/A
RNI's share of total launches	83%	100%	-17.3 p.p.	88%	-5.2 p.p.	90%	88%	2.3 p.p.
# Projects Launched	3	1	200%	3	0%	6	3	100%
Units Launched	222	-	N/A	472	-53%	404	472	-14%
Units Launched - Subdivision	844	320	164%	-	N/A	1,164	-	N/A
Average Price of Units Launched (R\$ '000/unit) - SBPE	309	-	N/A	422	-27%	362	422	-14%
Average Price of Units Launched (R\$ '000/unit) - MHML	135	198	-32%	-	N/A	152	-	N/A
Contracted Sales								
Gross Contracted Sales RNI PSV (R\$ '000)	85,092	63,734	34%	158,434	-46%	293,859	413,781	-29%
Gross Contracted Sales Total PSV (R\$ '000)	91,288	75,399	21%	172,751	-47%	334,333	465,178	-28%
Net Contracted Sales RNI PSV (R\$ '000)	47,999	37,716	27%	117,998	-59%	173,951	268,041	-35%
Net Contracted Sales Total PSV (R\$ '000) ⁽²⁾	47,902	44,736	7%	126,334	-62%	190,390	294,402	-35%
RNI's share of total Contracted Sales	100%	84%	15.9 p.p.	93%	6.8 p.p.	91%	91%	0.3 p.p.
Financial Indicators in R\$ '000								
Net Revenue	34,109	57,289	-40%	72,954	-53%	182,606	289,715	-37%
Gross Profit	6,948	18,249	-62%	6,368	9%	40,549	11,377	256%
% Gross Margin	20.4%	31.9%	-11.5 p.p.	8.7%	11.6 p.p.	22.2%	3.9%	18.3 p.p.
Adjusted EBITDA ⁽³⁾	(7,584)	2,837	N/A	(8,993)	-16%	(19,276)	(42,858)	-55%
% Adjusted EBITDA Margin	-22.2%	5.0%	-27.2 p.p.	-12.3%	0.8 p.p.	-10.6%	-14.8%	4.2 p.p.
Net Income	(7,747)	2,521	N/A	(19,030)	-59%	(26,095)	(93,190)	-72%
% Net Margin	-22.7%	4.4%	-27.1 p.p.	-26.1%	3.4 p.p.	-14.3%	-32.2%	17.9 p.p.
Earnings per Share (in R\$)	(0.18)	0.06	N/A	(0.45)	-59%	(0.62)	(2.21)	-72%
Shares Outstanding ⁽⁴⁾	42,189	42,189	0%	42,189	0%	42,189	42,189	0%
Backlog Revenue								
Backlog Revenue (R\$ '000)	149,552	125,782	19%	118,958	26%	149,552	118,958	26%
Backlog Results (R\$ '000)	35,348	28,118	26%	31,900	11%	35,348	31,900	11%
% Backlog Margin	23.6%	22.4%	1.3 p.p.	26.8%	-3.2 p.p.	23.6%	26.8%	-3.2 p.p.
Balance Sheet								
Net Debt (R\$ '000)	225,158	204,393	10%	222,737	1%	225,158	222,737	1%
Net Debt ex Production Debt (R\$ '000)	(11,550)	60,885	-119%	15,864	-173%	(11,550)	15,864	-173%
Cash Position (R\$ '000)	92,401	96,007	-4%	104,945	-12%	92,401	104,945	-12%
Shareholders' Equity (R\$ '000)	626,303	635,187	-1%	650,030	-4%	626,303	650,030	-4%
Net Debt/Shareholders' Equity	36.0%	32.2%	3.8 p.p.	34.3%	1.7 p.p.	36.0%	34.3%	1.7 p.p.
Net Debt ex Production Debt/Shareholders' Equity	-1.8%	9.6%	-11.4 p.p.	2.4%	-4.3 p.p.	-1.8%	2.4%	-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.

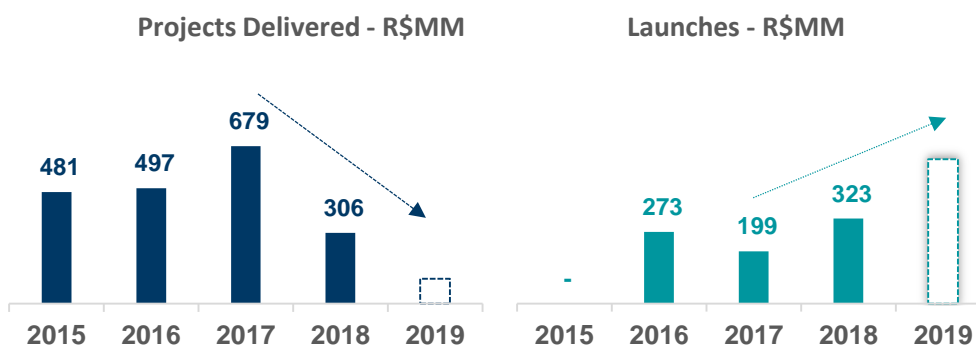
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MESSAGE FROM MANAGEMENT

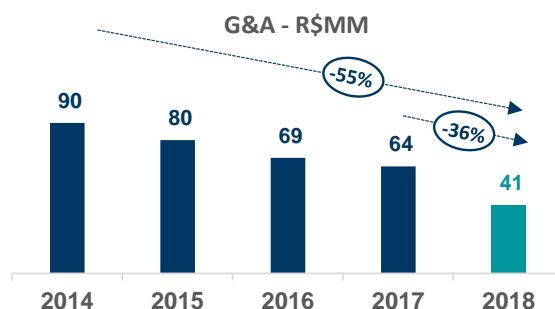
We ended 2018 with signs of an economic recovery and the onset of a new business cycle in the industry. The greater political definition brought by the elections, the enactment of the law governing cancellations and the brighter prospects for the industry and consumers lead us to envisage significant improvement in the scenario for 2019.

Our business model also reflects this change in cycle. The volume of cancellations in 2018 was the lowest since the year of the IPO. If, on the one hand, we concluded a large volume of projects in the last three years and have only 1 SBPE project to be delivered in 2019, on the other, the new cycle of projects is registering an accelerating volume of launches, which already in 2018 posted growth of 62% to R\$323 million, composed primarily of “My Home My Life” projects.



We will continue to implement the strategy to expand in the MHML segment, always in brackets 2 and 3, which have a lower need for subsidies and therefore are less dependent on government funding. Over the course of 2018, we gradually reinforced our landbank for this program by acquiring/optioning 10 projects that added PSV of R\$1.7 billion, which will enable us to continue launching good products in this segment.

The streamlining of our structure over the past two years could be observed in the decrease in the year in general and administrative expenses of 36%, or R\$23.2 million in nominal terms. Furthermore, the expected operational growth is being accompanied by caution with regard to expanding this structure, for which we will continue to closely monitor the performance of G&A expenses over the coming years.



Our debt ended the year with a balance of R\$318 million. It is important to note the change in the debt structure, with the share of corporate debt falling from 37% at the end of 2017 to 25% at the end of 2018, which is one of RNI’s lowest levels ever. The Net Debt (Ex-Production Debt) / Equity ratio closed the year at negative 1.8%, down 4.3 p.p. from the prior year.

We believe 2019 will be marked by intensive efforts, recovery and growth. The brighter outlook for the macroeconomic scenario as well as our confidence and expertise in the MHML segment leave us optimistic on the coming cycle of sustainable operational growth.

The Management.



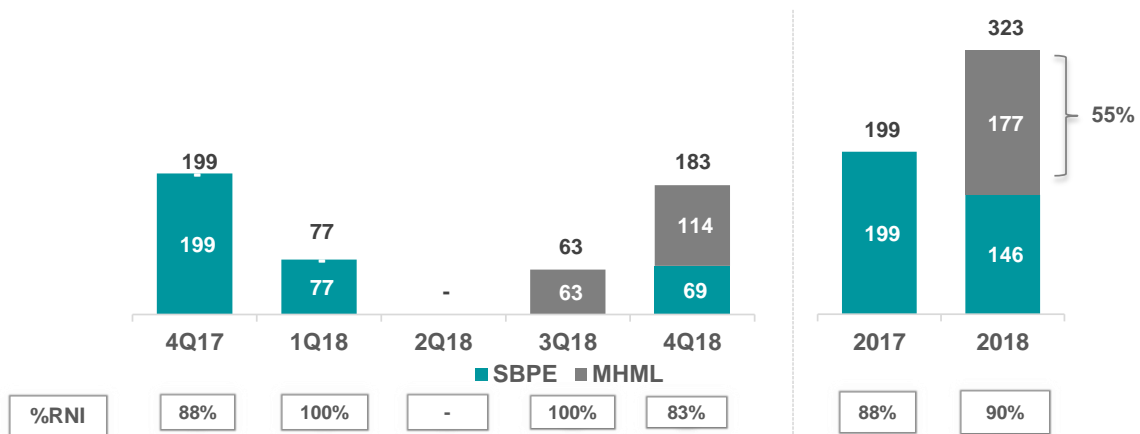
LAUNCHES

Following the strategy to gradually recovery growth, the company launched 3 projects in 4Q18 with combined potential sales value (PSV) of R\$183 million, marking the best quarter of the year.

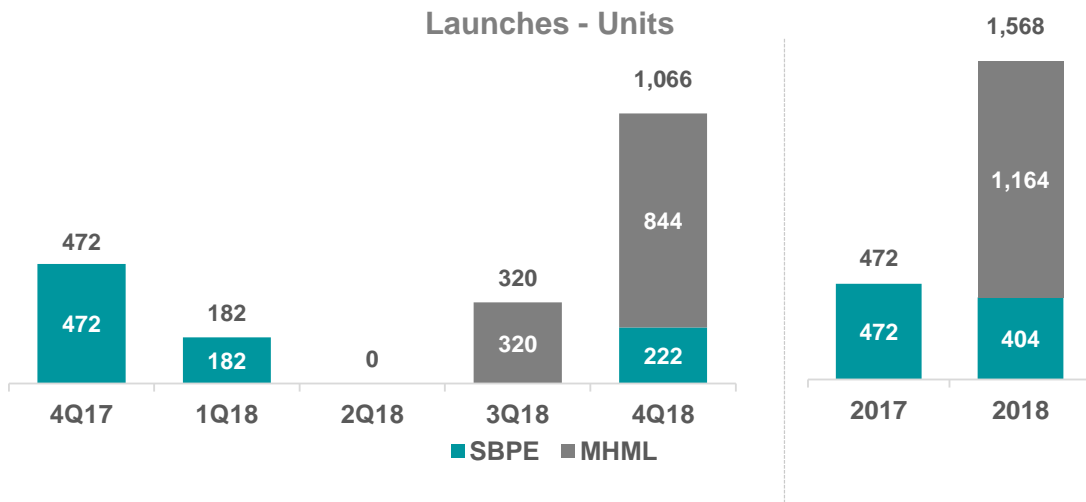
There were 2 launches under the MHML housing program in the Northeast, which led the segment to represent 62% of PSV launched in the quarter. Also in 4Q18, a horizontal SBPE project was launched in the Midwest, which is in line with the RNI's region and product operational scope.

The year 2018 was marked by the company's return to the MHML segment with the launch of 1,164 units under the program, which represented 55% of volume in the year. Total PSV launched in 2018 was R\$323 million, up 62% from 2017.

Launches - Total PSV(R\$MM)



Launches - Units



CONTRACTED SALES

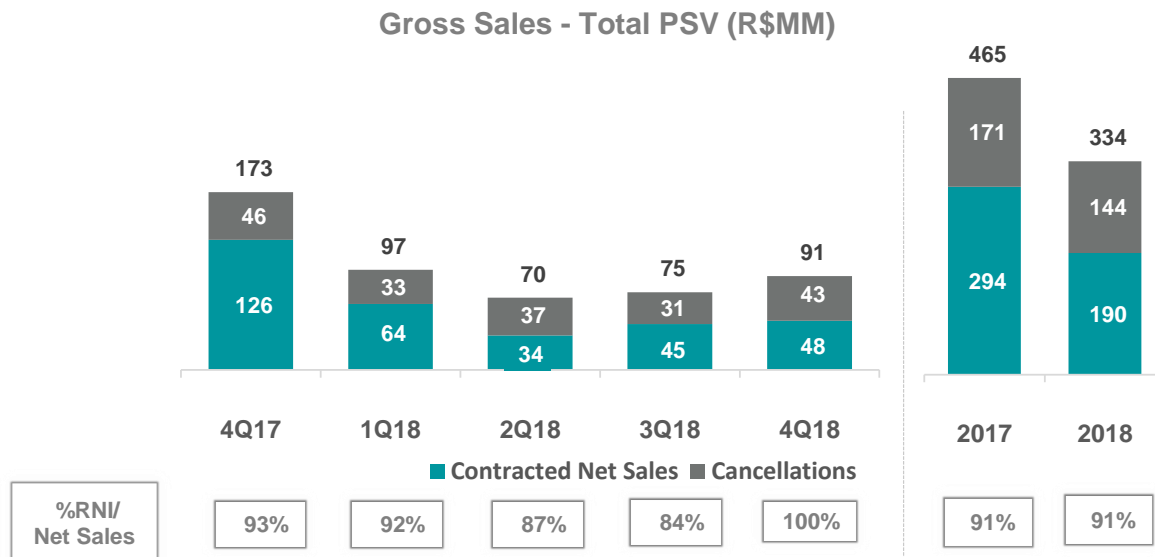


Total gross sales in 4Q18 amounted to R\$91 million, increasing 21% on the prior quarter, bringing gross sales in the whole of the year to R\$334 million, down 28% from 2017.

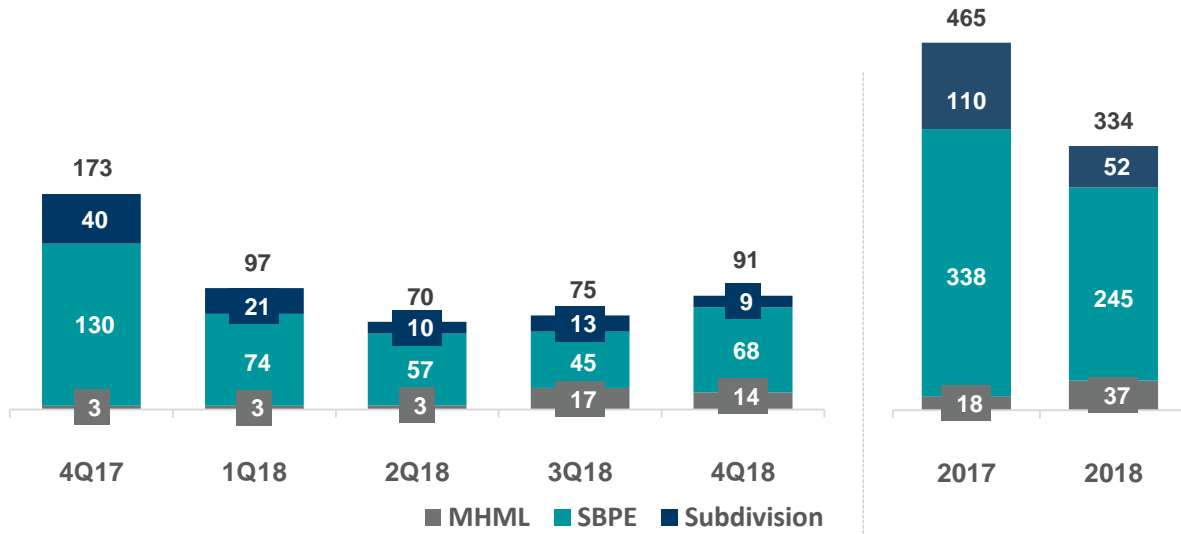
Sales of units launched in the period accounted for 39% and 28% of total gross sales in 4Q18 and 2018, respectively.

Cancellations amounted to R\$43 million in 4Q18 and to R\$144 million in 2018, down 16% from the previous year. In the annual comparison, cancellations in the SBPE segment declined 22% and the monthly average remained at R\$12 million, below the levels reported in 2017.

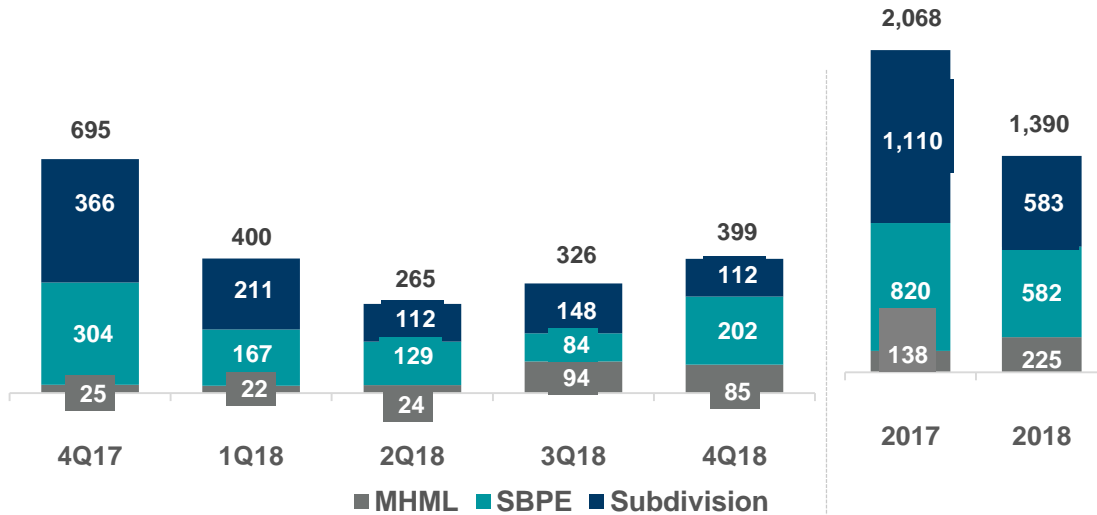
Net sales in 4Q18 were R\$48 million, up 7% from 3Q18. In the whole of the year, net sales came to R\$190 million, down 35% from 2017.



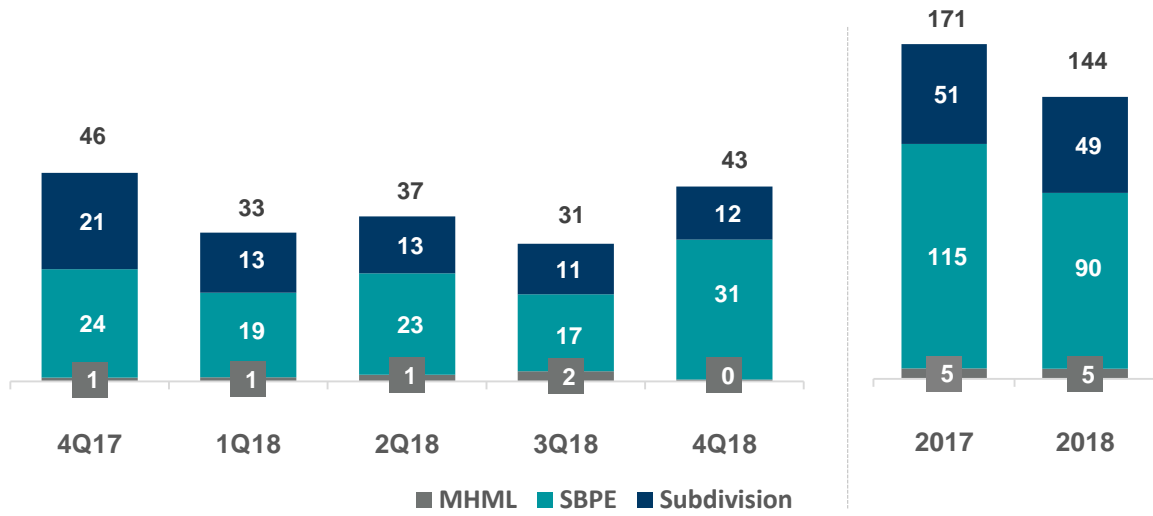
Gross Sales - Total PSV (R\$MM)



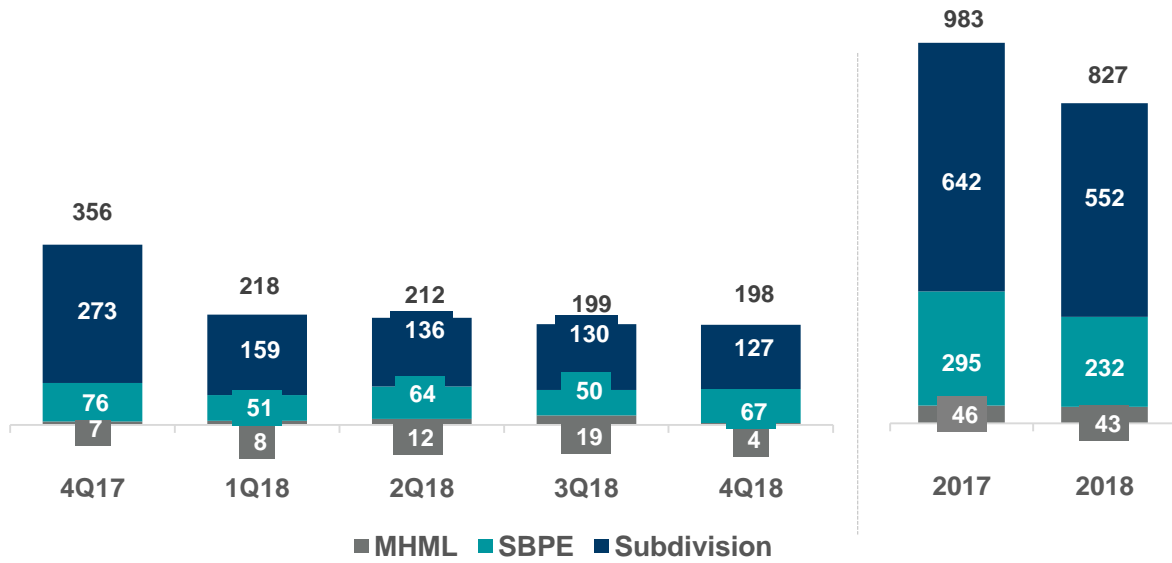
Gross Sales - Units



Cancellations - Total PSV (R\$MM)



Cancellations - Units



Inventory Turnover Ratio

The net inventory turnover ratio in 2018 was 25%. The concentration of launches in the last two months of the year affected the ratio in 4Q18, which ended the quarter at 7%.

(R\$ MM)	DADOS TRIMESTRAIS DE VENDAS SELECIONADOS				
	4T17	1T18	2T18	3T18	4T18
Estoque Inicial a Valor de Mercado	424	452	463	435	465
VGv Lançado	199	77	-	63	183
Vendas Contratadas	126	64	34	45	48
Vendas de Lançamentos	72	15	-	14	36
Vendas de estoque	54	50	34	30	12
Vendas Sobre Oferta (VSO) ⁽¹⁾	20%	12%	7%	9%	7%
Vendas de Lançamentos/Vendas totais	57%	23%	0%	32%	74%
Vendas de Estoque/Vendas totais	43%	77%	100%	68%	26%
Vendas de Lançamentos/ VGV Lançado	36%	19%	N/A	23%	19%

⁽¹⁾ VSO-Vendas sobre Oferta, calculada como: (Vendas Contratadas Líquidas no período)/(Estoque a valor de mercado no início do período) + (VGv dos lançamentos no período).

INVENTORY*

On December 31, 2018, the total PSV of our inventory stood at R\$507 million, represented by 2,163 units.

Status	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
Launches	936	43%	283,155	56%	226,191	54%
Before 2018	1,227	57%	223,684	44%	195,595	46%
Total	2,163	100%	506,839	100%	421,786	100%

Status	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
Projects Delivered	300	14%	159,861	32%	127,987	30%
Under Construction	1,863	86%	346,978	68%	293,799	70%
Total	2,163	100%	506,839	100%	421,786	100%

Product	Inventory Units	%	Market Value of Inventory (R\$ '000)	%	Market Value of Inventory (R\$ '000) - RNI's share	%
MHML	1,031	48%	149,583	30%	121,568	29%
SBPE	612	28%	296,075	58%	264,064	63%
Subdivision	520	24%	61,182	12%	36,154	9%
Total	2,163	100%	506,839	100%	421,786	100%

- Units in the inventory of SBPE projects decreased by 17%. Meanwhile, the increase in MHML inventory reflects the project launched in the period.
- Inventory in the MHML segment now represents 30% of total inventory, confirming RNI's strategy to resume its activities under the program.

Product	3Q18		4Q18	
	Inventory Units	Market Value of Inventory (R\$ '000)	Inventory Units	Market Value of Inventory (R\$ '000)
MHML	268	51,836	1,031	149,583
SBPE	748	354,647	612	296,075
Subdivision	505	58,707	520	61,182
Total	1,521	465,190	2,163	506,839



- The inventory is concentrated in São Paulo state, which accounts for 46% of total PSV.

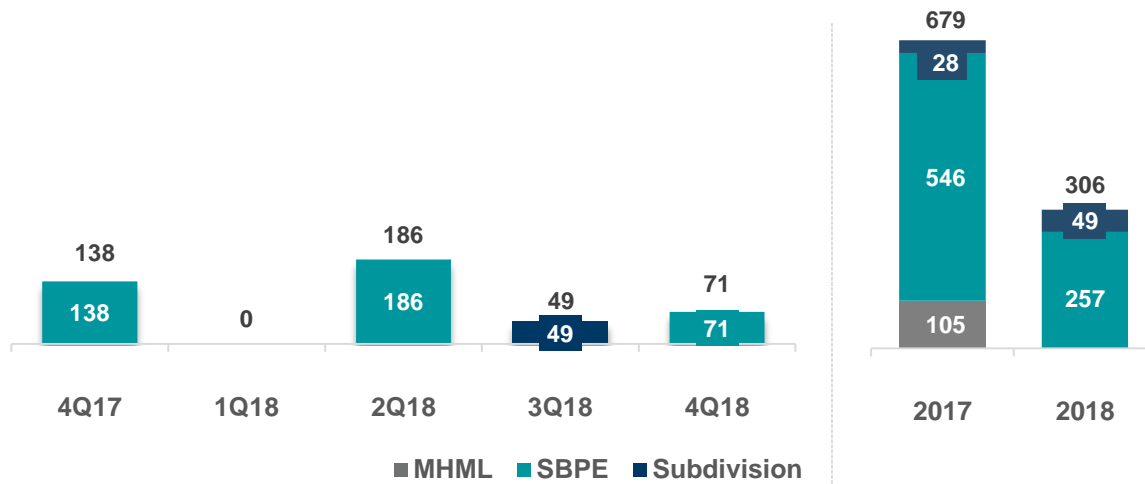
***Inventory net of commissions**



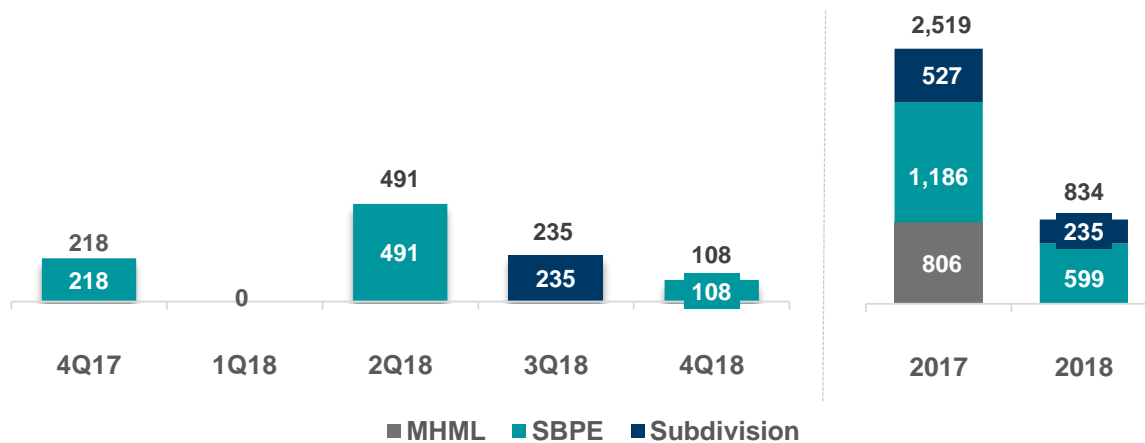
PROJECTS DELIVERED

In 4Q18, units with potential sales value of R\$71 million were delivered in the period, which is explained by a SBPE project delivered in the interior of São Paulo state. In 2018, total PSV delivered amounted to R\$306 million.

Projects Delivered - Total PSV (R\$MM)



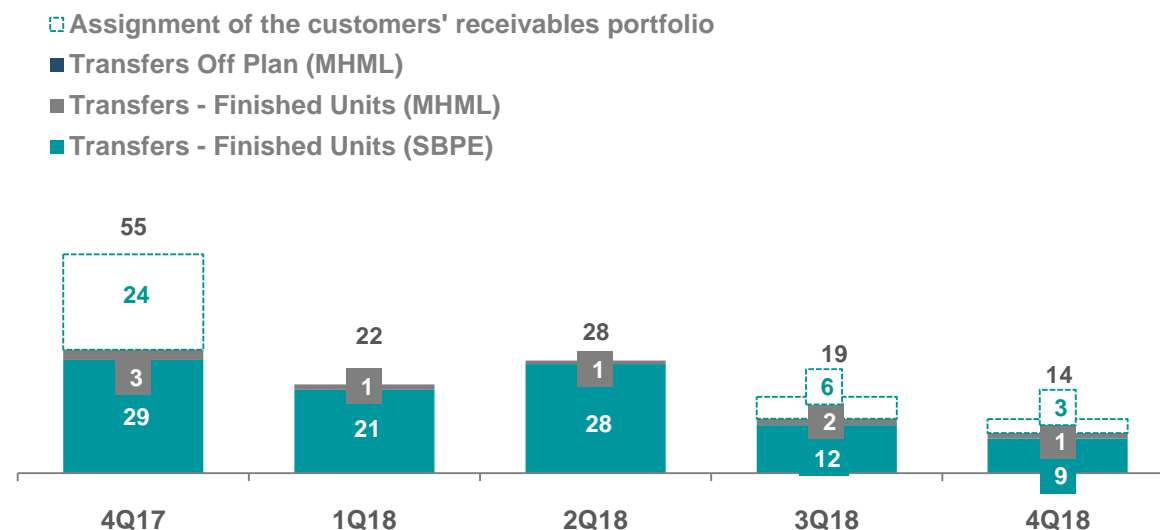
Projects Delivered - Units



TRANSFER TO BANKS OF CLIENT BALANCES / OFF-PLAN PROPERTIES

Transfers of client balances and off-plan properties amounted to R\$14 million in 4Q18. Meanwhile, portfolio assignment operations in the quarter came to R\$3 million. In the year, total transfers were R\$84 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\$3.9 billion. Of this amount, R\$3.5 billion (90% of the total) was in properties effectively acquired and R\$0.4 billion (10% of the total) in properties secured by purchase options, which were distributed across 20 cities in 9 states.

Development		Total PSV (in R\$MM)			
State	Cities	Acquired	Under Option	Total	% of Total
SP	9	1,682	297	1,978	50%
MG	1	196	-	196	5%
CE	1	94	105	199	5%
MT	2	457	-	457	12%
GO	2	371	-	371	9%
BA	1	39	-	39	1%
CE	1	149	-	149	4%
PE	1	126	-	126	3%
SC	2	428	-	428	11%
Total	20	3,542	402	3,944	100%

The variation in the landbank of projects in the quarter was mainly due to: i) inclusion of 3 areas for the MHML program in the Midwest, Northeast and South region; ii) signing of an option agreement for an area in the Midwest; iii) write-off of areas due to launches in the period and iv) unrenovated options.

Changes in Landbank Acquired		Landbank Reconciliation
		Total PSV (in R\$MM)
3Q18 Acquired Position		2,967
(-) Launches		(175)
(+) Acquired Areas		751
4Q18 Acquired Position		3,543

Changes in Landbank - Under Option		Total PSV (in R\$MM)
3Q18 Under Option Position		595
(+) New areas under option		105
(-) Discarded Options		(300)
4Q18 Under Option Position		400
Total Landbank 3Q18		3,942

As of December 31, 2018, 54% of the PSV of the Development landbank is settled through swap agreements and 46% is paid in cash.

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.

Loteamento			VGV Total (R\$ milhões)			
UF	Cidades		Adquirido	Opcionado	Total	%Total
GO	1		7	-	7	2%
SP	3		404	-	404	98%
Total	4		411	-	411	100%

There was no change in the Subdivision landbank in the period.

As of December 31, 2018, 98% of the PSV of the Subdivision landbank is settled through swap agreements and 2% is paid in cash.

FINANCIAL PERFORMANCE

Consolidated, R\$ '000	4Q18	3Q18	4Q18 vs 3Q18	4Q17	4Q18 vs 4Q17	2018	2017	2018 vs 2017
Net Operating Revenue	34,109	57,289	-40%	72,953	-53%	182,606	289,714	-37%
COGS	(27,161)	(39,040)	-30%	(66,586)	-59%	(142,057)	(278,338)	-49%
Gross Profit	6,948	18,249	-62%	6,367	9%	40,549	11,376	256%
Gross Margin	20.4%	31.9%	-11.5 p.p.	8.7%	11.6 p.p.	22.2%	3.9%	18.3 p.p.
Adjusted Gross Profit*	8,729	20,794	-58%	13,108	-33%	53,096	45,417	17%
Adjusted Gross Margin*	25.6%	36.3%	-10.7 p.p.	18.0%	7.6 p.p.	29.1%	15.7%	13.4 p.p.
Operating Expenses	(16,860)	(18,706)	-10%	(23,693)	-29%	(74,708)	(95,788)	-22%
Selling expenses	(8,189)	(6,675)	23%	(8,205)	0%	(29,071)	(36,243)	-20%
General and Administrative Expenses	(10,518)	(10,170)	3%	(16,238)	-35%	(40,908)	(64,135)	-36%
Employee Profit Sharing	(1,948)	-	N/A	-	N/A	(1,948)	(44)	4327%
Equity Income	8,620	1,279	574%	(137)	N/A	8,947	7,527	19%
Other Operating Revenue	(4,825)	(3,140)	54%	887	N/A	(11,728)	(2,893)	305%
Adjusted EBITDA	(7,584)	2,837	N/A	(8,993)	-16%	(19,276)	(42,858)	-55%
Adjusted EBITDA Margin	-22.2%	5.0%	-27.2 p.p.	-12.3%	-9.9 p.p.	-10.6%	-14.8%	4.2 p.p.
Net Financial Income (Expenses)	2,994	4,982	-40%	903	232%	13,834	2,030	581%
Income tax and social contribution	(1,647)	(1,851)	-11%	(3,176)	-48%	(6,814)	(11,286)	-40%
Net Income	(7,747)	2,521	N/A	(19,030)	-59%	(26,095)	(93,190)	-72%
Net Margin	-22.7%	4.4%	-27.1 p.p.	-26.1%	3.4 p.p.	-14.3%	-32.2%	17.9 p.p.

*Excludes financial expenses recorded at cost.

Net Revenue

Net revenue in the quarter came to R\$34.1 million, down 40% sequentially due to the sale of a property in 3Q18 that did not recur in 4Q18. Compared to the year-ago period, net revenue decreased 37% to R\$183 million, reflecting: i) the lower sales volume; and ii) the higher share of sales of new products, which present lower PoC (28% of sales in the year corresponded to recently launched products).

Adjusted Gross Margin

The Company's adjusted gross margin was 25.6% in 4Q18, down 10.7 p.p. from 3Q18, reflecting the higher number of cancellations and the non-recurring event mentioned above. Adjusted gross margin in the year stood at 29.1%, 13.4 p.p. higher than in 2017, which is mainly explained by: i) the efforts to recover sales margins; ii) the lower volume of and consequently lower impact from cancelations; and iii) the amendment to and execution of sales of areas recognized during 2018.

Selling, General and Administrative Expenses

Operating Revenues (Expenses), R\$ '000	4Q18	3Q18	4Q18 vs 3Q18	4Q17	4Q18 vs 4Q17	2018	2017	2018 vs 2017
Operating Expenses	(16,860)	(18,706)	-10%	(23,693)	-29%	(74,708)	(95,788)	-22%
Selling expenses	(8,189)	(6,675)	23%	(8,205)	0%	(29,071)	(36,243)	-20%
Commission	(2,464)	(2,304)	7%	(3,196)	-23%	(9,361)	(16,207)	-42%
Other selling expenses	(5,725)	(4,371)	31%	(5,009)	14%	(19,710)	(20,037)	-2%
General and Administrative Expenses	(10,518)	(10,170)	3%	(16,238)	-35%	(40,908)	(64,135)	-36%
Employee Profit Sharing	(1,948)	-	N/A	-	N/A	(1,948)	(44)	4327%
Equity Income	8,620	1,279	574%	(137)	N/A	8,947	7,527	19%
Other Operating Revenue	(4,825)	(3,140)	54%	887	N/A	(11,728)	(2,893)	305%

Selling expenses rose 23% from 3Q18, mainly due to the higher expenses with products launched in the second half of the year. In 2018, this item fell 20% due to: i) lower expenses with commissions; and

ii) the gains from the restructuring conducted in the previous year, which kept expenses stable despite the growth in launches.

General and administrative expenses amounted to R\$10.5 million, remaining stable in relation to 3Q18. Compared to the previous year, G&A expenses decreased 36%, reflecting (i) the gains leveraged by the streamlining of our administrative structure; ii) the savings obtained from the review conducted of third-party service agreements; and iii) the savings stemming from the reduction in the inventory of finished units.

Expenses with the Profit Sharing Program amounted to R\$1.9 million in 4Q18, reflecting the provision arising from the meeting of the corporate targets.

Other Operating Income/Expenses

Equity income amounted to R\$8.6 million in the quarter, increasing 574% from 3Q18. The growth reflects the better performance of the project located in Goiânia state.

The line other operating income/expenses, which closed 4Q18 with an expense of R\$4.8 million, was affected by the write-off of the sale of shares in an SPE for a non-core project. Compared to the previous year, the increase in expenses is explained by the recognition of non-recurring sales of 3 properties during the year.

Adjusted EBITDA

Consolidated Adjusted EBITDA, R\$ '000	4Q18	3Q18	4Q18 vs 3Q18	4Q17	4Q18 vs 4Q17	2018	2017	2018 vs 2017
Net Income Consolidated (RNI + Minority Interest)	(8,565)	2,674	N/A	(19,598)	-56%	(27,139)	(93,667)	-71%
(+) Income tax and social contribution	1,647	1,851	-11%	3,176	-48%	6,814	11,286	-40%
(+) Net Financial Income	(2,994)	(4,982)	-40%	(903)	232%	(13,834)	(2,030)	581%
(+) Depreciation & Amortization	547	749	-27%	1,591	-66%	2,336	7,512	-69%
EBITDA	(9,365)	292	N/A	(15,734)	-40%	(31,823)	(76,899)	-59%
EBITDA Margin	-27.5%	0.5%	-28.0 p.p.	-21.6%	-5.9 p.p.	-17.4%	-26.5%	9.1 p.p.
(+) Financial Expenses on Cost	1,781	2,545	-30%	6,741	-74%	12,547	34,041	-63%
Adjusted EBITDA*	(7,584)	2,837	N/A	(8,993)	-16%	(19,276)	(42,858)	-55%
Adjusted EBITDA Margin	-22.2%	5.0%	-27.2 p.p.	-12.3%	-9.9 p.p.	-10.6%	-14.8%	4.2 p.p.

* 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 negative R\$7.6 million in 4Q18, compared to R\$2.8 million in 3Q18. In 2018, Adjusted EBITDA was negative R\$19.2 million, down 55% from the negative result in 2017.

Net financial income (expense)

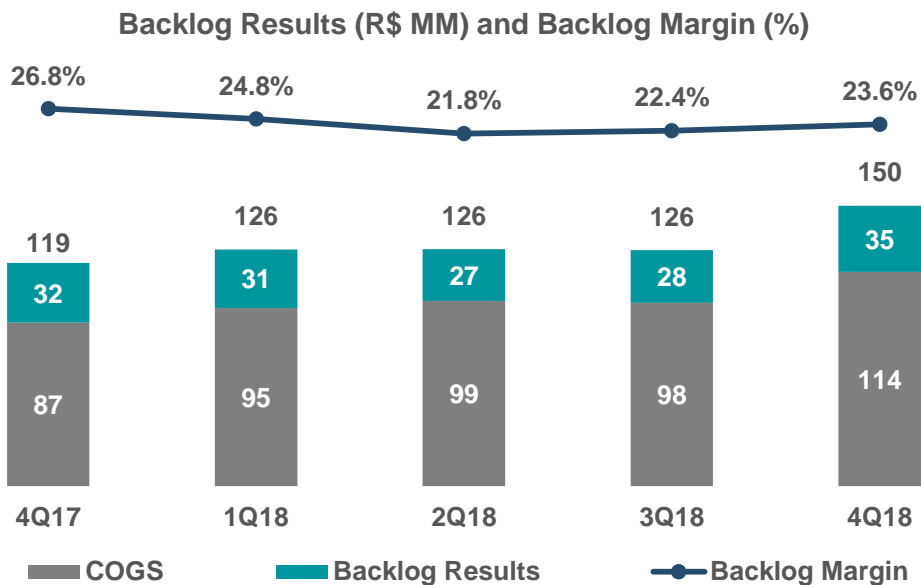
Net Interest (Expenses) Revenue, R\$ '000	4Q18	3Q18	4Q18 vs 3Q18	4Q17	4Q18 vs 4Q17	2018	2017	2018 vs 2017
Monetary Variation, Net	5,682	7,516	-24%	6,235	-9%	21,117	15,535	36%
Financial Revenue	5,038	5,632	-11%	5,340	-6%	22,113	29,269	-24%
Financial Expenses	(7,726)	(8,166)	-5%	(10,672)	-28%	(29,396)	(42,774)	-31%
Total	2,994	4,982	-40%	903	232%	13,834	2,030	581%

Net Financial Income in 4Q18 amounted to R\$3.0 million, compared to R\$5.0 million in 3Q18. The decrease reflects the lower adjustment for inflation of contracts. In 2018, net financial income was R\$13.9 million, growing significantly in relation to 2017, which is mainly explained by: i) the reduction in financial charges due to the lower debt balance and cost; and ii) the inflation adjustment of contracts in the own portfolio.

Net Income (loss)

Net loss in 4Q18 was R\$7.7 million. In 2018, the net loss was R\$26.1 million, decreasing 72% from the R\$93.2 million reported in 2017.

Unearned Revenue (Backlog)



The backlog margin stood at 24% at the end of 4Q18, with the gradual recovery in the margin reflecting: i) the improvement in gross sales margin; and ii) the significant inflow of revenue from recently launched projects.

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.

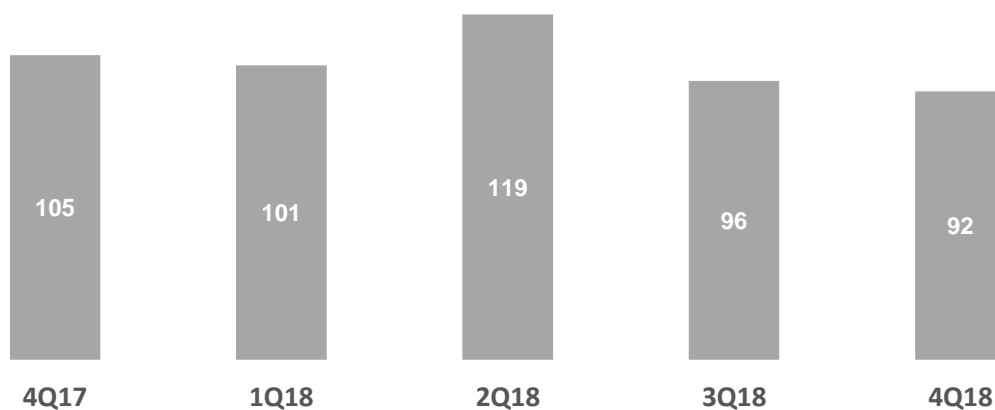


BALANCE SHEET: Main items

Cash Position

RNI ended 2018 with a cash position of R\$92 million.

Cash Position



Cash burn in the quarter came to R\$21 million, leading the company to end the year with total cash burn of R\$2 million. The inversion in the cash generation cycle is due to RNI launching its new construction cycle.

Cash Generation



Trade Accounts Receivable

The balance of Trade Accounts Receivable stood at R\$510 million on December 31, 2018, of which R\$379 million is recorded on the balance sheet with the associated revenue already recognized. Of this total, R\$130 million is recorded in current assets and R\$249 million in non-current assets, as shown in the following table.

Credits with clients (R\$ '000)	4Q18	%	3Q18	%	4Q18 vs 3Q18	4Q17	%	4Q18 vs 4Q17
Current Assets								
Amounts Realized	129,574	25%	182,797	38%	-29%	277,112	50%	-53%
Amounts Non Realized	36,337	7%	29,822	6%	22%	21,807	4%	67%
Total Current Assets	165,911	33%	212,619	44%	-22%	298,919	54%	-44%
Non Current Assets								
Amounts Realized	249,025	49%	199,913	41%	25%	187,088	34%	33%
Amounts Non Realized	95,334	19%	71,404	15%	34%	72,074	13%	32%
Total Non Current Assets	344,359	67%	271,317	56%	27%	259,162	46%	33%
TOTAL	510,270	100%	483,936	100%	5%	558,082	100%	-9%

Credits not yet recorded on the balance sheet and for which the associated revenue has not yet been recognized in the profit or loss using the percentage of completion (PoC) method stood at R\$132 million on December 31, 2018. The difference between the R\$150 million recognized under Backlog and this R\$132 million refers to advances from clients, which came to R\$18 million at the end of 4Q18.

The performed receivables portfolio amounted to R\$304 million at the end of 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)	4Q18	3Q18	%
Clients transferred (filed at notary) awaiting credit	13,195	18,105	4.3%
Clients in Analysis/Transfer to Banks	18,930	16,904	6.2%
Clients from recently concluded units with certificates of occupancy, pending documentation	1,581	1,898	0.5%
Clients in legal discussion with secured fiduciary sale	13,893	6,538	4.6%
Clients with potential cancellation (further conversion into inventory)	12,342	35,241	4.1%
Others	13,583	16,950	4.5%
Performed Receivables Account (Not Financed by the Company)	73,524	95,636	24.2%
Clients Financed by Company	218,409	221,511	71.8%
Clients Financed by Company (Pro-Soluto)	12,296	16,034	4.0%
Total of Performed Clients Receivables Account	304,231	333,183	100.0%

* 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	4Q18
(beginning of period)	333,183
(+) Performed during the period	658
(-) Received in the period	16,652
(-) Transfer / Rescission of Performer clients written in the period	10,614
(+) Monetary variation - adjustment index in the period	5,730
(+) Sales of inventory in the period	18,941
(-) Cancelled sales during the period	25,575
(-) Others	1,440
Balance	304,231

Loans and Financing

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

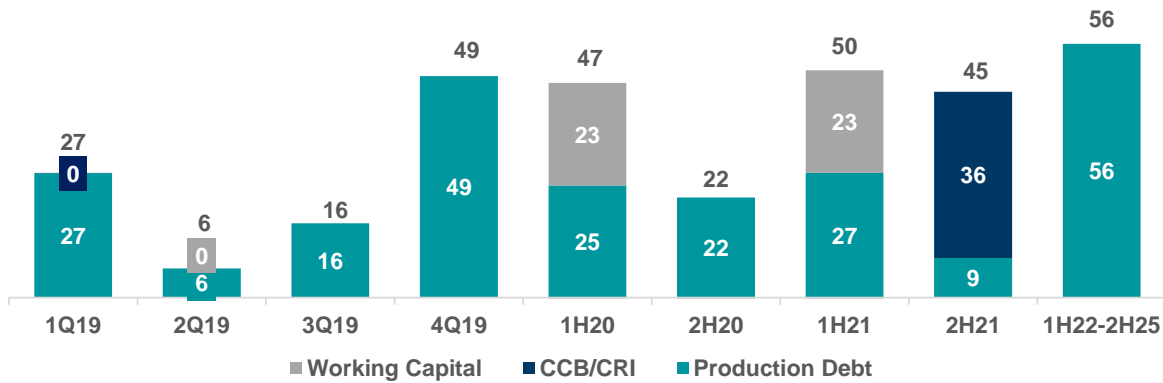
	4Q17	1Q18	2Q18	3Q18	4Q18
Net Cash (1)	105	101	119	96	92
Debts (2)	328	309	325	300	318
Construction Funding	207	203	226	218	237
Construction Loans	129	109	59	54	63
CCBI/CRI	78	94	166	164	174
Bank debt	121	106	99	83	81
CCBI/CRI	70	54	53	37	36
Debentures	51	52	0	0	0
Working Capital	0	0	46	46	45
Net Debt (2-1)	223	208	206	204	225
Shareholders' Equity	650	639	631	635	626
Net Debt/Shareholders' Equity	34.3%	32.5%	32.7%	32.2%	36.0%
Net Debt (ex-SFH/SFI)/Shareholders' Equity	2.4%	0.7%	-3.1%	-2.1%	-1.8%

The balance of construction loans in December 2018 was R\$237 million, up R\$19 million from the end of September 2018, driven by the leverage destined for construction.

In the year to date, the balance of corporate debt decreased by 33% to R\$40 million. As a result, the share of corporate debt in total debt ended the quarter at 25%, which is one of RNI's lowest levels ever.

On December 31, 2018, the Net Debt/Equity ratio stood at 36.8%, up 1.7 p.p. from 34% at December 31, 2017.

The debt maturity schedule is shown below:

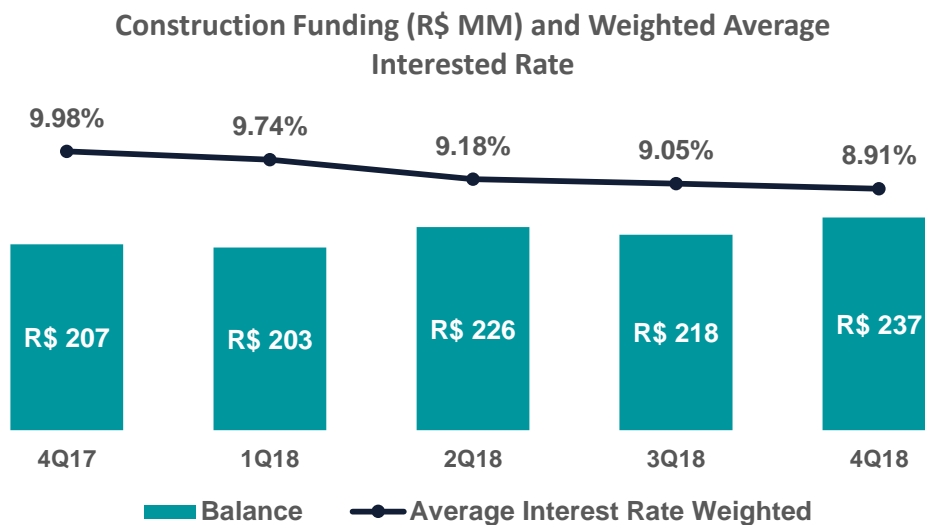


Our debt is divided into the following types of credit facilities:

Loans and Financing	Rate	4Q18
Construction Loans	TR + 8.8% to 9.5% p.a.	63,158
CCB/CRI	TR + 11.5% p.a. ; TR + 14.9% p.a ; CDI + 1.5% to 2.0% p.a. and 115.0% of CDI	173,550
Construction Loan		236,708
CCB/CRI*	CDI + 2,2% p.a.	35,835
Debentures	CDI + 1,33% p.a.	45,016
Bank debt		80,851
Total		317,558

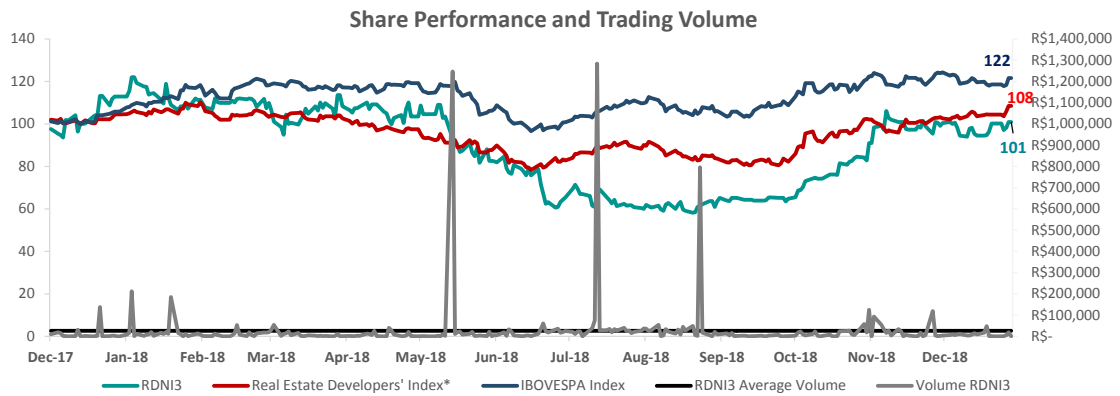
*Funds raised through CCB/CRI are used to finance real estate projects.

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 December 31, 2018 was R\$5.50.



*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 November 30, 2017

Source: Reuters

DISCLAIMER

The statements contained herein regarding the business prospects, projections of financial and operating results and growth prospects that affect the operations of RNI, 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)	4Q18	3Q18	4Q18 vs. 3Q18	4Q17	4Q18 vs. 4Q17
ASSETS					
CURRENT ASSETS	477,055	503,858	-5%	603,078	-21%
Cash and Equivalents	90,604	94,241	-4%	98,072	-8%
Trade accounts receivable	129,574	182,797	-29%	277,112	-53%
Accounts Receivable from sale of lots	2,149	2,162	-1%	2,430	-12%
Real estate for sale	220,759	181,164	22%	172,380	28%
Credits with third parties	16,779	17,731	-5%	24,325	-31%
Expenses to be transferred to SPEs ¹	2,176	2,059	6%	2,525	-14%
Sales expenses to be recognized	5,185	4,236	22%	4,559	14%
Prepaid expenses	1,401	1,739	-19%	2,294	-39%
Clients co-obligation	-	377	N/A	1,544	N/A
Dividends Receivable	77	77	0%	225	-66%
Other receivables	8,351	17,275	-52%	17,612	-53%
NON-CURRENT ASSETS	714,582	654,167	9%	557,018	28%
Financial Investments	1,797	1,766	2%	6,873	-74%
Trade accounts receivable	249,025	199,913	25%	187,088	33%
Related parties	1,226	1,353	-9%	236	419%
Deposits in court	5,550	7,007	-21%	6,777	-18%
Dividends Receivable	7,153	7,251	-1%	7,722	-7%
Real estate for sale	181,661	171,654	6%	121,615	49%
Land to be received	124,718	124,177	0%	87,827	42%
Investments in subsidiaries and joint subsidiaries	112,605	118,913	-5%	119,341	-6%
Property, plant and equipment	18,114	18,209	-1%	15,924	14%
Intangible assets	3,707	3,924	-6%	3,615	3%
TOTAL ASSETS	1,191,637	1,158,025	3%	1,160,096	3%
LIABILITIES & Shareholders' Equity					
CURRENT LIABILITIES	225,921	208,860	8%	382,864	-41%
Trade accounts payable	15,642	16,616	-6%	12,820	22%
Construction Loans	98,366	79,536	24%	174,626	-44%
Borrowing	-	888	N/A	-	N/A
Bank Credit Bill ("CCB")	109	298	-63%	29,631	-100%
Debentures	-	-	N/A	50,595	N/A
Social and labor obligations	5,693	5,300	7%	3,942	44%
Tax obligations	2,157	2,731	-21%	4,491	-52%
Current accounts with partners in projects	308	544	-43%	530	-42%
Accounts payable for property acquisitions	51,171	43,540	18%	42,640	20%
Deferred Taxes	8,470	7,543	12%	8,162	4%
Provision for customer warranty	8,710	9,259	-6%	11,794	-26%
Advances from clients	17,881	24,557	-27%	25,076	-29%
Related parties	1,020	1,079	-5%	971	5%
Provision for losses in subsidiaries	1,722	1,701	1%	1,233	40%
Accounts payable for acquisition of equity interest	-	-	N/A	-	N/A
Other accounts payable	14,672	14,891	-1%	14,809	-1%
Clients co-obligation	-	377	N/A	1,544	N/A
NON-CURRENT LIABILITIES	339,413	313,978	8%	127,201	167%
Deferred Taxes	16,888	17,981	-6%	17,707	-5%
Construction Loans	138,342	138,115	0%	32,247	329%
Borrowing	45,016	45,000	0%	-	N/A
Bank Credit Bill ("CCB")	35,726	36,563	-2%	40,583	-12%
Provision for contingencies	11,730	12,238	-4%	15,892	-26%
Accounts payable for property acquisitions	91,711	64,081	43%	20,772	342%
SHAREHOLDERS' EQUITY	626,303	635,187	-1%	650,030	-4%
Share capital	512,438	512,438	0%	512,438	0%
Legal reserve	27,140	27,140	0%	27,140	0%
Retained earnings	91,741	117,836	-22%	117,816	-22%
Treasury stock	(16,020)	(16,020)	0%	(16,020)	0%
Accrued income	-	(18,348)	N/A	-	N/A
Non-controlling interest	11,004	12,141	-9%	8,656	27%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,191,637	1,158,025	3%	1,160,095	3%

Consolidated Statement of Income

INCOME STATEMENT	4Q18	3Q18	4Q18 vs. 3Q18	4Q17	4Q18 vs. 4Q17	2018	2017	2018 vs. 2017
(R\$ '000)								
NET OPERATING REVENUE	34,109	57,289	-40%	72,954	-53%	182,606	289,715	-37%
COST OF PROJECTS SOLD	(27,161)	(39,040)	-30%	(66,586)	-59%	(142,057)	(278,338)	-49%
GROSS PROFIT	6,948	18,249	-62%	6,368	9%	40,549	11,377	256%
OPERATING INCOME (EXPENSES)	(16,860)	(18,706)	-10%	(23,693)	-29%	(74,708)	(95,788)	-22%
Selling expenses	(8,189)	(6,675)	23%	(8,205)	0%	(29,071)	(36,243)	-20%
General and administrative expenses	(10,518)	(10,170)	3%	(16,238)	-35%	(40,908)	(64,135)	-36%
Employees' profit sharing	(1,948)	-	n.a.	-	n.a.	(1,948)	(44)	4327%
Other Operating Income	(4,825)	(3,140)	54%	887	n.a.	(11,728)	(2,893)	305%
Equity Income	8,620	1,279	574%	(137)	n.a.	8,947	7,527	19%
OPERATING INCOME (LOSS) BEFORE INTEREST INCOME (EXPENSE)	(9,912)	(457)	2069%	(17,325)	-43%	(34,159)	(84,411)	n.a.
NET INTEREST (EXPENSES) REVENUE	2,994	4,982	-40%	903	232%	13,834	2,030	581%
Monetary variations, net	5,681	7,516	-24%	6,236	-9%	21,116	15,536	36%
Interest income	5,038	5,632	-11%	5,340	-6%	22,113	29,269	-24%
Interest expenses	(7,725)	(8,166)	-5%	(10,673)	-28%	(29,395)	(42,775)	-31%
EARNINGS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(6,918)	4,525	n.a.	(16,422)	-58%	(20,325)	(82,381)	n.a.
INCOME TAX AND SOCIAL CONTRIBUTION	(1,647)	(1,851)	-11%	(3,176)	-48%	(6,814)	(11,286)	-40%
Current	(1,471)	(1,882)	-22%	(3,778)	-61%	(7,242)	(18,052)	-60%
Deferred charges	(176)	31	n.a.	602	n.a.	428	6,766	-94%
NET INCOME BEFORE NON-CONTROLLING INTERESTS	(8,565)	2,674	n.a.	(19,598)	-56%	(27,139)	(93,667)	n.a.
Minority interests	(818)	153	n.a.	568	n.a.	(1,044)	477	n.a.
NET INCOME	(7,747)	2,521	n.a.	(19,030)	-59%	(26,095)	(93,190)	-72%
Earnings per share (in R\$)	(0.18)	0.06	n.a.	(0.45)	-59%	(0.62)	(2.21)	-72%

Consolidated Cash Flow

CASH FLOW Consolidate (R\$ '000)	4Q18	4Q17	2018	2017
CASH FLOW PROVIDED BY OPERATIONS ACTIVITIES				
NET INCOME	(8,565)	(19,598)	(27,139)	(93,667)
Adjustments to reconcile net income (loss) in the period to net cash provided by (used in) operating activities				
Deferred Taxes	262	(1,123)	(83)	(14,465)
Deferred Income Taxes and Social Contribution	(428)	-	(428)	-
Depreciation/Amortization	2,016	1,743	5,850	9,259
Expenses with stock option plan	-	14	19	83
Equity income	(8,638)	(10)	(9,531)	(7,670)
Provision for doubtful accounts	4	(738)	2,233	4,025
Result from divestiture	2,739	150	7,350	600
Provisions for losses in subsidiaries	18	147	584	144
Derecognition of property, plant and equipment	(46)	(4)	267	1,230
Provision for contingencies	(508)	(565)	(4,162)	(4,185)
Interest and monetary variations on loans	6,047	8,371	26,807	51,814
Provision for warranties	352	(804)	657	(2,180)
Increase (decrease) in operating assets				
Credits with clients	4,107	34,353	83,368	163,581
Land to be received	(528)	12,679	(36,610)	60,969
Real estate for sale	(49,602)	15,312	(108,425)	36,521
Credit with third parties	1,051	(636)	8,115	16,470
Expenses to be transferred to SPCs	(117)	(516)	349	(1,225)
Selling expenses to be recognized	(949)	(1,213)	(626)	589
Prepaid expenses	338	572	893	(1,508)
Other credits	(459)	4,638	(255)	3,167
Related parties	(1,572)	(141)	(2,689)	(139)
Legal provisions	1,457	260	1,227	393
Increase (decrease) in operating liabilities				
Suppliers	(974)	(6,576)	2,822	(8,025)
Taxes and social charges payable	1,394	2,129	7,657	10,968
Income tax and social contribution	35,261	(9,476)	79,470	24,714
Provision for warranties	(901)	-	(3,741)	-
Land acquisitions payable	(6,676)	15,518	(7,195)	2,979
Advance from customers	(236)	(93)	(222)	(654)
Debt with related parties	(59)	-	49	62
Accounts payable for equity acquisition	-	(1,124)	-	(5,665)
Other accounts payable	(219)	882	(137)	(4,598)
Clients co-obligation	-	(459)	-	(886)
NET CASH GENERATED BY OPERATING ACTIVITIES	(25,431)	54,151	26,474	243,587
Payment interest-free financing	(10,121)	(8,122)	(29,272)	(48,608)
Income Tax and Social Contribution Payment	(1,575)	(2,727)	(8,240)	(14,579)
NET CASH USED IN OPERATING ACTIVITIES	(37,127)	43,302	(11,038)	180,400
CASH FLOW PROVIDED BY INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(1,658)	(1,528)	(8,397)	(3,345)
Increase of investments	14,602	(1,499)	11,159	(4,695)
Financial investments	(31)	6,341	5,076	16,849
NET CASH USED IN INVESTING ACTIVITIES	12,913	3,314	7,838	8,810
CASH FLOW PROVIDED BY FINANCING ACTIVITIES				
Amortization of borrowings	(22,205)	(51,527)	(253,341)	(340,466)
New borrowings	43,101	4,118	245,683	56,913
NON-CONTROLLING SHAREHOLDERS				
Dividends payable - Non-controlling shareholders	(185)	(53)	(590)	(3,985)
Capital increase by non-controlling shareholders	346	224	4,899	739
Capital decrease by non-controlling shareholders	(480)	(479)	(917)	(4,151)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	20,577	(47,717)	(4,266)	(290,950)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,637)	(1,101)	(7,466)	(101,740)
Cash balance				
At the beginning of the period	94,241	99,173	98,072	199,814
At the end of the period	90,604	98,072	90,604	98,072
	(3,637)	(1,101)	(7,466)	(101,742)