

Brasil Brokers reports 1Q13 results

Rio de Janeiro, May 9, 2013. Brasil Brokers Participações S.A. (BM&FBovespa: BBRK3) a real estate brokerage and consulting firm with a strong presence in Brazil's major real estate markets, hereby announces its results for the first quarter of 2013 (1Q13).

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in Brazil (BR GAAP), pursuant to Brazilian Corporation Law and the rules of the Securities and Exchange Commission of Brazil (CVM).

Period Highlights

1Q13 Results Conference

Portuguese

May 10, 2013

11:00 a.m. (Brasília)

10:00 a.m. (NY)

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English

May 10, 2013

2:00 p.m. (Brasília)

1:00 p.m. (NY)

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Contracted Sales amounted to **R\$3.6 billion** in 1Q13, down 10% from 1Q12;

Contracted Sales in the secondary market totaled **R\$799 million** in 1Q13, 23% up year-over-year;

Cash Flow from Operations totaled **R\$28.1 million** in 1Q13 and **Net Cash from Operating Activities** net of working capital and direct taxes amounted to **R\$15.7 million**;

Net Revenue came at **R\$80.1 million** in 1Q13, down 10% year-over-year;

Costs and Expenses came to **R\$ 59.1 million** in 1Q13, an 8% decrease from same period last year.

The Company ended the first quarter of 2013 with **1,593 administrative employees**, a 7% decrease from same period last year.

EBITDA totaled **R\$21.0 million** in 1Q13, with an **EBITDA margin** of **26.2%**;

Net Income totaled **R\$10.4 million** in 1Q13 for a net margin of **12.9%**.

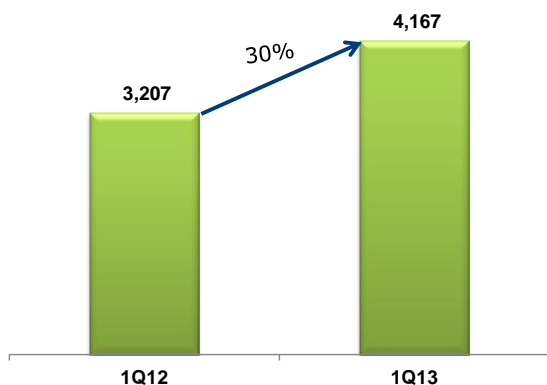
Operating Performance

The following table presents the Company's operating figures for 1Q13, in addition to comparisons with 1Q12.

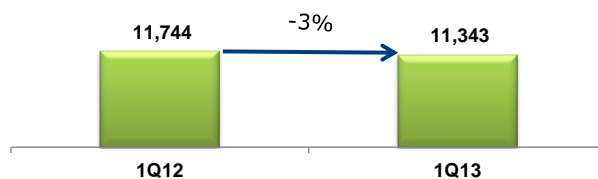
Operating Highlights	1Q12 ⁽¹⁾	1Q13 ⁽¹⁾	Δ%
PSV Launched (R\$ thousands) ⁽¹⁾	3,207,060	4,167,329	30%
Launched Units	11,744	11,343	-3%
Contracted Sales (R\$ thousands)	4,044,831	3,624,667	-10%
Units Sold	14,421	11,028	-24%

⁽¹⁾ Total PSV from developments launched by Brasil Brokers on an exclusive or partnership basis.

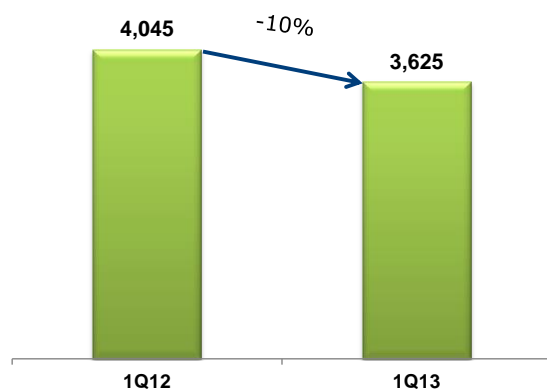
PSV Launched (R\$ million)



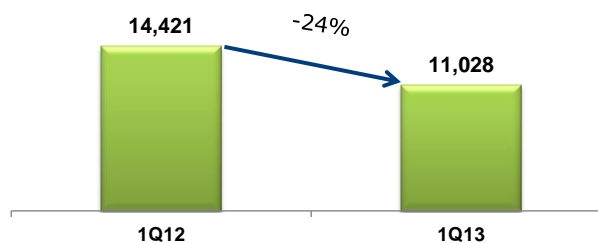
Launched Units



Contracted Sales (R\$ million)



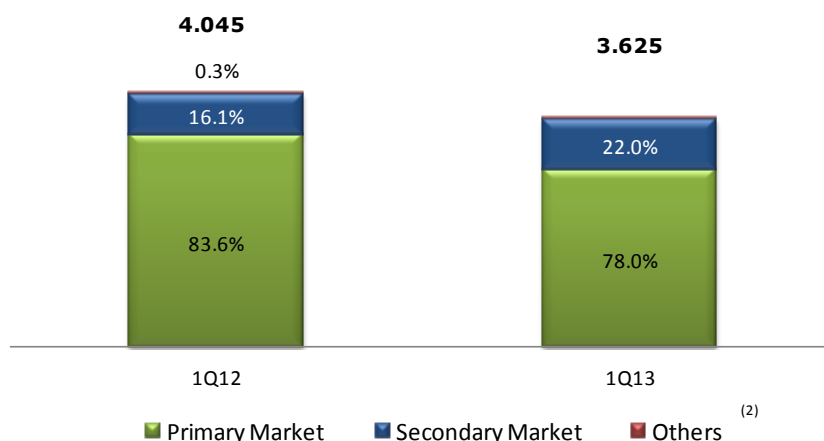
Units Sold



Sales by Market Segment

In 1Q13, Contracted Sales totaled R\$3,625 million, of which R\$2,825 million from the sale of launches and R\$799 million from the resale of units. Sales of residential and commercial units totaled R\$3,487 million⁽¹⁾.

**Sales by Market Segment
(RS MM)**



⁽¹⁾ Contracted Sales of residential and commercial units exclude contracted sales of BB Corporate and lots.

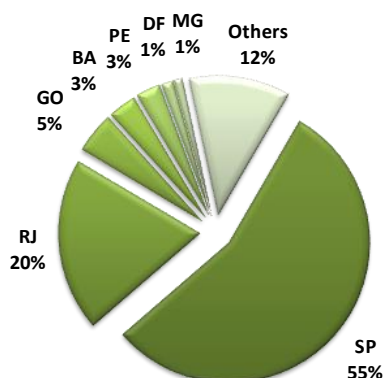
⁽²⁾ 'Other' is comprised by contracted sales of BB Corporate and lots.

Sales by State of Operation

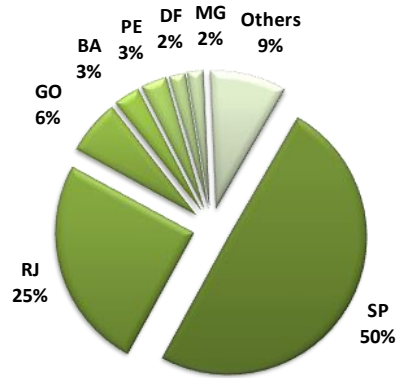
Primary Market

In 1Q13, contracted sales of launches totaled R\$2,825 million⁽¹⁾, 76.8% of which in the Southeast Region, 10.4% in the Midwest, 7.0% in the Northeast, 2.9% in the South, and 2.9% in the North.

Primary Market - 1Q12



Primary Market - 1Q13

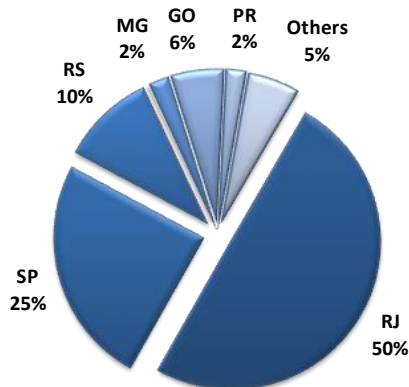


⁽¹⁾ Contracted sales of launches exclude contracted sales of BB Corporate and lots.

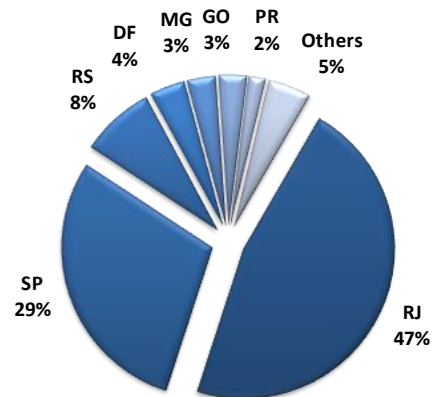
Secondary Market

In 1Q13, property resales totaled R\$799 million⁽¹⁾, 79.1% of which in the Southeast Region, 10.4% in the South, 7.3% in the Midwest, 2.6% in the Northeast, and 0.6% in the North.

Secondary Market - 1Q12



Secondary Market - 1Q13



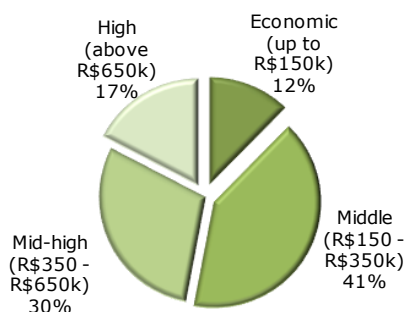
(1) Excludes contracted sales of BB Corporate and lots.

Sales by Income Segment

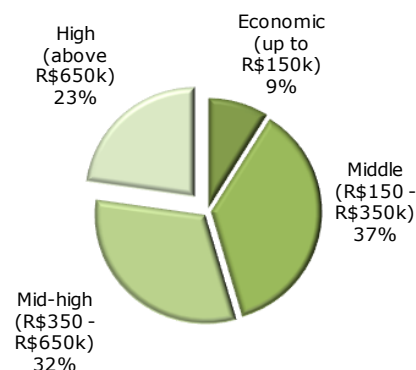
Primary Market

In 1Q13, of the total contracted sales of R\$2,825 million⁽¹⁾ in the Primary Market, 9% came from properties in the economy segment (priced up to R\$150,000), 37% from the middle segment (R\$150,000 to R\$350,000), 32% from the mid-high segment (R\$350,000 to R\$650,000), and 23% from the high segment (over R\$650,000). The high segment increased its share of total launch sales from 17% in 1Q12 to 23% in 1Q13.

Primary Market - 1Q12



Primary Market - 1Q13

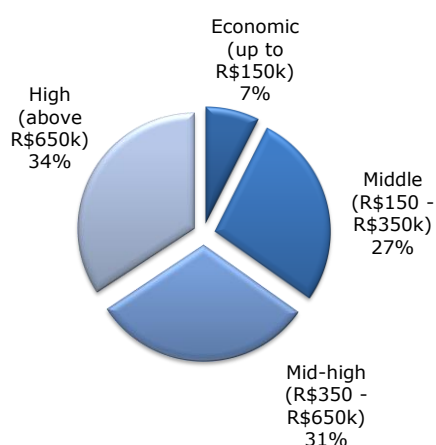


(1) Excludes contracted sales of BB Corporate and lots.

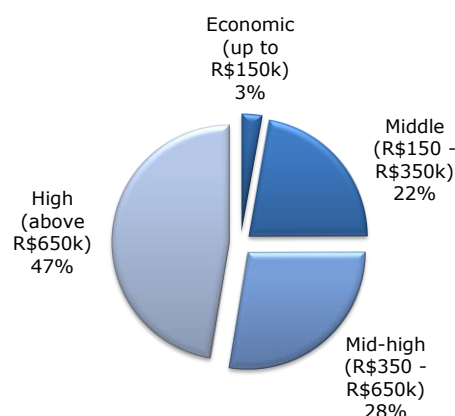
Secondary Market

Of the total contracted sales of R\$799 million⁽¹⁾ in 1Q13, 3% came from properties in the economy segment (priced up to R\$150,000), 22% from the middle segment (R\$150,000 to R\$350,000), 28% from the mid-high segment (R\$350,000 to R\$650,000), and 47% from the high segment (over R\$650,000). The high segment increased its share in the secondary market sales from 34% in 1Q12 to 47% in 1Q13.

Secondary Market - 1Q12



Secondary Market - 1Q13



(1) Excludes contracted sales of BB Corporate and lots.

Other Operating Information

The following table presents other operating information from the subsidiaries, by region, on March 31, 2013.

Region	Sales Force	Sales Points ⁽¹⁾	Administrative Employees
Southeast	12,644	683	1,048
Northeast	1,175	126	136
South	978	119	117
Midwest	1,227	128	228
North	821	53	64
TOTAL	16,845	1,109	1,593

⁽¹⁾ Includes Rede Morar's points of sale

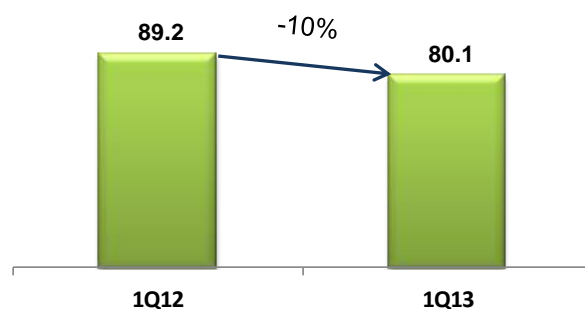
Financial Performance

This section presents the Company's results for 1Q13.

Service Revenue

Gross Service Revenue from Brasil Brokers's subsidiaries, represented by brokerage commissions, totaled R\$92.0 million in 1Q13, for an average commission of 2.54% on contracted sales of R\$3.6 billion. After deducting sales taxes, Net Revenue came to R\$80.1 million, a 10% decline from R\$89.2 million in 1Q12.

Net Revenue (R\$MM)



HSBC Real Estate Loan

In 1Q13, through the partnership with HSBC to offer real estate loans, the Company approved a total of R\$101.0 million in real estate financing, of which loan agreements worth R\$56.5 million have been signed. Of this amount, R\$54.4 million have already been billed by the Company and its subsidiaries and recorded under Service Revenue, representing an additional revenue of R\$1.9 million. The number of financing agreements invoiced in the quarter totaled 182, corresponding to an average loan amount of R\$299,000. The loan-to-value ratio in the period was 56%.

HSBC Real Estate Loan (R\$ million)	Financed Amount		
	2011	2012	1Q13
Approved	362.2	391.4	101.0
Signed	247.2	269.5	56.5
Invoiced	174.8	274.3	54.4
Revenue	7.9	11.0	1.9

Costs of Services and Operating Expenses

Operating Costs and Expenses amounted to R\$59.1 million in 1Q13, down 8% year-over-year. After deducting additional expenses from new subsidiaries, Normalized Costs and Expenses came to R\$58.0 million in 1Q13. This figure was 10% lower than the R\$64.5 million Costs and Expenses recorded in 1Q12. The IPCA inflation was 6.59% in the period.

Total Costs and Expenses			
(R\$ million)	1Q12	1Q13	Δ%
Service Costs	(4.1)	(3.5)	-15%
G&A Expenses and Fees	(59.8)	(55.3)	-8%
Other Operating Expenses/Revenues	(0.5)	(0.3)	-43%
Total Operating Costs and Expenses	(64.5)	(59.1)	-8%
Costs and Expenses from New Subsidiaries⁽¹⁾	-	1.1	
Normalized Costs and Expenses	(64.5)	(58.0)	-10%

⁽¹⁾ Costs and Expenses from New Subsidiaries in 1Q13 include Bamberg, Libório and Miranda.

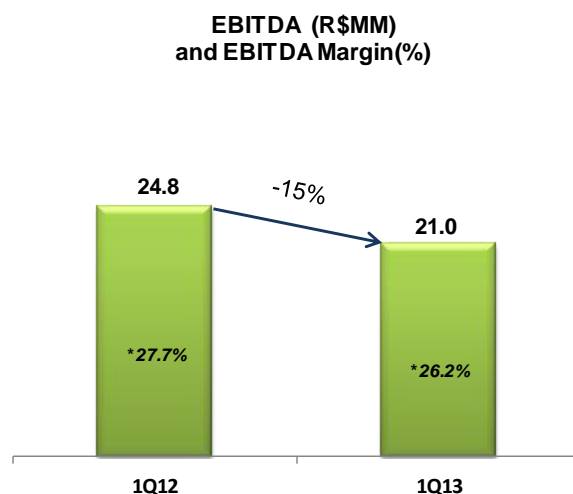
The reduction of costs and expenses in 1Q13 reflects the effect of several actions that has been implemented since second half last year to optimize the Company's administrative structure. Among these actions stands out the adjustment on the Company's staff. The Company ended the first quarter of 2013 with 1,593 administrative employees, a 7% or 123 employees decrease from same period last year.

Administrative Employees			
Region	1Q12	1Q13 ⁽²⁾	1Q13 x 1Q12 (Δ%)
Southeast	1,087	1,048	-4%
Northeast	157	136	-13%
South	143	117	-18%
Midwest	234	228	-3%
North	95	64	-33%
TOTAL	1,716	1,593	-7%

⁽²⁾ Administrative Employees in 1Q13 considers Bamberg, Libório and Miranda.

EBITDA

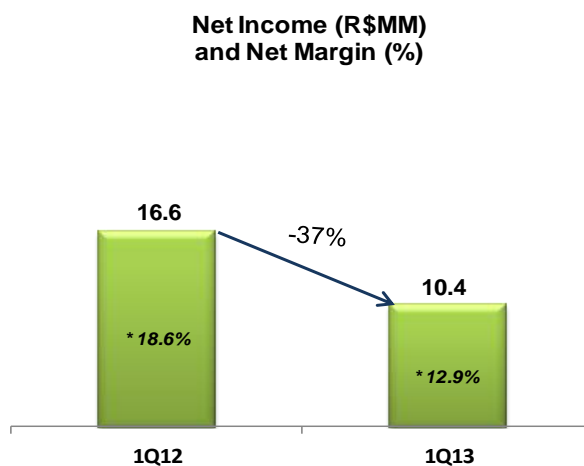
Brasil Brokers's EBITDA amounted to R\$21.0 million in 1Q13, down 15% year-over-year, with an EBITDA margin of 26.2%, 1.5 p.p. year-over-year.



* EBITDA Margin

Net Income

Brasil Brokers's net income totaled R\$10.4 million in 1Q13, down 37% from the same period last year. In addition to the EBITDA reduction, the net income was negatively impacted by reduced interest income as a result of lower interest rates practiced in Brazil and the increase in depreciation due to the investments made in the period. The net margin was 12.9%, down 5.7 p.p. from 1Q12.



* Net Margin

Income tax and Social Contribution Tax

Income Tax and Social Contribution Tax on net income totaled R\$8.1 million in 1Q13.

Cash and Financial Investments

Total cash and investments stood at R\$301.1 million in 1Q13. These amounts mainly refer to financial investments in bank certificates of deposit and fixed income funds, with yields ranging from 100.7% and 108% of the interbank deposit rate (CDI). The Company closed the quarter with receivables totaling R\$89.1 million, with an average estimated term of 87 days.

The Company has no exposure to derivatives or any other instruments with exposure to foreign exchange variation or stocks.

Cash Flow (R\$ million)	1Q13
Cash and Financial Investments at the beginning of the period	293.1
Operating Cash Flow	28.1
Working Capital Needs / Direct taxes	(12.4)
Operating Activities	15.7
Investing Activities	(4.2)
Payment of Acquisitions	(0.2)
Dividends	(3.3)
Cash and Financial Investments at the end of the period	301.1

In 1Q13, cash flow was R\$28.1 million, while the increase in the working capital needed for the Company's operations and direct taxes was R\$12.4 million, resulting in net operating cash flow of R\$15.7 million.

Cash disbursements for investments totaled R\$4.2 million in 1Q13. This amount was allocated to the modernization and maintenance of facilities, investments in systems and equipment related to the consolidation of operations and the opening of new stores.

In 1Q13, cash disbursed for acquisitions totaled R\$0.2 million, reflecting the portion of the acquisition of Vera Bernardes.

Dividend distribution in 1Q13 amounted to R\$3.3 million.

Debt

At the end of 1Q13, the Company did not have obligations with loans and financing lines.

The accounts payable balance, which refers to the acquisitions, as of the end of 2010, of Galvão, M. Garzon, Vera Bernardes, Home Hunters, Imóveis no Morumbi, Bamberg, Miranda, and Libório came to R\$28.7 million at the close of 1Q13. This booked balance is the best payment estimate based on the performance scenario projected for these companies.

The Company has obligations related to the put option from the minority interest of the acquired companies. At the close of 1Q13, these obligations were estimated at R\$27.4 million, based on the performance scenario projected for these companies. This scenario can be altered during the earn-out period of the companies.

1Q13 Financial Statements (R\$ thousands)

Financial Statement		
	1Q13	1Q12
Contracted PSV	3,624,667	4,044,831
<i>Average Commission</i>	<i>2.54%</i>	<i>2.45%</i>
Service Revenue	92,015	99,027
Discounts and Rebates	(2,479)	(873)
Taxes on Revenue	(9,432)	(8,938)
Net Revenue	80,104	89,216
Cost of Services Rendered	(3,498)	(4,103)
Gross Profit	76,606	85,113
Operating Costs and Expenses	(55,615)	(60,357)
Administrative Expenses	(51,769)	(53,439)
Management Remuneration	(1,267)	(2,386)
Allowance for Doubtful Accounts	(2,278)	(4,008)
Other Operating Revenue (Expenses)	(302)	(524)
EBITDA	20,990	24,756
<i>EBITDA Margin</i>	<i>26.2%</i>	<i>27.7%</i>
Depreciation and Amortization	(4,139)	(3,516)
Financial Expenses	(264)	(195)
Financial Income	5,053	7,534
Income before Taxes	21,640	28,579
Provision for Income Tax	(5,921)	(6,961)
Provision for Social Contribution Tax	(2,188)	(2,562)
Minority Interest	(3,169)	(2,492)
Net Income for the Period	10,362	16,564
<i>Net Margin</i>	<i>12.9%</i>	<i>18.6%</i>

Consolidated Balance Sheet on March 31, 2013 (R\$ thousands)

ASSETS		
	1Q13	1Q12
Current Assets		
Cash and cash equivalents	59,429	70,082
Securities	69,104	81,043
Accounts receivable	85,921	96,164
Advances to suppliers	947	748
Recoverable taxes	20,352	19,347
Prepaid expenses	2,612	2,877
Other current assets	9,381	7,265
Total Current Assets	247,746	277,526
Noncurrent Assets		
Long-Term Assets		
Securities	172,541	153,724
Accounts receivable	3,222	3,249
Land available for sale	1,923	1,938
Related parties	-	351
Option operations	20,182	22,303
Other credits	7,389	5,295
	205,257	186,860
Investments in subsidiaries	-	-
Property	54,966	49,959
Intangible assets	410,631	439,530
	465,597	489,489
Total Noncurrent Assets	670,854	676,349
Total Assets	918,600	953,875

Consolidated Balance Sheet on March 31, 2013 (R\$ thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY		
	1Q13	1Q12
Current Liabilities		
Suppliers	8,985	7,241
Accrued payroll and related charges	8,087	9,045
Taxes and contributions payable	26,432	31,859
Advances from clients	16,276	18,775
Dividends payable	21,122	25,072
Accounts payable - Company acquisition	5,680	21,200
Other accounts payable	8,042	8,980
Total Current Liabilities	94,624	122,172
Noncurrent Liabilities		
Long-term Liabilities		
Provision for contingencies	3,168	2,995
Accounts payable - Company acquisitions	23,027	52,202
Option operations	27,350	32,488
Total Noncurrent Liabilities	53,545	87,685
Shareholders' Equity		
Subscribed capital	520,437	520,437
Capital reserve	42,992	42,992
Statutory reserve	16,156	12,031
Profit reserve	139,449	160,053
Treasury shares	(4,321)	(2,831)
Transactions with non-controlling shareholders	(32,943)	(53,956)
Shareholders' equity attributed to controlling shareholders	681,770	678,726
Minority interest	88,661	65,292
Total Shareholders' Equity	770,431	744,018
Total Liabilities and Shareholders' Equity	918,600	953,875

Cash Flow (R\$ thousands)
Period from January 1 to March 31, 2013

Cash Flow Statement - Consolidated		
	1Q13	1Q12
Net Income before Income Tax and Social Contribution from 01/01 to 03/31	21,640	28,579
Adjustments to reconcile net income (loss) and net cash generated from operating activities:		
Depreciation	3,508	3,039
Amortization	631	477
Goodwill amortization from investments	-	-
Allowance for doubtful accounts	2,278	4,008
Provision for contingencies	-	69
Market value adjustment accounts receivable	(101)	(258)
Market value adjustment accounts payable	-	-
Long-Term Financial Expenses	162	-
Asset recovery adjustment	-	-
Financial instrument adjustment	-	-
Minority Shareholders Interest	-	-
Adjusted Net Income	28,118	35,914
Variation between Assets and Liabilities		
Accounts receivable	8,200	4,762
Recoverable taxes	(465)	(1,531)
Receivables from related parties	-	651
Other current assets	(3,612)	(1,338)
Advance for future capital increase	-	-
Other long-term assets	(1,434)	(1,401)
Suppliers	1,333	(456)
Payroll and related charges	(1,909)	(5,533)
Taxes and contributions to recover	(12,823)	(11,821)
Taxes and contributions payable in installments	-	-
Advances from clients	(446)	880
Payable to related parties	-	(109)
Usufruct of results	-	-
Other current liabilities	(1,259)	3,668
Other long-term liabilities	-	-
	(12,415)	(12,228)
Net cash provided by Operating Activities	15,702	23,686
Investing Activities		
Securities	(12,808)	(5,100)
Share buy back	-	-
Land available land for sale	-	117
Investments	-	-
Dividends receivable	-	-
Fixed assets	(3,480)	(1,478)
Intangible assets	(728)	(161)
Intangible assets (goodwill from company acquisition)	-	-
Accounts payable - Company acquisition	(232)	-
Deferred assets	-	-
Net Cash Used in Investing Activities	(17,248)	(6,622)
From Financing Activities with Third Parties		
Loans and Financing	-	-
Accounts payable - Company acquisitions	-	(8,554)
Net cash generated from financing activities with third parties	-	(8,554)
From Financing Activities with Shareholders		
Capital increase	-	-
Share issue expenses	-	-
Capital reserve - premium of sale of shares	-	-
Minority shareholders interest	(3,338)	(2,497)
Interest distribution and advance of dividends	-	-
Net cash provided by financing activities with shareholders	(3,338)	(2,497)
Increase (decrease) in cash and cash equivalents	(4,884)	6,013
Cash and cash equivalents at the beginning of the period	64,312	64,069
Cash and cash equivalents at the end of the period	59,429	70,082