Greenville Lumno – Salvador/BA

PDG

March 30th, 2017

4Q16 e 2016 Results

Agenda

- **Court-supervised Reorganization (CSR)**
- **Income Statement, Balance Sheet and Adjustments**
- **Restructuring Plan - Actions**
- **Executive Summary**
- **Financial and Operational Results**
    - Sales
    - Cash Sales
    - Resale of Cancellations
    - G&A
    - Inventory
    - Net Debt Variation
    - Unleveraging
    - Ongoing Projects and Cost to be Incurred

Corcovado
Rio de Janeiro/RJ

PDG

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Court-supervised Reorganization (CSR)

Overview

Main Triggers

- Increase of the Inflation Rate
- Increase of the Interest Rate
- Increase of Unemployment Rate
- Reduction in Real Income
- Shortening of Funding (SBPE)
- Credit Restriction in the Housing Sector
- Deterioration of the Brazilian Consumer Confidence Index

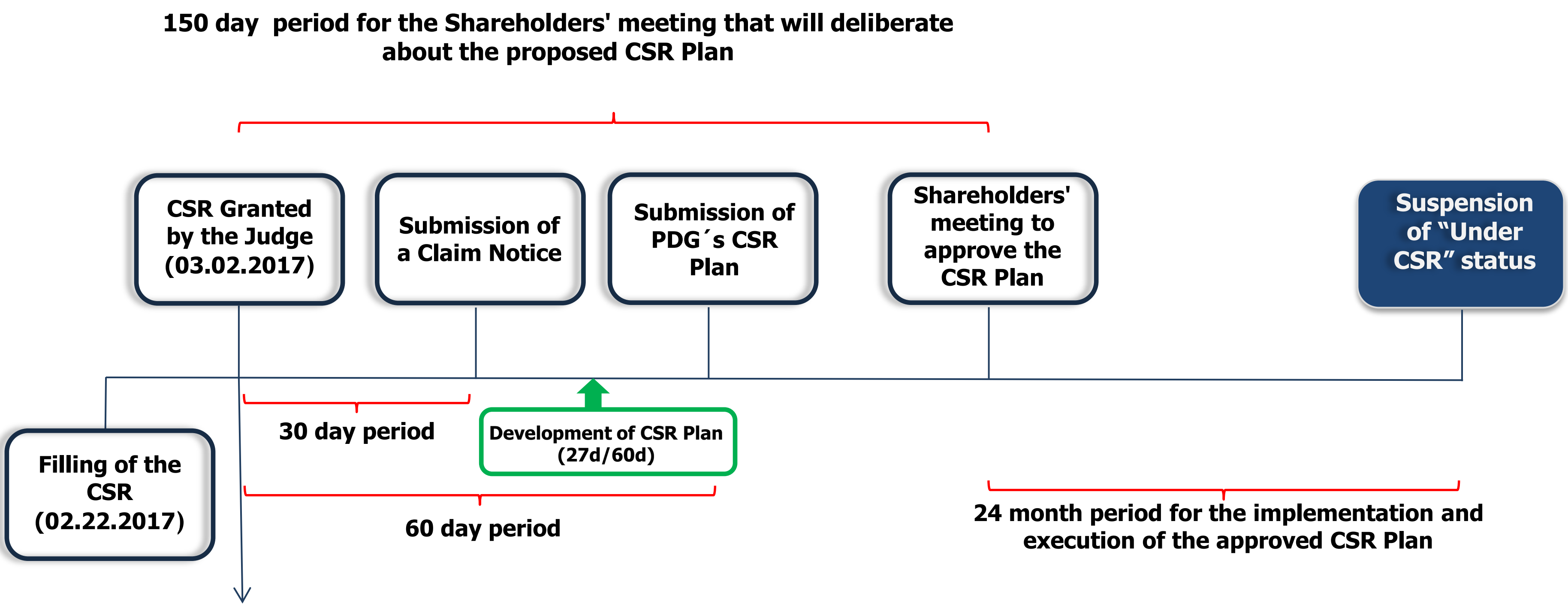
Consequent Impacts

- Relevant increase in Financial Expenses
- Decrease in Sales
- Raise in Cancellations- Increase in Cash Outflow
- Increase of maintenance fees, property tax (IPTU) and debt outstanding to supplier
- Increase in Litigations
- Worse conditions for financing concessions related to the development of projects
- Interruption of some ongoing projects

The Company faced difficulties to find an out-of-court, sustainable solution for the crisis that it is currently experiencing.

Court-supervised Reorganization (CSR)
Schedule

Court-supervised Reorganization Schedule



(i) The designation of PricewaterhouseCoopers to act as trustee in the Court-supervised Reorganization;
(ii) The suspension of all lawsuits and executions currently in progress against the PDG Group for a period of 180 days as of this date, pursuant to article 6 of LRF;
(iii) Issue of a notice, pursuant to article 52 of paragraph 1 of LRF, for the submission of proofs of claim and/or claim disputes within the scope of the Court-supervised Reorganization within thirty (30) business days of its publication;
(iv) The submission of the PDG Group's Court-supervised Reorganization Plan within 60 days of the publication of the grant decision, pursuant to article 53 of LRF.

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Income Statements (R$ '000) - IFRS		4Q16	4Q15	(%) Var.		2016	2015	Var. %
Operating Gross Revenue								
Real Estate sales		64,863	131,955	-51%		270,826	1,848,083	-85%
Other Operating Revenues		6,432	31,297	-80%		57,804	125,214	-54%
(-) Revenues Deduction		569	(33,042)	n.m.		(81,401)	(148,996)	-45%
Operating Net Revenue		**71,864**	**130,210**	**-45%**		**247,229**	**1,824,301**	**-86%**
Cost of Sold Units		(284,416)	(324,771)	-12%		(885,788)	(1,713,328)	-48%
Interest Expenses		(29,864)	(22,583)	32%		(87,193)	(153,028)	-43%
Cost of sold properties		**(314,280)**	**(347,354)**	**-10%**		**(972,981)**	**(1,866,356)**	**-48%**
Gross Income (loss)		**(242,416)**	**(217,144)**	**12%**		**(725,752)**	**(42,055)**	**n.m.**
Gross margin		***n.a.***	***n.a.***	**n.m.**		***n.a.***	***n.a.***	**n.m.**
Adjusted gross margin (1)		***n.a.***	***n.a.***	**n.m.**		***n.a.***	***6.1%***	**n.m.**
Operating Revenues (expenses):								
Equity Income		764	13,496	-90%		578	113,380	-100%
General and Administrative		(44,775)	(59,742)	-25%		(202,013)	(258,747)	-22%
Commercial	1	(59,347)	(34,091)	74%		(142,685)	(156,713)	-9%
Taxes		(7,526)	(3,111)	n.m.		(15,050)	(11,561)	30%
Depreciation & Amortization		(30,589)	(371,771)	-92%		(88,302)	(412,194)	-79%
Other	1	(1,933,105)	(1,204,793)	60%	3	(3,448,078)	(1,360,730)	n.m.
Financial Result		(261,956)	(199,668)	31%		(810,991)	(671,561)	21%
Total operating revenues (expenses)		**(2,336,534)**	**(1,859,680)**	**26%**		**(4,706,541)**	**(2,758,126)**	**71%**
Income before taxes		**(2,578,950)**	**(2,076,824)**	**24%**		**(5,432,293)**	**(2,800,181)**	**94%**
Income Taxes and Social Contribution		38,310	39,580	-3%		1,351	(42,301)	n.m.
Income before minority stake		**(2,540,640)**	**(2,037,244)**	**25%**		**(5,430,942)**	**(2,842,482)**	**91%**
Minority interest	2	100,849	68,306	48%		123,125	78,100	58%
Net Income (loss)		**(2,439,791)**	**(1,968,938)**	**24%**		**(5,307,817)**	**(2,764,382)**	**92%**
Net margin		***n.a.***	***n.a.***	**n.m.**		***n.a.***	***n.a.***	**n.m.**

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill

Adjustments in 4Q16

R$ millions

Adjustments	Detail	Value	Total Value - Shareholders Equity	NAV Impact	Probable Impact - Cash Outflow
Provision for Asset Losses	- Bad debt allowance	R$ 562	R$ 1.051	R$ 955	R$ 0
	- Provision for dobtful accounts	R$ 393			
	- Loan Receivable Between Partners	R$ 96			
Losses in Investments and Current Accounts with Partners	- Investments and current accounts with SPEs (desmantling of partnerships)	R$ 835	R$ 835	R$ 835	R$ 0
Impairment of land bank/concluded units and land bank cancellations	- Impairment of land bank/concluded units	R$ 171	R$ 171	R$ 171	R$ 0
	- Land bank cancellation	R$ 442	R$ 442	R$ 442	R$ 0
Provision for contigencies and other liabilities	- Provision for labor, civil and tax contigencies	R$ 908	R$ 949	R$ 0	R$ 949
	- Provision for project delay fineS	R$ 41			
TOTAL		**R$ 3.448**	**R$ 3.448**	**R$ 2.403**	**R$ 949**

ASSET (R$ '000)	2016	2015	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	200,973	604,093	-67%
Accounts receivable	1,249,963	2,227,031	-44%
Properties held for sale	1,166,612	1,722,545	-32%
Prepaid expenses	7,763	9,137	-15%
Accounts with related parties	24,564	77,673	-68%
Taxes to recover	44,117	87,691	-50%
Deferred income and social contribuition taxes	10,214	-	n.m.
Others	-	120,030	-100%
Total Current Assets	**2,704,206**	**4,848,200**	**-44%**
Noncurrent Assets			
Long-Term			
Accounts receivable	772,702	3,264,276	-76%
Properties held for sale	706,102	1,798,701	-61%
Deferred Taxes	-	2,457	-100%
Accounts with related parties	60,165	185,975	-68%
Others	223,503	2,350	n.m
Total Long-Term Assets	**1,762,472**	**5,253,759**	**-66%**
Permanent Assets			
Investments	49,012	218,479	-78%
Investment Properties	-	473,465	-100%
Property and Equipament	27,640	36,219	-24%
Intangible	107,684	127,923	-16%
Total Permanent Assets	**184,336**	**856,086**	**-78%**
Total Noncurrent Assets	**1,946,808**	**6,109,845**	**-68%**
Total Assets	**4,651,014**	**10,958,045**	**-58%**

Fonte: PDG – Data Base: 12/2016

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	2016	2015	(%) Var.
Current			
Loans and financings	1,013,591	1,735,042	-42%
Debentures	1,546,357	958,829	61%
Obligation for the issuance of CCB & CCI	1,811,544	2,460,204	-26%
Co-obligation for the issuance of CRI	24,411	31,460	-22%
Suppliers	251,319	230,490	9%
Property acquisition obligations	85,825	174,774	-51%
Advances from clients	188,928	156,641	21%
Taxes and contributions payable	185,557	215,260	-14%
Deferred taxes	45,483	56,399	-19%
Income and social contribution taxes	97,562	76,288	28%
Accounts with related parties	5,798	9,135	-37%
Other Provisions	388,585	190,870	n.m.
Other Obligations	162,472	224,240	-28%
Total Current	**5,807,432**	**6,519,632**	**-11%**
Long-Term			
Loans and financings	387,571	924,278	-58%
Debentures	34,609	-	n.m
Obligation for the issuance of CCB & CCI	501,040	45,165	n.m
Property acquisition obligations	34,701	101,708	-66%
Advances from clients	72,368	147,514	-51%
Taxes and contributions payable	24,667	-	n.m
Deferred taxes	44,919	219,372	-80%
Other Provision	771,313	408,634	n.m.
Other	386,896	207,177	87%
Total Long-Term	**2,258,084**	**2,053,848**	**10%**
Shareholders' equity			
Subscribed capital	4,917,843	4,917,843	0%
Capital reserve	1,236,706	1,235,345	0%
Accumulated losses	(9,526,750)	(4,218,933)	n.m
Minority interest	**(42,301)**	**450,310**	**n.m**
Total Shareholders' equity	**(3,414,502)**	**2,384,565**	**n.m**
Total liabilities and shareholders' equity	**4,651,014**	**10,958,045**	**-58%**

Fonte: PDG – Data Base: 12/2016

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Monetization of Assets and Financial Operations

- In May 2016, we concluded the sale of 2 projects (D´oro and Arena) for R$10 million, as well as reducing the cost to be incurred by the Company by R$52 million.
- Still in May 2016, we entered into an agreement to sell our entire equity stake (58%) in REP, for the equivalent to R$34 million in real estate units located in São Paulo, in addition to reducing the Company's net debt by R$214 million
- In November, we ended our partnership with HM1 in 18 SPEs, of which 3 remained with PDG and 15 with HM1, as a result , total debt was reduced by R$237 million and the lines of cost to be incurred and SFH-related debt were reduced by R$11 million and R$105 million
- Still in November, we concluded the sale of Buona Vita Atibaia, reducing cost to be incurred by R$1.4 million and liabilities by R$8.6 million.
- In regards to the Memorandum of Understanding, together with Vinci Partners, the Company entered into a credit facility in the total amount of R$100 million, which was implemented through two unsecured debenture issues, each of which divided into two series. The first series of the 9th and 10th issue, totaling R$50 million, were paid in 2016. The second series, in turn, was paid in 2017, also in the amount of R$50 million.
- Still related to the Memorandum of Understanding, between August 2016 and January 2017, the Company received approximately R$105 million from its main creditors, for purposes related to the Company´s G&A

In total, the sale of SPEs and the dismantling of partnerships reduced the Company´s liabilities by over R$550 million, and increased cash accounts by R$44 million

Financial Operations were responsible by an increase of R$205 million in cash accounts.

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Highlights 4Q16 e 2016

- SFH debt fell by R$182 million between 3Q16 and 4Q16 and by R$690 million in the full year;
- Net financial debt was reduced by R$53 million in 4Q16 over the previous quarter, and fell by R$433 million in 2016;
- The Company´s total leverage, including net financial debt and the cost to be incurred, and was reduced by R$352 million in the full year.
- General and administrative expenses maintained their downward trajectory, closing the quarter 25% down on 4Q15. In the year as a whole, G&A fell by 22% when compared to 2015;
- Selling expenses closed 2016 9% down year-on-year;
- A In 2016, we obtained occupancy permits for 16 projects with over 5,500 units in total, decreasing the Company's operational risk
- The second series of the debenture implemented with Vinci Partners was paid in 2017, in the amount of R$50 million.

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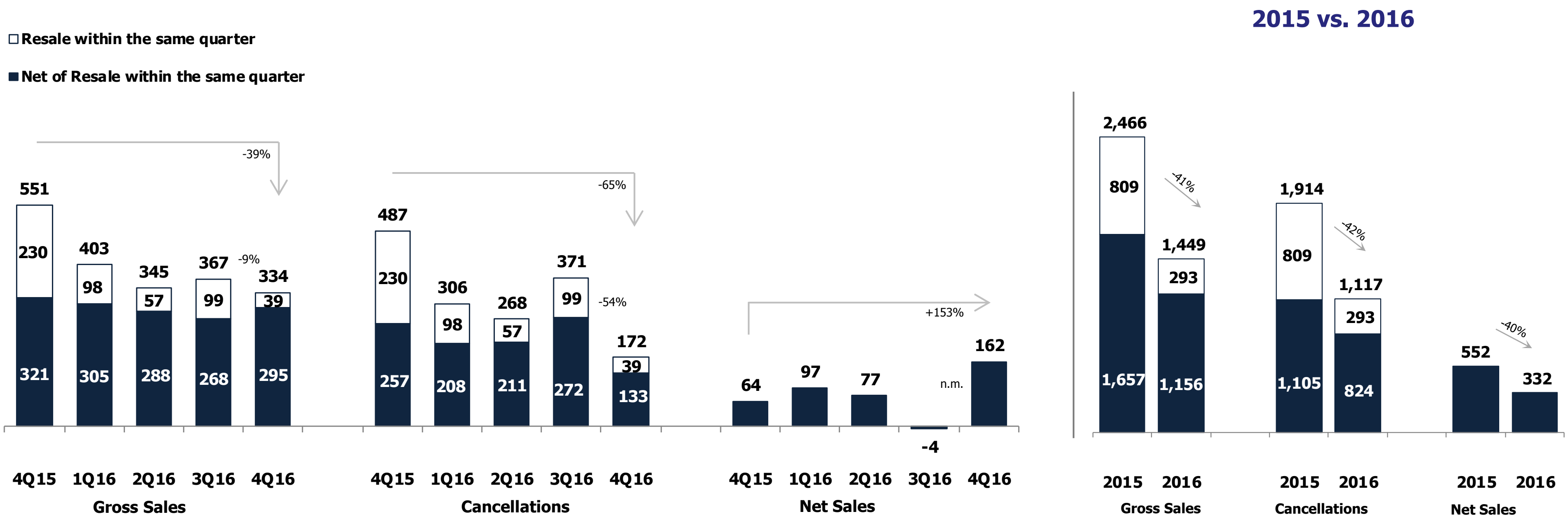
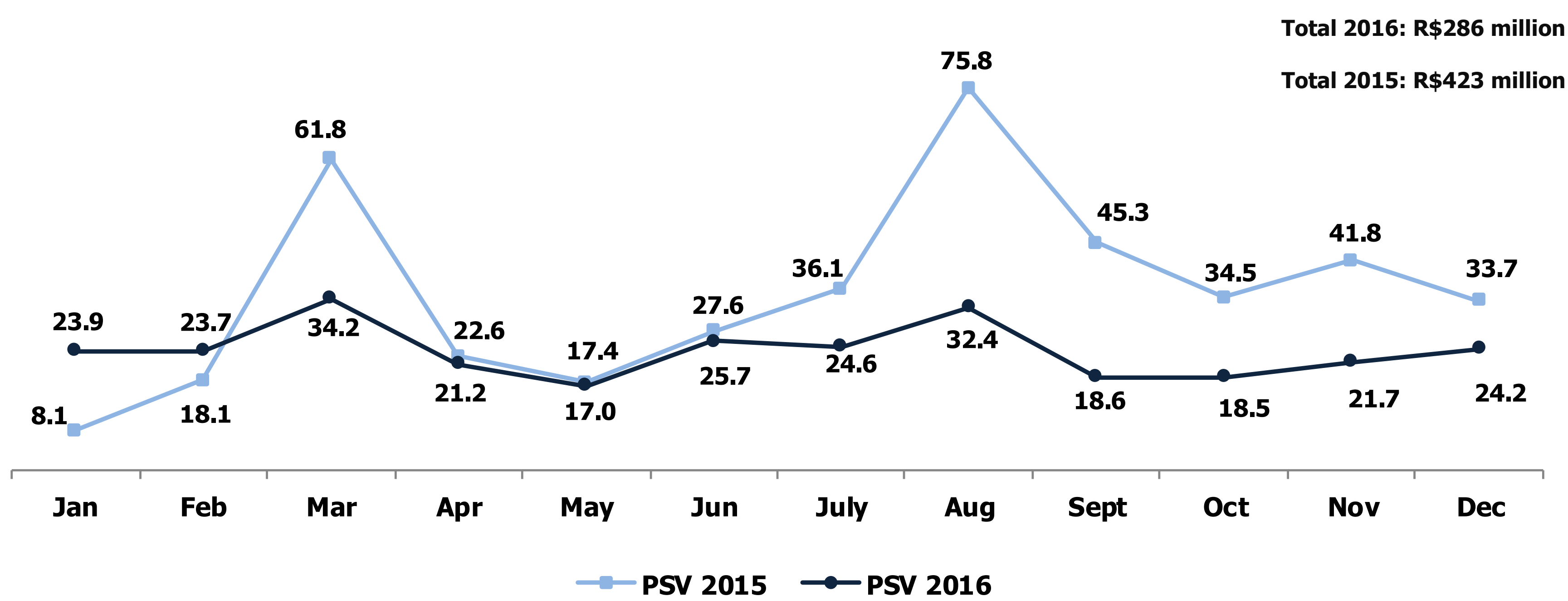
Sales – R$ million



- Gross sales amounted to R$334 million in the 4Q16, 39% down on 4Q15. In the year, gross sales totaled approximately R$1.5 billion, 41% lower than 2015.
- Cancellations amounted to R$172 million in the quarter, down by 65% against 4Q15. In 2016, cancellations amount to R$1.1 billion, 42% down on 2015;
- Net sales amount to R$162 million in 4Q16, 153% over 4Q15, and showing a significant raise when compared to the previous period. In the year, net sales totaled R$334 million, 40% lower than the previous year.

Source: PDG – Data Base: 12/2016

Cash Sales– R$ million

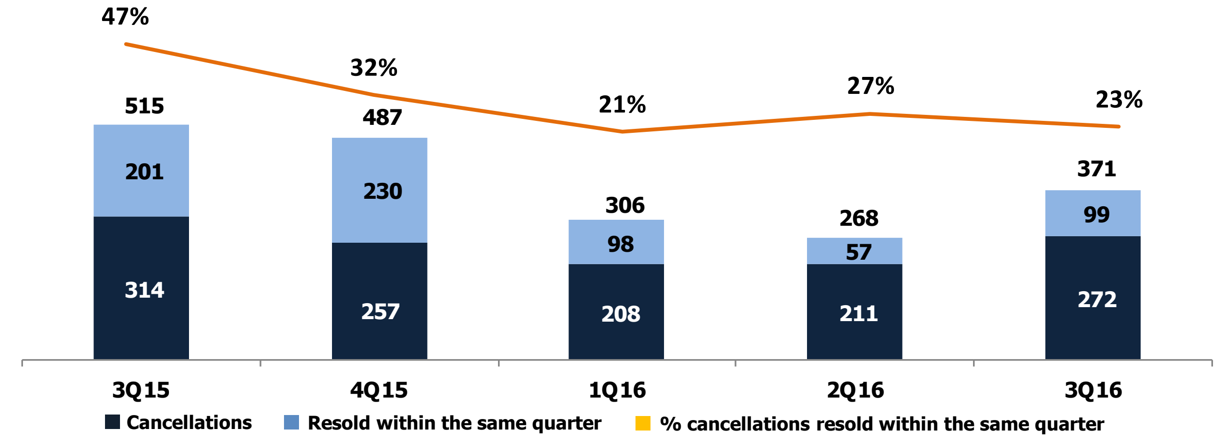


In Mar-15 and Aug-2015 we held the *Na Ponta do Lápis* sales campaign.

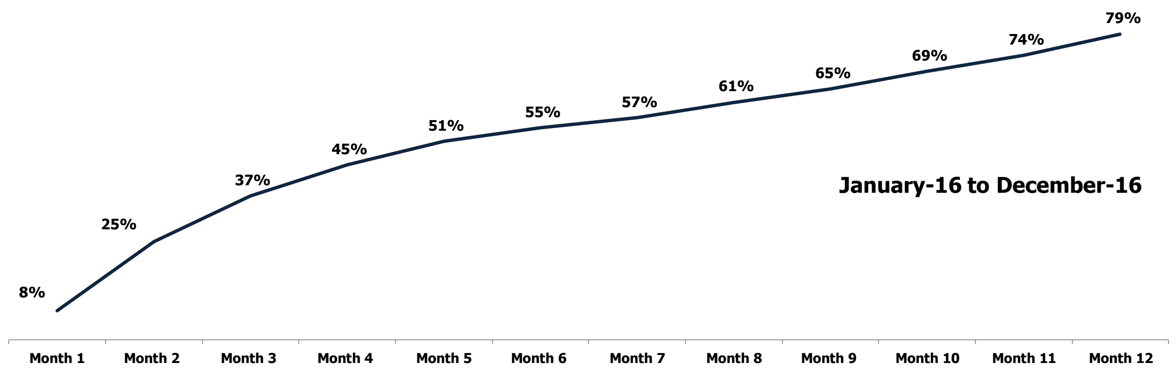
- Cash sales in 4Q16 totaled R$64 million, or 19% of gross sales recorded for the quarter. In 2016, cash sales amounted to R$286 million, or 20% of gross sales for the period.

Source: PDG – Data Base: 12/2016

Evolution of Cancellations and Resale – R$ million



Average Resale Curve and Resale Values – 12 months accumulated



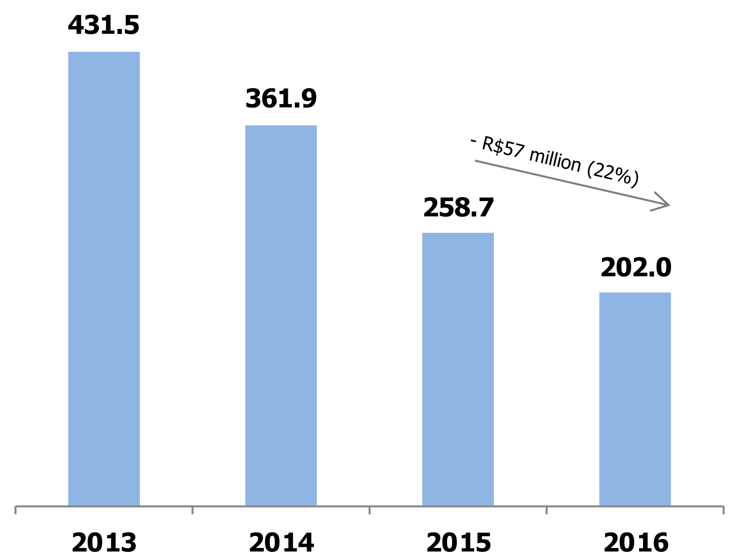
- In 4Q16 resale was equivalent to 23% of cancellations in the period, 4p.p lower than the 27% registered in 3Q16;
- In 2016, R$239 million was resold within the quarters, representing 26% of cancellations of the year;
- The speed of cancellation resale reached 79% in the past 12 months.

Source: PDG – Data Base: 12/2016

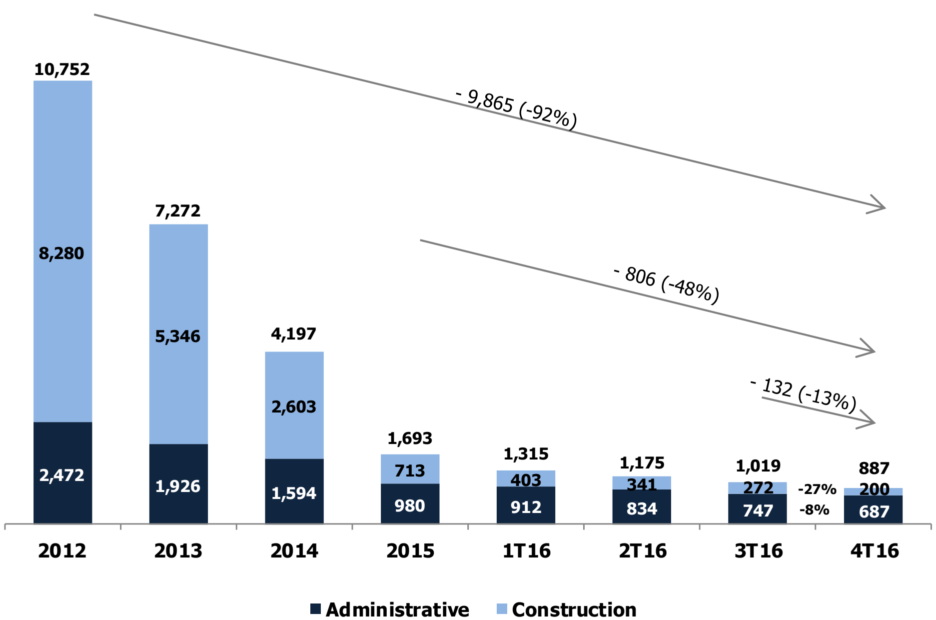
Financial and Operational Results

G&A Expenses

G&A Evolution – R$ million



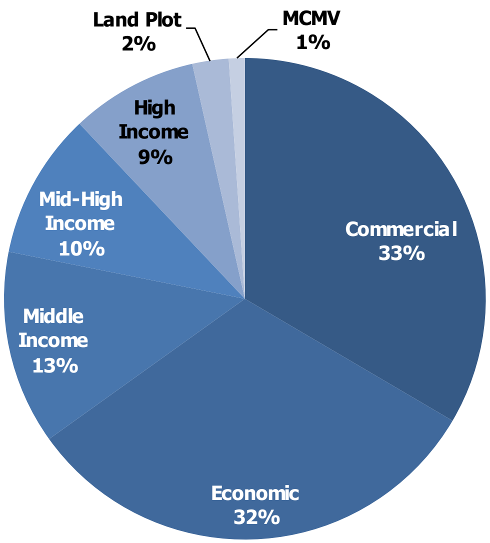
Headcount



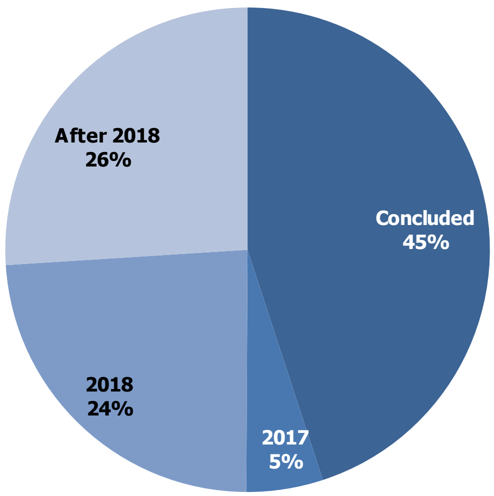
- Reduction of 25% in G&A expenses between 4Q15 and 4Q16, and of 22% in 2016 compared to 2015;
- In 4Q16, we reduced our total headcount by 13%. In the year, the reduction totaled 48%;
- SG&A expenses closed the quarter 11% over on 4Q15, and fell by 17% year-on-year in 2016;
- Aiming to continue the process of deleveraging and adjusting the corporate structure to the size of it´s operation, in 2016, we continued to focus on reducing costs.

Source: PDG – Data Base: 12/2016

Inventory by Product – % of PSV



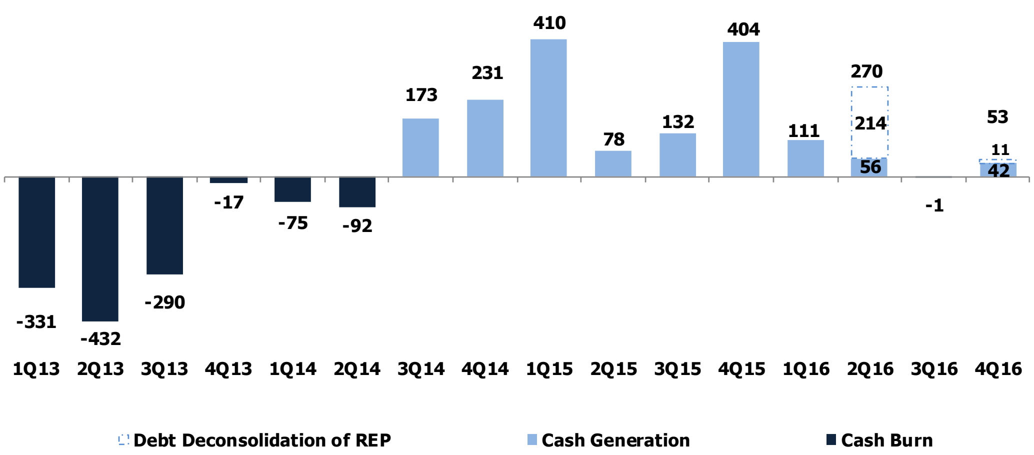
Inventory by Delivery Schedule – % of PSV



- Total inventory was R$2.3 billion by the end of 2016;
- Quality of available inventory:
  - 64% in residential products (excluding MCMV, Land Plots, and Commercial);
  - 45% is concluded inventory, immediate cash generator;
  - Considering the concluded inventory, 70% are in São Paulo and Rio de Janeiro, and 88% corresponded to projects with more than 60% of units sold.

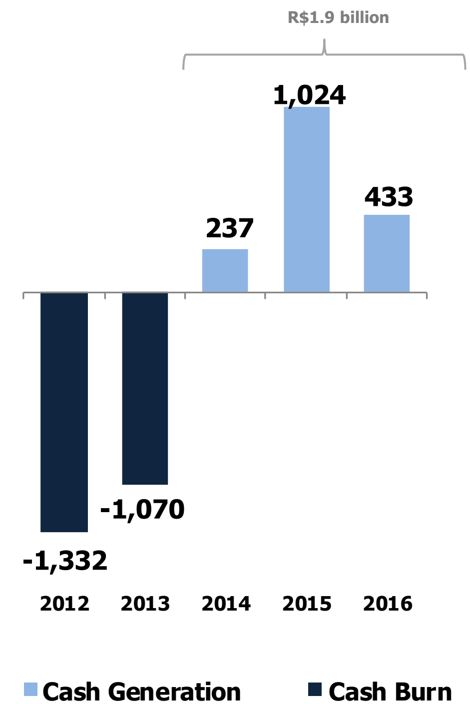
Source: PDG – Data Base: 12/2016

Quarterly Net Debt Variation – R$ million



Note: Excludes the capital increase of R$500 million and the convertion of redeemable preferred shares of R$300 million into promissory notes

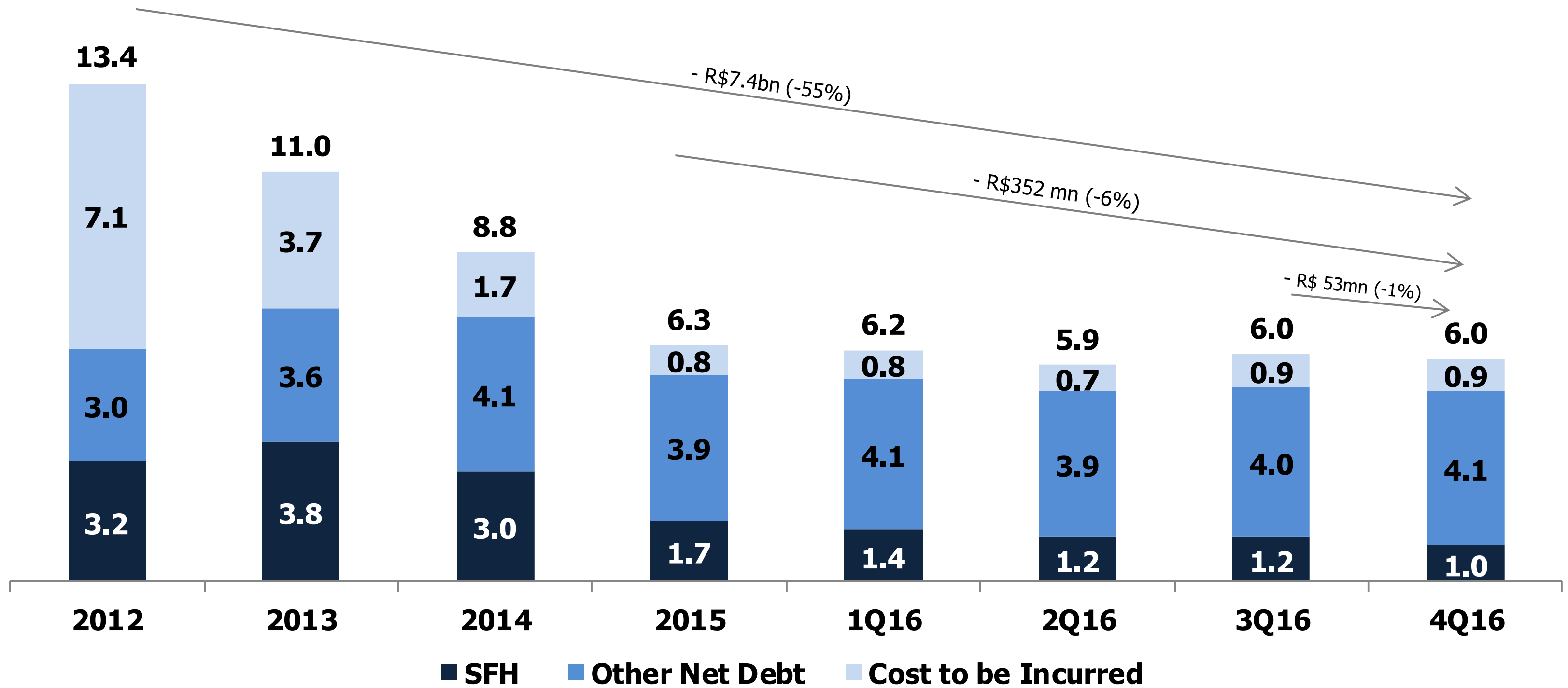
Annual Net Debt Variation – R$million



- In 4Q16, net debt fell by R$53 million, of which R$11 corresponded to the dismantling of our partnership with HM1.
- In the year, net debt fell by R$208 million, and including the R$214 million reduction resulted of the sale of REP, the decrease was R$433 million;
- Total reduction since 2014 amounts to R$1.9 billion.

Source: PDG – Data Base: 12/2016

Net Debt + Cost to be Incurred – R$ billion

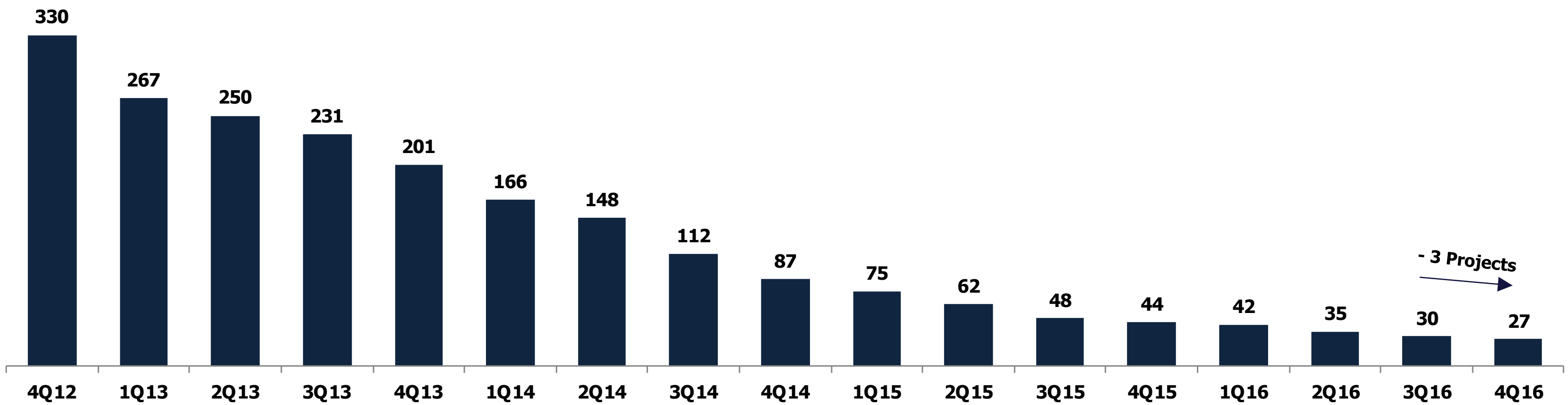


Obs.: For comparison purposes, other net debt of 2012, 2013, 2014 have been adjusted with the inclusion of the Redeemable Preferred Shares.

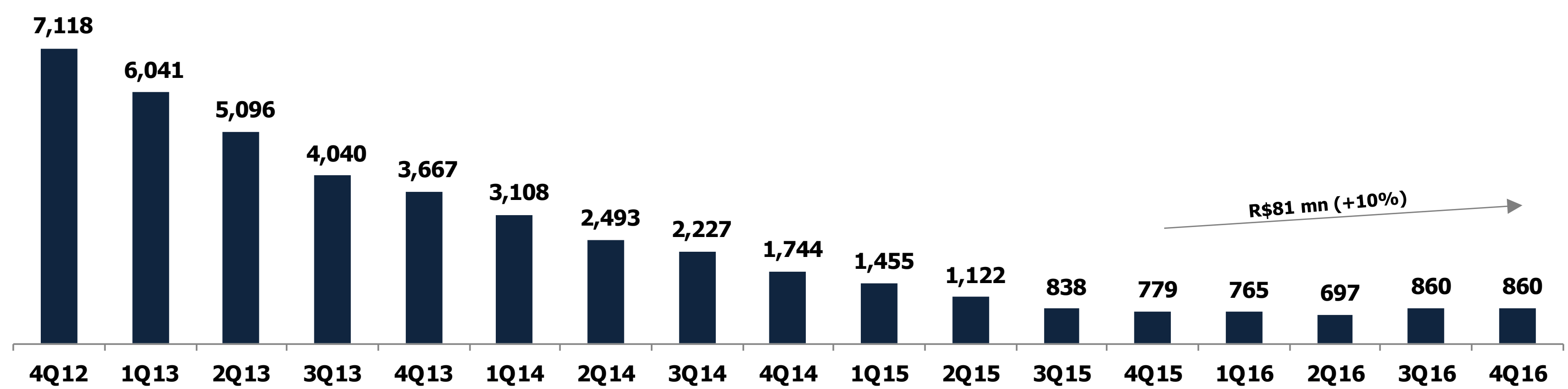
Source: PDG – Data Base: 12/2016

- Extended leverage (Net Debt + Costs to be Incurred) decreased by R$53 million in 4Q16, and by R$332 million in 2016;
- The reduction in leverage since 2012 has already exceeded R$7 billion.

Ongoing Projects



Cost to be Incurred – R$ milhões



- We finished 2016 with 27 ongoing projects;
- Cost to be incurred maintained in R$860 million, in line with 3Q16. The 10% upturn in relation to 4Q15 was chiefly due to the correction of INCC and the revision of the works budget in 2H16;
- Since the end of 2012, the total cost to be incurred has fallen by 88%, substantially reducing the Company's operational risk.

Source: PDG – Data Base: 12/2016

Greenville Lumno – Salvador/BA

30 de Março de 2017

Teleconferência dos Resultados do 4T16 e 2016