PDG Realty S.A. Empreendimentos e Participações
-Under Court-supervised Reorganization

Quarterly Information as at
June 30, 2017

Contents

Message from Management

Court-supervised Reorganization

In 2Q17, we made efforts, together with our advisors, to detail and discuss PDG Group's Court Reorganization with the main creditors. Altogether, in June 6, 38 Court Reorganization plans were prepared and delivered, including PDG Realty and its subsidiaries.

The main Plan aims to encompass all of PDG Group's rights and obligations, except for the designated properties. The other 37 plans were submitted individually in order to include the rights and obligations related to each of the Designated Properties, ensuring that their respective creditors were granted full priority over the assets, in compliance with the Law. These Plans address the means of reorganization through which we believe it will be possible to sort out the current cash flow mismatch, maintain operational normality, and allow stalled works to resume.

The means of reorganization include: (i) PDG Group's business resizing; (ii) debt restructuring subject to the Court Reorganization; and (iii) raising new funds.

In the strategic-operational sphere, we initiated studies aiming to identify and possibly seize opportunities for future launches, allowing for the continuity of the Company's recovery process, as set out in the Reorganization Plan.

After delivering the Plans, we intensified the agenda of talks with creditors and other stakeholders to present and discuss any adjustments to the Plan, until the general meeting of creditors.

In this regard, on August 4, the Company disclosed a Material Fact informing of the alignment of some aspects of the Reorganization with three of its main creditors. Such alignment includes the treatment to be given to the designated properties of the Group companies and securitization companies, the allocation of the results of the assets encumbered to the Banks and not tied to the designated properties, and PDG Group's estimate of remuneration for managing the assets. It is important to note that the alignment is not binding on the Parties.

In addition, on August 4, a joint petition was filed, highlighting that the alignment points mentioned above must be detailed and negotiated between the Parties, and that their acceptance is subject to obtaining the applicable approvals, as well as to drawing up a new court reorganization plan to be assessed in a general meeting of creditors.

Operating Performance

In the operational scope, we continue to work hard to maintain PDG's structure aligned with the needs of its operation, putting in constant efforts to reduce expenses and preserve cash.

With reference to cash preservation, this quarter an important change was made to the sales strategy, whereby we started to prioritize the sale of unencumbered units, that is, units that allowed cash to be generated immediately, in addition to prioritizing the sale of units whose resources could be used to pay expenses of the SPE itself.

As a consequence, due to the sales strategy adopted, gross sales amounted to R$63 million in 2Q17, down 22% on 1Q17 and 82% below the amount recorded in 2Q16. Of the R$63 million sold as a result of this new strategy, R$40.3 million relate to the sales of units whose resources can be used to pay the SPE's expenses, and R$22.7 million refer to the sales of units that generated free cash for the Company.

During 2Q17, the amount of cancelled contracts was R$113 million, 20% lower than that recorded in 1Q17 and 58% lower than in 2Q16. Even with the volume of cancelled contracts below that recorded in the last quarters, we continued to prioritize the cancelation of contracts of liquid and unencumbered units, which will generate free cash at the time of resale.

Therefore, due to the low volume of gross sales and contract cancellations in 2Q17, net sales were R$50 million negative in the period.

The Company continues to make efforts to deliver the ongoing projects, seeking to minimize the impact on clients. Therefore, during 2Q17, 2 projects were delivered, totaling 613 units and approximately R$222 million in Potential Sales Value - PSV (PDG %). Hence, we started 3Q17 with only 19 projects in progress.

This quarter, 337 units were transferred, corresponding to a PSV of R$65 million. This decreased volume of transferred units resulted mainly from lower deliveries in the period, caused by the decreased pace of ongoing works, added by the smaller sales volume recorded during the quarter.

General and administrative expenses dropped 46% in 2Q17 over 2Q16. In 1H17, expenses reduced by 31%, in line with the Company's goal of readjusting its operating structure.

Selling expenses decreased 90% in 2Q17 over 2Q16 and 80% when compared to the 1H16. This reduction arose mainly from the lack of launches and sales campaigns, in addition to the reduced sales volume.

In order to enjoy the benefits granted by the Tax Regularization Program (Programa de Regularização Tributária), the Company reassessed its liabilities and undertook the Program during this quarter. Therefore, reducing over R$ 196 million in taxes payable.

Taking into consideration the new government tax program, Especial Regularization Tax Program (Programa Especial de Regularização Tributária), we are analyzing the possibility of a new reduction in tax payable, in addition to the reduction abovementioned.

We continue the negotiations with our creditors and stakeholders to present a comprehensive solution within the Court Supervised Plan, seeking to the maximum, the preservation of the Company´s commercial and operational activities and also the fulfillment of the obligations undertook with our clients, creditors and shareholders. Furthermore, we continue to take necessary actions to accelerate the cash inflow, focusing on monetizing our assets, reducing costs and resizing our liabilities. These actions have helped the Company´s restructuring program and will continue to be within our main priorities.

Management.

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A free translation from Portuguese into English of report on the review of Quarterly Information – ITR, issued with disclaimer of conclusion, prepared in Brazilian currency in accordance with rules issued by the Brazilian Securities Commission (CVM) applicable to Quarterly Information (ITR).

Independent auditor's review report on quarterly information, issued with disclaimer of conclusion

To the
Shareholders, Counselors and Administrators of
PDG Realty S.A. Empreendimentos e Participações–under court supervised reorganization
São Paulo - SP

We have been contracted in order to review the interim financial information, individual and consolidated, of PDG Realty S.A. Empreendimentos e Participações – under court supervised reorganization (the "Company"), for the Quarter ended June 30, 2017, which comprises the balance sheet as of June 30, 2017 and the related statements of income and comprehensive income for the three and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) – *Demonstração Intermediária* ("CPC 21(R1)") and of the consolidated interim financial information in accordance with CPC 21 (R1) and International Financial Reporting Standards (IFRS) - IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) ("IAS 34"), which considers the Technical Orientation OCPC04 related to the application of the Technical Interpretation ICPC02 to the Brazilian real estate development entities, issued by the Accounting Pronouncement Committee ("CPC") and approved by Brazilian Securities Commission ("CVM") and by the Brazil's National Association of State Boards of Accounting("CFC"), as well as for the presentation of this information in conformity with the standards issued by the CVM, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review. Due to the matters described in the section "Basis for disclaimer of conclusion", we were not able to obtain appropriate and sufficient evidence to provide a conclusion.

Scope review

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion. Due to the matters described in the section "Basis for disclaimer of conclusion", we were not able to conduct our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Company and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Company, respectively). Thus, this report is issued with disclaimer of conclusion.

Basis for disclaimer of conclusion

1. As described in the Accompanying Notes 1.b and 1.c, on February 22, 2017, the Company and certain controlled entities filed at the São Paulo State Court of Justice, the request for under court supervised reorganization. On March 27, 2017, by means of the Extraordinary General Meeting, the Company's shareholders approved of the filing for the under court supervised reorganization of the Company and of certain controlled entities. On June 6, 2017, the Management presented in the proceeding records, the under court supervised reorganization plan of the Company and of certain controlled entities. The plan is under a discussion phase and it may also go through improvements and changes until the Creditors' General Meeting, which will be requested by the judge in charge of the under court supervised reorganization. Considering its equity and financial position and that the Company and its controlled entities are under the phase of presentation and discussion with the creditors and *stakeholders* of the under court supervised reorganization plan, the Company's operation continuity is still uncertain and will depend upon the conclusion and approval of the referred plan at the Creditors' General Meeting and, consequently, on its materialization.

2. It should be mentioned that in the quarter ended June 30, 2017, the Company and its controlled entities incurred into loss for the period, individual and consolidated, of R$808,132 thousand and R$799,688 thousand, respectively, in addition to presenting individual and consolidated negative net current capital of R$4.471,648 thousand and R$4.073,773 thousand, respectively and individual and consolidated negative net equity of R$4.180,308 thousand and R$4.184,321 thousand, respectively. This situation indicates the existence of relevant uncertainty that raises significant doubt about the capacity to have the Company's and its controlled entities' normal continuity of the businesses and doubt about the base for the preparation of the interim financial information, individual and consolidated. On June 30, the Company's individual and consolidated assets and liabilities were classified and assessed considering going concern basis.

3. Due to the fact that the Company depends on the success in the approval and execution of the under court supervised reorganization plan, as referred in paragraph 1, this is still under presentation and discussion phase with the creditors, we were not able to conclude if the interim, individual and consolidated information of the Company should be prepared on going concern basis or if they should be prepared on a liquidation basis. The base for the preparation of the interim, individual and consolidated financial information, the realization of assets, as well as the recording of additional provisions, or sufficiency of recorded provisions, the future launch of new ventures, the payment of Suppliers, Loans and financing, Debentures, Liabilities for the issuances of Bank Credit Notes, Real Estate Credit Notes, other Liabilities, among other liabilities and provision, depend on the conclusion and success of the under court supervised reorganization plan and are essential factors to define the Company's operating continuity.

4. Additionally, the individual and consolidated loss determined in the quarter ended June 30, 2017, is overvalued in R$151,716 thousand and in R$163,582 thousand, respectively, as the Company

recognized, inappropriately, in the income of three and six months ended on that date, certain adjustments in the balance sheet originated in the previous year-end. The inappropriate recognition of those adjustments were recognized fully in the income of the quarters ended on March 31, 2017 and June 30, 2017, regularizing the equity accounts, including the Company's net equity in relation to that one previously presented on December 31, 2016. Thus, the qualification is only limited to the effects recognized in the income statement of the period of three and six months ended on June 30, 2017. These facts demonstrated significant deficiencies in the interim financial information closing process.

5. As mentioned in Note 14.a.i, in the context of the Company's and certain controlled entities, adopted to the Tax Regularization Program ("PRT"), in the six-month period, tax credits on fiscal losses were recognized in the amounts of R$87,164 thousand (individual), of which R$64,879 thousand was transferred to its controlled entities, and R$196,194 thousand (consolidated), being that the credits were used to offset the tax liabilities the total amount of R$29,322 thousand, and R$258,052 thousand, in the interim individual and consolidated financial information, respectively. The program foresees the cancellation of the benefit of tax offsetting, with the consequent full charging of the tax debt, in certain cases and situations, on which one includes defaults, bankruptcy filing, among others, in addition to the fact that there is the need for approval for the adoption to the program by the government authorities. There is uncertainty relative to the fulfillment of the demanded requirements for the maintenance in the PRT and to its full payment, considering the Company's and its controlled entities' financial position and also due to the uncertainties with regard to the approval and fulfillment of the under court supervised reorganization plan, as referred to in paragraphs 1 to 3 above.

6. The significant uncertainties and the matters commented in paragraphs 1) to 5) above, prevented us from concluding how, when and which amounts, the assets will be realized and the liabilities will be paid. Future significant events, that we could not foresee its outcome, will generate important impacts in the Company's operations. Those impacts may significantly affect the form and values that those assets will be realized and those liabilities will be paid. We are neither able to conclude how the assets will be realized and the liabilities will be paid, whether by means of the Company's operations or by means of the sale of a part or of all the assets.

Disclaimer of conclusion

Due to the relevance of the matters described in the section "Basis for disclaimer of conclusion", we were not able to obtain appropriate and sufficient evidence, that would enable us to conclude if we were made aware of any fact that would lead us to believe that the individual interim financial information, included in the quarterly information was prepared, in all relevant aspects, as per the CPC 21 (R1), and the consolidated ones, according with the CPC21 (R1) and IAS 34, which considers the Guidance OCPC 04 on the application of the Technical Interpretation ICPC02 to the Brazilian real estate development entities, issued by CPC and approved by CVM and CFC, applicable to the preparation of the Quarterly Information – ITR, as well as the presentation in compliance with the standards issued by CVM. Consequently, this report is issued with disclaimer of conclusion.

Emphasis of a matter

Technical Orientation OCPC 04

As mentioned in Note 2.1, individual and consolidated interim financial information was prepared in accordance with the accounting practices adopted in Brazil (CPC 21 (R1)). Theconsolidated interim financial information prepared in accordance with IFRS, applicable to Brazilian real estate development entities (IAS 34, for interim financial information), additionally, consider, the Technical Orientation OCPC 04 issued by the Accounting Pronouncements Committee (CPC). This Technical Orientation addresses revenue recognition of this industry and involves matters related to the meaning and application of the concept of continuous transfer of risks, rewards and control in selling real estate unit, as described in more details in Note 2 of the annual financial statements at December 31, 2016. Our conclusion is not modified in respect of this matter.

Other matters

Statements of value added

We have also been contracted to review the individual and consolidated statements of value added for the six-month period ended June 30, 2017, prepared under the responsibility of the Company's Management, whose presentation in the interim financial information is required by the standards issued by CVM, applicable to preparation of Quarterly Information Form (ITR), and considered supplementary information under IFRS, whereby no statements of value added presentation is required. Those statements were submitted to the same review procedures as previously described and. based on our review, due to the significance of the matters described in the section "Basis for disclaimer of conclusion", we have not been able to obtain appropriate and sufficient evidence to provide basis a for a conclusion about these statements in relation to the interim, individual and consolidated financial information, taken jointly. Consequently, this report is issued with disclaimer of conclusion.

Corresponding amounts

The audit of the balance sheets, individual and consolidated, on December 31, 2016 and the review of the interim financial information, individual and consolidated, for the quarter ended June 30, 2016, presented for comparison purposes, were conducted under other independent auditors' responsibility who issued audit report with disclaimer of opinion due to the significant uncertainty on the use of the going concern basis for the preparation of the financial statements and to the under court supervised reorganization plan phase, as described in the section Basis for "disclaimer of opinion" originally issued, and Independent Auditor's Review Report with emphasis related to going concern and the same matter described above in the section "Emphasis", on March 29th, 2017 and August 10th, 2016, respectively.

São Paulo, August 14th, 2017

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

Marcos Kenji de Sá Pimentel Ohata
Accountant CRC-1SP209240/O-7

PDG Realty S.A Empreendimentos e Participações - Under Court-Supervised Reorganization

Composition of capital stock

Number of shares (thousand)	Current quarter 06/30/2017
Common shares from paid-in capital	49,192
Preferred – Of the Paid-up Capital	-
Total from paid-in capital	49,192
Common shares – in treasury	-
Preferred shares – in treasury	-
Total – in treasury	-

Balance Sheet - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 06/30/2017	Previous year-end 12/31/2016
1	Total Asset	2,195,902	2,278,195
1.01	Current Asset	88,184	80,943
1.01.01	Cash and Cash Equivalents	5,774	5,931
1.01.01.01	Cash and Banks	453	329
1.01.01.02	Financial Investments	5,321	5,602
1.01.02	Financial Investments	4,611	-
1.01.02.01	Financial Investments Assessed at Fair Value	4,611	-
1.01.02.01.01	Securities for Transaction	4,611	-
1.01.03	Accounts Receivable	19,938	17,775
1.01.03.01	Clients	19,938	17,775
1.01.04	Inventories	34,834	36,543
1.01.04.01	Property Inventories Held for Sale	34,834	36,543
1.01.06	Tax recoverable	11,211	11,334
1.01.06.01	Current Tax Recoverable	11,211	11,334
1.01.08	Other Current Assets	11,816	9,360
1.01.08.03	Other	11,816	9,360
1.01.08.03.06	Loan Agreement	3,004	2,723
1.01.08.03.07	Other Assets	8,812	6,637
1.02	Non-Current Asset	2,107,718	2,197,252
1.02.01	Long-Term Realizable Asset	8,371	23,167
1.02.01.03	Accounts Receivable	4,675	6,986
1.02.01.03.01	Clients	4,675	6,986
1.02.01.04	Inventories	3,696	3,651
1.02.01.04.01	Property Inventories Held for Sale	3,696	3,651
1.02.01.09	Other Non-Current Assets	-	12,530
1.02.01.09.03	Current Account with Partners in Ventures	-	12,530
1.02.02	Investments	2,069,584	2,140,807
1.02.02.01	Corporate Interest	2,069,584	2,140,807
1.02.02.01.01	Interest in Associates	6,571	6,835
1.02.02.01.02	Interest in Subsidiaries	2,054,627	2,068,870
1.02.02.01.04	Other Corporate Interest	8,386	65,102
1.02.03	Fixed Asset	1,837	1,818
1.02.03.01	Fixed Asset under Operation	1,837	1,818
1.02.04	Intangible	27,926	31,460
1.02.04.01	Intangible	27,926	31,460

Balance Sheet - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 06/30/2017	Previous year-end 12/31/2016
2	Total Liability	2,195,902	2,278,195
2.01	Current Liability	4,559,832	3,207,235
2.01.01	Social and Labor Liabilities	1,926	861
2.01.01.02	Labor Liabilities	1,926	861
2.01.02	Suppliers	25,355	22,952
2.01.02.01	National Suppliers	25,355	22,952
2.01.03	Tax Liabilities	4,222	1,301
2.01.03.01	Federal Tax Liabilities	4,222	1,301
2.01.03.01.02	Deferred Tax Liabilities	1,239	543
2.01.03.01.05	Tax Installment	2,801	284
2.01.03.01.06	Other current liabilities	182	474
2.01.04	Loans and Financing	2,310,790	1,591,755
2.01.04.01	Loans and Financing	480,008	45,398
2.01.04.01.01	In National Currency	480,008	45,398
2.01.04.02	Debentures	1,830,782	1,546,357
2.01.05	Other Liabilities	2,201,732	1,557,532
2.01.05.02	Outros	2,201,732	1,557,532
2.01.05.02.04	Property Acquisition Liabilities	8,526	4,517
2.01.05.02.05	Advance from Clients	34	34
2.01.05.02.09	Other Liabilities	15,700	10,606
2.01.05.02.10	CCB/CCI Issue Liability	2,177,472	1,542,375
2.01.06	Provisions	15,807	32,834
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	15,705	32,736
2.01.06.01.05	Provision for Contingencies	15,705	32,736
2.01.06.02	Other provisions	102	98
2.01.06.02.01	Provisions for Guarantees	102	98
2.02	Non-Current Liability	1,816,378	2,443,161
2.02.01	Loans and Financing	-	420,010
2.02.01.01	Empréstimos e Financiamentos	-	385,401
2.02.01.01.01	In National Currency	-	385,401
2.02.01.02	Debentures	-	34,609
2.02.02	Other Liabilities	1,782,855	1,980,217
2.02.02.02	Other	1,782,855	1,980,217
2.02.02.02.08	Current Account with Partners in Ventures	98,014	116,549
2.02.02.02.09	CCB/CCI Issue Liabilities	-	499,595
2.02.02.02.10	Tax Installment	3,225	-
2.02.02.02.15	Other Liabilities	1,681,616	1,364,073
2.02.04	Provisions	33,523	42,934
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	33,006	42,487
2.02.04.01.09	Provision for Contingencies	33,006	42,487
2.02.04.02	Other provisions	517	447
2.02.04.02.01	Provisions for Guarantees	517	447
2.03	Net Equity	(4,180,308)	(3,372,201)
2.03.01	Realized Share Capital	4,917,843	4,917,843
2.03.02	Capital Reserves	1,236,731	1,236,706
2.03.02.01	Goodwill in Issue of Shares	1,206,746	1,206,746
2.03.02.04	Options Granted	29,985	29,960
2.03.05	Accrued Profits/ Losses	(10,334,882)	(9,526,750)

Income Statement - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 04/01/2017 to 06/30/2017	Current Year-End Accrual 01/01/2017 to 06/30/2017	Same quarter as the Previous Year-End 04/01/2016 to 06/30/2016	Previous Year-End Accrual 01/01/2016 to 06/30/2016
3.01	Revenues from Sale of Goods and/or Services	631	840	7,960	8,454
3.02	Cost of Goods and/or Services Sold	(947)	(4,987)	(6,440)	(7,314)
3.03	Gross Income	(316)	(4,147)	1,520	1,140
3.04	Operating Expenses/ Income	(289,790)	(460,165)	(590,506)	(831,782)
3.04.01	Expenses with Sales	(2)	(76)	(916)	(1,606)
3.04.02	General and Administrative Expenses	(12,958)	(35,335)	(14,488)	(28,626)
3.04.04	Other Operating Revenues	-	-	-	802
3.04.04.02	Other	-	-	-	802
3.04.05	Other Operating Expenses	(101,417)	(110,647)	(167,774)	(179,557)
3.04.05.01	Tax Expenses	(226)	(17,592)	(145)	(319)
3.04.05.02	Depreciations/Amortizations	(5,311)	(7,502)	(2,187)	(6,297)
3.04.05.04	Losses in Equity Interest	-	-	(123,921)	(127,767)
3.04.05.05	Other	(95,880)	(85,553)	(41,521)	(45,174)
3.04.06	Equity Income	(175,413)	(314,107)	(407,328)	(622,795)
3.05	Income Before Financial and Tax Income	(290,106)	(464,312)	(588,986)	(830,642)
3.06	Financial Income	(307,185)	(432,378)	(150,901)	(319,470)
3.06.01	Financial Revenues	3,757	4,637	2,675	6,446
3.06.02	Financial Expenses	(310,942)	(437,015)	(153,576)	(325,916)
3.07	Income Before Taxes on Profit	(597,291)	(896,690)	(739,887)	(1,150,112)
3.08	Income Tax and Social Contribution on Profit	64,879	88,558	(116)	(368)
3.08.01	Current	(22,285)	1,604	(116)	(368)
3.08.02	Deferred	87,164	86,954	-	-
3.09	Net Income from Continuing Operations	(532,412)	(808,132)	(740,003)	(1,150,480)
3.11	Profit/Loss for the Period	(532,412)	(808,132)	(740,003)	(1,150,480)
3.99	Profit per Share - (Reais / Share)	-	-	-	-
3.99.01	Basic earnings per Share	-	-	-	-
3.99.01.01	ON	(10.82314)	(16.42812)	(15.04316)	(23.38754)
3.99.02	Diluted earnings per Share	-	-	-	-
3.99.02.01	ON	(10.82314)	(16.42812)	(15.04316)	(23.38754)

Statements of Comprehensive income / (loss) for the years - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 04/01/2017 to 06/30/2017	Current Year-End Accrual 01/01/2017 to 06/30/2017	Same quarter as the Previous Year-End 04/01/2016 to 06/30/2016	Previous Year-End Accrual 01/01/2016 à 06/30/2016
4.01	Net profit for the period	(532,412)	(808,132)	(740,003)	(1,150,480)
4.02	Other Comprehensive Income	-	-	-	-
4.03	Comprehensive Income for the Period	(532,412)	(808,132)	(740,003)	(1,150,480)

Statements of cash flows - Indirect method - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 06/30/2017	Previous Year-End Accrual 01/01/2016 to 06/30/2016
6.01	Net Cash from Operating Activities	(12,412)	128,152
6.01.01	Cash flow from Operations	6,420	(70,756)
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	(896,690)	(1,150,112)
6.01.01.02	Depreciation and Amortization	5,742	6,297
6.01.01.03	Gains/Losses equity interest	-	127,767
6.01.01.05	Financial Expenses Interest Payable and Monetary Variation	435,215	317,206
6.01.01.07	Expense appropriation with stand	-	21
6.01.01.08	Expenses with Stock Option	25	747
6.01.01.09	Impairment write-off on goodwill, interest and property inventory	1,760	-
6.01.01.11	Equity	314,107	622,795
6.01.01.13	Provision for Guarantee and Contingencies	(25,939)	2,086
6.01.01.14	Other	173,281	1,999
6.01.01.15	Provision for equity in income	960	-
6.01.01.16	Estimated Losses on doubtful credits	(2,041)	438
6.01.02	Variations in Assets and liabilities	(4,167)	311,286
6.01.02.02	Loan Agreement Receivable	-	6,492
6.01.02.03	Accounts Receivable	2,189	22,417
6.01.02.06	Property Inventory Held for Sale	1,545	6,498
6.01.02.09	Current Account with Partners in Ventures	(6,005)	-
6.01.02.10	Financial Investments	(4,611)	-
6.01.02.16	Tax and Labor Liabilities	3,955	5,506
6.01.02.17	Suppliers	2,403	385
6.01.02.20	Other Transactions	(3,643)	269,988
6.01.03	Other	(14,665)	(112,378)
6.01.03.01	Income tax and social contribution	(1,314)	(176)
6.01.03.02	Interest paid on loans	(13,351)	(112,202)
6.02	Net Cash from Investment Activities	(408)	130,810
6.02.01	Shareholding (Increase) decrease in Affiliates and Controlled	-	45,645
6.02.03	Intangible	(181)	(1,403)
6.02.04	Advance for Future Capital Increase	-	86,568
6.02.08	Asset Acquisition	(227)	-
6.03	Net Cash from Financial Activities	12,663	(256,552)
6.03.01	Loan Raising	56,758	50,000
6.03.02	Loan Amortizations	(44,095)	(306,552)
6.05	Cash and Cash Equivalents Increase (Decrease)	(157)	2,410
6.05.01	Cash and Cash Equivalent Initial Balance	5,931	17,488
6.05.02	Cash and Cash Equivalent Balance	5,774	19,898

Statements of changes in shareholders' equity - Parent Company - 01/01/2017 - 06/30/2017
(Thousands of Reais)

Account Code	Account Description	Paid-in Share Capital	Capital reserves, Options Granted and Treasury Shares	Profit Reserves	Accrued Profits or Losses	Other Comprehensive Income	Net Equity
5.01	Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)
5.03	Adjusted Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)
5.04	Capital Transactions with Shareholders	-	25	-	-	-	25
5.04.03	Recognized Granted Options	-	25	-	-	-	25
5.05	Total Comprehensive Income	-	-	-	(808,132)	-	(808,132)
5.05.01	Net profit for the period	-	-	-	(808,132)	-	(808,132)
5.07	Final Balances	4,917,843	1,236,731	-	(10,334,882)	-	(4,180,308)

Statements of changes in shareholders' equity - Parent Company - 01/01/2016 - 06/30/2016
(Thousands of Reais)

Account Code	Account Description	Paid-in Share Capital	Capital reserves, Options Granted and Treasury Shares	Profit Reserves	Accrued Profits or Losses	Other Comprehensive Income	Net Equity
5.01	Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255
5.03	Adjusted Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255
5.04	Capital Transactions with Shareholders	-	747	-	-	-	747
5.04.03	Recognized Granted Options	-	747	-	-	-	747
5.05	Total Comprehensive Income	-	-	-	(1,150,480)	-	(1,150,480)
5.05.01	Net profit for the period	-	-	-	(1,150,480)	-	(1,150,480)
5.07	Final Balances	4,917,843	1,236,092	-	(5,369,413)	-	784,522

Statements of added value - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 06/30/2017	Previous Year-End Accrual 01/01/2016 to 06/30/2016
7.01	Revenues	1,756	9,527
7.01.01	Sales of Goods, Products and Services	1,613	7,096
7.01.02	Other Revenues	143	2,431
7.02	Inputs Acquired from Third Parties	(120,074)	(192,077)
7.02.01	Costs Products, Goods and Services Sols	(4,987)	(7,314)
7.02.02	Materials, Power, Third-Party Services and Other	(29,534)	(12,624)
7.02.03	Asset Value Loss/Recovery	-	(127,767)
7.02.04	Other	(85,553)	(44,372)
7.03	Gross Added Value	(118,318)	(182,550)
7.04	Retentions	(7,502)	(6,297)
7.04.01	Depreciation, Amortization and Exhaustion	(7,502)	(6,297)
7.05	Net Added Value Produced	(125,820)	(188,847)
7.06	Added Value Received in Transfer	(309,470)	(616,349)
7.06.01	Equity Income	(314,107)	(622,795)
7.06.02	Financial Revenues	4,637	6,446
7.07	Total Added Value to Distribute	(435,290)	(805,196)
7.08	Distribution of Added Value	(435,290)	(805,196)
7.08.01	Personnel	4,998	14,233
7.08.01.01	Direct Remuneration	4,720	13,038
7.08.01.02	Benefits	82	198
7.08.01.03	F.G.T.S. – Government Severance Indemnity Fund for Employees	196	997
7.08.02	Taxes, Rates and Contributions	(69,173)	5,067
7.08.02.01	Federal	(69,173)	4,937
7.08.02.03	Municipal	-	130
7.08.03	Remuneration on third-party capital	437,017	325,984
7.08.03.01	Interest	435,215	321,302
7.08.03.02	Rent	2	68
7.08.03.03	Other	1,800	4,614
7.08.04	Remuneration on Own Capital	(808,132)	(1,150,480)
7.08.04.03	Retained Profit/ Loss for the Period	(808,132)	(1,150,480)

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 06/30/2017	Previous year-end 12/31/2016
1	Total Asset	4,103,462	4,651,014
1.01	Current Asset	2,738,979	2,704,206
1.01.01	Cash and Cash Equivalents	182,539	200,973
1.01.01.01	Cash and Banks	58,761	49,482
1.01.01.02	Financial Investments	123,778	151,491
1.01.02	Financial Investments	61,279	-
1.01.02.01	Financial Investments Assessed at Fair Value	61,279	-
1.01.02.01.01	Securities for Transaction	61,279	-
1.01.03	Accounts Receivable	1,165,374	1,249,963
1.01.03.01	Clients	1,165,374	1,249,963
1.01.04	Inventories	1,260,434	1,166,612
1.01.04.01	Property Inventory Held for Sale	1,260,434	1,166,612
1.01.06	Tax recoverable	22,647	44,117
1.01.06.01	Current Tax Recoverable	22,647	44,117
1.01.07	Prepaid Expenses	7,291	7,763
1.01.07.01	Unearned Expenses	7,291	7,763
1.01.08	Other Current Assets	39,415	34,778
1.01.08.03	Other	39,415	34,778
1.01.08.03.06	Loan Agreement	25,953	24,564
1.01.08.03.10	Deferred Taxes	13,462	10,214
1.02	Non-Current Asset	1,364,483	1,946,808
1.02.01	Long-Term Realizable Asset	1,246,984	1,762,472
1.02.01.03	Accounts Receivable	421,245	772,702
1.02.01.03.01	Clients	421,245	772,702
1.02.01.04	Inventories	547,746	706,102
1.02.01.04.01	Property Inventories Held for Sale	547,746	706,102
1.02.01.09	Other Non-Current Assets	277,993	283,668
1.02.01.09.03	Current Account with Partners in Ventures	91,915	60,165
1.02.01.09.10	Other Credits	166,218	223,503
1.02.01.09.13	Current Tax Recoverable	19,860	-
1.02.02	Investments	48,052	49,012
1.02.02.01	Corporate Interest	48,052	49,012
1.02.02.01.01	Interest in Associates	48,052	49,012
1.02.03	Fixed Asset	24,403	27,640
1.02.03.01	Fixed Asset under Operation	24,403	27,640
1.02.04	Intangible	45,044	107,684
1.02.04.01	Intangible	45,044	107,684

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 06/30/2017	Previous year-end 12/31/2016
2	Total Liability	4,103,462	4,651,014
2.01	Current Liability	6,812,752	5,807,432
2.01.01	Social and Labor Liabilities	46,478	44,798
2.01.01.02	Labor Liabilities	46,478	44,798
2.01.02	Suppliers	298,910	251,319
2.01.02.01	National Suppliers	298,910	251,319
2.01.03	Tax Liabilities	117,182	283,804
2.01.03.01	Federal Tax Liabilities	117,182	283,804
2.01.03.01.01	Income Tax and Social Contribution Payable	11,894	97,562
2.01.03.01.02	Deferred Tax Liabilities	36,908	45,483
2.01.03.01.05	Tax Installment	36,132	4,198
2.01.03.01.06	Other current liabilities	32,248	136,561
2.01.04	Loans and Financing	3,158,196	2,559,948
2.01.04.01	Loans and Financing	1,327,414	1,013,591
2.01.04.01.01	In National Currency	1,327,414	1,013,591
2.01.04.02	Debentures	1,830,782	1,546,357
2.01.05	Other Liabilities	2,800,870	2,278,978
2.01.05.02	Other	2,800,870	2,278,978
2.01.05.02.04	Property Acquisition Liabilities	70,544	85,825
2.01.05.02.05	Advance from Clients	134,644	188,928
2.01.05.02.06	Current Account with Partners in Ventures	5,614	5,798
2.01.05.02.07	Co-liability in Assignment of Receivables	18,790	24,411
2.01.05.02.09	Other Liabilities	128,944	162,472
2.01.05.02.10	CCB/CCI Issue Liability	2,437,214	1,811,544
2.01.05.02.11	Loan Agreement	5,120	-
2.01.06	Provisions	391,116	388,585
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	338,437	336,757
2.01.06.01.05	Provision for Contingencies	338,437	336,757
2.01.06.02	Other provisions	52,679	51,828
2.01.06.02.01	Provisions for Guarantees	52,679	51,828
2.02	Non-Current Liability	1,475,031	2,258,084
2.02.01	Loans and Financing	-	422,180
2.02.01.01	Loans and Financing	-	387,571
2.02.01.01.01	In National Currency	-	387,571
2.02.01.02	Debentures	-	34,609

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 06/30/2017	Previous year-end 12/31/2016
2.02.02	Other Liabilities	672,400	1,064,591
2.02.02.02	Other	672,400	1,064,591
2.02.02.02.03	Advance from Clients	81,864	72,368
2.02.02.02.04	Property Acquisition Liabilities	59,593	34,701
2.02.02.02.05	Deferred Tax Liabilities	55,642	44,919
2.02.02.02.08	Current Accounts with Partners in Ventures	167,201	131,615
2.02.02.02.09	CCB/CCI Issue Liabilities	-	501,040
2.02.02.02.10	Tax Installment	34,463	24,667
2.02.02.02.15	Other Liabilities	273,637	255,281
2.02.04	Provisions	802,631	771,313
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	759,638	720,423
2.02.04.01.09	Provision for Contingencies	759,638	720,423
2.02.04.02	Other provisions	42,993	50,890
2.02.04.02.01	Provisions for Guarantees	42,993	50,890
2.03	Consolidated Net Equity	(4,184,321)	(3,414,502)
2.03.01	Realized Share Capital	4,917,843	4,917,843
2.03.02	Capital Reserves	1,236,731	1,236,706
2.03.02.01	Goodwill in Issue of Shares	1,206,746	1,206,746
2.03.02.04	Options Granted	29,985	29,960
2.03.05	Accrued Profits/ Losses	(10,334,882)	(9,526,750)
2.03.09	Non-Controlling Shareholder’s Interest	(4,013)	(42,301)

Income Statement - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 01/04/2017 to 06/30/2017	Current Year-End Accrual 01/01/2017 to 06/30/2017	Same quarter as the Previous Year-End 04/01/2016 to 06/30/2016	Previous Year-End Accrual 01/01/2016 to 30/06/2016
3.01	Revenues from Sale of Goods and/or Services	158,197	276,213	119,833	259,619
3.02	Cost of Goods and/or Services Sold	(100,836)	(216,792)	(176,907)	(332,691)
3.03	Gross Income	57,361	59,421	(57,074)	(73,072)
3.04	Operating Expenses/ Income	(418,368)	(518,492)	(485,443)	(674,259)
3.04.01	Expenses with Sales	(3,059)	(10,977)	(31,321)	(55,792)
3.04.02	General and Administrative Expenses	(29,799)	(75,877)	(55,320)	(110,104)
3.04.04	Other Operating Revenues	-	-	4,070	17,196
3.04.04.02	Other	-	-	4,070	17,196
3.04.05	Other Operating Expenses	(384,590)	(430,738)	(405,465)	(528,338)
3.04.05.01	Tax Expenses	(4,158)	(12,655)	(4,248)	(6,078)
3.04.05.02	Depreciations/Amortizations	(11,980)	(18,626)	(6,110)	(28,020)
3.04.05.04	Losses in Equity Interest	(18,536)	(23,964)	(128,212)	(143,026)
3.04.05.05	Other	(349,916)	(375,493)	(266,895)	(351,214)
3.04.06	Equity Income	(920)	(900)	2,593	2,779
3.05	Income Before Financial and Tax Income	(361,007)	(459,071)	(542,517)	(747,331)
3.06	Financial Income	(344,828)	(519,965)	(186,646)	(377,122)
3.06.01	Financial Revenues	14,992	13,297	23,661	65,043
3.06.02	Financial Expenses	(359,820)	(533,262)	(210,307)	(442,165)
3.07	Income Before Taxes on Profit	(705,835)	(979,036)	(729,163)	(1,124,453)
3.08	Income Tax and Social Contribution on Profit	177,916	179,348	(15,931)	(31,181)
3.08.01	Current	(28,137)	(9,876)	(24,735)	(47,334)
3.08.02	Deferred	206,053	189,224	8,804	16,153
3.09	Net Income from Continuing Operations	(527,919)	(799,688)	(745,094)	(1,155,634)
3.11	Consolidated profit/Loss for the Period	(527,919)	(799,688)	(745,094)	(1,155,634)
3.11.01	Attributed to Parent Company's Shareholders	(532,412)	(808,132)	(740,003)	(1,150,480)
3.11.02	Attributed to Non-Controlling Shareholders	4,493	8,444	(5,091)	(5,154)
3.99.01.01	ON	(10.82314)	(16.42812)	(15.04316)	(23.38754)
3.99.02	Diluted earnings per Share	-	-	-	-
3.99.02.01	ON	(10.82314)	(16.42812)	(15.04316)	(23.38754)

Statements of Comprehensive income / (loss) for the years - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 04/01/2017 to 06/30/2017	Current Year-End Accrual 01/01/2017 to 06/30/2017	Same quarter as the Previous Year-End 04/01/2016 to 06/30/2016	Previous Year-End Accrual 01/01/2016 to 06/30/2016
4.01	Consolidated Net Profit for the Period	(527,919)	(799,688)	(745,094)	(1,155,634)
4.03	Consolidated Comprehensive Income for the Period	(527,919)	(799,688)	(745,094)	(1,155,634)
4.03.01	Attributed to Parent Company's Shareholders	(532,412)	(808,132)	(740,003)	(1,150,480)
4.03.02	Attributed to Non-Controlling Shareholders	4,493	8,444	(5,091)	(5,154)

Statements of cash flows - Indirect method - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 06/30/2017	Previous Year-End Accrual 01/01/2016 to 06/30/2016
6.01	Net Cash from Operating Activities	107,643	473,492
6.01.01	Cash flow from Operations	(177,052)	(453,442)
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	(979,036)	(1,124,453)
6.01.01.02	Depreciation and Amortization	18,626	28,020
6.01.01.03	Gains/Losses equity interest	23,964	143,026
6.01.01.05	Financial Expenses, Interest Payable and Monetary Variation	500,002	416,218
6.01.01.07	Expense Appropriation with Stand	1,293	3,632
6.01.01.08	Expenses with Stock Option	25	747
6.01.01.10	Impairment write-off on goodwill, interest and property inventory	162,564	-
6.01.01.11	Equity	900	(2,779)
6.01.01.12	Adjustment at Present Value	(758)	13,755
6.01.01.13	Provision for Guarantee and Contingencies	43,819	120,181
6.01.01.14	Other	66,212	(68,443)
6.01.01.15	Provision for equity in income	-	11,005
6.01.01.16	Estimated Losses on doubtful credits	(14,663)	5,649
6.01.02	Variations in Assets and liabilities	356,065	1,130,443
6.01.02.02	Loan Agreement Receivable	-	(3,139)
6.01.02.03	Accounts Receivable	394,687	984,512
6.01.02.05	Tax Recoverable	758	1,350
6.01.02.06	Property Inventory Held for Sale	(53,740)	193,103
6.01.02.08	Unearned Expenses	-	(11,075)
6.01.02.09	Current Account with Partners in Ventures	3,652	(8,757)
6.01.02.10	Financial Investments	(61,279)	-
6.01.02.13	Advance from Clients	(9,750)	1,970
6.01.02.14	Property Acquisition Liabilities	9,611	(1,589)
6.01.02.16	Tax and Labor Liabilities	18,341	7,346
6.01.02.17	Suppliers	47,591	26,583
6.01.02.20	Other Transactions	6,194	(59,861)
6.01.03	Other	(71,370)	(203,509)
6.01.03.01	Income tax and social contribution	(18,632)	(56,609)
6.01.03.02	Interest paid	(52,738)	(146,900)
6.02	Net Cash from Investment Activities	4,565	(69,692)
6.02.01	Interest (Increase) decrease in Associated and Subsidiaries	5,000	(67,997)
6.02.03	Intangible	(181)	(1,403)
6.02.08	Asset Acquisitions	(254)	(502)
6.02.09	Sale of fixed assets	-	210
6.03	Net Cash from Financial Activities	(130,642)	(737,271)
6.03.01	Loan Raising	67,123	82,667
6.03.02	Loan Amortizations	(197,765)	(819,938)
6.05	Cash and Cash Equivalents Increase (Decrease)	(18,434)	(333,471)
6.05.01	Cash and Cash Equivalent Initial Balance	200,973	604,093
6.05.02	Cash and Cash Equivalent Balance	182,539	270,622

Statements of changes in shareholders' equity - Consolidated - 01/01/2017 - 06/30/2017
(Thousands of Reais)

Account Code	Account Description	Paid-in Share Capital	Capital reserves, Options Granted and Treasury Shares	Profit Reserves	Accrued Profits or Losses	Other Comprehensive Income	Net Equity	Non-Controlling Interest	Consolidated Net Equity
5.01	Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)	(42,301)	(3,414,502)
5.03	Adjusted Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)	(42,301)	(3,414,502)
5.04	Capital Transactions with Shareholders	-	25	-	-	-	25	29,844	29,869
5.04.03	Recognized Granted Options	-	25	-	-	-	25	-	25
5.04.08	Net transaction from non-controlling shareholders	-	-	-	-	-	-	29,844	29,844
5.05	Total Comprehensive Income	-	-	-	(808,132)	-	(808,132)	8,444	(799,688)
5.05.01	Net profit for the period	-	-	-	(808,132)	-	(808,132)	8,444	(799,688)
5.07	Final Balances	4,917,843	1,236,731	-	(10,334,882)	-	(4,180,308)	(4,013)	(4,184,321)

Statements of changes in shareholders' equity - Consolidated - 01/01/2016 - 06/30/2016
(Thousands of Reais)

Account Code	Account Description	Paid-in Share Capital	Capital reserves, Options Granted and Treasury Shares	Profit Reserves	Accrued Profits or Losses	Other Comprehensive Income	Net Equity	Non-Controlling Interest	Consolidated Net Equity
5.01	Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255	450,310	2,384,565
5.03	Adjusted Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255	450,310	2,384,565
5.04	Capital Transactions with Shareholders	-	747	-	-	-	747	(172,939)	(172,192)
5.04.03	Recognized Granted Options	-	747	-	-	-	747	-	747
5.04.08	Net transaction from non-controlling shareholders	-	-	-	-	-	-	(172,939)	(172,939)
5.05	Total Comprehensive Income	-	-	-	(1,150,480)	-	(1,150,480)	(5,154)	(1,155,634)
5.05.01	Net profit for the period	-	-	-	(1,150,480)	-	(1,150,480)	(5,154)	(1,155,634)
5.07	Final Balances	4,917,843	1,236,092	-	(5,369,413)	-	784,522	272,217	1,056,739

Statements of added value - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 06/30/2017	Previous Year-End Accrual 01/01/2016 to 06/30/2016
7.01	Revenues	279,309	272,511
7.01.01	Sales of Goods, Products and Services	291,285	219,602
7.01.02	Other Revenues	(11,976)	52,909
7.02	Inputs Acquired from Third Parties	(664,969)	(895,755)
7.02.01	Costs Products, Goods and Services Sols	(216,792)	(332,691)
7.02.02	Materials, Power, Third-Party Services and Other	(48,720)	(86,020)
7.02.03	Asset Value Loss/Recovery	(23,964)	(143,026)
7.02.04	Other	(375,493)	(334,018)
7.03	Gross Added Value	(385,660)	(623,244)
7.04	Retentions	(18,626)	(28,020)
7.04.01	Depreciation, Amortization and Exhaustion	(18,626)	(28,020)
7.05	Net Added Value Produced	(404,286)	(651,264)
7.06	Added Value Received in Transfer	12,397	67,822
7.06.01	Equity Income	(900)	2,779
7.06.02	Financial Revenues	13,297	65,043
7.07	Total Added Value to Distribute	(391,889)	(583,442)
7.08	Distribution of Added Value	(391,889)	(583,442)
7.08.01	Personnel	30,276	61,160
7.08.01.01	Direct Remuneration	23,398	53,235
7.08.01.02	Benefits	2,377	4,108
7.08.01.03	F.G.T.S. – Government Severance Indemnity Fund for Employees	4,501	3,817
7.08.02	Taxes, Rates and Contributions	(157,800)	60,641
7.08.02.01	Federal	(157,787)	57,655
7.08.02.03	Municipal	(13)	2,986
7.08.03	Remuneration on third-party capital	535,323	450,391
7.08.03.01	Interest	500,002	423,579
7.08.03.02	Rent	2,061	8,226
7.08.03.03	Other	33,260	18,586
7.08.04	Remuneration on Own Capital	(799,688)	(1,155,634)
7.08.04.03	Retained Profit/ Loss for the Period	(808,132)	(1,150,480)
7.08.04.04	Non-Controller Interest on Retained Profits	8,444	(5,154)

Accompanying Notes to the Quarterly Information
(In thousands of Brazilian Reais)

1 Operating Context

a. General Information

PDG Realty S.A. Empreendimentos e Participações – Under Court-supervised Reorganization ("Entity or PDG"), its controlled entities and its joint ventures have as their corporate object: (a) shareholding in other companies that perform in the real estate sector, in the capacity as a shareholder, a quota holder, a co-venturer, or by means of the modalities of investments, such as the subscription or acquisition of debentures, subscription bonus or other securities; (b) acquisition of real estate units for income purposes; e (c) acquisition of real estate units for real estate development.

Incorporated as a Corporation domiciled in Brazil, the Entity's shares, under the code "PDGR3", are transacted at B3 – Brasil, Bolsa, Balcão (current name of BM&FBOVESPA). The Entity's headquarters is located at Dr. Cardoso de Melo, n° 1.955, 10º andar, bairro Vila Olímpia, São Paulo – SP.

The information relative to the operating context has not been changed as compared to those ones disclosed in the Accompanying Note nr. 1 of the financial statements as at December 31, 2016, published on March 30, 2017, in "Diário Oficial do Estado de São Paulo" and "Valor Econômico" newspapers and made available on the following websites: www.cvm.gov.br, www.bmfbovespa.com.br and pdg.com.br/ri (hereinafter referred to as "financial statements as at December 31, 2016").

b. Judicial Reorganization

The Entity began, in August, 2015, jointly with its legal and financial counselors, a restructuring process of the debts with the purpose of reinforcing the cash flow and optimize the capital structure of the entities that belong to the Group (PDG), so as to preserve its capacity to fulfill the liabilities before the creditors and clients ("Restructuring Process").

In general, the Restructuring Process estimated agreements for the extension of interest payments and amortization of principal, the granting of new financing intended to cover the Group's (PDG) general and administrative expenses and the commitment by the financial institutions to resume the release of financing lines already contracted and/or to analyze the possibility to contract new financing lines to the benefit of the real estate ventures by the Group's (PDG) entities.

However, the agreements have not reached the originally expected effect and the Group (PDG) continued to face difficulties in the management and continuity of its real estate ventures, such as the growing number termination contracts of the units sold, the fall on sales throughout Brazil, the interruption of works under process, the accumulation of condominium debts, IPTU and debts with suppliers of products and services and also the big volume de judicial suits filed by the clients, former clients and services provider' employees.

Despite the efforts and progress achieved, the Board pondered that it was not possible to find, in the extrajudicial scope, a sustainable solution to the financial crisis which the Group (PDG) is going through and, it concluded that the filing of the Group's (PDG) Judicial Reorganization was the most suitable measure to (i) continue advancing, in an orderly manner and, with pre-defined terms and procedures, with the coordination of all those engaged in the Restructuring Process; (ii) to enable the operating normality of the Entity's activities and of its controlled entities' activities; as well as (iii) to preserve the amount and protect the Entity's cash and the one of its controlled entities.

Due to this situation, on February 22, 2017 the Entity filed for Judicial Reorganization, of the 512 entities that belong to the Group (PDG), in the Territory of the Capital of São Paulo, with groundings on Law nr. 11.101/2005. On March 2, 2017 the filing for judicial reorganization was accepted by the Court Judge of the 1st Court of Bankruptcies and Judicial Reorganizations of the Territory of the Capital of São Paulo, in proceedings nr. 1016422-34.2017.8.26.0100.

The granting judicial decision, among other measures, set the following:

(i) Appointment of PricewaterhouseCoopers Assessoria Empresarial Ltda. to perform as its the Judicial administrator in the Judicial Reorganization Proceeding;

(ii) Suspension of all suits and executions currently in course against the Group (PDG), for the term of 180 (one hundred and eighty) days to count from this date, as per the terms of 6th article of the LRF;

(iii) Issuing of a notice, as per the terms of article 52, 1st § of the LRF, with a term of 30 (thirty) days to count from the date of its publication, for the presentation of the habilitations and/or divergences of credits in the scope of the Judicial Reorganization Proceeding;

(iv) Presentation of the Group's (PDG) judicial reorganization plan within the term of 60 (sixty) days to count from the publication of the granting judicial decision, as per the terms of article 53 of the LRF.

On March 27, 2017, by means of the Extraordinary General Meeting, the Entity's shareholders approved of, with no reservation, the filing for the Entity's judicial reorganization and the one of the entities that belong to its economic Group (PDG), authorizing the Entity's administrators to take all the measures and practice all acts that are necessary with the purpose of proceeding and ensuring the materialization of the Entity's judicial reorganization.

On June 06, 2017, the Entity's Management presented, in the proceeding records, the Entity's and certain controlled entities' judicial reorganization plan. The plan is under a discussion phase and it may also be incurred into improvements and changes until the holding of the Creditors' General Meeting.

On August 04, the Entity disclosed a relevant fact informing it has reached an alignment, about certain aspects of the judicial reorganization, with 3 of its major creditors. Said alignment includes the treatment to be given to the escrow accounts of the Group's (PDG) entities and of its controlled entity PDG Companhia Securitizadora, the destination of the product of the assets encumbered to the banks and not bound to the escrow account, in addition to the estimate of remuneration for the Group (PDG) by the management of the assigned assets. The alignment achieved does not create liability among the parties and shall be detailed and, in due time, taken for approval by the creditors' general meeting.

c. *Operating Continuity*

The continuity of the Entity's operations depends upon, ultimately, the success of the judicial reorganization plans to be presented and upon the materialization of the Entity's forecasts. Those conditions and circumstances indicate the existence of uncertainties, which may generate doubts about the continuity capacity.

In the Entity's Management's evaluation, the plans will enable , during the negotiation period before the creditors and the judiciary, the entering into agreements with the majority of the Group's (PDG) creditors.

Additionally, the Board of Directors believes that the Entity, by means of the renegotiation of the bankruptcy liabilities of the entities under reorganization, as per the terms of the forms and conditions provisioned in these plans, will also provide conditions for the economic and operational reorganization of the Group's (PDG) entities, enabling the (i) reversion of the vicious cycle of low liquidity; and (ii) attraction of funds to the Entity, by means of new partnerships for the development of the projects.

2 Presentation of the Quarterly Information and main accounting standards

a. Quarterly information and accounting standards

The individual and consolidated quarterly information have been prepared by taking into consideration the grounds of the operating continuity of the Entity and its controlled entities and associated entities ((PDG) Group). Consequently, the quarterly information have been prepared by using the accounting standards that are applicable to entities with operating continuity ("on a going-concern basis"), which do not consider any adjustments originated from uncertainties about its capacity to operate on an on going basis.

The individual and consolidated quarterly information have been prepared as per the Technical Pronouncement CPC21 (R1) – Interim Statement and the consolidated quarterly information as per the IAS 34 International Standard – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, that considers the OCPC 04 Guidance on the enforcement of the ICPC 02 Technical Interpretation to the Real Estate Development Entities in Brazil, issued by the Accounting Pronouncement Committee (CPC) and approved by CVM and by the Federal Council of Accounting (CFC), and in compliance with the norms issued by CVM, applicable to the elaboration of the Quarterly Information – ITR, identified as "Controlling and Consolidated".

The Entity acknowledges that the judgments, estimates and significant accounting premises, as well as the main accounting standards, adopted in the presentation and preparation of those Quarterly Information are the same ones disclosed in the Accompanying Note nr. 2 of the Financial Statements as at December, 2016 and have not undergone amendments and remain valid. Therefore, the quarterly information do not include all the notes and disclosures as required by the standards for the annual individual and consolidated financial statements and, consequently, the respective information shall be read jointly with the referred annual individual and consolidated financial statements. Based on the judgment and premises adopted by the Management, about the relevance and amendments that must be disclosed in the accompanying notes, these Quarterly Information include selected accompanying notes and do not contemplate all the accompanying notes presented in the annual financial statements, as provisioned by the Circular Letter 03/2011, issued by CVM.

Due to the filing for judicial reorganization, the Entity reclassified to the current liabilities the loans and financing, bank credit notes (CCBs) and Debentures payable, that have advance maturity clauses in case of the Entity's judicial reorganization. As soon as the reorganization plans and payment flows of those debts are approved, the Entity will reevaluate the accounting segregation.

The functional and reporting currency of the Individual and Consolidated Quarterly Information is the Real (R$). All amounts presented in the Quarterly Information are expressed in thousand reais, except when referred to, otherwise.

The issuance of the Entity's Quarterly Information was approved by the Board of Directors and authorized for filing on August 14, 2017.

b. New standards and interpretations not yet adopted

The Entity decided not to adopt in advance any other standard, interpretation or amendment that have been issued, but that are not yet in force. The nature and effectiveness of each one of the new standards and amendments are described below:

Pronouncement	Description	Effective on
CPC 48 – Financial Instruments	Correlation to the international accounting standards – IFRS 9- Financial Instruments: classification, measurements, loss due to decrease to the recoverable value and hedge accounting	Annual year-ends started as from January 1st, 2018
CPC 47 - Revenues from Contracts with Clients	Correlation to the international accounting standards – IFRS 15- on recognition of income in contract transactions with clients	Annual year-ends started as from January 1st, 2018
IFRS16- Leasing	It refers to the definition and guidance on the lease agreement provisioned in IAS17	Annual year-ends started as from January 1st, 2019

Additionally, it is not expected that the following standards or amendments may have a significant impact on the Entity's consolidated financial statements:

- Amendments to the CPC 10 (IFRS 2) Payment based on actions relative to the classification and measurements of certain transactions with payments based on shares.

- Amendments to the CPC 36 Consolidated Statements (IFRS 10) and to CPC 18 Investment in Associated entity (IAS 28) in relation to the sales or contributions of assets between one investor and its associated entity or its jointly-held venture.

For the IFRS 16 the Entity's Management is waiting for the edition of the corresponding norm in Brazil by CPC for the analysis of the possible impacts in its financial statements. The advance adoption of those new accounting standards is not permitted to the listed entities, as per the practices adopted in Brazil.

3 Controlled Entities' Consolidation

The controlled entities are fully consolidated as from the date of the acquisition, being this date the date on which the Entity obtains holding, and continue to be consolidated until the date when the holding ceases to exist.

The Quarterly Information of the controlled entities are usually elaborated for the same period of disclosure as the one of the controlling entity, by using consistent accounting standards.

The income of the period and each component of the other comprehensive incomes, directly recognized in the net equity, are attributed to the shareholders-owners of the Controlling entity and to the non-controlling entities' interest.

a. Non-Controlling Shareholders' Interest

For each combination of businesses, the Group (PDG) measures any interest of non-controlling shareholders on the acquisition date, by using the fair value or the identifiable net asset proportional interest of the acquired entity, which are generally by the fair value.

Changes to the Group's (PDG) interest in one subsidiary that do not result in loss of control are accounted as transactions with shareholders in their capacity as shareholders. Adjustments to the non-controlling shareholders' interest are based on a proportional value of the controlled entity's net assets.

b. Loss of Control

When loss of control occurs, the Group (PDG) derecognizes the controlled entity's assets and liabilities, any non-controlling shareholders' interest and other components recorded in the net equity relative to that controlled entity. Any gain or loss originated from the loss of control is recognized in income statement. If the Group (PDG) holds any interest in the former controlled entity, then this interest is measured by its fair value on the date on when there is loss of control. Subsequently, this interest is accounted by means of the use of equity in associated entities or by the cost or fair value in one asset that is available for sale, depending upon the level of influence held.

c. Transactions eliminated in the consolidation

Intra Group (PDG) balances and transactions, and any unrealized income or expenses originated from Intra Group (PDG) transactions, are eliminated in the preparation of the consolidated Quarterly Information. Unrealized gains originated from transactions with portfolio entities recorded by equity method are eliminated against the investment in the proportion of the Group's (PDG) interest in the portfolio entity. Unrealized losses are eliminated the same way as the unrealized gains are eliminated, but only to the extent in which there is no evidence of loss due to decrease to the recoverable amount.

4 Cash, cash equivalents and financial investments

The Entity has financial investment policies that set that the investments must be concentrated in low risk securities, investments in first class financial institutions, and are, in average, remunerated, at 92.2% of the CDI on June 30, 2017 (December 31, 2016: 91.5% of the CDI).

a. Cash and cash equivalents

They substantially refer to the bank balances and immediate liquidity financial investments, whose term is shorter than 90 days, with no penalty in the redemption, related to the Bank Deposit Certificates and Fixed Income Funds.

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Cash and Banks	**453**	**329**	**58,761**	**49,482**
Financial Investments				
Shortest-term Financial Investments	62	62	7,915	5,847
Fixed income investment funds	-	-	-	9,992
Bank deposit certificates (CDB)	-	205	57,365	62,823
Repo operations	5,259	5,335	58,498	72,829
Subtotal	**5,321**	**5,602**	**123,778**	**151,491**
Total cash and cash equivalents	**5,774**	**5,931**	**182,539**	**200,973**

b. Financial Investments

On June 30, 2017 the Entity presents R$ 61,279, in the consolidated current asset, relative to the investments bound to transactions restricted to the debt payment. The investments are realized in Fixed Income Investment Funds (R$ 3,422) and CDB (R$ 57,857). In the controlling entity (R$ 4,611) in CDB.

5 Accounts receivable from clients

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Property Incorporation and Sale	33,743	33,850	2,259,275	2,810,887
(-) Provision for doubtful credits	(9,130)	(9,089)	(661,084)	(775,891)
(-) Adjustment to present value	-	-	(11,572)	(12,331)
Total	**24,613**	**24,761**	**1,586,619**	**2,022,665**
Current Installment	19,938	17,775	1,165,374	1,249,963
Non-Current Installment	4,675	6,986	421,245	772,702
Total	**24,613**	**24,761**	**1,586,619**	**2,022,665**

Accounts receivable from the sale of real estate units are substantially updated by the variation of the National Index of Civil Construction (INCC) until the delivery of the keys and, further, by the variation of the General Market Price Index (IGP-M) added by interest of 12% per year.

The long-term account receivable balances present the following composition per year of maturity:

	Holding		Consolidated	
Year of Maturity	06/30/2017	12/31/2016	06/30/2017	12/31/2016
2018	364	752	50,702	218,827
2019	610	655	130,383	177,054
2020	2,934	4,797	106,761	212,885
2021	431	453	53,586	70,255
2022 onwards	336	329	79,813	93,681
Total	**4,675**	**6,986**	**421,245**	**772,702**

On June 30, 2017 and December 31, 2016, the Entity had accounts receivable consolidated balance, of the current installment, distributed as follows:

	06/30/2017			12/31/2016		
	Under Transfer process	Direct Portfolio	Total	Under Transfer process	Direct Portfolio	Total
to be due	400,490	90,448	490,938	472,499	162,747	635,246
due	**599,795**	**74,641**	**674,436**	**421,648**	**193,069**	**614,717**
0 to 30 days	53,406	5,005	58,411	86,676	21,091	107,767
31 to 60 days	12,466	3,999	16,465	64,522	11,341	75,863
61 to 90 days	9,385	3,721	13,106	41,957	11,912	53,869
91 to 120 days	19,743	3,712	23,455	9,842	11,249	21,091
121 to 360 days	236,687	24,608	261,295	102,432	67,903	170,335
Over 360 days	268,108	33,596	301,704	116,219	69,573	185,792
Total	**1,000,285**	**165,089**	**1,165,374**	**894,147**	**355,816**	**1,249,963**

On lending process

At the time of conclusion of their real estate ventures, almost all clients go through the bank financing process (also referred to a on lending process), said process being required for the purpose of the delivery of the keys and taking over the unit. Clients that are eventfully not approved for financing will be individually analyzed and may undergo contract termination, thus, not receiving the keys and not taking possession of the real estate unit.

Clients with no financing conditions will not receive the units and the Entity will return, as per the contract, a portion of the balance received and will place the units for sale again.

Balances of the accounts receivable from finished and under construction units

The accounts receivable consolidated balances from finished units, as at June 30, 2017, amount to R$ 1,368,816 (December 31, 2016: R$ 1,802,076), and for ventures under construction, as at June 30, 2017, amount to R$ 217,803 (December 31, 2016: R$ 220,589).

Adjustment to Present Value (AVP)

Adjustment to Present Value of accounts receivable for unfinished units, proportionally appropriated by the criterion as described in the Accompanying Note nr. 2 of the financial statements as at December 31, 2016, is calculated by using a discount rate of 11.81% on the quarterly information of June 30, 2017 (December 31, 2016: 8.08%), calculated by the loan raising average rate of the Entity and its controlled entities, deducted from inflation (IPC-A). This rate is compared to the NTN-B and the higher one is used. The rate that is currently used is the NTN-B. The discount rate is periodically revised by the Entity's Management.

Provision for doubtful credits and (PCLD) and terminated units

The Entity constitutes provision for loss on the total balance receivable from clients who have installments due for over one year and who have made a low percentage of payment on their real estate unit sale contract.

On June 30, 2017, the provision for termination deals and PCLD, consolidated, totaled the amount of R$ 661,084 (December 31, 2016: R$ 775,891), representing 41.67% over the total of accounts receivable from the development and resale of real estate units. The balances due mainly refer to the 'in full payment' cases, long-term default of accounts receivable of on-lending at the floor plan. The transaction in the period is thus demonstrated:

	Consolidated
Balance on 12/31/2016:	**(775,891)**
Write-off due to incurred dissolutions	100,144
New provisions / reversals	14,663
Balance on 06/30/2017:	**(661,084)**

New provisions are entered in the Entity's income in the entry "Other operating incomes (expenses), net"; the write-offs due to terminations are entered in the entry "Real Estate Sales (R$ 252,378) and Costs of units sold (R$ 152,234)".
The Entity, during the year-ended June 30, 2017, recorded a net volume of 1,032 units with contract termination (June 30, 2016: 1,609 units); out of this total, 61.34% occurred due to income mismatching (June 30, 2016: 54.82%), 1.74% due to exchange (June 30, 2016: 18.71%) and 36.92% for various reasons (June 30, 2016: 26.47%).

The Entity's and its controlled companies' accounting system in the termination contract of units is the one of the income reversal and previously accrued costs, recorded by the work under process by the time of the contract termination.

Developments enrolled in the Special Tax Levying Regime (RET)

The account receivable balances related to the ventures total, as at June 30, 2017, R$ 714,241 (December 31, 2016: R$ 1,516,999), which represent 49% of the total of accounts receivable of the Entity as at June 30, 2017 (December 31, 2016: 75%).

6 Real Estate Units Inventories to be traded

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Real Estate under construction	-	-	399,845	396,991
Concluded Real Estate Units	34,707	35,957	791,856	696,607
Pieces of land for future ventures	3,696	3,651	547,746	706,102
Advance to suppliers	-	-	12,865	14,500
Capitalized Interest	127	586	55,868	56,754
Added value on launched real estate	-	-	-	1,760
Total	**38,530**	**40,194**	**1,808,180**	**1,872,714**
Current installment	34,834	36,543	1,260,434	1,166,612
Non-current installment	3,696	3,651	547,746	706,102
Total	**38,530**	**40,194**	**1,808,180**	**1,872,714**

The accounting value of a piece of land of one venture is transferred to the entry "Real Estate units under construction", in the entry "Real Estate Unit Inventory to be traded", when the units are placed for sale, that is, at the time when the venture is launched.

The goodwill balance (capital gain on real estate) corresponding to the valuation of pieces of land and capitalized charges, in the Controlling Entity, is recorded in "Investments" and in "Real Estate Unit Inventories to be traded" in the consolidated.

Pieces of land for future developments
The Entity recorded expenses with real estate units in the city of Salvador, classified in the entry "Pieces of Land for future developments", which would be allocated, mainly, to ventures considered in the project referred to, by the Entity, as "Mintaka". The Entity has an agreement with the owner of the pieces of land that allows the Entity to have purchase preference or option on the pieces of land, for a period of ten years, to start in December, 2017.

When the purchase option would be exercised, there would be the accounting of the acquisition of the piece of land in Land Inventory and its offsetting in the account of Real Estate accounts payable – Financial Swap. As from the acquisition, the expenses already incurred would be allocated to the purchased pieces of land.

Taking into consideration that in this moment, the Entity did not envision new launches in the short term and that, for several reasons, it did not get engaged in effective negotiations for the recovery of the improvements made in Salvador projects, we constituted the write-off by impairment of those expenses, in the amount of R$ 151,011, entered in the Entity's income in the entry de "Other operating income (expenses), net".

The impairment tests, as described in the Accompanying Note nr. 2.9 of the financial statements of December 31, 2016, were performed with the premise of real estate acquisition, development of the real estate project or recovery of the incurred costs, in case the preferred or optioned pieces of land acquisition is given up.

Allocation of financial charges
The financial expenses from loans, financing and debentures, whose funds have been used in the construction process of the real estate ventures, are capitalized in the entry "Inventory of real estate to be traded" and appropriated to the income in the entry "Cost of real estate units sold", in the consolidated, according to the sales percentage of each venture. The balances of the financial charges applicable to the Controlling Entity are presented in the entry "Investments", as per the Accompanying Note nr. 7. The transaction, on June 30, 2017, may be thus demonstrated:

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Initial Balance	**586**	**2,521**	**56,754**	**72,203**
(+) Capitalized financial charges relative to:				
Loans and financing	662	329	15,984	48,538
Debentures	-	-	-	23,206
Total capitalized financial charges in the period	**662**	**329**	**15,984**	**71,744**
(-) Charges appropriate to income in real estate cost	(1,121)	(2,264)	(16,870)	(87,193)
Total	**127**	**586**	**55,868**	**56,754**

7 Investments

a. Information about the controlled entities as at June 30, 2017 and December 31,2016

The controlled entities have as their specific purpose the realization of real estate ventures, relative to the trading of residential and commercial real estate units.

The shareholding in the controlled entities, evaluated by the equity method, are determined as per the balance sheets of the respective portfolio entities.

The Entity has shareholders' agreements relative to the controlled entities with shareholding lower than 100%. With regard to the Management deliberations of those controlled entities, the Entity has its seat in the Board of Directors and/or in the Board of those, actively participating in all the strategic decisions of the business.

Quarterly Information of the controlled entities, used for the purposes of determination of the equity result and for consolidation, have the same accounting standards as adopted by the Entity, described in the Accompanying Note nr. 2 of the financial statements as of December 31, 2016, whenever applicable. The summary of the main financial information of the controlled entities is described in the Accompanying Note nr. 7b.

The transaction of investments in the Entity is thus demonstrated:

			Holding					
Entity name	**% Direct Interes**	**% Indirect Interest**	**Balance on 12/31/2016**	**Increases/ Paying-in**	**Decreases/ Write-offs**	**Equity result**	**Provision for Loss in Investments**	**Balance on 06/30/2017**
Investment in Controlled Entities								
CHL Desenvolvimento Imobiliário S/A	99.99%	0.01%	575,215	-	(5)	(39,392)	-	535,818
Goldfarb Incorporações E Construções S.A	99.99%	0.01%	314,849	-	(1,474)	55,954	-	369,329
PDG Desenvolvimento Imobiliário Ltda	99.99%	0.01%	266,385	-	-	2,228	-	268,613
PDG São Paulo Incorporações S.A	99.99%	0.01%	233,804	-	(73)	617	-	234,348
Gold Investimentos S.A.	49.32%	50.68%	67,772	1,375	-	(4,500)	-	64,647
API SPE 20 - Planej. e Desenvolv. Imobiliários S/A.	99.99%	0.01%	50,259	-	-	(954)	-	49,305
ZMF 5 Incorporações S.A	99.99%	0.01%	55,628	-	-	(2,551)	-	53,077
PDG Araxá Income S/A	99.00%	0.01%	29,050	-	-	966	-	30,016
PDG SPE 38 Empreendimentos Imobiliarios Ltda	99.99%	0.01%	30,338	-	-	(968)	-	29,370
PDG SP 7 Incorporações SPE Ltda	99.99%	0.01%	26,101	-	-	353	-	26,454
PDG SP 9 Incorporações SPE Ltda	99.99%	0.01%	25,865	-	-	(20)	-	25,845
PDG Companhia Securitizadora	99.99%	0.01%	24,362	-	(1,539)	(333)	-	22,490
PDG SP 2 Incorporações SPE Ltda	99.99%	0.01%	20,565	-	-	652	-	21,217
PDG SP 6 Incorporações SPE Ltda	99.99%	0.01%	21,187	-	-	6	-	21,193
JLO Brooklin Empreendimento Imobiliario Spe Ltda.	100.00%	0.00%	21,009	-	-	(55)	-	20,954
PDG SP 15 Incorporações SPE Ltda	99.99%	0.01%	20,965	-	-	(205)	-	20,760
PDG-LN7 Incorporação e Empreendimentos S.A.	85.29%	14.71%	20,602	-	-	547	-	21,149
CHL LXVIII incorporações ltda.	100.00%	0.00%	20,034	-	-	20	-	20,054
Performance Br Empreendimentos Imobiliários S.A.	68.00%	0.00%	19,094	-	-	87	-	19,181
LBC Empreendimento Imobiliario Spe	100.00%	0.00%	16,262	-	-	51	-	16,313
Gold Mali Empreendimentos Imobiliários Ltda.	50.00%	50.00%	16,169	-	-	(120)	-	16,049
LN 29 Incorporação e Empreendimento Ltda	64.00%	16.00%	14,273	-	-	34	-	14,307
Colore Empreendimento Imobiliário Spe S/A	80.00%	0.00%	10,674	-	-	(54)	-	10,620
Vital Palácio Miraflores Incorporadora Ltda.	78.15%	21.85%	9,880	-	-	(10)	-	9,870
Club Felicitá Empreendimento Imobiliários S.A.	96.69%	3.31%	6,445	-	-	(5)	-	6,440
PDG Masb Empreendimento Imobiliario Spe Ltda.	50.00%	0.00%	9,006	-	-	-	-	9,006
GDP 1 Incorporações SPE Ltda.	99.99%	0.01%	7,288	-	-	(320)	-	6,968
PDG SPE 15 Empreendimentos Imobiliários Spe Ltda	99.99%	0.01%	13,336	-	-	(1,037)	-	12,299
PDG LN 34 Incorp e Empreend Ltda	80.00%	20.00%	7,441	-	-	(941)	-	6,500
STXROCK 10 Desenvolvimento Imobiliário S/A.	99.99%	0.01%	7,105	-	-	(8)	-	7,097
PDG LN 28 Incorporação e Empreendimento Ltda	86.60%	13.40%	7,034	-	-	(118)	-	6,916
Club Florença Empreendimento Imobiliários S.A.	99.99%	0.01%	6,939	-	-	128	-	7,067
Goldfarb PDG 5 Incorporações S/A	50.00%	50.00%	5,471	-	-	60	-	5,531
Gold Sao Paulo Empreendimentos Imobiliário Ltda.	50.00%	50.00%	5,432	-	-	(117)	-	5,315
Aurora Incorporadora Spe Ltda	99.99%	0.01%	3,590	-	-	208	-	3,798
Other [1]			79,441	1,043	-	(324,139)	300,366	56,711
			2,068,870	**2,418**	**(3,091)**	**(313,936)**	**300,366**	**2,054,627**
Investment in associates								
Malmequer Empreendimentos S/A	42.50%	0.00%	2,745	6	-	12	-	2,763
Queiroz Galvao Mac Cyrela Veneza Empr. Imob. S.A.	20.00%	0.00%	1,857	-	-	364	(151)	2,070
Other [2]			2,233	40	-	(547)	12	1,738
			6,835	**46**	**-**	**(171)**	**(139)**	**6,571**
Subtotal – corporate interest			**2,075,705**	**2,464**	**(3,091)**	**(314,107)**	**300,227**	**2,061,198**
Other								
Intangible			61,182	-	(55,310)[3]	-	-	5,872
Capitalized Interest			2,160	354	-	-	-	2,514
Land added value			1,760	-	(1,760)	-	-	-
Subtotal - other investments			**65,102**	**354**	**(57,070)**	**-**	**-**	**8,386**
Total investments			**2,140,807**	**2,818**	**(60,161)**	**(314,107)**	**300,227**	**2,069,584**

[1] Investment in Controlled entities with individualized balances of R$ 5 million on June 30, 2017.
[2] Investments in Associates with individualized balances of up to R$ 1 million on June 30, 2017.
[3] Added value write-off allocated in the lands of the controlled entity Agre. (Nota 9b).

i. Provision for losses in investments

Below is the opening of the transaction of the provision for losses in investments reclassified for the non-current liability in the entry "Other liabilities".

	Holding	Consolidated
Balance on 12/31/2016	**1,175,773**	**10,208**
Investments in Controlled Entities		
Additions	334,339	-
Write-offs	(33,973)	-
	300,366	**-**
Investments in Associates		
Additions	12	5,408
Write-offs	(151)	(1,050)
	(139)	**4,358**
	300,227	**4,358**
Balance on 06/30/2017	**1,476,000**	**14,566**

b. Information about the controlled entities jointly and associated ones, of the consolidated, as at June 30, 2017 and December 31, 2016.

	Consolidated								Consolidated Balance	
Entity name	**% Direct Interest**	**Assets**	**Liability**	**Net Equity**	**Total Income the Period**	**Equity result**	**Other1 ²**	**Investment on 06/30/2017**	**Investment on 12/31/2016**	**Equity income on 06/30/2016**
Inpar - Abyara - Projeto Res. Santo Amaro Spe Ltda	30.00%	49,839	5,398	44,441	-	-	-	13,332	13,332	(24)
Schahin Borges De Figueiredo Incorporadora Ltda	30.00%	28,095	77	28,018	(130)	(39)	-	8,406	8,391	(2)
Iepe - Investimentos Imobiliarios Ltda	30.00%	17,838	1,051	16,787	(1,450)	(435)	-	5,036	5,587	(395)
Inpar - Abyara - Projeto Residencial America Spe Ltda	30.00%	32,656	14,806	17,850	-	-	-	5,355	5,355	(331)
Other investees ¹		492,660	479,116	13,544	106	(426)	14,566	15,923	16,347	3,531
Total investments		**621,088**	**500,448**	**120,640**	**(1,474)**	**(900)**	**14,566**	**48,052**	**49,012**	**2,779**

¹ 1 Investments with balances of up to R$ 5 million on June 30, 2017.
² It contains Provision for losses in investments classified for the non-current liability in the entry Other liabilities.

Financial information of the consolidation of the controlled entities, with minor shareholders, as at June 30, 2017 and December 31, 2016

	Consolidated on 06/30/2017								Consolidated Balance	
Entity name	**Entity's % Total**	**% Minor**	**Assets**	**Liability**	**Net Equity**	**Income**	**Non-Controlling Income**	**Non-Controlling Net Equity**	**Net Equity of Non-Controlling on 12/31/2016**	**Income on 06/30/2016**
Performance Br Empreendimentos Imob. S.A.	68.00%	32.00%	30,062	1,854	28,208	128	41	9,027	7,468	(2,410)
Dubhe Incorporadora S/A	55.00%	45.00%	14,753	246	14,507	5,691	2,561	6,528	5,363	2,898
Gonder Incorporadora Ltda.	86.00%	14.00%	92,263	139,802	(47,539)	8,096	1,133	(6,655)	(7,789)	(2,572)
Klabin Segall Invest E Partic Spe S.A	70.00%	30.00%	6,614	25,688	(19,074)	(46)	(14)	(5,722)	(5,709)	77
Agra Bergen Incorporadora Ltda	80.00%	20.00%	97,649	119,301	(21,652)	41,699	8,340	(4,330)	(12,671)	(2,434)
Ecolife Independência Empreendimentos Imobiliários S.A.	80.00%	20.00%	13,670	43,125	(29,455)	420	84	(5,891)	(5,975)	612
PDG Masb Empreendimento Imob. Spe Ltda	50.00%	50.00%	35,439	50,116	(14,677)	-	-	(7,339)	(7,379)	(808)
API Spe10-Plan e Des De Emp Imob Ltda	80.00%	20.00%	57,582	85,537	(27,955)	(13,291)	(2,658)	(5,591)	(2,932)	(3,374)
Other investees ¹			459,061	394,441	64,620	(1,803)	(1,043)	15,960	(12,677)	2,857
Total			**807,093**	**860,110**	**(53,017)**	**40,894**	**8,444**	**(4,013)**	**(42,301)**	**(5,154)**

¹ Investments higher or lower than R$ 5 million at June 30, 2017.

c. Investments in shares

On June 30, 2017, the Entity, by means of its controlled entity Agra Empreendimentos Imobiliários S.A., keeps exclusive investment fund (FIP PDG), whose major assets are interest in the controlled entities of the Entity. The fund quotas are valued as per the asset price and its income, appropriated in the controlled entity's income, are eliminated by the time of the elaboration of the Entity's consolidated information.

8 Fixed Asset

Fixed asset is segregated in well defined classes and are related to operating activities.

There are effective controls on the fixed asset goods that enable the identification of the losses and changes to the useful life estimate of the assets. Annual depreciation is calculated in a linear manner, during the useful life of the assets, at rates that consider the estimated useful life of the assets, as follows:

	Holding				
Cost	**Machinery and Equipment**	**Furniture and Fixtures**	**Computers**	**Improvements made in third party real estate**	**Total**
Balance on 12.31.2015	**-**	**379**	**3,848**	**705**	**4,932**
. Additions	848	-	361	-	1,209
Balance on 12.31.2016	**848**	**379**	**4,209**	**705**	**6,141**
. Additions	227	-	-	-	227
Balance on 06.30.2017	**1,075**	**379**	**4,209**	**705**	**6,368**

	Holding				
Depreciation:	**10% per annum Machines and Equipment**	**10% per annum Furniture and Fixtures**	**20% per annum Computers**	**Improvements in third party real estate**	**Total**
Balance on 12.31.2015	**-**	**(311)**	**(3,599)**	**(47)**	**(3,957)**
. Depreciation	(68)	(38)	(190)	(70)	(366)
Balance on 12.31.2016	**(68)**	**(349)**	**(3,789)**	**(117)**	**(4,323)**
. Depreciation	(50)	(12)	(111)	(35)	(208)
Balance on 06.30.2017	**(118)**	**(361)**	**(3,900)**	**(152)**	**(4,531)**
Residual Balance 06.30.2017	**957**	**18**	**309**	**553**	**1,837**
Residual Balance 12.31.2016	**780**	**30**	**420**	**588**	**1,818**

	Consolidated						
Cost	**Machinery and Equipment**	**Furniture and Fixtures**	**Computers**	**Improvements made in third party real estate (ii)**	**Sales Booth**	**Other assets**	**Total**
Balance on 12.31.2015	**28,306**	**17,888**	**26,515**	**22,118**	**4,023**	**5,086**	**103,936**
. Additions	1,180	1,112	1,195	1,990	271	-	**5,748**
. Write-offs	(1,842)	(529)	(799)	(58)	(1,472)	(1,084)	**(5,784)**
Balance on 12.31.2016	**27,644**	**18,471**	**26,911**	**24,050**	**2,822**	**4,002**	**103,900**
. Additions	254	-	-	-	-	-	**254**
. Write-offs	(24)	(49)	(106)	(161)	(2,822)	-	**(3,162)**
Balance on 06.30.2017	**27,874**	**18,422**	**26,805**	**23,889**	**-**	**4,002**	**100,992**

	Consolidated						
Cost:	**10% per annum Machinery and Equipment**	**10% per annum Furniture and Fixtures**	**20% per annum Computers**	**Improvements made in third party real estate (ii)**	**Sales Booth (i)**	**Other assets**	**Total**
Balance on 12.31.2015	**(14,826)**	**(11,581)**	**(24,108)**	**(11,598)**	**(3,263)**	**(2,341)**	**(67,717)**
. Additions	(2,989)	(1,786)	(1,292)	(4,249)	(1,191)	(249)	**(11,756)**
. Write-offs	1,102	123	306	10	1,632	40	**3,213**
Balance on 12.31.2016	**(16,713)**	**(13,244)**	**(25,094)**	**(15,837)**	**(2,822)**	**(2,550)**	**(76,260)**
. Additions	(1,344)	(707)	(417)	(718)	-	(112)	**(3,298)**
. Write-offs	19	7	85	36	2,822	-	**2,969**
Balance on 06.30.2017	**(18,038)**	**(13,944)**	**(25,426)**	**(16,519)**	**-**	**(2,662)**	**(76,589)**
Residual Balance 06.30.2017	**9,836**	**4,478**	**1,379**	**7,370**	**-**	**1,340**	**24,403**
Residual Balance 12.31.2016	**10,931**	**5,227**	**1,817**	**8,213**	**-**	**1,452**	**27,640**

Fixed Asset Impairment Test (*impairment)*

The Group (PDG) annually revises the existence of traces of impairment of the fixed assets. In the cases in which fixed assets are identified that are not recoverable, the Group (PDG) analyzes and constitutes provision for the decrease to the recoverable value.

9 Intangible

	Holding		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Composition of goodwill per entity				
Agre Empreendimentos Imobiliarios S.A. (Nota 9b)	-	53,491	-	53,491
Agre Urbanismo S.A.	401	402	-	-
CHL Desenvolvimento Imobiliários S.A.	4,984	6,616	-	-
Goldfarb Incorporações e Construções S.A.	323	465	-	-
LN 8 Incorporacao e Empreendimentos Ltda.	28	72	-	-
PDG LN Incorporações e Construções S.A.	136	136	-	-
Total	**5,872**	**61,182**	**-**	**53,491**
Software and other intangible	27,926	31,460	45,044	54,193
Subtotal	**33,798**	**92,642**	**45,044**	**107,684**
Reallocation for Investments (Note 7) (i)	(5,872)	(61,182)	-	-
Final balance	**27,926**	**31,460**	**45,044**	**107,684**

(i) In the Quarterly Information of the "Controlling Entity" and "Consolidated" those intangibles are being presented and included in the entries of Investments as they are intangible of associated entities (Accompanying Note nr. 7)

a. *Transaction of Intangible Assets*

The transactions of the intangible assets in the years-ended June 30, 2017 and December 31, 2016 may be thus demonstrated:

	Holding	Consolidated				
	Right for the use of software	**Brands and patents**	**Rights for the use of software**	**Sub-total**	**Added Value in Investments**	**Total**
Cost:						
Balance on 12.31.2015	**56,008**	**88**	**135,741**	**135,829**	**511,428**	**647,257**
. Additions	5,151	-	5,530	5,530	-	5,530
. Write-offs	-	(88)	(701)	(789)	-	(789)
Balance on 12.31.2016	**61,159**	**-**	**140,570**	**140,570**	**511,428**	**651,998**
. Additions	181	-	181	181	-	181
. Write-offs	-	-	(16)	(16)	-	(16)
Balance on 06.30.2017	**61,340**	**-**	**140,735**	**140,735**	**511,428**	**652,163**
Amortizations:						
Balance on 12.31.2015	**(22,144)**	**-**	**(61,397)**	**(61,397)**	**(457,937)**	**(519,334)**
. Amortizations	(7,555)	-	(25,045)	(25,045)	-	(25,045)
. Write-offs	-	-	65	65	-	65
Balance on 12.31.2016	**(29,699)**	**-**	**(86,377)**	**(86,377)**	**(457,937)**	**(544,314)**
. Amortizations	(3,715)	-	(9,314)	(9,314)	-	(9,314)
. Write-offs	-	-	-	-	(53,491)	(53,491)
Balance on 06.30.2017	**(33,414)**	**-**	**(95,691)**	**(95,691)**	**(511,428)**	**(607,119)**
Residual Balance 06.30.2017	**27,926**	**-**	**45,044**	**45,044**	**-**	**45,044**
Residual Balance 12.31.2016	**31,460**	**-**	**54,193**	**54,193**	**53,491**	**107,684**

[1] Write-off in the entry of other operating expenses in income, relative added value write-off of the piece of land allocated in the controlled entity Agre. (Nota 9b)

b. *Impairment test of assets (impairment)*

The controlled entity Agre recorded in this quarter, write-off by impairment of R$ 53,491, allocated to pieces of land that were optioned to the Group (PDG). The write-off was made due to the uncertainty, related to the potential exercise of the purchase options of the pieces of lands.

c. *Software Intangibles*

Assets classified as "*Software* and other intangibles" correspond to the acquisition and to the costs of implementation of the Entity's operating *software*, whose start of amortization occurred in January 2011. During the period ended June 30, 2017, R$ 9,314 (June 30, 2016 2016: R$ 13,411) were amortized, accounted in the Entity's income. The *software* amortization term was assessed in eight years.

10 Transactions and balances with related parties

a. *Advance for future capital increase (AFAC)*

The classified amount in the non-current assets, as AFAC, refers to funding intended to make the initial phase of the ventures feasible. Those funds are not subjected to any indexer or interest rate, and shall be object of deliberation by a portion of shareholders relative to its capitalization.

b. *The Management remuneration*

The global remuneration limit of the Entities' administrators and members of the tax council, net of social charges that are encumbrances of the Entity, for the year 2017, was set in up to R$ 20,514 (December 31, 2016: R$ 39,485), for the remuneration of the administrators, fixed and variable, direct and indirect of the administrators, considering the maximum level to be reached and of the tax council, as well as the amounts to be borne by it due to the purchase options of the shares granted as per the Entity's Share Purchase Option Plan.

The amount of the fixed and variable remuneration paid, as remuneration, profit or income sharing, dividends and/or benefits in general, during the year-ended June 30, 2017 and June 30, 2016 is thus demonstrated:

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016
Fixed remuneration								
Board of Directors	450	900	120	240	450	900	120	240
Audit Committee	72	146	40	96	72	146	40	96
Statutory Board	535	1,219	1,050	1,830	535	1,219	1,010	1,830
Charges	304	652	268	527	304	652	266	527
	1,361	**2,917**	**1,478**	**2,693**	**1,361**	**2,917**	**1,436**	**2,693**
Benefits								
Statutory Board	9	50	80	140	9	50	80	143
	9	**50**	**80**	**140**	**9**	**50**	**80**	**143**
Variable Remuneration								
Retention bonus	601	1,231	5,917	11,079	601	1,231	5,917	11,079
Charges	173	354	1,472	2,959	173	354	1,472	2,959
	774	**1,585**	**7,389**	**14,038**	**774**	**1,585**	**7,389**	**14,038**
Total fixed and variable	**2,144**	**4,552**	**8,947**	**16,871**	**2,144**	**4,552**	**8,905**	**16,874**
Based on shares	13	25	268	535	13	25	268	535
General Total	**2,157**	**4,577**	**9,215**	**17,406**	**2,157**	**4,577**	**9,173**	**17,409**

The Management variable remuneration is made up by profit sharing and these are usually provisioned during the previous fiscal year, based on the payment estimate. Remuneration based on shares represents appropriation to the year-end income of the expense calculated in the outstanding granting (Accompanying Note nr. 21).

The Entity, based on item 8 of the Official Letter/CVM/SNC/SEP/nr. 01/2013, issued on February 8th, 2013, presents the following references about the disclosure of the transactions of the related parties:

(i) It has no short-term benefits to employees and administrators;
(ii) It has no post-job benefits;
(iii) It has no other long-term benefits;
(iv) It has no employment contract termination benefits; and
(v) It has remuneration based on shares.

c. *Sureties and guarantees*

The Entity totals R$ 1,109,002 of sureties and guarantees on June 30, 2017 (December 31, 2016: R$ 1,711,768). The amounts originated from sureties and bonds rendered in the real estate credit transactions made by the Entity's portfolio entities, having as a base the balances payable and future clearances contracted up to this date, and in the proportion of the shareholding that the Entity has in the share capital of said entities.

d. *Balances with related parties:*

The balances and the transaction, current and non-current, with related parties are shown below:

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Asset				
Loan Persons Bound	3,004	2,723	25,953	24,564
Current Accounts with Partners in Ventures	-	12,530	91,915	60,165
Liability				
Current Accounts with Partners in Ventures	98,014	116,549	172,815	137,413
Loan Persons Bound	-	-	5,120	-

The rights with associated entities have no pre-set due date, except for the loan agreements, have no levy of charges. The loan transactions and balances receivable or payable of the controlled entities and current account with partners in the ventures have been made, mainly, with the purpose of making the initial phase of the ventures feasible, due to the commercial relations that are kept with the related parties for the development of the development and construction activities.

e. *Related Parties with supply of materials and services*

The transactions and businesses with related parties are made, by complying with the usual market prices and conditions, and, therefore, do no generate any benefit or loss to the Entity or any other parties. As per article 15 of our Articles of Incorporation, the Board of Directors ("CA") has the right to deliberate about: the entering into, amendment and termination of contracts, as well as the performance of transactions of any type between the Entity and the Entity's shareholders and/or controlled entities, associated entities or holding entities of the Entity's shareholders. The CA meetings held for taking those decisions and other investment decisions are set with the presence of the majority of the CA members and the deliberations are taken as valid if approved by the majority of the present members.

The main information about the transactions made with the Entity's administrators and partners, or of its portfolio entities, is thus presented:

Related Party								Expenses Incurred on	
Relation with Entity		Supplier	Object of the Contract	Transaction Date	Amount involved	Note	Contract Term	06/30/2017	12/31/2016
Vinci Partners	F	Austral Seguradora	Work insurance and guarantee insurance	jun/13 to nov/19	3,188	maximum coverage limit per insurance-work R$120,00	36 months of work + 12 months post-work	-	708
Vinci Partners	F	Cecrisa R. Cerâmicos S.A	Material: ceramics	jun/13 to jun/17	14,675	-	6 months	33	474
Vinci Partners	F	Unidas Locadora de Veículos Ltda	Rent: vehicle	set/13 to mar/17	28	-	1 Year	-	1
Counselor	F	Instituto de Desenvolvimento Gerencial S.A.	Consulting	jun/14	257	total contracted amount R$ 2,571	19 months	-	1,337
Counselor	F	União Consultoria V. e A. de P. de Gestão S/S	Consulting	jun/14	1,157			-	-
Counselor	F	União Consultoria E. de Projetos de Gestão	Consulting	jun/14	1,157			-	-
Counselor	F	Instituto de Desenvolvimento Gerencial S.A.	Consulting	out/15	725	total contracted amount R$ 7,250	11 months	644	81
Counselor	F	União Consultoria V. e A. de P. de Gestão S/S	Consulting	out/15	3,263			1,371	-
Counselor	F	União Consultoria E. de Projetos de Gestão	Consulting	out/15	3,263			-	-
				Total	**27,713**			**2,048**	**2,601**

11 Loans and Financing

The Entity reduces the cash exposure of each venture by means of the use of funds from third parties in the financing/ support to construction, signed under the conditions of the Housing Financial System and of working capital credits offered by first class financial institutions.

As per the Accompanying Note nr. 2.a we made the reclassification, for the current liability, of the loans and financing that have restrictive clauses to the judicial reorganization status.

In the second quarter, 2017 the Entity recorded fine and interest for some contracts that have specific clauses for the entry in judicial reorganization of the Entity.

Below is the consolidated composition of the Entity's loans, on June 30, 2017 and December 31, 2016, per type of debt:

	Holding		**Average Rate**	**Guarantee**
Type of Debt	**06/30/2017**	**12/31/2016**		
SFH	2,070	2,954	TR + 9%	Mortgage / Receivables / Surety / Pledge
Working Capital / SFI and Promissory Note	347,631	329,599	120% CDI	Chattel Mortgage of quotas, shares and real estate units / Surety / Pledge / Fiduciary Cession of Credit Rights
Finep/Finame	130,307	98,246	PRÉ 5.25% to 8.70%	PDG Surety
Total	**480,008**	**430,799**		
Current Installment	480,008	45,398		
Non-current Installment	-	385,401		
Total	**480,008**	**430,799**		

	Holding		**Average Rate**	**Guarantee**
Type of Debt	**06/30/2017**	**12/31/2016**		
SFH	846,413	970,394	TR + 9%	Receivables/ Proportional Surety/ Mortgage/ Endorsement/ Real Estate Mortgage/ Surety
Working Capital / SFI and Promissory Note	347,632	329,600	120% CDI	Chattel Mortgage of quotas, shares and real estate units/ Surety/ Mortgage/ Fiduciary cession of Credit Rights
Finep/Finame	133,369	101,168	PRÉ 5.25% to 8.70%	Aval PDG
Total	**1,327,414**	**1,401,162**		
Current Installment	1,327,414	1,013,591		
Non-current Installment	-	387,571		
Total	**1,327,414**	**1,401,162**		

12 Bank Credit Notes (CCBs) and Debentures payable

As per the Accompanying Note nr. 2.a we made the reclassification for the current liability of the CCBs and Debentures payable that have restrictive clauses to the judicial reorganization status.

a. Bank Credit Notes

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Liability due to Corporate CCB Issuance				
3rd series of 1st Issuance	1,347	1,250	1,347	1,250
4th series of 1st Issuance	673	625	673	625
15th Series of 1st Issuance	305,568	289,191	305,568	289,191
3rd Series of 3rd Issuance	-	-	2,557	2,817
5th Series of 3rd Issuance	12,686	11,118	12,686	11,118
7th Series of 3rd Issuance	12,649	11,731	12,649	11,731
25th Series of 1st Issuance	90,655	86,316	90,655	86,316
26th Series of 1st Issuance	-	-	71,205	62,421
27th Series of 1st Issuance	233,193	205,067	233,193	205,067
28th Series of 1st Issuance	83,024	72,115	83,024	72,115
Other Issuances by CCB	938,006	910,297	995,796	983,163
Corporate Sub-total	**1,677,801**	**1,587,710**	**1,809,353**	**1,725,814**
Liability by Issuance of CCB Support to Production *				
3rd series of 2nd issuance	-	-	71,749	69,073
2nd series of 2nd issuance	-	-	56,441	63,437
24th series of 1st issuance	226,858	200,575	226,858	200,575
CCB CEF 600MM	272,813	253,685	272,813	253,685
Subtotal CCB Support to production	**499,671**	**454,260**	**627,861**	**586,770**
Total	**2,177,472**	**2,041,970**	**2,437,214**	**2,312,584**
Current Installment	2,177,472	1,542,375	2,437,214	1,811,544
Non-current Installment	-	499,595	-	501,040
Total	**2,177,472**	**2,041,970**	**2,437,214**	**2,312,584**

* The have the same conditions of SFH contracting:

a) Have credit lines origin created at the Government Severance Indemnity Fund for Employees (FGTS) and/or Savings
b) Are intender to the real estate financing (residential or commercial real estate development);
c) Are remunerated by the TR variation plus the maximum interest rate of 12% p.a.

b. Debentures payable

The main characteristics of the debentures payable issued by the Entity and controlled entities may be demonstrated as follows:

						Holding						
Debentures	**Type**	**Nature**	**Issuance**	**Maturity**	**Kind**	**Remuneration Condition**	**Nominal Value**	**Securities Issues**	**Securities Outstanding**	**Mode of Amortization**	**Portions**	**Guarantees**
Corporate												
1st Issuance	Non-Convertible	Public	07/02/2007	07/04/2020	Unsecured	120 % CDI	10	25,000	25,000	Annual	1	No Guarantee
4th Issuance	Non-Convertible	Public	08/10/2010	07/04/2020	Real	120 % CDI	1,000	280	280	Quarterly	1	Quotas
7th Issuance	Non-Convertible	Public	03/15/2012	12/15/2018	Real	IPCA + 6.56% a.a.	1,000	140	140	Irregular	10	Quotas
9th Issuance	Non-Convertible	Public	06/08/2016	06/30/2019	Unsecured	120 % CDI	1,000	30,000	30,000	Single	1	No Guarantee
10th Issuance	Non-Convertible	Public	07/01/2016	06/30/2019	Unsecured	120 % CDI	1,000	20,000	20,000	Single	1	No Guarantee
11th Issuance	Non-Convertible	Public	08/05/2016	07/04/2020	Real	120 % CDI	1,000	565,000	565,000	Single	1	Quotas
Production Support												
5th Issuance [1]	Non-Convertible	Public	09/23/2010	03/01/2017	Real	TR + 9.34% a.a.	1,000	600	600	Semester	1	Cession/ Chattel Mortgage of Shares and Quotas

[1] Due to payment default of interest interest, then the maturity of Debentures was characterized. The Entity is in contact with the holders of Debentures with the purpose of negotiating a solution that is consistent with the restructuring principles and purposes.

The balances of the Debentures payable of the Entity on June 30, 2017 and December 31, 2016 are thus demonstrated:

	Holding											Consolidated	
	Support to production			Corporate								Support to production	
	3rd issuance	5th issuance	Subtotal	1st issuance	4th issuance	7th issuance	8th issuance	9th issuance	10th issuance	11th issuance	Subtotal	REP	Total
a) ***Debentures payable***													
Balance on 12/31/2015	**20,683**	**188,341**	**209,024**	**269,541**	**223,694**	**191,597**	**1,989**	**-**	**-**	**-**	**895,845**	**71,005**	**966,850**
(+) Raising	-	-	-	-	-	-	-	32,000	20,000	561,924	**613,924**	-	**613,924**
(+) Updating	463	17,641	**18,104**	44,499	38,422	30,728	-	2,609	1,389	36,439	**172,190**	2,682	**174,872**
(-) Payment (Principal + Interest)	(21,146)	(65,118)	**(86,264)**	-	-	(10,683)	(1,989)	-	-	-	**(98,936)**	(2,685)	**(101,621)**
(-) Equity sale	-	-	-	-	-	-	-	-	-	-	-	(71,002)	**(71,002)**
Balance on 12/31/2016	**-**	**140,864**	**140,864**	**314,040**	**262,116**	**211,642**	**-**	**34,609**	**21,389**	**598,363**	**1,583,023**	**-**	**1,583,023**
(+) Raising	-	-	-	-	-	-	-	18,000	30,000	-	**48,000**	-	**48,000**
(+) Updating	-	13,714	**13,714**	41,897	34,988	26,724	-	13,827	(8,380)	79,872	**202,642**	-	**202,642**
(-) Payment (Principal + Interest)	-	(1,346)	**(1,346)**	-	-	-	-	-	-	-	**(1,346)**	-	**(1,346)**
Balance on 06/30/2017	**-**	**153,232**	**153,232**	**355,937**	**297,104**	**238,366**	**-**	**66,436**	**43,009**	**678,235**	**1,832,319**	**-**	**1,832,319**
Composition per maturity year:													
2017	-	153,232	**153,232**	355,937	297,104	238,366	-	66,436	43,009	678,235	**1,832,319**	-	**1,832,319**
Balance on 06/30/2017	**-**	**153,232**	**153,232**	**355,937**	**297,104**	**238,366**	**-**	**66,436**	**43,009**	**678,235**	**1,832,319**	**-**	**1,832,319**

	Holding											Consolidated	
	Support to production			Corporate								Apoio à Produção	
	3rd issuance	5th issuance	Subtotal	1st issuance	4th issuance	7th issuance	8th issuance	9th issuance	10th issuance	11th issuance	Subtotal	REP	Total
b) ***Debentures payable***													
Balance on 12/31/2015	**(119)**	**(781)**	**(900)**	**(1,558)**	**(707)**	**(1,540)**	**-**	**-**	**-**	**-**	**(4,705)**	**(3,316)**	**(8,021)**
(-) Expense Amortization	119	781	**900**	519	707	522	-	-	-	-	**2,648**	50	**2,698**
(-) Equity sale [1]	-	-	-	-	-	-	-	-	-	-	-	3,266	**3,266**
Balance on 12/31/2016	**-**	**-**	**-**	**(1,039)**	**-**	**(1,018)**	**-**	**-**	**-**	**-**	**(2,057)**	**-**	**(2,057)**
(-) Expense Amortization	-	-	-	258	-	262	-	-	-	-	**520**	-	**520**
Balance on 06/30/2017	**-**	**-**	**-**	**(781)**	**-**	**(756)**	**-**	**-**	**-**	**-**	**(1,537)**	**-**	**(1,537)**
Balance on 06/30/2017	**-**	**153,232**	**153,232**	**355,156**	**297,104**	**237,610**	**-**	**66,436**	**43,009**	**678,235**	**1,830,782**	**-**	**1,830,782**
Installment of:													
Current Liability	-	153,232	**153,232**	355,156	297,104	237,610	-	66,436	43,009	678,235	**1,830,782**	-	**1,830,782**
Total	**-**	**153,232**	**153,232**	**355,156**	**297,104**	**237,610**	**-**	**66,436**	**43,009**	**678,235**	**1,830,782**	**-**	**1,830,782**
Balance on 12/31/2016	**-**	**140,864**	**140,864**	**313,001**	**262,116**	**210,624**	**-**	**34,609**	**21,389**	**598,363**	**1,580,966**	**-**	**1,580,966**
Parcela de:													
Current Liability	-	140,864	**140,864**	313,001	262,116	210,624	-	-	21,389	598,363	**1,546,357**	-	**1,546,357**
Non-current Liability	-	-	-	-	-	-	-	34,609	-	-	**34,609**	-	**34,609**
Total	**-**	**140,864**	**140,864**	**313,001**	**262,116**	**210,624**	**-**	**34,609**	**21,389**	**598,363**	**1,580,966**	**-**	**1,580,966**

* The have the same conditions of SFH contracting

a) Have credit lines origin created at the Government Severance Indemnity Fund for Employees (FGTS) and/or Savings;
b) Are intender to the real estate financing (residential or commercial real estate development);
c) Are remunerated by the TR variation plus the maximum interest rate of 12% p.a.

c. *Restrictive Contractual Clauses ("Covenants") of Debts*

The Entity and its controlled entities have Loan contracts, SFH, Debentures and CCBs, with Covenants usually applicable to those types of transactions, related to the restriction of the Group's judicial reorganization and to the fulfillment of the economic-financial indices, cash generation and of other items.

Those restrictive contractual clauses are adequately monitored and do not limit, in an exclusive manner, the capacity to conduct the normal course of the Entity's transactions.

The CCBs and the Debentures Payable have restrictive contractual clauses that on which the indicators below are calculated, and set based on the Entity's Consolidated Quarterly Information and all computed for the base date of June 30, 2017:

- Adjusted EBIT Indices (Earning Before Interest and Taxes).
- Indices for maximum levels of indebtedness.
- Indices for Minimum levels of liquidity.
- Restrictive Contractual Clauses (Covenants).

The Entity surpassed the limits set for the Adjusted EBIT index, maximum of indebtedness and minimum of liquidity as well as other non-financial indices related to the existence of judicial suits, contracts not yet renegotiated or bound, protested bills, and others, on June 30, 2017 and December 31, 2016.

The filing for judicial reorganization, presented in this quarter by the Group (PDG), also made all those debts that have these Covenants, of restriction to judicial reorganization, to present advance maturity.

CPC 26 determines that when the entity breaches a contractual agreement (covenant) of a long-term loan, in the end or before the end of the reporting period, making the liability due and payable to the creditor's order, the liability shall be classified as current liability even if the creditor has agreed, after the balance sheet date and before the authorization date for the issuance of the accounting statements, not to require advance payment as a consequence of the covenant breach. The liability must be classified as current liability because, on the date of the balance sheet, the entity has no unconditional right to defer its settlement during at least twelve months after that date.

Thus, the Entity followed the accounting guidance defined in CPC 26 and made the reclassification to the current liability of those debts, as well as the debts bound to advance maturity of those debts.

13 Liabilities due to real estate acquisition

They refer to commitments undertaken in the purchase of pieces of lands for the development of real estate ventures, as follows:

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Cash entered	-	-	37,471	28,719
Cash to entry	-	-	21,965	28,429
Financial exchange –VGV entered	5,403	1,501	27,270	42,269
Financial exchange –VGV entered	3,123	3,016	43,431	21,109
Total	**8,526**	**4,517**	**130,137**	**120,526**
Current Portion	8,526	4,517	70,544	85,825
Non-current Portion	-	-	59,593	34,701
Total	**8,526**	**4,517**	**130,137**	**120,526**

The financial swaps have as a base the commitment undertaken in the purchase of pieces of lands for the development of real estate ventures, its settlement with the o piece of land exchangeable occurs concomitantly with the financial settlement by the clients of the real estate units commercialized and by means of transfer of funds, as provisioned in the contract.

The liabilities are, substantially, updated by the variation of the National Index of Civil Construction (INCC) or by the variation of the Market General Price Index (IGP-M) and interest that vary from 6% to 12% per year.
The amounts of liabilities of real estate acquisitions of the non-current portion have the following composition per maturity:

	Consolidated	
Year	**06/30/2017**	**12/31/2016**
2018	2,568	7,634
2019	6,668	5,032
2020	2,896	4,858
2021	2,056	4,090
2022 onwards	45,405	13,087
Total	**59,593**	**34,701**

14 Tax liabilities

Normative Instruction SRF nr. 84/1979 (Real Estate Development and Sale Activity) allows, for tax purposes, the Entity to make the payment of tax to the proportion of the receipt of the contracted sales. As a result, the asset or liability of the deferred tax payable is accounted based on the difference between the recognized profit in the Quarterly Information and the current tax ("payable"), as per the o cash basis.

There was not change to the tax levying regime (Real, presumed Profit, and RET) used by the Group (PDG), described in the Accompanying Note nr. 2.8.b, of the financial statements as at December 31, 2016.

Taking the current context of the Controlling Entity's transactions into consideration, which is constituted, substantially, by the shareholding in other entities, no tax credits have been constituted over the totality of the accumulated balance of the tax losses and the negative calculation bases of social contribution over the profit, as well as over the balance of the expenses non-deductible, temporarily, in the determination of the taxable profit.

On June 30, 2017, the balance of IR (Income tax) tax losses and of the negative base of accumulated CSLL of the Entity is R$ 3,144,753 (December 31, 2016: R$ 3,455,513).

a. Taxes in installments

On May 31, 2017 the Entity adhered to the Tax Regularization Program ("PRT"), set by the Provisional Measure nr. 766, as of January 4th, 2017, regularizing the federal debits that were being discussed in the administrative and judicial scope, with the National Treasury. The payment modality used by the Entity constituted in the payment in kind of 24% (twenty-four percent) of the debt in 24 (twenty-four) monthly and successive installments and settlement of the remaining amount with the use of tax loss credit and CSLL negative calculation base.

The use of the tax credit enabled the Group (PDG), to make the credit record in the year-end income, in the amount of R$ 196,194, in the income entry "Income Tax and Social Contribution on the Profit – Current".

The Entity and its portfolio entities accumulate installments of federal and municipal taxes as at June 30, 2017 and December 31, 2106, in the amounts of:

	Holding		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Tax Regularization Program (PRT):				
- IRPJ and CSL	6,026	-	25,332	-
- PIS and COFINS	-	-	30,515	-
Ordinary installments:				
- IRPJ and CSL	-	284	8,833	14,435
- PIS and COFINS	-	-	4,692	12,705
- ISS	-	-	1,223	1,725
Total	**6,026**	**284**	**70,595**	**28,865**
Current Portion	2,801	284	36,132	4,198
Non-Current Portion	3,225	-	34,463	24,667
Total	**6,026**	**284**	**70,595**	**28,865**

i. *Transaction of taxes in installments*

The transactions of taxes in installments may be thus demonstrated:

	Holding		Consolidated	
Instalments made	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Inicial balance	**284**	**284**	**28,865**	**29,714**
(+/-) Adjustment to the initial balances	(284)	-	(284)	-
(-) Migration of the ordinary instalment to the PRT	-	-	(23,823)	-
(+) New instalments:				
. Tax Regularization Program (PRT) [1]	29,322	-	258,052	-
. Ordinary Instalment	-	-	9,153	3,577
(+) Updating (Selic)	178	-	700	5,105
(-) Payments	(1,189)	-	(5,874)	(9,531)
Balances in instalments	**28,311**	**284**	**266,789**	**28,865**
(-) Payment with Fiscal Loss[2]	(22,285)	-	(196,194)	-
Balances payable	**6,026**	**284**	**70,595**	**28,865**

[1] The exclusion to the adhesion to the instalment mode will occur if there is failure to pay 3 (three) consecutive instalments or (6) alternate ones. In the hypothesis of exclusion of the PRT the debt balance will be calculated deducting the amounts paid in kind, with legal additions until the termination date.

[2] Settlement subjected to approval by the federal revenue service of Brasil

b. *Deferred Tax assets and liabilities*

The deferred tax assets and liabilities of income tax, social contribution on profit, deferred PIS and COFINS are recorded to reflect the tax effects originated from temporary differences between the tax base, that determines taxation by the cash basis, (Normative Instruction SRF nr. 84/1979) and the effective appropriation of the real estate profit, Accompanying Note nr. 2.8b, of the financial statements, as at December 31, 2016.

i. *Composition of deferred tax assets*

	Consolidated	
Tax	**06/30/2017**	**12/31/2016**
IRPJ and CSLL	5,137	4,152
PIS and COFINS	8,325	6,062
Total	**13,462**	**10,214**

ii. Composition of the current tax liabilities with deferred with deferred collection

	Holding		Consolidated	
Tax	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
IRPJ	-	-	30,221	25,733
CSLL	-	-	14,741	11,240
IR and CS	**-**	**-**	**44,962**	**36,973**
PIS and COFINS	1,239	543	47,588	53,429
Total	**1,239**	**543**	**92,550**	**90,402**
Current Portion	1,239	543	36,908	45,483
Non-Current Portion	-	-	55,642	44,919
Total	**1,239**	**543**	**92,550**	**90,402**

c. Expenses with income tax and social contribution

Most SPEs opts for the taxation regime of Presumed Profit or RET, on which the tax base is the sales income of the ventures, therefore, regardless of the income, there is taxation at average percentages of 3.08% and 1.92%, respectively, over the sales revenues.

Income tax and social contribution consolidated expenses can be summarized as follows:

	06/30/2017		06/30/2016	
Equity base for tax determination:	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Real Estate Sale Revenues	299,058	299,058	260,393	260,393
(-) Real Estate sale revenue real profit	(21,045)	(21,045)	(82,737)	(82,737)
(-) Real Estate Revenue by RET	(70,366)	(70,366)	(67,411)	(67,411)
Real Estate Revenues by presumed profit	**207,647**	**207,647**	**110,245**	**110,245**
Other revenues – real estate development	(11,976)	(11,976)	42,745	42,745
(+/-) Other revenues – real estate development real profit	(3,375)	(3,375)	2,706	2,706
(+/-) Other revenues – real estate development RET	(3,614)	(3,614)	18,244	18,244
Other revenues – real estate development presumed profit	(4,987)	(4,987)	21,795	21,795
Real Estate Development Presumed Profit – IRPJ 8% - CSLL 12%	**16,213**	**24,319**	**10,563**	**15,845**
Rent/Services Revenues – real profit	1,948	1,948	9,688	9,688
Rent/Services Revenues presumed profit	59	59	261	261
Services/Rent Presumed Profit – IRPJ – CSLL 32%	**19**	**19**	**84**	**84**
Presumed Profit (Development + Services)	**16,232**	**24,338**	**10,647**	**15,929**
(+) Financial Revenues – Presumed Profit	22,367	22,367	36,090	36,090
(-) Financial Revenues – Real Profit	(15,034)	(15,034)	(28,953)	(28,953)
(+) Other revenues – presumed profit	13,226	13,226	3,588	3,588
(-) Other revenues – real profit	(475)	(475)	(6,405)	(6,405)
Presumed Profit Base	**51,825**	**59,931**	**50,325**	**55,607**
(-) Consolidated Expense Presumed Profit – IRPJ/CSLL	(12,956)	(5,394)	(12,581)	(5,005)
(+) Deferred IRPJ temporary differences – Real profit	2,376	855	(4,633)	(1,668)
(-) Consolidated Expense – RET	(932)	(488)	(1,079)	(565)
(+) Setting up IRPJ and CSSL deferred (PRT)	144,261	51,933	-	-
Entities taxed by the Presumed Profit + Real	**132,749**	**46,906**	**(18,293)**	**(7,238)**
(+) Other	3,015	(3,322)	(2,775)	(2,875)
Expense on Income	**135,764**	**43,584**	**(21,068)**	**(10,113)**

	30/06/2017		30/06/2016	
Expense Composition	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Current	(4,656)	(5,220)	(31,631)	(15,703)
Deferred	140,420	48,804	10,563	5,590
Expense on Income	**135,764**	**43,584**	**(21,068)**	**(10,113)**

Taxes (IR+ CS)	**30/06/2017**	**30/06/2016**
Current	(9,876)	(47,334)
Deferred	189,224	16,153
	179,348	(31,181)

15 Transactions with Real Estate Projects under process and Advances from clients

They refer to the income to be appropriated from sales contracted from ventures under construction which are not yet reflected in the Quarterly Information. The amounts are demonstrated below:

	Consolidated	
	06/30/2017	12/31/2016
(i) Sales Revenues to appropriate from sold units		
Contracted sales revenues	1,349,400	1,792,627
Appropriated sales revenues	(864,851)	(1,102,244)
Sales revenues to appropriate (a)	**484,549**	**690,383**
(ii) Costs budgeted to appropriate from sold units		
Budgeted cost of units	(1,817,814)	(2,027,232)
Incurred costs of units	1,442,446	1,523,345
Budgeted cost to appropriate (b)	**(375,368)**	**(503,887)**
(iii) Income to appropriate from sold units		
Sales revenues to appropriate (a)	484,549	690,383
Costs budgeted to appropriate (b)	(375,368)	(503,887)
Gross income to appropriate	**109,181**	**186,496**
(-) Tax forecast and AVP	(12,569)	(21,570)
Net income to appropriate	**96,612**	**164,926**
(iv) Costs budgeted to appropriate of units in inventory		
Budgeted costs of units	(762,996)	(759,650)
Cost incurred from units	410,152	403,108
Budgeted cost to appropriate	**(352,844)**	**(356,542)**

The amounts of income to appropriate have the following composition per maturity, of the contractual amount of the units sold:

	Consolidated	
Year	**06/30/2017**	**12/31/2016**
2017	40,001	93,707
2018 onwards	56,611	71,219
Total	**96,612**	**164,926**

Income from real estate transactions made is appropriate based on the accounting standard presented in the Accompanying Note nr. 2.10, presented in the financial statements, as at December 31, 2016. Therefore, the balance of accounts receivable from the traded units that are not yet concluded is partially reflected in the quarterly information on June 30, 2017, once its accounting record reflects the recognized income, net of installments already received.

The amount classified in the entry "Advance from clients", in the current and non-current liability is thus presented:

	Holding		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Physical exchange – launched	-	-	121,311	105,959
Physical exchange – to launch	-	-	37,110	43,430
Received from clients	34	34	58,087	111,907
Total	**34**	**34**	**216,508**	**261,296**
Current portion	34	34	134,644	188,928
Non-current Portion	-	-	81,864	72,368
Total	**34**	**34**	**216,508**	**261,296**

16 Provisions

a. *Provision for contingencies*

The Entity and its controlled entities are part in judicial suits before the courts and governmental bodies of labor, tax and civil nature, due to the normal course of their businesses. Provision for contingencies of the Entity is in its majority made up by those controlled entities.

The referred provision for contingencies was constituted, by considering the evaluation of the probability of loss by the legal counselors and are recorded in the entry "Other operating income (expenses), net".

The Management, based on the opinion by its legal counselors, understands the provision for constituted contingencies is sufficient to cover probable losses with judicial suits and differences in the calculation of the taxes, as presented below:

	Holding		Consolidated	
Nature- Probable Loss	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Labor	26,017	25,967	98,376	98,867
Tax	351	26,520	7,659	27,010
Civil	22,343	22,736	992,040	931,303
Total	**48,711**	**75,223**	**1,098,075**	**1,057,180**
Current portion	15,705	32,736	338,437	336,757
Non-current portion	33,006	42,487	759,638	720,423
Total	**48,711**	**75,223**	**1,098,075**	**1,057,180**

Below is the opening of the transaction of provisions for contingencies of the Entity and its controlled entities:

	Consolidated			
	Labor	**Tax**	**Civil**	**Total**
Balance on 12/31/2015	**374**	**42**	**8,782**	**9,198**
Additions	36,978	27,231	94,593	158,802
Reversals	(11,385)	(753)	(80,639)	(92,777)
Balance on 12/31/2016	**25,967**	**26,520**	**22,736**	**75,223**
Additions	2,294	5	3,481	5,780
Reversals	(2,244)	(26,174)	(3,874)	(32,292)
Balance on 06/30/2017	**26,017**	**351**	**22,343**	**48,711**

	Holding			
	Labor	**Tax**	**Civil**	**Total**
Balance on 12/31/2015	**87,026**	**16,502**	**366,834**	**470,362**
Additions	78,859	30,092	974,191	1,083,142
Reversals	(67,018)	(19,584)	(409,722)	(496,324)
Balance on 12/31/2016	**98,867**	**27,010**	**931,303**	**1,057,180**
Additions	8,728	5,076	170,166	183,970
Reversals	(9,219)	(24,427)	(109,429)	(143,075)
Balance on 06/30/2017	**98,376**	**7,659**	**992,040**	**1,098,075**

The causes with chances of losses considered as "possible" by the Entity's legal counselors are made up by:

	Holding		Consolidated	
Nature- Probable Loss	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Labor	73,858	64,007	245,822	179,558
Tax	178,859	12,777	292,591	104,257
Civil	16,860	4,300	208,589	235,014
Total	**269,577**	**81,084**	**747,002**	**518,829**

The civil suits mostly cover discussions related to consumers, mainly involving fines due to the delay in the delivery of the real estate ventures, contractual terminations, inquiries about correction indices, as well repair of construction vices.

The suits of a labor nature mostly encompass labor claims from employees of third party entities and to a lower percentage, labor claims from former employees of the Entity. These claims require, mainly, labor amounts from extra hours, health hazards, hazards, etc. and collection of social charges.

The tax suits contemplate the Entity's defense to the notice of infraction, in the amount of R$ 158,752, relative to the IOF supposedly levied on the funds transacted between the Entity and its portfolio entities, in the form of Advance for Future Capital Increase, in the year 2012.

The Entity, in January, 2017, was made aware of the notice of infraction, enforced by the Federal Revenue Service of Brazil, on which one contains the charging of R$ 3,629,203, relative to taxes (IRPJ, CSLL, IRRF, PIS and COFINS, in addition to interest and fine) supposedly levied on the funds credited in the Entity's bank current accounts in the calendar year 2012. The Entity and its legal counselors understand that the funds credited which are inquired by the tax authority – which included, among others, funds raised by the Entity in capital increase and issuance of other securities – were not subjected to levy of the referred taxes. PDG points out that, as per the Entity's attorneys' opinion, the risk of loss due to the referred tax procedure is regarded as remote.

b. *Provision for guarantees*

Additionally to what has already been exposed by the Entity, below is the amount of provision for guarantee, which was recorded, as per the accounting standard presented in the Accompanying Note nr. 2.8.a.

	Holding		Consolidated	
Provision for Guarantee [1]	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Current portion	102	98	52,679	51,828
Non-current portion	517	447	42,993	50,890
Total provision	**619**	**545**	**95,672**	**102,718**

(1) They are recorded in entry other provisions in Entity's and its Controlled Entities' liabilities

17 Net Equity

a. *Share capital*

The Entity's share capital is represented as at June 30, 2017 and December 31, 2016 by 49,192,557 (forty-nine million, one hundred and ninety-two thousand, five hundred and fifty-seven) nominative ordinary shares, with no par value, fully subscribed and paid up, in the total amount of R$ 4,970,080.

The composition of the Entity's share capital, from June 30, 2017 to December 31, 2015, is presented as follows:

	Quantity of ON Shares	Share Capital – Subscribed	Share Capital – Raising Expenses	Share Capital – Total
Balance on 12/31/2015	**49,192,557**	**4,970,080**	**(52,237)**	**4,917,843**
Balance on 12/31/2016	**49,192,557**	**4,970,080**	**(52,237)**	**4,917,843**
Balance on 06/30/2017	**49,192,557**	**4,970,080**	**(52,237)**	**4,917,843**

On June 30 2017 the Entity is authorized to increase its share capital, regardless of the bylaws, as amended, as per the Board of Directors' ("CA") deliberation, in issuances that sum, the increases deliberated at the Extraordinary General Meeting ("AGE") being excluded, up to the limit of 30,700,000 (thirty million and seven hundred thousand) ordinary shares. The referred limit considers all the capital increases made within the Entity's authorized capital, from the Entity's incorporation, including all the capital increases deliberated by the CA. CA'a deliberation that approves of said share issuances will set the issuing conditions, setting if the increase will occur by public or private subscription, as well as the price, the mode and paying-up conditions.

Until June 30, 2017, the total of shares issued by CA was 13,421,622 (thirteen million, four hundred and twenty-one thousand, six hundred and twenty-two) ordinary shares.

b. Loss per share

Below is the reconciliation of the losses and the weighted average of the outstanding shares with the amounts used to calculate the loss per share, basic and diluted of the controlling entity and of the consolidated.

	06/30/2017	06/30/2016
Loss per share basic		
Loss for the period available for ordinary shares	(808,132)	(1,150,480)
Weighted average of outstanding ordinary shares	49,192	49,192
Loss per share (in R$) – basic	**(16.42812)**	**(23.38754)**
Loss per share diluted		
Loss for the period available for ordinary shares	(808,132)	(1,150,480)
Weighted average of outstanding ordinary shares	49,192	49,192
Loss per share (in R$) – diluted	**(16.42812)**	**(23.38754)**

The potential increment of ordinary shares due to capital increase by conversion of debentures or stock options was not considered due to the existence of loss in the year-end.

18 Financial Instruments

a. Analysis of the financial instruments

The Entity and its controlled entities participate in transactions involving financial instruments with the purpose of financing their activities or invest their available funds.

The main financial instruments usually used by the Entity and its controlled entities are those recorded in the entries "Cash and cash equivalents", "Loans and financing", "Bank Credit Notes" e "Debentures payable", used to finance the development under construction, and for working capital, all in normal market conditions. Those instruments are all recognized by the criteria described in the Accompanying Note nr. 2.4.

The Entity restricts its exposure to credit risks associated to banks and financial investments making its investments in first class financial institutions and with high remuneration in short-term bonds. With regard to accounts receivable, the Entity restricts its exposure to credit risks by means of sales to a broad base of clients and continuous performance of credit analyses.

As at June 30, 2017, there was no relevant credit risk concentration associated to clients.

The management of those risks is made by means of the definition of conservative strategies, aiming at liquidity, profitability and security. The control policy consists of the active follow-up of the contracted rates versus the ones that are current in the market.

The category of financial instruments is thus demonstrated:

	Holding		Consolidated		Classification
	06/30/2017	12/31/2016	06/30/2017	12/31/2016	
Financial assets					
Cash and cash equivalents	5,774	5,931	182,539	200,973	Fair value by income
Financial investment	4,611	-	61,279	-	Fair value by income
Accounts receivable	24,613	24,761	1,586,619	2,022,665	Receivables and loans
Loans receivable	3,004	2,723	25,953	24,564	Receivables and loans
Current account with partners in ventures	-	12,530	91,915	60,165	Receivables and loans
Total Financial assets	**38,002**	**45,945**	**1,948,305**	**2,308,367**	
Financial liabilities					
Suppliers	25,355	22,952	298,910	251,319	Financial liabilities
Accounts payable by real estate acquisition	8,526	4,517	130,137	120,526	Financial liabilities
Debentures payable	1,830,782	1,580,966	1,830,782	1,580,966	Financial liabilities
Loans and financing	480,008	430,799	1,327,414	1,401,162	Financial liabilities
Liability by issuance of CCB/CCI	2,177,472	2,041,970	2,437,214	2,312,584	Financial liabilities
Co-liability in assignment of receivables	-	-	18,790	24,411	Financial liabilities
Loans payable	-	-	5,120	-	Financial liabilities
Current account with partners in ventures	98,014	116,549	172,815	137,413	Financial liabilities
Other liabilities	1,697,316	1,374,679	402,581	417,753	Financial liabilities
Total financial liabilities	**6,317,473**	**5,572,432**	**6,623,763**	**6,246,134**	

i. Fair value of assets and liabilities

The accounting values of the financial instruments, substantially represented by financial investments and financing, are presented in the Quarterly Information as at June 30, 2017 and 2016 by amounts that are close to the market value, considering similar transactions.

b. Considerations about the risks in financial instruments

Interest rate risk

The Entity is exposed to floating interest rates, being, substantially: to variations of the CDI rate that remunerates its financial investments in Bank Deposit Certificate and with Repurchase Commitment backed in Debentures contracted in Reais (R$); and to interest on Loans receivable contracted at IGPM + 12% at 18% p.a. and CDI + 2% to 3% p.a. The Entity is also exposed to interest on bank loans contracted between CDI + 1.35% p.a. and 5.83% p.a. and TR + 11.02% p.a., loans contracted at National Housing System (SNH) between TR + 8.3% p.a. and 12% p.a. and interest on Debentures issued at CDI + 0.9% p.a. and TR + 8.75% p.a.

Sensitivity analysis

As required by CVM Instruction nr. 475, of December 17, 2008, the Entity and its controlled entities must present a sensitivity analysis for each type of market risks considered as relevant by the Management, originated by financial instruments, to which it is exposed on each year-end.

The majority of the costs and all the portfolio of receipts of unfinished projects of the Entity are updated by the INCC index.

With the purpose of verifying the sensitivity of the indexer in the financial investments to which the Entity was exposed on the base date of June 30, 2017, 03 different scenarios have been defined. Based on the current CDI amounts on June 30, 2017, and this defined as a probable scenario; as from it, scenarios with deterioration of 25% (Scenario II) and 50% (Scenario III) were calculated.

To each scenario the "gross financial income" was calculated, not taking into consideration the levy of taxes on the income on investments. The portfolio base date used was June 30, 2017, projecting one year and verifying the CDI sensitivity with each scenario.

		Probable Scenario		
Transaction	**CDI Risk on balance on 06/30/2017**	**I**	**II**	**III**
Bank deposit Certificate	57,365	10%	8%	5%
Forecasted Revenue		4,270	3,202	2,135
Committed and immediate liquidity Transactions	66,413	1%	8%	5%
Forecasted Revenue		6,793	5,095	3,397
Total forecasted revenue		**11,063**	**8,297**	**5,532**

Considering the current scenario and the eminent change to conditions and amounts of the Group's (PDG) debts, due to the judicial reorganization filing and plan, under an approval phase by the creditors, the Entity did not elaborate the sensitivity study on the current indexers of the debts to which the Entity is exposed, on the base date of June 30, 2017.

Capital management

Capital management is realized for the maintenance of the funds in cash compatible with the disbursement needs to cover liabilities, in consonance with the Entity's business plan.

The Entity manages the capital by means of leverage ratios that is the net debt, minus debts for support to production, divided by the consolidated equity. The Entity includes in the net debt the loans and financing, except those destined to the financing/ support to production, granted under the SFH conditions, minus cash and cash equivalents and financial investments. The chart below demonstrates the total of the Entity's consolidated equity, as well as the debts contracted in the period ended June 30, 2017 and December 31, 2016, exemplifying its own capital structure and obtained at third parties:

	06/30/2017	12/31/2016
Gross debt		
. Housing Financial System debt –SFH	846,413	970,394
. Other corporate debts	481,001	430,768
Total loans and financing	**1,327,414**	**1,401,162**
Debentures payable	1,830,782	1,580,966
Bank credit notes (CCBs) and co-liabilities	2,456,004	2,336,995
Total gross debt	**5,614,200**	**5,319,123**
(-) Cash, cash equivalent and financial investment	(182,539)	(200,973)
Net debt	**5,431,661**	**5,118,150**
(-) SFH debt	(846,413)	(970,394)
(-) CCB debt – Support to production *	(627,861)	(586,770)
(-) Debenture debt payable – Support to production*	(140,864)	(140,864)
Net debt less debt with support to production	**3,816,523**	**3,420,122**
Total consolidated net equity (PL)	**(4,184,321)**	**(3,414,502)**
Debt (with no SFH and Support to production) / PL	-91.2%	-100.2%

* The have the same conditions of SFH contracting

a) Have credit lines origin created at the Government Severance Indemnity Fund for Employees (FGTS) and/or Savings
b) Are intender to the real estate financing (residential or commercial real estate development);
c) Are remunerated by the TR variation plus the maximum interest rate of 12% p.a.

Liquidity risk

The Entity manages the liquidity risk by making the cash flow planning and monthly revising its projections according to the realized flows always trying to increase assertiveness and revalidations of the flows. We give priority to the used of funds originated from financing to production in the scope of SBPE and of SFH that enable a better combination between the terms of assets and liabilities where the funds originated from the transfer of the portfolio on-lending to the banks is used by the same in the amortization of that debt.

Additionally, we have corporate debts issued as Debentures, CCBs and CRI's, mainly held by the major banks of the country, with irrelevant participation of distribution channels in capital markets.

Due to the current scenario of judicial reorganization, as referred to in the Accompanying Note nr.1, the Entity's liabilities relative to the contractual maturities of the financial liabilities, including interest payments on corporate loans or on support to production, will be negotiated with the creditors in the scope of the judicial reorganization plan.

Exchange risk

On June 30, 2017, the Entity did not have debts or amounts receivable set in foreign currency. Additionally, no relevant costs of the Entity are set in foreign currency.

Credit risk

It is the risk of the business counterpart that does not fulfill a liability provisioned in one financial instrument of a contract with the client, which may lead to a financial loss.

Financial instruments that potentially makes the Entity liable to the credit risk concentration consist, mainly, of balances in Banks, financial investments substantially in government securities and Accounts receivable from clients.

The Entity is exposed to the credit risk in its operating activities and deposits in banks and/or financial institutions, exchange transactions e other financial instruments. In order to mitigate risks, the Group

(PDG) adopts a conservative management by making investments with daily liquidity and post- fixed rates, in first class banks, considering the ratings of the major credit rating agencies and respecting the concentration prudential limits.

The accounts receivable balance is distributed in several clients and there is the real guarantee of the corresponding real estate units.

19 Business risk management

The Entity will apply its business risk management policy as its judicial reorganization policy is approved and implemented.

The Entity's business risk management policy is thus described:

a. *Implementation of the risk control system*

In order to be able to efficiently manage the risk control system, the Entity exercises the operating control of all the ventures of its portfolio, which, enables, for example, to accelerate the sales of the units in order to reduce its risk exposure in relation to certain ventures.

Said acceleration generally occurs by means of the decrease of the sale price, changes in the media means used, etc.

b. *Risk control system*

The risk control system covers the individual analysis of the risk of each venture and the risk analysis of the investment portfolio. The potential losses in one scenario of stress for each individual venture and for the portfolio as a whole are calculated, as well as the maximum exposure of cash by the portfolio.

c. *Loss risk control*

The risk of a new venture of the Entity is calculated by considering how much can be lost, if, in limit conditions, it decides to settle its investment. For such, a settlement price is set, which is possible to be estimated only in markets pricing method is consistent, being said consistency defined as demand sensitiveness to price variations. The expected maximum loss in each project is calculated, and a portion of own capital is detached to support this risk.

The Entity's total risk is represented by the sum of the individual risks of each project. After the launch, the venture risk is decreased in the proportion of the sale of the units. The Entity looks for maximum efficiency for its capital and it believes that said efficiency is reached when the sum of the risks of individual projects is close to the total of its available capital.

d. *Cash maximum exposure control*

The risk control system monitors the future need of cash to execute the ventures scheduled in the Entity's portfolio, based on economic feasibility study of each venture, as well as the need of individual cash flows in relation to the projected cash flow of the portfolio as a whole. The cash flow projection helps in the definition of a financing strategy and in decision making in relation to which ventures will be included in its portfolio.

e. *Performance in the market with liquidity*

Through market knowledge and with the help of its partners, the Entity may determine the need for new ventures in different regions, as well as the income level of the potential buyers to be assisted. It concentrates the projects according to the liquidity of each geographical location, that is, the potential that each region presents to absorb a given quantity of real estate units and to respond to price variations.

The Entity does not intend to perform in markets in which there are not available data and neither where there are not partners that hold specific knowledge about those markets. This way, it believes it reduces the risk of its investments, by performing in regions with good liquidity, with known market data and because it makes association with local partners.

f. Operating risks

The management of the operating risks aims at the follow-up of: (i) the construction contract, in relation to the maximum guaranteed cost of the work; (ii) works where the Entity hires specialized entities to inspect the services rendered by the contracted construction entities (quality and the physical-financial schedule of the work); (iii) the financial and accounting audits, made by the major independent audit firms; (iv) documentation and legal risks; e (v) the credit risks of the buyers of units by means of the active management of receivables from ventures.

20 Insurance coverage

The Entity adopts the policy to contract insurance coverage for the assets liable to risks, in amounts considered by the Management as sufficient ones to cover eventful accidents, considering the nature of its activity. The policies are effective, and the premiums have been duly paid. The Entity considers it has a suitable management program with its risk delimitation objectives and constantly searches, in the market, coverage that is compatible with its size and operations.

The insurance coverage in amounts at June 30, 2017 is shown below:

Itens	Coverage type	Insured amount
Construction Insurance (Engineering and Civil Liability Risk)	Material and bodily damages involuntarily caused to third parties due to the construction work execution, installations and assemblies in the location, object of the insurance; coverage of indirect damages caused due to possible errors in the project; and extraordinary expenses such as dumping, riots, strikes, etc.	832,848
Guarantee Insurance for real estate unit delivery	It guarantees the construction work delivery to the prospective buyers	1,516
Corporate	material damage caused due to electric damages, fire, gale, riot and insures loss of rent	17,246
D&O	Civil liability of Management members	100,000
		951,610

21 Payment based on shares

a. Long-term incentive plan

We approved, at the Extraordinary General Meeting, the Entity’s Long-Term Incentive Plan, in the Modality Purchase Option of Shares, and having as objectives:

i. to stimulate the expansion, success and achievement of the Entity’s corporate objects;
ii. to align the Entity’s shareholders’ interest to the ones of the eligible persons; and

iii. to enable the Entity or other corporations under its holding to attract and keep the eligible persons bound to it (them).

The beneficiaries that are eligible of the modality purchase option of shares are the Entity's administrators and employees or from other entities under its control, provided it is approved by the Entity's Board of Directors ("CA").

The Entity's CA, when it deems as convenient, will approve of the granting of options, electing the beneficiaries in favor of whom options under the terms of the plan will be granted, setting the exercise price of the options and the conditions of their payment, setting the terms and conditions of the exercise of options and imposing any other conditions related to said options.

Those options may be exercised to the extent that the respective beneficiaries will continually remain bound as the Entity's administrator or employee or the ones from other entities under its control, during the period from the date of the granting and its anniversary.

The Options not exercised within the terms and conditions set will be considered automatically extinct, with no right to indemnity, the maximum term of the effectiveness of the options being complied which shall be of 6 (six) months as from the date of the granting.

The total of shares that may be acquired in the scope of the plan will not exceed 8% (eight percent) of the shares representative of the Entity's total share capital (including the shares issued due to the exercise of the options based on its plan), provided that the total number of issued shares or liable to be issued as per the terms of the plan is always within the limit of the Entity's authorized capital.

The exercise price to be paid by the holders per option, will have deduction in the form of dividends and interest on own capital per share paid by the Entity between the date of the granting and the date of the option exercise. The fair value of the purchase option of the shares is presented by using the option pricing model Black & Scholes, undertaking the payment of dividends as per the premises presented in the chart below.

Below is a summary of the main characteristics of the Entity's purchase options of shares, corresponding to this plan at June 30, 2017:

	ILP – Granting performed		
Issuance characteristics:	**1st Issuance**	**2nd Issuance**	**3rd Issuance**
Date of granting	12/19/2013	12/19/2014	11/04/2015
Exercise final term	12/19/2018	12/19/2019	11/04/2018
Issued granting options[1]	1,874,639	484,130	2,589,082
Options cancelled until 06/30/2017:	(1,823,678)	(395,312)	(863,027)
Exercise Price[2]	91.00	53.00	2.48
Dividends	7.4%	6.5%	0.0%
Volatility	29.9%	25.1%	24.2%
Interest rate free from risk	11.6%	12.7%	13.8%
Maturity (years)	5	5	3
% of exercise of options:			
. In the 1st anniversary of the grant	-	-	33%
. In the 2nd anniversary of the grant	20%	20%	33%
. In the 3rd anniversary of the grant	20%	20%	33%
. In the 4th anniversary of the grant	30%	30%	-
. In the 5th anniversary of the grant	30%	30%	-

[1] Options of grants issues:	**1st Issuance**	**2nd Issuance**	**3rd Issuance**
prior to grouping of 10/08/2015:	93,731,953	24,206,480	-
balance grouped 50 shares to 1	1,874,639	484,130	2,589,082
prior to grouping of 10/08/2015:	1.82	1.06	-
[2] Equivalent in grouping 50x1	91.00	53.00	2.48

Below is the transaction of the Entity's share purchase options and dilution percentage, of the current beneficiaries, in case of full exercise of the granted options:

	ILP-Balance of grantings issued				Total outstanding shares	% Dilution calculated[1]
	1st Issuance	**2nd Issuance**	**3rd Issuance**	**Total**		
Balance to exercise 12/31/2014	**21,294,444**	**15,251,902**	**-**	**36,546,346**	**2,459,627,859**	**1.49%**
Balance after Grouping of shares 50/1	425,889	305,038	-	730,927	49,192,557	
Options of issued shares	-	-	2,589,082	2,589,082		
Balance to exercise 12/31/2015	**425,889**	**305,038**	**2,589,082**	**3,320,009**	**49,192,557**	**6.75%**
Cancelled	(83,722)	(62,609)	-	(146,331)		
Balance to exercise 12/31/2016	**342,167**	**242,429**	**2,589,082**	**3,173,678**	**49,192,557**	**6.45%**
Cancelled	(291,206)	(153,611)	(863,027)	(1,307,844)		
Balance to exercise 06/30/2017	**50,961**	**88,818**	**1,726,055**	**1,865,834**	**49,192,557**	**3.79%**

[1] Number of grantings of shares exercisable + outstanding shares on the total of outstanding shares

Until the settlement of the plan 2019, the total amount of the expense with share purchase options, considering the cancellations occurred due to the exit of the stakeholders, will be R$ 14,452 (December 31, 2016: R$ 16,075), calculated by the "Black & Scholes" method, taking into consideration the exercise period, volatility based on the Entity's history of shares, risk free rate and proposed dividend rate.

As set by CPC 10 – Payments Based on Shares, as approved by CVM Deliberation nr. 564/08, premium of those options was calculated on the date of their granting, and is being recognized as expense in offset to the net equity, during the grace period and as the services are rendered.

During the period ended June 30, 2017 expense was appropriated and accumulated, in the Entity's income, in the amount of R$ 25 (June 30, 2016: R$ 375).

The balances recognized in the Entity's income are thus demonstrated:

ILP - Total expenses with issuance of share granting				
Year	**Gross Value**	**Appropriated**	**to appropriate**	**Residual**
Re.: 1st issuance :				
2013	38,772	(385)	-	38,387
2014	-	(11,172)	-	27,215
2015	(27,215) [1]	-	-	-
	11,557	**(11,557)**	**-**	
Re.: 2nd issuance:				
2014	4,352	(44)	-	4,308
2015	(853) [1]	(1,283)	-	2,172
2016	(718) [1]	(500)	-	954
2017	(954) [1]	-	-	-
	1,827	**(1,827)**	**-**	
Re.: 3rd issuance:				
2015	1,737	(148)	-	1,589
2016	-	(861)	-	728
2017	(579) [1]	(25)	(23)	101
2018	-	-	(101)	-
	1,158	**(1,034)**	**(124)**	
Balance on 06/30/2017	**14,542**	**(14,418)**	**(124)**	**-**
Balance on 12/31/2016	**16,075**	**(14,393)**	**-**	**1,682**

[1] Amount determined in the cancellation of the options granted due to quittance of collaborators

22 Information per segment

The Entity reviews the mode of assessment of its businesses and sees that its business units do not mean different segments but, instead, subdivisions of the real estate segment. Thus, it does not present information per segment.

23 Net Operating Income

Below is the opening of the net operating income of the Entity in the years-ended June 30, 2017 and June 30, 2016.

	Holding				**Consolidated**			
	04/01/2017 to 06/30/2017	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**	**04/01/2017 to 06/30/2017**	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**
Real Estate Sales	1,692	2,541	10,039	14,147	394,449	564,975	406,447	890,588
(-) Rescissions incurred	(996)	(996)	(1,566)	(6,328)	(248,954)	(292,066)	(284,719)	(629,061)
Real estate sales income	**696**	**1,545**	**8,473**	**7,819**	**145,495**	**272,909**	**121,728**	**261,527**
Other operating income	142	142	120	2,431	5,107	7,419	22,793	52,695
Gross Income	**838**	**1,687**	**8,593**	**10,250**	**150,602**	**280,328**	**144,521**	**314,222**
(-) Deductions from income	(207)	(847)	(633)	(1,796)	7,595	(4,115)	(24,688)	(54,603)
Net operating income	**631**	**840**	**7,960**	**8,454**	**158,197**	**276,213**	**119,833**	**259,619**

24 Cost of the units sold

Below is the opening of the costs of the real estate units sold of the Entity in the years-ended June 30, 2017 and June 30, 2016.

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**	**04/01/2017 to 06/30/2017**	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**
Cost of sold units	(1,391)	(4,393)	(5,950)	(9,186)	(266,147)	(419,101)	(338,119)	(692,929)
(-) Rescissions incurred	527	527	(130)	2,541	178,186	219,179	185,549	405,961
Costs of real estate units sales	**(864)**	**(3,866)**	**(6,080)**	**(6,645)**	**(87,961)**	**(199,922)**	**(152,570)**	**(286,968)**
Capitalized charges	(83)	(1,121)	(360)	(669)	(12,875)	(16,870)	(24,337)	(45,723)
Cost of sold real state units	**(947)**	**(4,987)**	**(6,440)**	**(7,314)**	**(100,836)**	**(216,792)**	**(176,907)**	**(332,691)**

25 Financial Income

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**	**04/01/2017 to 06/30/2017**	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**
Financial revenues								
Income from financial investment	761	1,096	291	1,202	3,318	10,071	9,279	20,265
Monetary variation, interest and fines	2,796	3,131	2,024	4,759	9,354	525	11,326	38,070
Other financial revenues	200	410	360	485	2,320	2,701	3,056	6,708
	3,757	**4,637**	**2,675**	**6,446**	**14,992**	**13,297**	**23,661**	**65,043**
Financial Expenses								
Interest from loans	(310,429)	(435,877)	(151,418)	(321,606)	(357,918)	(515,986)	(214,144)	(446,328)
Bank expenses	(2)	(7)	(7)	(18)	(186)	(545)	(670)	(1,674)
Other financial expenses	(592)	(1,793)	(2,162)	(4,596)	(8,731)	(32,715)	(5,493)	(16,912)
Total financial expenses	**(311,023)**	**(437,677)**	**(153,587)**	**(326,220)**	**(366,835)**	**(549,246)**	**(220,307)**	**(464,914)**
Capitalized Interest (Note 6)	81	662	11	304	7,015	15,984	10,000	22,749
	(310,942)	**(437,015)**	**(153,576)**	**(325,916)**	**(359,820)**	**(533,262)**	**(210,307)**	**(442,165)**
Total financial income	**(307,185)**	**(432,378)**	**(150,901)**	**(319,470)**	**(344,828)**	**(519,965)**	**(186,646)**	**(377,122)**

26 Administrative expenses

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**	**04/01/2017 to 06/30/2017**	**01/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**01/01/2016 to 06/30/2016**
Salaries and charges	(147)	(1,321)	163	(669)	(13,936)	(31,521)	(21,356)	(43,771)
Administration fees	(2,144)	(4,552)	(8,947)	(16,871)	(2,144)	(4,552)	(8,905)	(16,874)
Stock options	(13)	(25)	(372)	(747)	(13)	(25)	(372)	(747)
Income sharing	-	-	-	-	-	-	(6,000)	(11,005)
Salaries and charges	**(2,304)**	**(5,898)**	**(9,156)**	**(18,287)**	**(16,093)**	**(36,098)**	**(36,633)**	**(72,397)**
Attorney's fees and judicial expenses	(192)	(192)	(232)	(1,277)	(195)	(246)	(1,038)	(5,448)
Computer maintenance	(1,858)	(4,578)	(1,414)	(3,672)	(2,209)	(7,592)	(2,464)	(5,251)
Consulting	(7,757)	(22,943)	(2,675)	(2,880)	(8,151)	(23,733)	(3,475)	(5,307)
Other services	(4)	(4)	93	-	(538)	(1,488)	(2,146)	(3,798)
Rendering of services	**(9,811)**	**(27,717)**	**(4,228)**	**(7,829)**	**(11,093)**	**(33,059)**	**(9,123)**	**(19,804)**
Travel	-	-	-	-	(443)	(947)	(570)	(1,100)
Telecommunications and internet	(361)	(754)	(961)	(1,522)	(421)	(1,053)	(1,404)	(3,492)
Real estate rent and refurbishment	-	(2)	-	(68)	(509)	(2,061)	(4,832)	(8,226)
Other expenses	(482)	(964)	(143)	(920)	(1,240)	(2,659)	(2,758)	(5,085)
Other administrative expenses	**(843)**	**(1,720)**	**(1,104)**	**(2,510)**	**(2,613)**	**(6,720)**	**(9,564)**	**(17,903)**
Total	**(12,958)**	**(35,335)**	**(14,488)**	**(28,626)**	**(29,799)**	**(75,877)**	**(55,320)**	**(110,104)**

27 Sales expenses

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016
Advertising, publicity and others	-	(9)	(675)	(1,118)	(2,275)	(6,983)	(20,687)	(36,192)
Commission and awards on sales	(2)	(67)	(231)	(467)	(198)	(2,701)	(9,048)	(15,968)
Sales Booth	-	-	(10)	(21)	(586)	(1,293)	(1,586)	(3,632)
Total	**(2)**	**(76)**	**(916)**	**(1,606)**	**(3,059)**	**(10,977)**	**(31,321)**	**(55,792)**

28 Other operating expenses and income and capital gains and losses in shareholding

	Holding				Consolidated			
	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016
Other operating expenses / income [1]								
Accounts receivable from clients								
. Provision for doubtful credits (PCLD)	(890)	(42)	27	29	40,373	14,663	46,464	44,351
Provision for legal contingencies								
. Additions and reversals	591	26,512	524	1,821	(37,151)	(40,896)	(63,091)	(101,086)
Real Estate Inventory to trade								
- Impairment and others	-	-	-	-	(167,180)	(172,788)	1,620	(13,922)
Investments, development assignment and current accounts	(7,849)	(7,849)	(161,768)	(169,764)	(23,253)	7,413	(308,143)	(316,874)
Intangible (Note 9b)	(53.491)	(53,491)	-	-	(53,491)	(53,491)	-	-
Other equity accounts	(34,241)	(50,683)	(4,225)	(4,225)	(127,750)	(154,358)	(67,887)	(89,513)
Total other operating expenses/ income	**(95,880)**	**(85,553)**	**(165,442)**	**(172,139)**	**(368,452)**	**(399,457)**	**(391,037)**	**(477,044)**
[1] Accounts in income statement:								
. Other operating income	-	-	-	802	-	-	4,070	17,196
. Losses in equity interest	-	-	(123,921)	(127,767)	(18,536)	(23,964)	(128,212)	(143,026)
. Other	(95,880)	(85,553)	(41,521)	(45,174)	(349,916)	(375,493)	(266,895)	(351,214)
	(95,880)	**(85,553)**	**(165,442)**	**(172,139)**	**(368,452)**	**(399,457)**	**(391,037)**	**(477,044)**

29 Independent Auditors

PDG Group, as per the terms of article 31, of CVM Instruction 308/1999, that sets that the rotation of the independent auditors at every period of five consecutive years, entered into a contract for the rendering of independent audit with the Ernst & Young Auditores Independentes (“EY”), for the rendering of independent audit services related to the audit of its annual Financial Statements and reviews of its Quarterly Information, as from the year-end 2017. There are not other services rendered in 2017 by (“EY”) to the Entity.

30 Other Information

The Entity has in its Articles of Incorporation, in chapter VIII and article 39, the definition related to the commercial conflicts, as follows:
Solution to controversies via arbitration: the Entity, its shareholders, administrators and members of the Tax Council, shall solve, by means of arbitration, before the Market Arbitration Chamber, all and any dispute or controversy that may arise among them, related to or incurred from, notably, the enforcement, validity, efficacy, interpretation, breach and its effects, of the provisions contained in Law 6.404/76, in these Articles of Incorporation, in the standards edited by the National Monetary Council, by the Central Bank of Brazil and by CVM, as well as in the other standards that are applicable to the capital market

operations in general, in addition to those contained in the regulation of the New Market, the Arbitration Regulation of the Market Arbitration Chamber, of the Regulation of Sanctions and the Participation Contract of the New Market.

31 Subsequent Events

On August 11, 2017, Mr. Rafael Salvador Grisolia presented his resignation in the position of Chairman of the Entity's Board of Directors due to professional and personal reasons. Due to Mr. Rafael Salvador Grisolia's resignation, Mr. Pedro Bulhões Carvalho da Fonseca, Vice-Chairman of the Entity's Board of Directors, will undertake the position of interim chairman of the Board of Directors, until the other members of this body elect a new member to the Board of Directors and proceed with the election of a new chairman, as per the terms of articles 12, 1st § and 13 of the Entity's Articles of Incorporation and of article 150 of Law nr. 6.404/76.

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nr. 358/2002

In 06/2017 the Company not conducted derivate and securities transactions, according to the CVM Nº 358/2002, article 11. Below is the company position regarding securities and derivates:

Company Name: PDG Realty S.A. Empreendimentos e Participações - Under Court-Supervised Reorganization							
Group and related parties	**(X) Management Board**	**( ) Director**		**( ) Fiscal Council**		**( ) Technical or advisory committees**	
Inicial Balance							
Securities/Derivative	Securities Characteristiscs			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0		0,00%	0,00%
PDGR11*	Subscription Bonus			0		0,00%	0,00%
Montly movement– discriminating each purchase or sale transaction within the month (day, quantity, price and volume)							
Securities/Derivative	Securities Characteristiscs	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
				TOTAL	**0**		**0,00**
PDGR11	Subscription Bonus			**TOTAL**	**0**		**0,00**
Final Balance							
Securities/Derivative	Securities Characteristiscs (2)			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0		0,00%	0,00%
PDGR11*	Subscription Bonus			0		0,00%	0,00%

*** Including directly and indirectly interest in PDG.**

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nr. 358/2002

In 06/2017 the Company not conducted derivate and securities transactions, according to the CVM Nº 358/2002, article 11. Below is the company position regarding securities and derivates:

Company Name: PDG Realty S.A. Empreendimentos e Participações - Under Court-Supervised Reorganization							
Group and related parties	**( ) Management Board**	**(X) Director**		**( ) Fiscal Council**		**( ) Technical or advisory committees**	
Inicial Balance							
Securities/Derivative	Securities Characteristiscs			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			10		0.00%	0.00%
PDGR11*	Subscription Bonus			0		0.00%	0.00%
Montly movement– discriminating each purchase or sale transaction within the month (day, quantity, price and volume)							
Securities/Derivative	Securities Characteristiscs	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
Shares	Ordinary						
				TOTAL	**0**		**0,00**
PDGR11	Subscription Bonus						
				TOTAL	**0**		**0,00**
Final Balance							
Securities/Derivative	Securities Characteristiscs (2)			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			10		0.00%	0.00%
PDGR11*	Subscription Bonus			0		0.00%	0.00%

*** Including directly and indirectly interest in PDG.**

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nr. 358/2002

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Company Name: PDG Realty S.A. Empreendimentos e Participações - Under Court-Supervised Reorganization							
Group and related parties	**( ) Management Board**	**( ) Director**		**(X) Fiscal Council**		**( ) Technical or advisory committees**	
Inicial Balance							
Securities/Derivative	Securities Characteristiscs			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0,000		0,00%	0,00%
PDGR11*	Subscription Bonus			0,000		0,00%	0,00%
Montly movement– discriminating each purchase or sale transaction within the month (day, quantity, price and volume)							
Securities/Derivative	Securities Characteristiscs	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
Shares	Ordinary						
				TOTAL	**0**		**0,00**
PDGR11	Subscription Bonus						
				TOTAL	**0**		**0,00**
Final Balance							
Securities/Derivative	Securities Characteristiscs (2)			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0,000		0,00%	0,00%
PDGR11*	Subscription Bonus			0,000		0,00%	0,00%

* Including directly and indirectly interest in PDG.

Shareholders		**Number of Shares**
Individual	52.52%	25,834,677
Vinci Priortário Fundo de Investimentos em Ações	22.38%	11,011,480
Vinci Capital Partners II F FI em Participações	11.66%	5,737,130
Management	0.00%	10
Other	13.44%	6,609,260
Total shares issued	**100.00%**	**49,192,557**

The Tax Council Opinion

The Tax Council members approved, by unanimous votes and, with no reservations or restrictions, the following opinion: "The Tax Council of PDG Realty S.A. Empreendimentos e Participações – Under Judicial Recovery, by using its legal attributions, in a meeting held on August 11th, 2017, analyzed the Management Report and the Quarterly Information relative to the period ended June 30th, 2017, comprising the balance sheet, the income statement, the statement of changes in net equity, the cash flow statement, the added value statement and the accompanying notes. Based on the reviews performed and in the clarifications rendered by the Management, the Tax Council concluded that the Management Report and the referred Quarterly Information, in all their relevant aspect, are adequately presented and in compliance with the applicable legal standards."

The Directors’ Declaration on the Financial Statements

DECLARATION FOR THE PURPOSES OF ARTICLE 25, 1st §, SUBSECTION VI, OF CVM INSTRUCTION Nr. 480/09

We declare, in the capacity as directors of PDG Realty S.A. Empreendimentos e Participações – Under Judicial Recovery, a corporation with headquarters in the city of São Paulo, São Paulo, State, at Avenida Dr. Cardoso de Melo, n° 1.955, 10º andar, CEP 04548-005, enrolled at the CNPJ/MF under nr. 02.950.811/0001-89 (“Entity”), as per the terms of subsection VI, of 1st paragraph of article 25, of CVM Instruction nr. 480, as of December 7th, 2009, that we reviewed, discussed and agreed with the Company’s quarterly Information for the period ended June 30th, 2017.

São Paulo, August 14h, 2017.

VLADIMIR KUNDERT RANEVSKY
Chief Executive Officer
Chief Financial Officer and
Investor Relations Officer

NATALIA MARIA FERNANDES PIRES
Legal Director

The Directors’ Declaration on the Independent Auditors’ Report

DECLARATION FOR THE PURPOSES OF ARTICLE 25, 1st §°, SUBSECTION V, OF CVM INSTRUCTION Nr. 480/09

We declare, in the capacity as Directors of PDG Realty S.A. Empreendimentos e Participações – Under Judicial Recovery, a corporation with headquarters in the City of São Paulo, São Paulo State, at Avenida Dr. Cardoso de Melo, n° 1.955, 10º andar, CEP 04548-005, enrolled at the CNPJ/MF under nr. 02.950.811/0001-89 (“Entity”), as per the terms of subsection v, of 1st paragraph, of article 25 of CVM Instruction nr. 480, as of December 7th, 2009, that we reviewed, discussed and agreed with the opinions expressed in the Entity’s Independent Auditors’ Report (Ernst & Young Auditores Independentes) relative to the Entity’s Quarterly Information for the period ended June 30th, 2017.

São Paulo, August 14th, 2017.

VLADIMIR KUNDERT RANEVSKY
Chief Executive Officer
Chief Financial Officer
Investor Relations Officer

NATALIA MARIA FERNANDES PIRES
Legal Director