São Paulo, November 14th, 2018: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the third quarter of 2018. Founded in 2003, PDG develops projects for different segments and publics, operating in the development, construction and sale of residential and commercial units, as well as land plots.

Highlights:

- **Gross sales increased 122% in 3Q18** over 3Q17, from R$37 million to R$82 million. **YTD gross sales grew 25%,** from R$181 million in 9M17 to R$266 in 9M18. (page 8)

- **Net sales also recorded a significant improvement, reaching R$35 million in 3Q18, in comparison to the negative sale recorded in 3Q17.** In 9M18 net sales reached R$78 million, also compared to a negative sale registered in 9M17. (page 8)

- In 3Q18 **the Operating Net Revenues increased 462%** over 3Q17, reaching **R$85.5 million.** In **9M18, the revenues amounted R$320.9 million, an increase of 10%** over the same period last year. (page 21)

- **In this quarter the number of units transferred was 31% higher than 3Q17.** In the Q-o-Q comparison the PSV increased 13%. (page 15)

Conference Call

Wednesday, November 21st, 2018

- **Portuguese**

11:00 a.m. (Brasília)
08:00 a.m. (NY)

Tel.: (+55 11) 3193-1001
(+55 11) 2820-4001
Replay: (+55 11) 3193-1012 | Code: 7529736#

- **English (Simultaneous translation)**

08:00 a.m. (NY)
11:00 a.m. (Brasília)

Tel.: +1 (800) 492-3904
+1 (646) 828-8246
Replay: (11) 3193-1012 | Code: 0206125#

Investor Relations:

(+55 11) 2110-4400
www.pdg.com.br/ri
ri@pdg.com.br

Highlights:

- For another consecutive quarter, **the G&A expenses registered a significant fall of 24%**. In **9M18, the reduction in G&A reached 44%** over 9M17. (page 17)

- **The net loss was R$190 million down, representing a reduction of 64% in 3Q18,** from R$299.2 million in 3Q17 to R$108.9 million in 3Q18. In the **y-o-y net loss decreased by R$398 million**, representing a reduction of 36%. (page 21)

- **Between June and September, occurred the payment of the 4 of the 6 installments to the creditors foreseen in the Plan, amounting R$65 million.** (page 4)

Recent Events:

- In October the **payment** of the fifth installment, as foreseen in the Recovery Plan, was made to the creditors, **amounting to R$15.7 million**.

- In November we are paying the last installment to the creditors. With this settled, and considering that the next maturities foreseen will only occur in 15 (fifteen) years, we expect to the coming periods a material reduction in the cash flow's pressure. In addition, since the beginning of the implementation of its Recovery Plan, PDG has successfully fulfilled all the obligations assumed with its creditors.

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Initial Message

Throughout the year, PDG has taken important steps towards its Recovery Plan. The most important step was the payment of five of the six installments that were foreseen in the Plan, totaling more than R$81 million. Over November we are paying the last installment. In addition, as mentioned in the second quarter, we concluded on June 15th the capital increase related to the debt conversion into equity, in the total amount of R$74.2 million.

In total, considering the payment of the installments and the capital increase, the Company has already settled more than R$155 million in debts that are subjected to the Recovery Plan.

Thereby, we are very pleased to announce that the Company has, up to now, fully complied with all the terms established in its Recovery Plan, demonstrating it's commitment and effort to honor the obligations assumed with its labor and unsecured creditors and suppliers.

From now on, considering that the next maturities foreseen in the Recovery Plan will only occur in 15 years, we expect to the coming periods a material reduction in the cash flow's pressure.

In addition to the implementation phase and in compliance with the first payments established in the Plan, we continue to focus on a thorough assessment of the Company's processes, controls and structures, aiming to increase efficiency and reduce costs. This review will allow us to give due priority to the needs of the Plan, and also will support the creation of the grounds to the beginning of the resumption of PDG's activities.

During the third quarter we already observed a significant improvement in many of the Company's operating indicators, a fact that already reflects the improvement efforts implemented by the management in charge.

We have also started our short and mid-term Strategic Planning so that the Company can gradually launch new projects, as foreseen in the Plan.

Regarding the unfinished projects, we continue searching for alternatives that can make them feasible. Thus, we continue to negotiate with our main creditors and seek other interested parties so that we can fulfill the commitment assumed with our clients and, in addition, add value to the Company's assets.

Operating Results

In the 3Q18, gross sales totaled R$82 million, 122% higher than in 3Q17. In 9M18, gross sales amounted R$226 million, compared to gross sales of R$181 million in 9M17, a 25% increase. The improvement in sales compared to last year reflects the change in the Company's sales strategy, where we resumed the sales of the encumbered units throughout the year, as well as commercial campaigns in the press and digital media.

During 3Q18, cancellations came to R$47 million, 38% lower than the amount registered in 3Q17. In 9M18, cancellations reached R$148 million, 55% lower than 9M17. We continue to maintain the strategy to prioritize cancellations of units with better market liquidity and unencumbered, to accelerate the Company’s cash generation.

With the improvement in gross sales recorded in the quarter and YTD, net sales came to R$35 million in 3Q18 and R$78 million in 9M18. It was this improvement in sales that helped us fulfill the payments established in the Recovery Plan, compensating and financing the lack of cash in clusters of some banks. Concerning the sales in 3Q17 and 9M17, net sales were negative by R$39 million and R$149 million, respectively.

In the comparison between 3Q18 and 3Q17, G&A expenses were reduced by 24%. As for 9M18 versus 9M17, the total reduction was 44%, reflecting the constant readjustments in the Company’s structure and the increase in operational efficiency. Between the end of September 2017 and September 2018, there was a 41% reduction in headcount. Thus the Company ended the third quarter with 225 employees.

During 3Q18, 465 units were transferred, equivalent to a PSV of R$79 million. When compared to the same period of 2017, the number of transferred units increased by 31%, with a 13% increase in PSV.

The Company's inventory ended 3Q18 at R$1.9 billion, 1% lower than in 2Q18. Regarding 3Q17, total inventory dropped 17% in PSV.

Due to the more reduced pace of construction work and the correction by the INCC, the cost to be incurred increased 2% over 2Q18 and 5% YTD. In historical terms, since the end of 2012, the total cost to be incurred, which was R$7.1 billion, registered a significant reduction of 89%.

The Company's extrajudicial debts increased by R$42 million from 2Q18 to 3Q18, reflecting the monetary correction and interests during the period. It is worth noting that there was a significant amortization of interest and principal in the amount of R$81 million during the period. Additionally, in October 2018, we amortized R$63 million in debts related to construction financing debentures.

The debts subject to the Recovery Plan were reduced by 3%, from R$792 million in 2Q18 to R$766 million in 3Q18. This reduction is explained by the payment of the installments established in the Plan, between July and September, to creditors of classes I, III and IV who chose the payment option "A".

The measures adopted by PDG during the first nine months also reflected an improvement in our financial results. Thus, we were able to reduce the Company's net loss in 64%, from R$299 million in 3Q17 to R$109 million in 3Q18. For the first nine months of the year, net loss went from R$1.1 billion in 9M17 to R$709 million in 9M18, a 36% reduction.

So far, PDG has successfully fulfilled all the obligations established in its Recovery Plan.

The operational and financial improvements observed over the quarters indicate that the Company is on the right resumption path.

Management.

Operating and Financial Indicators

- As of the beginning of 2014, we began disclosing our results in IFRS10, as well as proportionally to PDG's interest in each project.

- The Company's main results and indicators regarding 3Q18 and 9M18 are the following:

Launches	3Q18	3Q17	3Q18 vs. 3Q17	9M18	9M17	9M18 vs. 9M17	3Q18 (IFRS)	9M18 (IFRS)
Total Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
PDG % Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
# of Launched Projects	0	0	n.m.	0	0	n.m.	0	0
# of Launched Units - PDG	0	0	n.m.	0	0	n.m.	0	0
Sales and Inventory	**3Q18**	**3Q17**	**3Q18 vs. 3Q17**	**9M18**	**9M17**	**9M18 vs. 9M17**	**3Q18 (IFRS)**	**9M18 (IFRS)**
Gross Sales %PDG - R$ million	82	37	n.m.	226	181	24.8%	82	226
Net Sales %PDG - R$ million	35	(39)	n.m.	77	(148)	n.m.	35	77
# of Net Sold Units %PDG	177	(129)	n.m.	349	(580)	n.m.	177	349
Inventory at Market Value %PDG - R$ million	1,942	2,348	-17.3%	1,942	2,348	-17.3%	1,941	1,941
Operational Result (1)	**3Q18**	**3Q17**	**3Q18 vs. 3Q17**	**9M18**	**9M17**	**9M18 vs. 9M17**		
Net Operational Revenues - R$ million	86	15	n.m.	321	291	10.1%		
Gross Profits (Losses) - R$ million	(54)	(15)	n.m.	(104)	44	n.m.		
Gross Margin - %	n.a.	n.a.	n.m.	n.a.	15	n.m.		
Adjusted Gross Margin - %	n.a.	n.a.	n.m.	n.a.	22	n.m.		
EBITDA Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Net Earnings (Losses) - R$ million	(109)	(299)	-63.6%	(709)	(1,107)	-36.0%		
Net Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Backlog Results (REF) (1)	**3Q18**	**3Q17**	**3Q18 vs. 3Q17**					
Gross Revenues (REF) - R$ million	495	474	4.4%					
COGS - R$ million	(401)	(376)	6.6%					
Gross Profit - R$ million	94	98	-4.1%					
Gross Backlog Margin - %	19.0	20.7	-1.7 p.p					
Balance Sheet (1)	**3Q18**	**3Q17**	**3Q18 vs. 3Q17**					
Cash and Cash Equivalents - R$ million	234	225	4.0%					
Net Debt - R$ million	2,571	5,547	-53.7%					
Shareholders Equity - R$ million	(3,878)	(4,486)	-13.6%					
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	n.a.	n.m.					
Total Assets - R$ million	2,468	3,917	-37.0%					

Obs: (1) Financial Results in IFRS 10.
PSV PDG excludes partnerships.

Operating Performance – Launches

- There were no launches during 9M18 and all efforts were oriented to the Recovery Plan's implementation and for the strategic planning of resumption of the Company's business.

Operating Performance – Sales

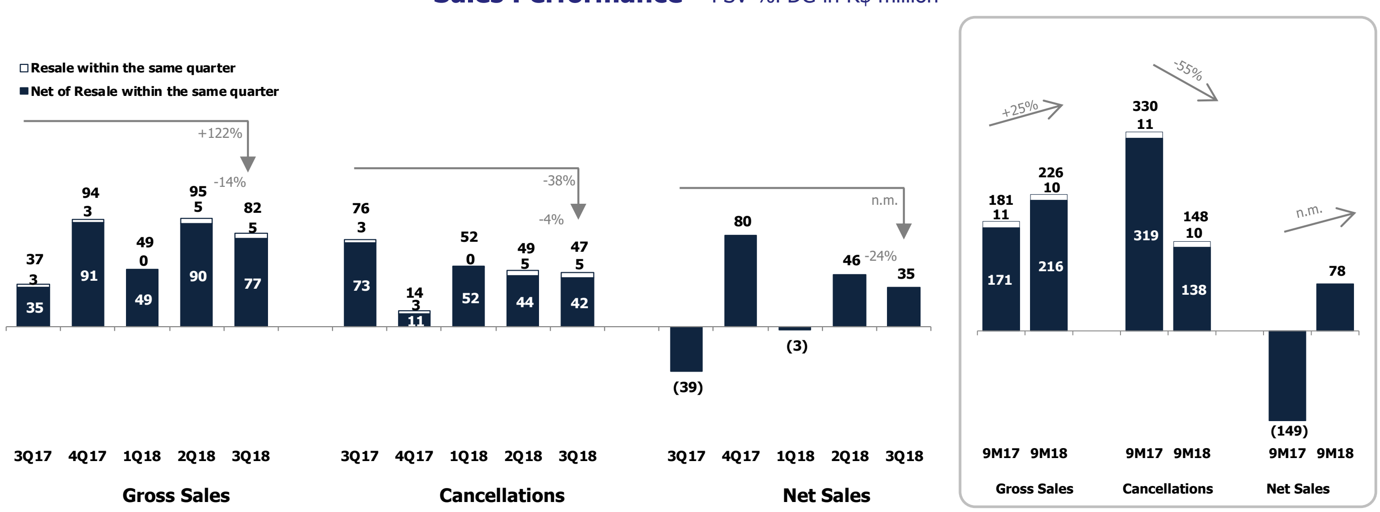
- In 3Q18, the gross sales reached amounting to R$82 million, 122% over 3Q17 and 14% down 2Q18. In the 9M18, gross sales totaled R$226 million, 25% over 9M17. The improvement in sales compared to last year reflects the change in the Company's sales strategy, where we resumed the sales of the encumbered units throughout the year, as well as commercial campaigns in the press and digital media.

- Cash sales totaled R$21.1 million in 3Q18, accounting for 26% of the period gross sales. In the 9M18, cash sales amounted to R$61.9 million, which corresponded to 27% of gross sales of the period.

- Total cancellations came to R$47 million in 3Q18, 38% down on 3Q17 and 4% down on 2Q18. In 9M18, the cancellations reached R$148 million, 55% below the amount noted in the 9M17. We continue to maintain the strategy to prioritize cancellations of unencumbered units and those with better market liquidity, which are, therefore, immediate cash-generating at the time of resale.

- Net sales totaled R$35 million in 3Q18. In the 9M18, net sales came to R$78 million. Considering that, in both 3Q17 and 9M17, net sales were negative, the Company recorded a significant improvement in net sales over the first nine months of 2018.

Sales Performance – PSV %PDG in R$ million



- Of total 3Q18 cancellations, 96% corresponded to projects with more than 60% of their units sold, reflecting the sales strategy adopted of prioritizing the cancellations of units with good market liquidity, which should represent a higher resale speed.

- In addition, 96% of third quarter cancellations corresponded to projects that had already been concluded.

Cancellations in 3Q18 by Percentage of Resale and Year of Delivery

PSV in R$ million

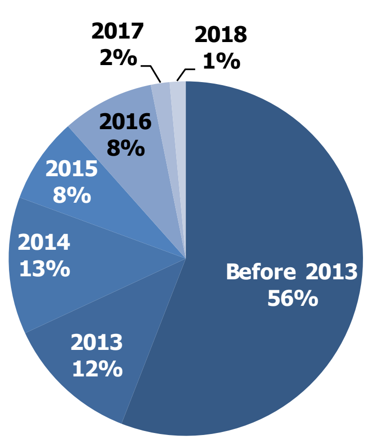
Percentage Sold	Concluded		2018 Delivery		Post 2018 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	-	-	-	-	-	-	-	-
21% to 40%	-	-	-	-	6	1.8	6	1.8
41% to 60%	-	-	-	-	-	-	-	-
61% to 80%	30	8.1	-	-	-	-	30	8.1
81% to 99%	142	37.3	-	-	-	-	142	37.3
TOTAL	**172**	**45.4**	**-**	**-**	**6**	**1.8**	**178**	**47.2**

96% 96%

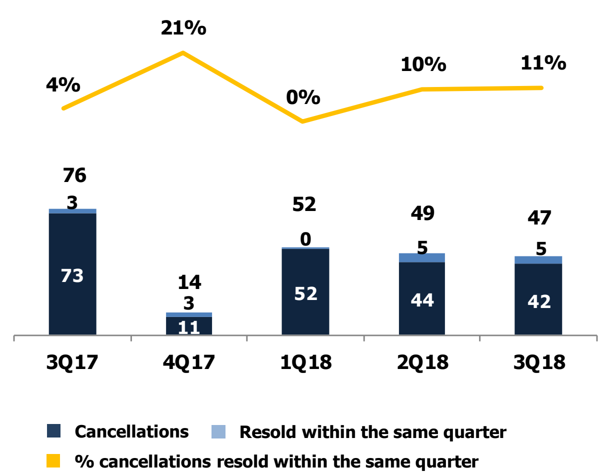
- Looking at the breakdown of cancellations by year of sale, we can see that 81% of cancellations in 3Q18 referred to units sold until to 2014, i.e., when credit analysis criteria were less rigorous, and which, therefore, are more likely to lead to cancellation due to insufficient income.

- Of the R$47 million canceled in 3Q18, R$5 million (11%) were resold in the same quarter.

Cancellations by Year of Sale – %PSV – 3Q18



Cancellations and Resale Evolution – R$ million

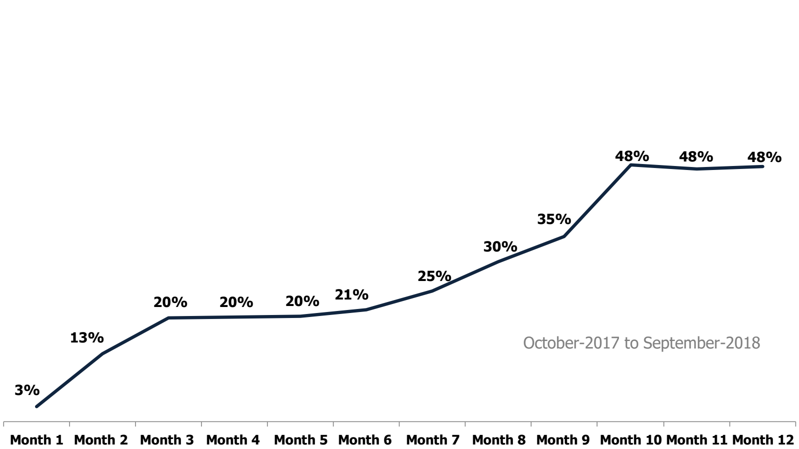


Operating Performance – Cancellations and Resale

- The resale curve recorded an average of 48% when accounting for 12 months after the cancellation, that is on average 48% of cancelled units are resold in up to 12 months.

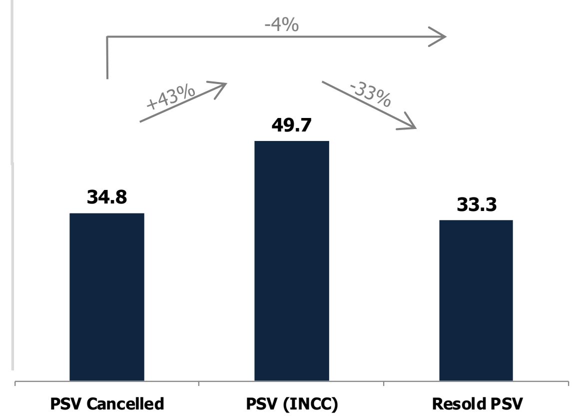
- The decline in resale price in relation to the accumulated inflation, between the original sale and the resale, is due to the restrictive economic and sectoral moment and the granting of discounts, especially on cash sales. In the last 12 months, resale PSV has been 4% down on PSV from the original sale.

Average Resale Curve – units



Resale Price

Accrued in the last 12 months – R$ million



Operating Performance – Sales Speed (SoS)

- Looking at the quarterly sales speed (SoS) in terms of inventory units effectively available, the ratio reached 4% in 3Q18, 2p.p above 3Q17.

- PDG's sales team was responsible for 69% of gross sales in 3Q18, and 69% of 9M18 gross sales.

Sales Speed (SoS) – R$ million

R$ million

	3Q17	4Q17	1Q18	2Q18	3Q18
Initial Inventory	2,321	2,348	2,214	2,064	1,964
(-) Cancellations	-	-	-	-	-
=Effective Inventory	2,321	2,348	2,214	2,064	1,964
(+) Launches	-	-	-	-	-
(-) Net Sales	(39)	80	(3)	46	35
Gross Sales[(1)]	37	94	49	95	82
Cancellations[(1)]	76	14	52	49	47
(+) Adjustments [(2)]	(12)	(54)	(153)	(53)	13
Final Inventory	2,348	2,214	2,064	1,964	1,942
Quarterly Sales Speed (SoS) (Gross Sales)	2%	4%	2%	5%	4%
Quarterly Sales Speed (SoS) (Net Sales)	n.a.	3%	n.a.	2%	2%

(1) Gross sales and cancellations include resales within the same quarter.

(2) The positive adjustment of R$13 million in 3Q18 is mainly due to the monetary corretion in inventory units.

Operating Performance – Sales Speed (SoS) by Region

- This quarter, the sales speed by region (ex. Commercial) increased by 4 p.p over 3Q17. The improvement in this indicator is due to higher gross sales after the change in sales strategy. The Southern and Midwest regions presented the best SoS again (22% and 17%, respectively), due to the best sales performance in relation to its reduced inventory.

- Since the demand is still weakened, the commercial product continues facing a lower market liquidity.

Sales Speed (SoS) by Region

Region (ex-Commercial)	SoS - Gross Sales				
	3Q17	4Q17	1Q18	2Q18	3Q18
SÃO PAULO	3%	11%	3%	5%	3%
RIO DE JANEIRO	0%	3%	1%	4%	6%
MG/ES	0%	6%	3%	7%	8%
NORTH	3%	4%	4%	9%	5%
NORTHEAST	1%	2%	3%	5%	22%
SOUTH	17%	15%	18%	23%	17%
MIDWEST	1%	1%	5%	23%	6%
TOTAL (EX-COMMERCIAL)	**2%**	**6%**	**3%**	**7%**	**0%**
COMMERCIAL	0%	0%	1%	1%	4%
TOTAL	**2%**	**4%**	**2%**	**5%**	**4%**

SoS SP and RJ: 5%

SoS(ex-SP and RJ): 8%

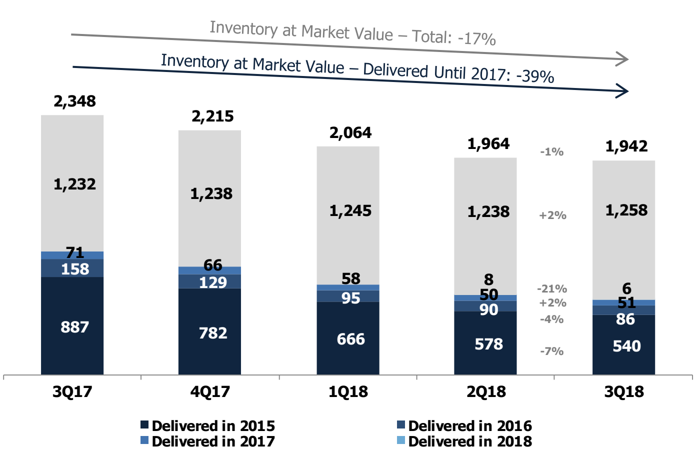
Operating Performance – Inventory

- Total inventory at market value closed 3Q18 in R$1,942 million, 1% down on the previous quarter. When compared to 3Q17, inventory at market value fell by 17%.

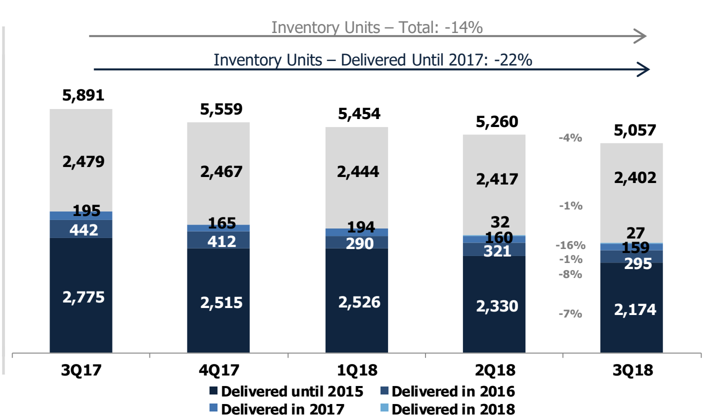
- Total inventory units decreased by 4% from 5,260 in 2Q18 to 5,057 in 3Q18. In the last 12 months, total inventory units recorded a decrease of 14%.

- If we consider only those units delivered until the end of 2017, inventory PSV fell by 39% between 3Q17 and 3Q18, and the number of units fell by 22%.

Inventory at Market Value – R$ million



Inventory Units



Operating Performance – Inventory

- This quarter the inventory in the states of São Paulo and Rio de Janeiro corresponds to 56% of the Company's total inventory, excluding commercial units. Considering the residential units available, 54% is concentrated in projects that have more than 60% of their units sold, therefore, with a good market liquidity.

Inventory by Percentage of Sales and Region

PSV in R$ million

Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total			
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	%	
SÃO PAULO	223	168.4	471	80.4	558	144.8	**1,252**	**393.6**	**33%**	56%
RIO DE JANEIRO	216	195.6	59	27.4	185	45.7	**460**	**268.7**	**23%**	
MG/ES	-	-	-	-	39	6.5	**39**	**6.5**	**1%**	
NORTH	115	46.0	113	85.9	399	112.6	**627**	**244.5**	**21%**	
NORTHEAST	493	137.2	-	-	138	69.8	**631**	**207.0**	**17%**	
SOUTH	-	-	-	-	51	14.9	**51**	**14.9**	**1%**	
MIDWEST	-	-	-	-	301	47.7	**301**	**47.7**	**4%**	
% Total (Ex- Commercial)		**46%**		**17%**		**37%**			**100%**	
TOTAL (Ex-Commercial)	**1,047**	**547.2**	**643**	**193.7**	**1,671**	**442.0**	**3,361**	**1,182.9**	**61%**	
COMMERCIAL	1,127	589.6	440	145.1	129	24.1	**1,696**	**758.8**	**39%**	**100% SP and RJ**
TOTAL	**2,174**	**1,136.8**	**1,083**	**338.8**	**1,800**	**466.1**	**5,057**	**1,941.7**	**100%**	
% Total		**59%**		**17%**		**24%**			**100%**	

54%

Inventory by Percentage of Sales and Year of Delivery

PSV in R$ million

Percentage Sold	Built		2018 Delivery		2019 Delivery		Post 2019 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	31	10.8	-	-	-	-	478	136.3	509	147.1
21% to 40%	-	-	-	-	173	74.6	534	354.3	707	428.9
41% to 60%	13	20.8	-	-	-	-	945	540.0	958	560.8
61% to 80%	816	186.5	-	-	154	66.3	113	85.9	1,083	338.7
81% to 99%	1,795	465.3	5	0.9	-	-	-	-	1,800	466.2
TOTAL	**2,655**	**683.4**	**5**	**0.9**	**327**	**140.9**	**2,070**	**1,116.5**	**5,057**	**1,941.7**

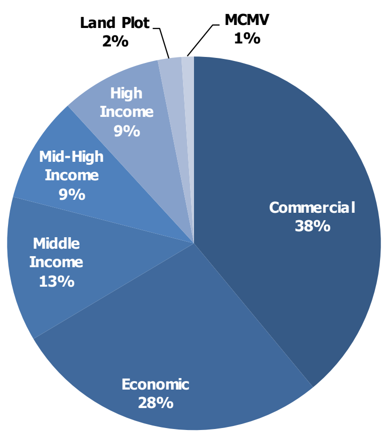
95% **41%**

- Presently, the Company's inventory presents the following characteristics: (i) 41% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 59% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units).

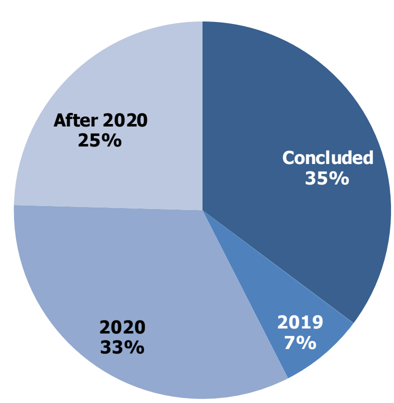
- Of the concluded inventory (R$683.4 million): (i) 63% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 95% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

- Of the inventory related to the ongoing projects (R$1,258.3 million): (i) 79% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 12% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



Operating Performance – Landbank

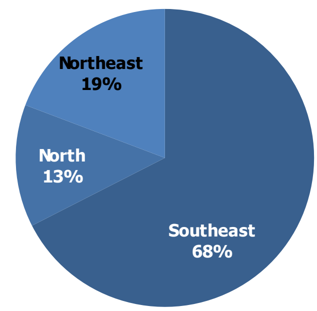
- The landbank closed 3Q18 with a potential PSV of R$1.7 billion (PDG's share), equivalent to 4,874 units.
- The landbank that not match the Company's strategy is in the process of being canceled or sold, helping in the cost reduction, in the monetization of assets for the Company's deleveraging process.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R$ mm)	%	PSV (R$ mm)	%	Average Price (R$)
High Income	270	5%	333.7	19%	333.7	16%	1,235,822
Mid-High Income	84	2%	58.8	3%	58.8	3%	700,514
Middle Income	657	13%	321.6	19%	599.6	30%	489,808
Economic	1,737	36%	321.5	19%	321.5	16%	185,074
Residential	**2,748**	**56%**	**1,035.5**	**60%**	**1,313.6**	**65%**	**376,905**
Commercial	**-**	**0%**	**-**	**0%**	**-**	**0%**	**-**
Land Plot	**2,126**	**44%**	**697.7**	**40%**	**697.7**	**35%**	**328,155**
Total	**4,874**		**1,733.2**		**2,011.2**		**355,638**

Landbank by Region

PSV %PDG



Operating Performance – Historical Data

- At the end of 3Q18, the Company had 18 projects in progress, equivalent to 4,540 units (PDG's share), 256 of which (6%) related to the Minha Casa Minha Vida program and 4,284 (94%) related to residential (excluding MCMV), commercial and land development units.

	# Projects	# Total Units	# PDG Units
Launches(1)	714	160,526	155,046
Finished(2)	696	155,934	150,506
Ongoing(3)	18	4,592	4,540

(1) Historical launches until September 2018 - net of cancellations
(2) Projects with Occupancy Permit or Sold until September 2018
(3) Ongoing projects until September 2018

Finished Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	425	96,248	94,893
MCMV	271	59,686	55,613
Total	696	155,934	150,506

Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	17	4,336	4,284
MCMV	1	256	256
Total	18	4,592	4,540

Obs.: Only projects under PDG management.

Operating Performance – Occupancy Permits

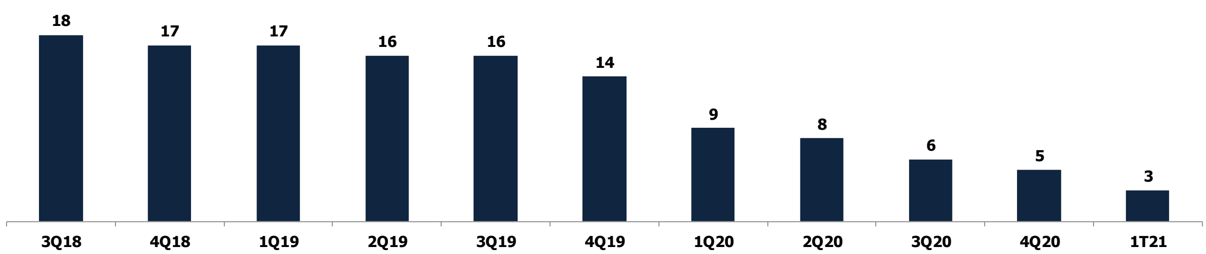
- During this quarter, no occupancy permits were obtained by the Company.

2018 Deliveries - Occupancy Permits							
Project	**Occupancy Permit**	**Region**	**Product**	**Total PSV (R$ mn)**	**PDG PSV (R$ mn)**	**PDG Units**	**Average Price (R$ thous)**
			Projects Managed by PDG				
TOTAL PDG 1Q18	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VILLE SOLARE	2Q18	Belém	Economic	77.4	77.4	518	149.5
TOTAL PDG 2Q18	**1**	**-**	**-**	**77.4**	**77.4**	**518**	**-**
TOTAL PDG 3Q18	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PDG 2018	**1**	**-**	**-**	**77.4**	**77.4**	**518**	**-**
TOTAL 2018	**1**			**77.4**	**77.4**	**518**	**-**

Operating Performance – Occupancy Permit Schedule

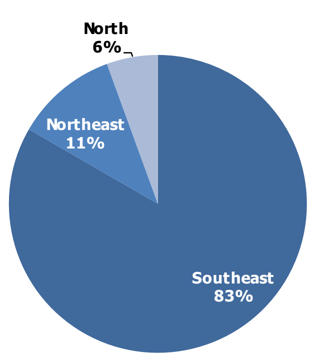
Projects in Progress – Occupancy Permit Schedule

- The Company closed the quarter with 18 ongoing projects. Regarding to this projects, 83% are located in the Southeast region and 44% are residential projects (excluding MCMV, land development and commercial units).
- We expect to deliver 1 project in 4Q18.

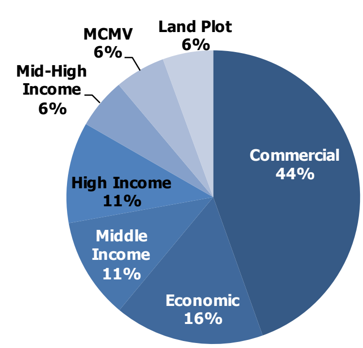


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV

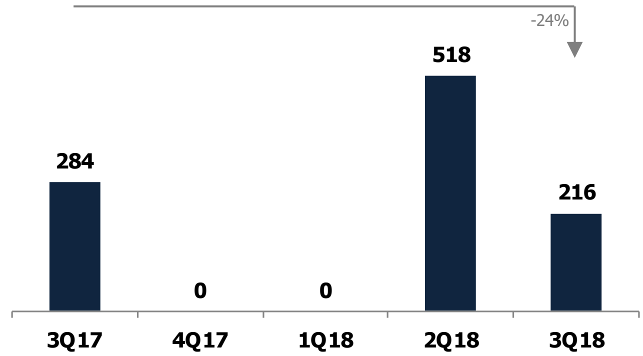


Breakdown by Product – % PSV



Operating Performance – Title Individualizations

- We individualized 216 units in the 3Q18, an 24% decrease when compared to the 3Q17. During 9M18 734 units were individualized, 20% below 9M17.

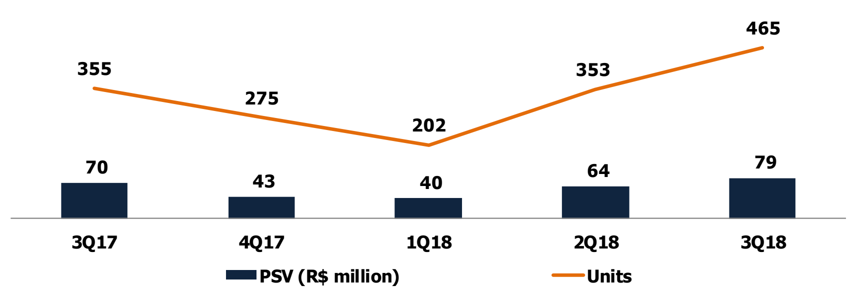


Operating Performance – Mortgage Transfers

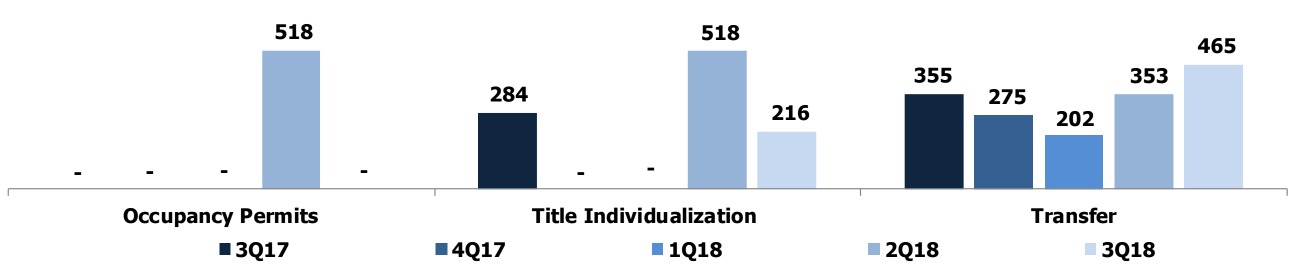
- During 3Q18, 465 units were transferred, equivalent to a PSV of R$79 million, a 31% increase in the number of units and a 13% increase in PSV when compared to 3Q17.

- In the 9M18, 1,020 units were transferred, equivalent to a PSV of R$183 million, a 31% fell in the number of units and a 37% fell in PSV over 9M17.

Transfers by Quarter – PSV and units



Mortgage Transfer Cycle – units



Gross Margin

- During 3Q18, gross margin remained pressed, mainly due to the still restrictive moment faced by the sector, that has been pressing the market prices. In addition, the margin is also impacted by the discounts granted in cash sales to accelerate cash inflows.

R$ million in IFRS

Gross Margin	3Q18	3Q17	(%) Var.	9M18	9M17	(%) Var.
Net Revenues	86	15	n.m.	321	291	10%
Cost	(139)	(30)	n.m.	(425)	(247)	72%
Gross Profit (Loss)	**(53)**	**(15)**	**n.m.**	**(104)**	**44**	**n.m.**
(+) Capitalized Interest	12	13	n.m.	29	20	43%
Adjusted Profit	**(41)**	**(2)**	**n.m.**	**(75)**	**64**	**n.m.**
Gross Margin	**n.a.**	**n.a.**	**n.m.**	**n.a.**	**15,2%**	**n.m.**
Adjusted Gross Margin	**n.a.**	**n.a.**	**n.m.**	**n.a.**	**22,1%**	**n.m.**

Backlog Result (REF)

- By the end of the quarter, the backlog margin was 19.0%, an 1.7 p.p decrease when compared to the 3Q17.
- The backlog recognition schedule is estimated at 27.0% in 2018, 38.7% in 2019 and 34.3% from 2020 on.

R$ million in IFRS

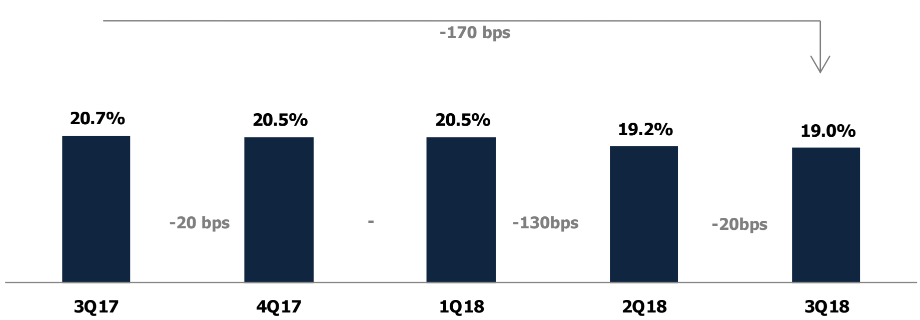
Backlog Results (REF)	3Q18	2Q18	1Q18
Gross Revenues	504	499	472
(-)Taxes *	(9)	(9)	(8)
Net Revenues - REF	495	490	464
(-) COGS	(401)	(396)	(369)
Gross Profit - REF	94	94	95
Gross Backlog Margin	***19.0%***	***19.2%***	***20.5%***
Capitalized Interest	11	11	11
Agre Goodwill	-	-	-
Adjusted Gross margin **	***16.8%***	***16.9%***	***18.1%***

* PIS and Cofins Estimate

** Backlog margin differs from reported margin in that it does not include capitalized interest effect, future guarantees and goodwill amortization.

Backlog result recognition schedule	2018	2019	2020
	27.0%	38.7%	34.3%

Backlog Margin Trends (REF)



Backlog Result – Pre and Post 2012

- Projects launched after 2012, with an average gross margin of 21.8%, already represent 87% of total gross backlog profit.

R$ million in IFRS

Backlog Results (REF) (Pre and Post 2012 Projects)	Pre 2012	After 2012	3Q18
Net Revenues - REF	119	376	495
(-) COGS	(107)	(294)	(401)
Gross Profit - REF	12	82	94
Gross Backlog Margin	***10.1%***	***21.8%***	***19.0%***
Capitalized Interest	4	7	11
Agre Goodwill	-	-	-
Adjusted Gross margin	***6.7%***	***19.9%***	***16.8%***

Selling, General and Administrative Expenses (SG&A)

- PDG is still focused on reducing costs and adjusting its structure to the size of its operations aiming to improve its operational efficiency.

- G&A expenses closed the third quarter 24% lower than in 3Q17. In 9M18, G&A expenses fell by 44% over 9M17.

- Selling expenses increased in the third quarter and YTD. This increase refers to (i) the recognition of commissions expenses related to cancellations occurred up to the end of 3Q18, and (ii) the expenses with commercial campaigns in print and digital press, aiming to accelerate the Company's sales.

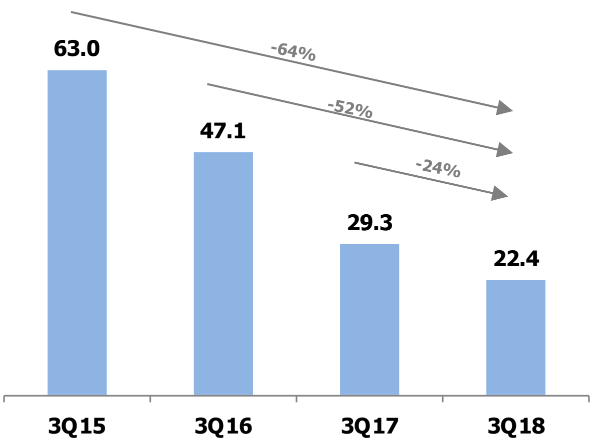
- Due to higher commercial expenses during 3Q18, SG&A increased by 15% over 3Q17. On the other hand, during the 9M18 SG&A recorded a significantly fell of 28%.

R$ million in IFRS

Commercial Expenses	QUARTER			YTD		
	3Q18	3Q17	(%) Var.	9M18	9M17	(%) Var.
Total Commercial Expenses	**13.9**	**2.2**	**n.m.**	**26.5**	**13.2**	**n.m.**
G&A Expenses	**3Q18**	**3Q17**	**(%) Var.**	**9M18**	**9M17**	**(%) Var.**
Salaries and Benefits	13.3	11.4	17%	34.8	47.5	-27%
Profit Sharing	0.0	0.0	0%	0.0	0.0	0%
Third Party Services	6.8	15.4	-56%	18.1	48.5	-63%
Other Admin. Expenses	2.3	2.5	-8%	6.0	9.2	-35%
Total G&A	**22.4**	**29.3**	**-24%**	**58.9**	**105.2**	**-44%**
Total SG&A	**36.3**	**31.5**	**15%**	**85.4**	**118.4**	**-28%**

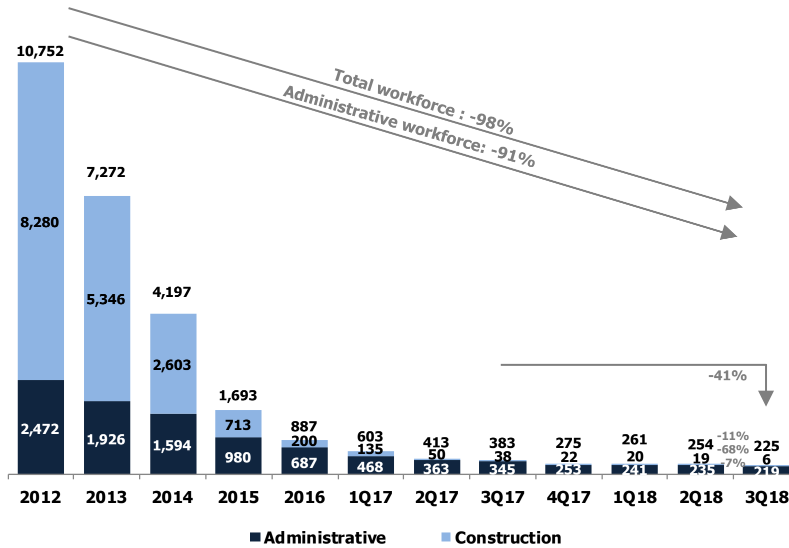
General and Administrative Expenses (G&A)

- For another consecutive quarter the Company recorded a drop in its G&A. When compared to 3Q17, G&A expenses fell by 24%; compared to 3Q16 and 3Q15, the drop reached 52% and 64%, respectively.



Headcount

- We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 3Q18, we reduced our total workforce by 11% over 2Q18. When compared to the 3Q17, total workforce fell by 41%.



On and Off Balance Sheet Receivables and Cost to be Incurred

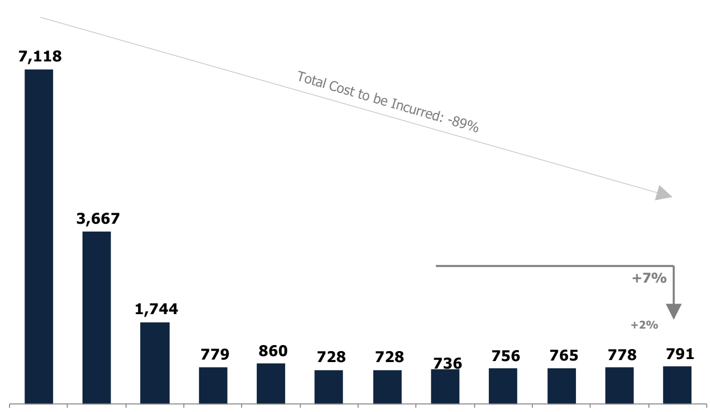
- We closed 3Q18 with total net receivables of R$1.1 billion, 4% lower than the previous quarter. This reduction is mainly due to the amount effectively received during the period.
- Considering the reduced pace of construction work and the correction by the INCC, the cost to be incurred increased 2% over 2Q18 and 7% over 3Q17. Since late 2012, the total cost to be incurred, which was R$7.1 billion, registered an 89% drop.

Accounts Receivable

R$ million in IFRS

On and Off Balance Receivables (R$ mn)	3Q18	2Q18	(%) Var.
Receivables *(on balance)*	753	801	-6%
Gross Backlog Revenues - REF	504	499	1%
Advances from Clients - sales installments	(64)	(63)	2%
Advances from Clients - physical barter from launches	(103)	(102)	1%
Total Receivables (a)	**1,090**	**1,135**	**-4%**
Cost to be Incurred - Sold Units	(401)	(396)	1%
Cost to be Incurred - Inventory Units	(390)	(382)	2%
Total Costs to be Incurred (b)	**(791)**	**(778)**	**2%**
Total Net Receivables (a+b)	**299**	**357**	**-16%**
Short Term	**626**	**657**	**-5%**
Long Term	**127**	**144**	**-12%**
Total *Receivables (on balance)*	**753**	**801**	**-6%**

Costs to be Incurred – R$ million



Indebtedness (Extraconcursal)

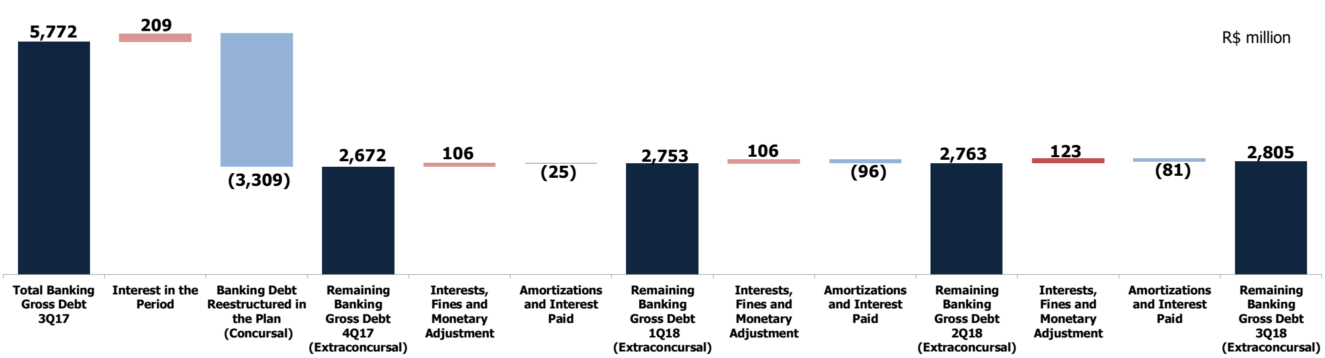
- The Company's gross debt increased by R$42 million from 2Q18 to 3Q18, reflecting the monetary correction and interests during the period. In 3Q18, there was a significant amortization of interest and principal in the amount of R$81 million.
- Additionally, in October 2018, we amortized R$63 million in debts related to construction financing debentures. Since this effect occurred in 4Q18, it's not reflected in the current results.
- Cash increased by R$8 million (4%) when comparing 3Q18 to 2Q18. Net debt increased by R$34 million (1%) in 3Q18.

R$ million in IFRS

Indebtedness	3Q18	2Q18	(%) Var.
Cash	**234**	**226**	4%
SFH	778	764	2%
Debentures	189	189	0%
CCB/CRI	173	161	7%
Construction Financing	**1,140**	**1,114**	**2%**
Working Capital, SFI and Promissory Notes	348	348	0%
Finep/Finame	6	6	0%
Debentures	321	305	5%
CCB/CRI	989	989	0%
Obligation for the issuance of CCB and CCI	1	1	0%
Corporate Debt	**1,665**	**1,649**	**1%**
Gross Debt	**2,805**	**2,763**	**2%**
Net Debt	**2,571**	**2,537**	**1%**
Net Debt (ex. Construction Financing)	**1,431**	**1,423**	**1%**
Shareholders Equity ***(1)***	**- 3,878**	**- 3,763**	**3%**
Net Debt (ex. SFH)/ Equity	**n.a.**	**n.a.**	**n.m.**

(1) **Includes non-controlling equity**

The New Debt Structure (Extraconcursal)



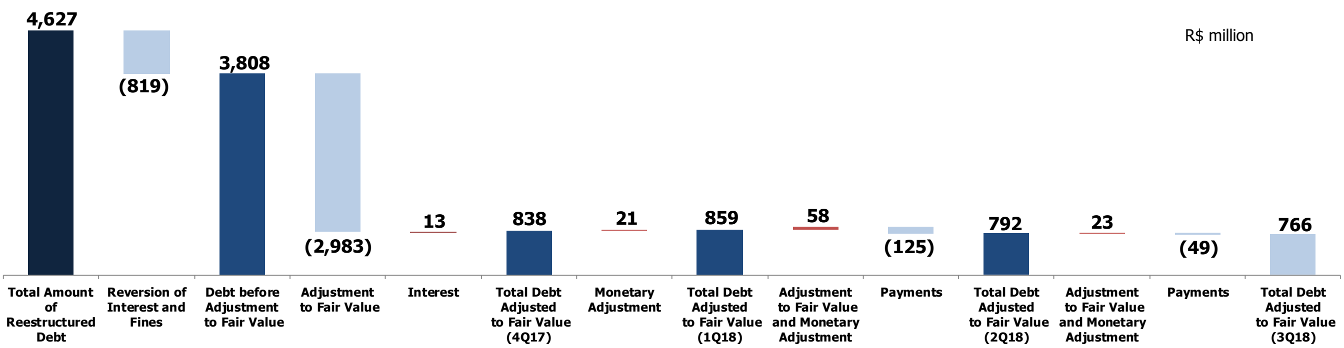
Net Debt Variation

R$ million in IFRS

Net Debt Variation (R$ mn)	2013	2014	2015	2016	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Cash and Cash Equivalents	**1,353**	**1,092**	**604**	**201**	**217**	**244**	**225**	**213**	**221**	**226**	**234**
Cash Variation	(468)	(261)	(488)	(403)	16	27	(19)	(12)	8	5	8
Gross Debt	**8,367**	**7,869**	**6,155**	**5,319**	**5,308**	**5,614**	**5,772**	**2,672**	**2,753**	**2,763**	**2,805**
Construction Financing	5,215	4,517	2,719	1,643	1,591	1,627	1,647	1,050	1,095	1,114	1,140
Corporate Debt	3,152	3,352	3,436	3,676	3,717	3,987	4,125	1,622	1,658	1,649	1,665
Gross Debt Variation	602	(498)	(1,714)	(836)	(11)	306	158	(3,100)	81	10	42
Net Debt Variation	**(1,070)**	**237**	**1,226**	**433**	**27**	**(279)**	**(177)**	**3,088**	**(73)**	**(5)**	**(34)**
Adjustments	**(86)**	**-**	**(202)**	**(225)**	**(53)**	**-**	**-**	**(3,309)**	**-**	**-**	**-**
Mark to market of PDGR D81 (warrant)	(86)	-	(2)	-	-	-	-	-	-	-	-
Sale of Equity Stake in REP	-	-	-	(214)	-	-	-	-	-	-	-
Capital Increase	-	-	(500)	-	-	-	-	-	-	-	-
Dismantling of partnership (Paddock)	-	-	-	(11)	-	-	-	-	-	-	-
Dismantling of partnership (VBI)	-	-	-	-	(53)	-	-	-	-	-	-
Debts subjected to the Reorganization Plan	-	-	-	-	-	-	-	(3,309)	-	-	-
Redemption of APRs and Promissory Notes issuance	-	-	300	-	-	-	-	-	-	-	-
Net Debt Variation (+adjustments)	**(1,156)**	**237**	**1,024**	**208**	**(26)**	**(279)**	**(177)**	**(221)**	**(73)**	**(5)**	**(34)**

Debt Subjected to the Recovery Plan (Concursal)

- The debts subjected to the Recovery Plan were reduced by 3%, going from R$792 million in the 2Q18 to R$766 million in the 3Q18. This reduction is explained by the payment, during the quarter, of 3 of the 5 installments foreseen in the Plan, to creditors of classes I, III and IV, who chose the payment option "A".
- In October, we paid the fifth installment in the amount of R$15.7 million.
- We are concluding the payment of the last installment during November.



Obs.: The methodology used to calculate the Fair Value and therefore the Total Debt Adjusted to Fair Value, is explained in Note 13 of the Financial Statements.

Financial Results

- Financial expenses recorded a 37% drop in 3Q18 over 3Q17, and a 49% drop when comparing 9M18 to 9M17. This decrease is due to the lower amount of interests and loans paid, since part of PDG's debts was restructured in the Recovery Plan.

R$ million in IFRS

Financial Results (R$ mn)	QUARTER			YTD		
	3Q18	3Q17	(%) Var.	9M18	9M17	(%) Var.
Investment Income	2.5	2.7	-7%	6.7	12.7	-47%
Interest and fines	46.9	5.2	n.m.	105.6	5.8	n.m.
Other financial revenue	(4.9)	10.0	n.m.	(42.3)	12.7	n.m.
Total financial revenues	**44.5**	**17.9**	**n.m.**	**70.0**	**31.2**	**n.m.**
Interest	(128.9)	(270.8)	-52%	(333.7)	(787.4)	-58%
Bank Expenses	(0.2)	(0.2)	0%	(0.5)	(0.8)	-38%
Other	(7.0)	55.7	n.m.	(59.5)	23.0	n.m.
Gross Financial Expenses	**(136.1)**	**(215.3)**	**-37%**	**(393.7)**	**(765.2)**	**-49%**
Capitalized Interest on Inventory	11.2	7.1	58%	12.6	23.8	-47%
Total Financial Expenses	**(124.9)**	**(208.2)**	**-40%**	**(381.1)**	**(741.4)**	**-49%**
Total Financial Result	**(80.4)**	**(190.3)**	**-58%**	**(311.1)**	**(710.2)**	**-56%**

Quarters and 9 Months ended on September 30th, 2018 and 2017

INCOME STATEMENTS (R$ '000) - IFRS	QUARTER			YTD		
	3Q18	3Q17	(%) Var.	9M18	9M17	(%) Var.
Operating Gross Revenue						
Real Estate Sales	99,314	(14,772)	n.m.	334,232	284,286	18%
Other Operating Revenues	2,613	23,007	-89%	11,802	11,031	7%
(-) Revenues Deduction	(16,414)	6,990	n.m.	(25,136)	(3,879)	n.m.
Operating Net Revenue	**85,513**	**15,225**	**n.m.**	**320,898**	**291,438**	**10%**
Cost of Sold Units	(127,004)	(26,977)	n.m.	(395,951)	(226,900)	75%
Interest Expenses	(12,397)	(3,499)	n.m.	(29,079)	(20,369)	43%
Cost of sold properties	**(139,401)**	**(30,476)**	**n.m.**	**(425,030)**	**(247,269)**	**72%**
Gross Income (loss)	**(53,888)**	**(15,251)**	**n.m.**	**(104,132)**	**44,169**	**n.m.**
Gross margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***15.2%***	**n.m.**
Adjusted gross margin [1]	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***22.1%***	**n.m.**
Operating Revenues (expenses):						
Equity Income	2,602	107	n.m.	(1,314)	(793)	66%
General and Administrative	(22,385)	(29,337)	-24%	(58,849)	(105,214)	-44%
Commercial	(13,886)	(2,242)	n.m.	(26,453)	(13,219)	n.m.
Taxes	(2,587)	(3,245)	-20%	(3,995)	(15,900)	-75%
Depreciation & Amortization	(397)	(5,597)	-93%	(57,142)	(24,223)	n.m.
Other	50,010	(85,539)	n.m.	(177,158)	(484,995)	-63%
Financial Result	(80,466)	(190,283)	-58%	(311,116)	(710,248)	-56%
Total operating revenues (expenses)	**(67,109)**	**(316,136)**	**-79%**	**(636,027)**	**(1,354,592)**	**-53%**
Income before taxes	**(120,997)**	**(331,387)**	**-63%**	**(740,159)**	**(1,310,423)**	**-44%**
Income Taxes and Social Contribution	5,682	33,213	-83%	15,770	212,561	-93%
Income before minority stake	**(115,315)**	**(298,174)**	**-61%**	**(724,389)**	**(1,097,862)**	**-34%**
Minority interest	6,446	(988)	n.m.	15,404	(9,432)	n.m.
Net Income (loss)	**(108,869)**	**(299,162)**	**-64%**	**(708,985)**	**(1,107,294)**	**-36%**
Net margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

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

EBITDA	QUARTER			YTD		
	3Q18	3Q17	(%) Var.	9M18	9M17	(%) Var.
Income (loss) before taxes	(120,997)	(331,387)	-63%	(740,159)	(1,310,423)	-44%
(-/+) Financial Result	80,466	190,283	-58%	311,116	710,248	-56%
(+) Depreciation and Amortization	397	5,597	-93%	57,142	24,223	n.m.
(+) Stock Option Plan	-	17	-100%	-	41	-100%
(+) Interest Expenses - Cost of Sold Units	12,397	3,499	n.m.	29,079	20,369	43%
(-/+) Equity Income result	(2,602)	(107)	n.m.	1,314	793	66%
EBITDA	**(30,339)**	**(132,098)**	**-77%**	**(341,508)**	**(554,749)**	**-38%**
EBITDA Margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

Consolidated Balance Sheet - ASSETS

On September 30th 2018, and June 30th 2018

ASSET (R$ '000)	3Q18	2Q18	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	234,075	225,950	4%
Accounts receivable	625,804	657,045	-5%
Properties held for sale	946,456	1,002,642	-6%
Prepaid expenses	-	-	n.m.
Accounts with related parties	19,058	19,509	-2%
Taxes to recover	16,269	22,275	-27%
Deferred income and social contribuition taxes	3,880	5,416	-28%
Total Current Assets	**1,845,542**	**1,932,837**	**-5%**
Noncurrent Assets			
Long-Term			
Accounts receivable	127,430	144,169	-12%
Properties held for sale	241,966	265,908	-9%
Deferred Taxes	15,597	15,597	0%
Taxes to recover	118,300	92,545	28%
Accounts with related parties	67,074	74,213	-10%
Total Long-Term Assets	**570,367**	**592,432**	**-4%**
Permanent Assets			
Investments	44,602	44,026	1%
Property and Equipament	374	495	-24%
Intangible	6,971	7,271	-4%
Total Permanent Assets	**51,947**	**51,792**	**0%**
Total Noncurrent Assets	**622,314**	**644,224**	**-3%**
Total Assets	**2,467,856**	**2,577,061**	**-4%**

Consolidated Balance Sheet - LIABILITIES

On September 30th 2018, and June 30th 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	3Q18	2Q18	(%) Var.
Current			
Loans and financings	1,131,051	1,118,857	1%
Debentures	510,220	493,414	3%
Obligation for the issuance of CCB & CCI	1,162,465	1,149,872	1%
Co-obligation for the issuance of CRI	1,304	1,259	4%
Suppliers	154,687	158,533	-2%
Payable obligations subject to the Reorganization Plan	52,385	98,260	-47%
Property acquisition obligations	11,405	11,222	2%
Advances from clients	144,476	142,772	1%
Taxes and contributions payable	39,555	38,824	2%
Deferred taxes	18,487	20,313	-9%
Income and social contribution taxes	10,664	7,694	39%
Accounts with related parties	14,616	14,342	2%
Other Provisions	95,449	99,577	-4%
Other Obligations	193,243	183,729	5%
Total Current	**3,540,007**	**3,538,668**	**0%**
Long-Term			
Payable obligations subject to the Reorganization Plan	713,628	693,774	3%
Property acquisition obligations	32,337	31,695	2%
Advances from clients	31,546	31,278	1%
Taxes and contributions payable	4,774	4,958	-4%
Deferred taxes	1,023,034	1,035,963	-1%
Other Provision	568,519	598,827	-5%
Other	431,750	404,594	7%
Total Long-Term	**2,805,588**	**2,801,089**	**0%**
Shareholders' equity			
Subscribed capital	4,992,033	4,992,033	0%
Capital reserve	1,236,743	1,236,742	0%
Accumulated losses	(10,062,512)	(9,953,643)	1%
Minority interest	**(44,003)**	**(37,828)**	**16%**
Total Shareholders' equity	**(3,877,739)**	**(3,762,696)**	**3%**
Total liabilities and shareholders' equity	**2,467,856**	**2,577,061**	**-4%**