PDG Realty S.A. Empreendimentos e Participações

Quarterly information - ITR
Quarter ended March 31, 2015

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and the International Reports Standards - IFRS)

Contents

PDG Realty S.A Empreendimentos e Participações

Composition of capital stock

Number of shares (thousand)	Current quarter 03/31/2015
Common shares from paid-in capital	1,323,264
Preferred - Of the Paid-up Capital	-
Total from paid-in capital	1,323,264
Common shares - in treasury	-
Preferred shares - in treasury	-
Total - in treasury	-

The accompanying notes are in integral part of these financial statements.

PDG Realty S.A Empreendimentos e Participações

Balance sheets - Parent Company

(In thousand of reais)

Code of account	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
1	Total assets	8,269,226	8,755,095
1.01	Current assets	360,915	509,769
1.01.01	Cash and cash equivalents	136,296	285,719
1.01.01.01	Cash and banks	6,167	7,364
1.01.01.02	Interest earning bank deposits	130,129	278,355
1.01.02	Interest earning bank deposits	47,731	47,683
1.01.02.01	Interest earning bank deposits measured at fair value	47,731	47,683
1.01.02.01.01	Trading securities	47,731	47,683
1.01.03	Accounts receivable	81,924	93,444
1.01.03.01	Trade accounts receivable	81,924	93,444
1.01.04	Inventories	25,591	12,422
1.01.04.01	Real estate inventories for sale	25,591	12,422
1.01.06	Recoverable taxes	53,264	52,471
1.01.06.01	Current taxes recoverable	53,264	52,471
1.01.07	Prepaid expenses	263	383
1.01.07.01	Unrecognized expenses	263	383
1.01.08	Other current assets	15,846	17,647
1.01.08.03	Others	15,846	17,647
1.01.08.03.07	Others assets	15,846	17,647
1.02	Non-current assets	7,908,311	8,245,326
1.02.01	Long term assets	1,719,608	1,744,041
1.02.01.03	Accounts receivable	31,737	24,218
1.02.01.03.01	Trade accounts receivable	31,737	24,218
1.02.01.04	Inventories	26,248	40,391
1.02.01.04.01	Real estate inventories for sale	26,248	40,391
1.02.01.09	Other non-current assets	1,661,623	1,679,432
1.02.01.09.04	Advances for future capital increase	1,234,638	1,284,207
1.02.01.09.06	Loan agreements	65,756	66,112
1.02.01.09.07	Credit receivables purchased	260,656	230,081
1.02.01.09.09	Debentures	32,335	31,167
1.02.01.09.10	Others assets	68,238	67,865
1.02.02	Investments	6,159,556	6,472,752
1.02.02.01	Equity interest	6,159,556	6,472,752
1.02.02.01.01	Interest in associated companies	52,000	51,500
1.02.02.01.02	Interest in subsidiaries	5,649,876	5,953,003
1.02.02.01.04	Other equity interest	457,680	468,249
1.02.03	Property, plant and equipment	447	496
1.02.03.01	Fixed assets in operation	447	496
1.02.04	Intangible	28,700	28,037
1.02.04.01	Intangible assets	28,700	28,037

PDG Realty S.A Empreendimentos e Participações

Balance sheets - Parent Company
(In thousand of reais)

Code of account	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2	Total liabilities	8,269,226	8,755,095
2.01	Current liabilities	1,996,848	1,880,115
2.01.01	Social and labor obligations	1,161	1,186
2.01.01.02	Labor obligations	1,161	1,186
2.01.02	Suppliers	11,457	11,895
2.01.02.01	Domestic suppliers	11,457	11,895
2.01.03	Tax liabilities	2,442	3,034
2.01.03.01	Federal tax liabilities	2,442	3,034
2.01.03.01.02	Deferred tax liabilities	1,363	1,594
2.01.03.01.06	Other current liabilities	1,079	1,440
2.01.04	Loans and financing	720,640	616,426
2.01.04.01	Loans and financing	123,753	125,908
2.01.04.01.01	In domestic currency	123,753	125,908
2.01.04.02	Debentures	596,887	490,518
2.01.05	Other liabilities	1,260,846	1,247,289
2.01.05.02	Others	1,260,846	1,247,289
2.01.05.02.04	Liabilities for acquisition of real estate	8,362	9,070
2.01.05.02.05	Advances from clients	153	122
2.01.05.02.07	Co-obligation in the assignment of receivables	32,385	33,910
2.01.05.02.08	Liabilities for acquisition of equity interest	49,402	49,402
2.01.05.02.09	Other liabilities	22,977	32,551
2.01.05.02.10	Liabilities from CCB/CCI issuance	1,147,567	1,122,234
2.01.06	Provisions	302	285
2.01.06.02	Other provisions	302	285
2.01.06.02.01	Provisions for guarantees	302	285
2.02	Non-current liabilities	2,247,376	2,692,758
2.02.01	Loans and financing	894,847	1,177,564
2.02.01.01	Loans and financing	333,002	342,696
2.02.01.01.01	In domestic currency	333,002	342,696
2.02.01.02	Debentures	561,845	834,868
2.02.02	Other liabilities	1,348,945	1,512,417
2.02.02.02	Others	1,348,945	1,512,417
2.02.02.02.03	Advances from clients	2,750	2,750
2.02.02.02.05	Deferred tax liabilities	174	-
2.02.02.02.06	Provision with guarantee	235	200
2.02.02.02.09	Liabilities from CCB/CCI issuance	1,032,418	1,210,709
2.02.02.02.15	Other liabilities	313,368	298,758
2.02.04	Provisions	3,584	2,777
2.02.04.01	Tax, social security, labor and civil provisions	3,584	2,777
2.02.04.01.09	Provision for contingencies	3,584	2,777
2.03	Shareholders' equity	4,025,002	4,182,222
2.03.01	Realized capital	4,907,843	4,907,843
2.03.02	Capital reserves	747,249	744,162
2.03.02.01	Goodwill in the issue of shares	716,993	716,993
2.03.02.04	Options granted	30,256	27,169
2.03.05	Retained Earnings/Losses	(1,564,842)	(1,403,191)
2.03.06	Equity evaluation adjustments	(65,248)	(66,592)

Statements of profit / (loss) for the years - Parent Company
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
3.01	Income from sales of goods and/or services	9,086	10,916
3.02	Cost of goods and/or services sold	(3,110)	(9,370)
3.03	Gross income	5,976	1,546
3.04	Operating expenses/income	(80,607)	88,672
3.04.01	Sales expenses	(639)	(634)
3.04.02	General and administrative expenses	(9,886)	(7,515)
3.04.04	Other operating income	2	8,866
3.04.04.01	Gain (loss) in subsidiaries	-	5,339
3.04.04.02	Other	2	3,527
3.04.05	Other operating expenses	(16,736)	(16,584)
3.04.05.01	Tax expenses	(142)	(61)
3.04.05.02	Depreciation/Amortization	(9,463)	(1,505)
3.04.05.04	Loss in subsidiaries	(6,369)	(12,603)
3.04.05.05	Other	(762)	(2,415)
3.04.06	Equity income (loss)	(53,348)	104,539
3.05	Income (loss) before financial income and taxes	(74,631)	90,218
3.06	Financial income (loss)	(87,003)	(87,465)
3.06.01	Financial income	45,155	22,816
3.06.02	Financial expenses	(132,158)	(110,281)
3.07	Income (loss) before income tax	(161,634)	2,753
3.08	Income and social contribution taxes	(17)	-
3.08.01	Current	(17)	-
3.09	Net income (loss) of continued operations	(161,651)	2,753
3.11	Income/loss for the period	(161,651)	2,753
3.99	Earnings per share - (reais / Shares)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	ON	(0.12216)	0.00208
3.99.02	Diluted earning per share	-	-
3.99.02.01	ON	(0.09891)	0.00170

PDG Realty S.A Empreendimentos e Participações

Statements of Comprehensive income / (loss) for the years - Parent Company
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
4.01	Net income for the period	(161,651)	2,753
4.02	Other comprehensive income	1,344	(5,604)
4.03	Comprehensive income for the period	(160,307)	(2,851)

PDG Realty S.A Empreendimentos e Participações

Statements of cash flows - Indirect method - Parent Company
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
6.01	Net cash from operational activities	(130,456)	(127,723)
6.01.01	Cash generated in operations	51,627	17,303
6.01.01.01	Income (loss) before income and social contribution taxes	(161,634)	2,753
6.01.01.02	Depreciation and amortization	9,463	1,505
6.01.01.03	Capital gains/losses in subsidiaries	6,369	7,264
6.01.01.05	Financial expenses Interest paid and monetary variation	130,162	106,043
6.01.01.06	Fair value on financial instruments	1,523	-
6.01.01.07	Recognition Stand Expenses	35	128
6.01.01.08	Stock options expenses	3,087	2,794
6.01.01.09	Amortization of appreciation goodwill	8,115	1,726
6.01.01.10	Adjustments in the income - Mark-to-Market	-	-
6.01.01.11	Equity in net income of subsidiaries	53,348	(104,539)
6.01.01.12	Adjustment to present value	145	(528)
6.01.01.13	Provision for warranty and contingencies	1,014	157
6.01.02	Changes in assets and liabilities	(42,870)	(7,176)
6.01.02.01	Operation of Assignment of Credit rights	(30,575)	(5,639)
6.01.02.02	Loan agreement receivable	356	240
6.01.02.03	Accounts receivable	3,856	7,646
6.01.02.05	Recoverable taxes	(793)	(2,054)
6.01.02.06	Real estate inventories for sale	(7,141)	2,173
6.01.02.07	Unrecognized expenses	120	34
6.01.02.08	Current account with partners in undertakings	-	(6,315)
6.01.02.09	Active debentures	(1,168)	695
6.01.02.11	Advances from clients	31	(849)
6.01.02.12	Liabilities for acquisition of real estate	(708)	(1,479)
6.01.02.14	Tax Liabilities and Taxes Payable	(428)	(674)
6.01.02.15	Suppliers	(438)	(57)
6.01.02.18	Other movements	(5,982)	(897)
6.01.03	Others	(139,213)	(137,850)
6.01.03.01	Income and social contribution taxes	(32)	(110)
6.01.03.02	Interest paid on loans	(139,181)	(137,740)
6.02	Net cash used in investment activities	305,000	22,806
6.02.01	Increase (Decrease) in Interest in Associates and Subsidiaries	257,441	(51,853)
6.02.03	Intangible	(1,962)	-
6.02.04	Advances for future capital increase	49,569	74,637
6.02.07	Interest earning bank deposits measured at fair value	(48)	141
6.02.08	Acquisition of property, plant and equipment	-	(119)
6.03	Net cash from financing activities	(323,967)	(72,065)
6.03.01	Loans and financing	(323,967)	(72,065)
6.05	Increase (decrease) in cash and cash equivalents	(149,423)	(176,982)
6.05.01	Opening balance of cash and cash equivalents	285,719	512,356
6.05.02	Closing balance of cash and cash equivalents	136,296	335,374

PDG Realty S.A Empreendimentos e Participações

Statements of changes in shareholders' equity - Parent Company
(In thousand of reais) - March/2015

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,907,843	744,162	-	(1,403,191)	(66,592)	4,182,222
5.02	Prior-year adjustments	-	-	-	-	-	-
5.03	Adjusted opening balances	4,907,843	744,162	-	(1,403,191)	(66,592)	4,182,222
5.04	Capital transactions with partners	-	3,087	-	-	-	3,087
5.04.01	Capital increases	-	-	-	-	-	-
5.04.02	Expenses with issuance of shares	-	-	-	-	-	-
5.04.03	Recognized options granted	-	3,087	-	-	-	3,087
5.04.04	Treasury shares acquired	-	-	-	-	-	-
5.04.05	Treasury shares sold	-	-	-	-	-	-
5.04.06	Dividends	-	-	-	-	-	-
5.04.07	Interest on own capital	-	-	-	-	-	-
5.05	Total comprehensive income	-	-	-	(161,651)	1,344	(160,307)
5.05.01	Net income for the period	-	-	-	(161,651)	-	(161,651)
5.05.02	Other comprehensive income	-	-	-	-	1,344	1,344
5.05.02.01	Financial instruments' adjustments	-	-	-	-	-	-
5.05.02.02	Taxes on financial instruments' adjustments	-	-	-	-	-	-
5.05.02.03	Equity income (loss) on compreh. income Subsidiaries and associated companies	-	-	-	-	-	-
5.05.02.04	Translation adjustments in the period	-	-	-	-	1,344	1,344
5.05.02.05	Taxes on adjustments of translation in the period	-	-	-	-	-	-
5.05.03	Reclassifications to income (loss)	-	-	-	-	-	-
5.05.03.01	Financial instruments' adjustments	-	-	-	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-
5.06.01	Formation of reserves	-	-	-	-	-	-
5.06.02	Realization of revaluation reserve	-	-	-	-	-	-
5.06.03	Taxes on the realization of the revaluation reserve	-	-	-	-	-	-
5.07	Closing balances	4,907,843	747,249	-	(1,564,842)	(65,248)	4,025,002

PDG Realty S.A Empreendimentos e Participações

Statements of changes in shareholders' equity - Parent Company
(In thousand of reais) - March/2014

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,907,843	732,556	-	(873,948)	(62,822)	4,703,629
5.02	Prior-year adjustments	-	-	-	-	-	-
5.03	Adjusted opening balances	4,907,843	732,556	-	(873,948)	(62,822)	4,703,629
5.04	Capital transactions with partners	-	2,794	-	-	-	2,794
5.04.01	Capital increases	-	-	-	-	-	-
5.04.02	Expenses with issuance of shares	-	-	-	-	-	-
5.04.03	Recognized options granted	-	2,794	-	-	-	2,794
5.04.04	Treasury shares acquired	-	-	-	-	-	-
5.04.05	Treasury shares sold	-	-	-	-	-	-
5.04.06	Dividends	-	-	-	-	-	-
5.04.07	Interest on own capital	-	-	-	-	-	-
5.05	Total comprehensive income	-	-	-	2,753	(5,604)	(2,851)
5.05.01	Net income for the period	-	-	-	2,753	-	2,753
5.05.02	Other comprehensive income	-	-	-	-	(5,604)	(5,604)
5.05.02.01	Financial instruments' adjustments	-	-	-	-	-	-
5.05.02.02	Taxes on financial instruments' adjustments	-	-	-	-	-	-
5.05.02.03	Equity income (loss) on compreh. income Subsidiaries and associated companies	-	-	-	-	-	-
5.05.02.04	Translation adjustments in the period	-	-	-	-	(5,604)	(5,604)
5.05.02.05	Taxes on adjustments of translation in the period	-	-	-	-	-	-
5.05.03	Reclassifications to income (loss)	-	-	-	-	-	-
5.05.03.01	Financial instruments' adjustments	-	-	-	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-
5.06.01	Formation of reserves	-	-	-	-	-	-
5.06.02	Realization of revaluation reserve	-	-	-	-	-	-
5.06.03	Taxes on the realization of the revaluation reserve	-	-	-	-	-	-
5.07	Closing balances	4,907,843	735,350	-	(871,195)	(68,426)	4,703,572

PDG Realty S.A Empreendimentos e Participações

Statements of added valued - Parent Company
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
7.01	Income	9,436	10,560
7.01.01	Sale of merchandise, products and services	9,434	10,560
7.01.02	Other income	2	-
7.02	Inputs acquired from third parties	(18,752)	(20,702)
7.02.01	Cost of products, merchandise and services sold	(3,110)	(9,370)
7.02.02	Materials, Energy, Third-party services and other	(8,513)	(5,180)
7.02.03	Loss/recovery of asset values	(6,369)	(7,264)
7.02.04	Others	(760)	1,112
7.03	Gross added value	(9,316)	(10,142)
7.04	Retentions	(9,463)	(1,505)
7.04.01	Depreciation, amortization and depletion	(9,463)	(1,505)
7.05	Net added value produced	(18,779)	(11,647)
7.06	Added value received as transfer	(8,193)	127,355
7.06.01	Equity income (loss)	(53,348)	104,539
7.06.02	Financial income	45,155	22,816
7.07	Total added value payable	(26,972)	115,708
7.08	Distribution of added value	(26,972)	115,708
7.08.01	Personnel	1,452	2,044
7.08.01.01	Direct remuneration	1,338	1,855
7.08.01.02	Benefits	87	64
7.08.01.03	Severance Pay Fund (FGTS)	27	125
7.08.02	Taxes, duties and contributions	758	176
7.08.02.01	Federal	758	176
7.08.03	Third-party capital remuneration	132,469	110,735
7.08.03.01	Interest	130,162	106,043
7.08.03.02	Rents	311	454
7.08.03.03	Other	1,996	4,238
7.08.04	Remuneration of own capital	(161,651)	2,753
7.08.04.03	Retained earnings / Loss for the period	(161,651)	2,753
7.08.05	Others	-	-

PDG Realty S.A Empreendimentos e Participações

Balance sheets - Consolidated
(In thousand of reais)

Code of account	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
1	Total assets	15,185,301	15,924,225
1.01	Current assets	7,917,646	7,976,535
1.01.01	Cash and cash equivalents	833,032	1,044,265
1.01.01.01	Cash and banks	303,467	369,317
1.01.01.02	Interest earning bank deposits	529,565	674,948
1.01.02	Interest earning bank deposits	47,731	47,683
1.01.02.01	Interest earning bank deposits measured at fair value	47,731	47,683
1.01.02.01.01	Trading securities	47,731	47,683
1.01.03	Accounts receivable	4,459,429	4,495,579
1.01.03.01	Trade accounts receivable	4,459,429	4,495,579
1.01.04	Inventories	2,152,793	1,927,392
1.01.04.01	Real estate inventories for sale	2,152,793	1,927,392
1.01.06.01	Current taxes recoverable	126,605	127,858
1.01.07	Prepaid expenses	15,145	17,243
1.01.07.01	Unrecognized expenses	15,145	17,243
1.01.08	Other current assets	282,911	316,515
1.01.08.03	Others	282,911	316,515
1.01.08.03.06	Loan agreement	68,056	67,229
1.01.08.03.07	Other receivables	210,724	245,340
1.01.08.03.08	Deferred taxes	4,131	3,946
1.02	Non-current assets	7,267,655	7,947,690
1.02.01	Long term assets	5,626,550	6,326,604
1.02.01.03	Accounts receivable	3,150,935	3,659,662
1.02.01.03.01	Trade accounts receivable	3,150,935	3,659,662
1.02.01.04	Inventories	2,175,232	2,364,729
1.02.01.04.01	Real estate inventories for sale	2,175,232	2,364,729
1.02.01.09	Other non-current assets	300,383	302,213
1.02.01.09.03	Current accounts with partners in projects	149,823	155,025
1.02.01.09.07	Credit receivables purchased	78,850	76,678
1.02.01.09.09	Debentures	27,802	26,634
1.02.01.09.10	Other receivables	43,908	43,876
1.02.02	Investments	1,040,709	1,012,288
1.02.02.01	Equity interest	481,232	456,677
1.02.02.01.01	Interest in associated companies	481,232	456,677
1.02.02.02	Investment property	559,477	555,611
1.02.03	Property, plant and equipment	44,071	50,312
1.02.03.01	Fixed assets in operation	44,071	50,312
1.02.04	Intangible	556,325	558,486
1.02.04.01	Intangible assets	556,325	558,486

Balance sheets - Consolidated
(In thousand of reais)

Code of account	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2	Total liabilities	15,185,301	15,924,225
2.01	Current liabilities	5,523,095	5,221,883
2.01.01	Social and labor obligations	89,379	102,847
2.01.01.02	Labor obligations	89,379	102,847
2.01.02	Suppliers	214,162	225,044
2.01.02.01	Domestic suppliers	214,162	225,044
2.01.03	Tax liabilities	439,605	432,279
2.01.03.01	Federal tax liabilities	439,605	432,279
2.01.03.01.01	Income and social contribution tax payable	77,793	58,157
2.01.03.01.02	Deferred tax liabilities	270,344	295,279
2.01.03.01.06	Other current liabilities	91,468	78,843
2.01.04	Loans and financing	2,027,080	1,755,074
2.01.04.01	Loans and financing	1,429,822	1,258,415
2.01.04.01.01	In domestic currency	1,429,822	1,258,415
2.01.04.02	Debentures	597,258	496,659
2.01.05	Other liabilities	2,651,974	2,608,575
2.01.05.02	Others	2,651,974	2,608,575
2.01.05.02.04	Liabilities for acquisition of real estate	354,055	369,689
2.01.05.02.05	Advances from clients	193,248	212,503
2.01.05.02.06	Current account with partners in undertakings	31,150	32,040
2.01.05.02.07	Co-obligation in the assignment of receivables	184,111	215,775
2.01.05.02.09	Other liabilities	375,928	375,900
2.01.05.02.10	Liabilities from CCB/CCI issuance	1,513,482	1,402,668
2.01.06	Provisions	100,895	98,064
2.01.06.02	Other provisions	100,895	98,064
2.01.06.02.01	Provisions for guarantees	100,895	98,064
2.02	Non-current liabilities	4,692,843	5,640,593
2.02.01	Loans and financing	2,451,827	3,238,784
2.02.01.01	Loans and financing	1,822,221	2,336,634
2.02.01.01.01	In domestic currency	1,822,221	2,336,634
2.02.01.02	Debentures	629,606	902,150
2.02.02	Other liabilities	1,977,072	2,155,866
2.02.02.02	Others	1,977,072	2,155,866
2.02.02.02.03	Advances from clients	336,762	359,392
2.02.02.02.04	Liabilities for acquisition of real estate	200,957	174,582
2.02.02.02.05	Deferred tax liabilities	143,409	154,117
2.02.02.02.09	Liabilities from CCB/CCI issuance	1,071,667	1,256,956
2.02.02.02.14	Provision with guarantee	31,791	34,665
2.02.02.02.15	Other liabilities	192,486	176,154
2.02.04	Provisions	263,944	245,943
2.02.04.01	Tax, social security, labor and civil provisions	263,944	245,943
2.02.04.01.09	Provision for contingencies	263,944	245,943
2.03	Consolidated shareholders' equity	4,969,363	5,061,749
2.03.01	Realized capital	4,907,843	4,907,843
2.03.02	Capital reserves	747,249	744,162
2.03.02.01	Goodwill in the issue of shares	716,993	716,993
2.03.02.04	Options granted	30,256	27,169

Balance sheets - Consolidated
(In thousand of reais)

Code of account	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2.03.05	Retained Earnings/Losses	(1,564,842)	(1,403,191)
2.03.06	Equity evaluation adjustments	(65,248)	(66,592)
2.03.09	Interest of non-controlling shareholders	944,361	879,527

Statement of profit or loss for the years - Consolidated
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
3.01	Income from sales of goods and/or services	660,864	1,120,359
3.02	Cost of goods and/or services sold	(557,573)	(883,932)
3.03	Gross income	103,291	236,427
3.04	Operating expenses/income	(101,145)	(143,707)
3.04.01	Sales expenses	(32,486)	(42,226)
3.04.02	General and administrative expenses	(70,069)	(91,229)
3.04.03	Loss due to the non-recoverability of assets	-	-
3.04.04	Other operating income	22,186	20,716
3.04.04.01	Gains in subsidiaries	17,712	5,644
3.04.04.02	Other	4,474	15,072
3.04.05	Other operating expenses	(49,387)	(40,208)
3.04.05.01	Tax expenses	(2,824)	(1,787)
3.04.05.03	Depreciation/Amortization	(13,748)	(10,099)
3.04.05.04	Loss in subsidiaries	(11,971)	(24,875)
3.04.05.05	Other	(20,844)	(3,447)
3.04.06	Equity income (loss)	28,611	9,240
3.05	Income (loss) before financial income and taxes	2,146	92,720
3.06	Financial income (loss)	(124,387)	(60,337)
3.06.01	Financial income	66,276	78,733
3.06.02	Financial expenses	(190,663)	(139,070)
3.07	Income (loss) before income tax	(122,241)	32,383
3.08	Income and social contribution taxes	(32,761)	(16,536)
3.08.01	Current	(45,697)	(27,332)
3.08.02	Deferred	12,936	10,796
3.09	Net income (loss) of continued operations	(155,002)	15,847
3.10	Net income (loss) of discontinued operations	-	-
3.10.01	Net income (loss) of discontinued operations	-	-
3.10.02	Net gains/losses on assets from discontinued operations	-	-
3.11	Income/loss for the period	(155,002)	15,847
3.11.01	Attributed to the Parent company's partners	(161,651)	2,753
3.11.02	Attributed to non-controlling partners	6,649	13,094
3.99	Earnings per share - (reais / Shares)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	ON	(0.12216)	0.00208
3.99.02	Diluted earning per share	-	-
3.99.02.01	ON	(0.09891)	0.00170

PDG Realty S.A Empreendimentos e Participações

Statements of Comprehensive income / (loss) for the years - Consolidated
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
4.01	Consolidated net income for the period	(155,002)	15,847
4.02	Other comprehensive income	1,344	(5,604)
4.03	Consolidated comprehensive income for the period	(153,658)	10,243
4.03.01	Attributed to the Parent company's partners	(160,307)	(2,851)
4.03.02	Attributed to non-controlling partners	6,649	13,094

PDG Realty S.A Empreendimentos e Participações

Statements of cash flows - Indirect method - Consolidated
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
6.01	Net cash from operational activities	361,068	(137,372)
6.01.01	Cash generated in operations	88,221	199,079
6.01.01.01	Income (loss) before income and social contribution taxes	(122,241)	32,383
6.01.01.02	Depreciation and amortization	13,748	10,099
6.01.01.03	Gains/Lesses em Subsidiaries	(5,741)	19,231
6.01.01.05	Financial expenses, Interest paid and Mon. restatement	184,365	129,396
6.01.01.06	Fair value on financial instruments	1,523	-
6.01.01.07	Recognition Stand Expenses	4,149	6,057
6.01.01.08	Stock options expenses	3,087	2,794
6.01.01.09	Write-off of goodwill due to land appreciation	-	1,726
6.01.01.11	Equity in net income of subsidiaries	(28,611)	(9,240)
6.01.01.12	Adjustment to present value	6,692	(21,012)
6.01.01.13	Provision for warranty and contingencies	28,750	15,157
6.01.01.15	Provision for profit sharing	2,500	12,488
6.01.02	Changes in assets and liabilities	544,060	(57,730)
6.01.02.01	Assignment of credit right operations	(2,172)	(4,204)
6.01.02.02	Loan agreement receivable	(827)	(5,651)
6.01.02.03	Accounts receivable	538,185	(154,918)
6.01.02.05	Recoverable taxes	1,253	2,644
6.01.02.06	Real estate inventories for sale	(35,904)	108,289
6.01.02.08	Unrecognized expenses	2,098	4,536
6.01.02.09	Current account with partners in undertakings	4,312	(4,059)
6.01.02.11	Active debentures	(1,168)	695
6.01.02.13	Advances from clients	(41,885)	143,057
6.01.02.14	Liabilities for acquisition of real estate	10,741	(45,647)
6.01.02.16	Tax Obligations/ Taxes payable	(7,203)	(31,510)
6.01.02.17	Suppliers	(10,882)	15,078
6.01.02.20	Other movements	87,512	(86,040)
6.01.03	Others	(271,213)	(278,721)
6.01.03.01	Income and social contribution taxes	(42,593)	(29,764)
6.01.03.02	Interest paid	(228,620)	(248,957)
6.02	Net cash used in investment activities	4,534	(56,848)
6.02.01	Increase (Decrease) in Interest in Associates and Subsidiaries	9,568	(22,780)
6.02.03	Intangible	(3,854)	-
6.02.06	Interest earning bank deposits measured at fair value	(48)	141
6.02.07	Investment property	(3,866)	(30,917)
6.02.08	Acquisition of property, plant and equipment	2,357	(6,122)
6.02.09	Sale of property, plant and equipment	377	2,830
6.03	Net cash from financing activities	(576,835)	(123,791)
6.03.01	Loans and financing	(576,835)	(123,791)
6.05	Increase (decrease) in cash and cash equivalents	(211,233)	(318,011)
6.05.01	Opening balance of cash and cash equivalents	1,044,265	1,309,457
6.05.02	Closing balance of cash and cash equivalents	833,032	991,446

PDG Realty S.A Empreendimentos e Participações

Statements of changes in shareholders' equity - Consolidated
(In thousand of reais) - March/2015

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	4,907,843	744,162	-	(1,403,191)	(66,592)	4,182,222	879,527	5,061,749
5.02	Prior-year adjustments	-	-	-	-	-	-	-	-
5.03	Adjusted opening balances	4,907,843	744,162	-	(1,403,191)	(66,592)	4,182,222	879,527	5,061,749
5.04	Capital transactions with partners	-	3,087	-	-	-	3,087	58,185	61,272
5.04.01	Capital increases	-	-	-	-	-	-	-	-
5.04.02	Expenses with issuance of shares	-	-	-	-	-	-	-	-
5.04.03	Recognized options granted	-	3,087	-	-	-	3,087	-	3,087
5.04.04	Treasury shares acquired	-	-	-	-	-	-	-	-
5.04.05	Treasury shares sold	-	-	-	-	-	-	-	-
5.04.06	Dividends	-	-	-	-	-	-	-	-
5.04.07	Interest on own capital	-	-	-	-	-	-	-	-
5.04.08	Net change in non-controlling shareholders	-	-	-	-	-	-	58,185	58,185
5.05	Total comprehensive income	-	-	-	(161,651)	1,344	(160,307)	6,649	(153,658)
5.05.01	Net income for the period	-	-	-	(161,651)	-	(161,651)	6,649	(155,002)
5.05.02	Other comprehensive income	-	-	-	-	1,344	1,344	-	1,344
5.05.02.01	Financial instruments' adjustments	-	-	-	-	-	-	-	-
5.05.02.02	Taxes on financial instruments' adjustments	-	-	-	-	-	-	-	-
5.05.02.03	Equity income (loss) on compreh. income Associated companies	-	-	-	-	-	-	-	-
5.05.02.04	Translation adjustments in the period	-	-	-	-	-	-	-	-
5.05.02.05	Taxes on adjustments of translation in the period	-	-	-	-	1,344	1,344	-	1,344
5.05.03	Reclassifications to income (loss)	-	-	-	-	-	-	-	-
5.05.03.01	Financial instruments' adjustments	-	-	-	-	-	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	-	-
5.06.01	Formation of reserves	-	-	-	-	-	-	-	-
5.06.02	Realization of revaluation reserve	-	-	-	-	-	-	-	-
5.06.03	Taxes on the realization of the revaluation reserve	-	-	-	-	-	-	-	-
5.07	Closing balances	4,907,843	747,249	-	(1,564,842)	(65,248)	4,025,002	944,361	4,969,363

PDG Realty S.A Empreendimentos e Participações

Statements of changes in shareholders' equity - Consolidated
(In thousand of reais) - March/2014

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	4,907,843	732,556	-	(873,948)	(62,822)	4,703,629	626,424	5,330,053
5.02	Prior-year adjustments	-	-	-	-	-	-	-	-
5.03	Adjusted opening balances	4,907,843	732,556	-	(873,948)	(62,822)	4,703,629	626,424	5,330,053
5.04	Capital transactions with partners	-	2,794	-	-	-	2,794	(45,510)	(42,716)
5.04.01	Capital increases	-	-	-	-	-	-	-	-
5.04.02	Expenses with issuance of shares	-	-	-	-	-	-	-	-
5.04.03	Recognized options granted	-	2,794	-	-	-	2,794	-	2,794
5.04.04	Treasury shares acquired	-	-	-	-	-	-	-	-
5.04.05	Treasury shares sold	-	-	-	-	-	-	-	-
5.04.06	Dividends	-	-	-	-	-	-	-	-
5.04.07	Interest on own capital	-	-	-	-	-	-	-	-
5.04.08	Net change in non-controlling shareholders	-	-	-	-	-	-	(45,510)	(45,510)
5.05	Total comprehensive income	-	-	-	2,753	(5,604)	(2,851)	13,094	10,243
5.05.01	Net income for the period	-	-	-	2,753	-	2,753	13,094	15,847
5.05.02	Other comprehensive income	-	-	-	-	(5,604)	(5,604)	-	(5,604)
5.05.02.01	Financial instruments' adjustments	-	-	-	-	-	-	-	-
5.05.02.02	Taxes on financial instruments' adjustments	-	-	-	-	-	-	-	-
5.05.02.03	Equity income (loss) on compreh. income Associated companies	-	-	-	-	-	-	-	-
5.05.02.04	Translation adjustments in the period	-	-	-	-	(5,604)	(5,604)	-	(5,604)
5.05.02.05	Taxes on adjustments of translation in the period	-	-	-	-	-	-	-	-
5.05.03	Reclassifications to income (loss)	-	-	-	-	-	-	-	-
5.05.03.01	Financial instruments' adjustments	-	-	-	-	-	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	-	-
5.06.01	Formation of reserves	-	-	-	-	-	-	-	-
5.06.02	Realization of revaluation reserve	-	-	-	-	-	-	-	-
5.06.03	Taxes on the realization of the revaluation reserve	-	-	-	-	-	-	-	-
5.07	Closing balances	4,907,843	735,350	-	(871,195)	(68,426)	4,703,572	594,008	5,297,580

PDG Realty S.A Empreendimentos e Participações

Statements of added valued - Consolidated
(In thousand of reais)

Code of account	Account description	Accumulated of the Current Year 01/01/2015 to 03/31/2015	Accumulated of the prior year 01/01/2014 to 03/31/2014
7.01	Income	678,601	1,133,787
7.01.01	Sale of merchandise, products and services	649,234	1,115,072
7.01.02	Other income	29,367	18,715
7.02	Inputs acquired from third parties	(625,332)	(962,934)
7.02.01	Cost of products, merchandise and services sold	(557,573)	(883,932)
7.02.02	Materials, Energy, Third-party services and other	(57,130)	(71,396)
7.02.03	Loss/recovery of asset values	5,741	(19,231)
7.02.04	Others	(16,370)	11,625
7.03	Gross added value	53,269	170,853
7.04	Retentions	(13,748)	(10,099)
7.04.01	Depreciation, amortization and depletion	(13,748)	(10,099)
7.05	Net added value produced	39,521	160,754
7.06	Added value received as transfer	94,887	87,973
7.06.01	Equity income (loss)	28,611	9,240
7.06.02	Financial income	66,276	78,733
7.07	Total added value payable	134,408	248,727
7.08	Distribution of added value	134,408	248,727
7.08.01	Personnel	33,182	48,339
7.08.01.01	Direct remuneration	27,480	41,801
7.08.01.02	Benefits	3,384	4,014
7.08.01.03	Severance Pay Fund (FGTS)	2,318	2,524
7.08.02	Taxes, duties and contributions	59,614	39,358
7.08.02.01	Federal	59,317	39,358
7.08.02.03	Municipal	297	-
7.08.03	Third-party capital remuneration	196,614	145,183
7.08.03.01	Interest	184,365	129,396
7.08.03.02	Rents	5,951	6,113
7.08.03.03	Other	6,298	9,674
7.08.04	Remuneration of own capital	(155,002)	15,847
7.08.04.03	Retained earnings / Loss for the period	(161,651)	2,753
7.08.04.04	Interest of non-controlling shareholders in retained earnings	6,649	13,094
7.08.05	Others	-	-

Message from Management

For more than one quarter, PDG shows that it is in the right path in its restructuring process, as it managed to execute the plan, outlined in 2012, of completing, delivering and transferring legacy projects to start the cash generation and financial deleveraging cycle. For the third consecutive quarter, we recorded positive and growing cash generation, reaching R$410 million in the period.

As a result of our strict discipline for execution, cost control and adequacy of the Company's structure to its operations, our general and administrative expenses maintained the fall trend, reaching R$70 million in the quarter, a reduction of 21% in relation to the 4Q14 and of 23% in relation to the 1Q14.

In 2015, we entered the final stage of legacy projects conclusion. At the end of 2012, we had R$7.1 billion of cost to incur and 330 projects in progress - today, we have only R$594 million of cost to incur and 46 legacy projects to conclude.

Although the number of transferred units is stable in relation to the last quarter, our disbursements, mainly with construction work, are constantly reducing, thus contributing to increase the Company's cash generation.

In view of unstable macroeconomic scenario and a more difficult trading environment, we have strengthened our efforts to monetize our inventories, making only one entry: land development Spazio Ouro Verde in Campinas, inland of São Paulo State. For the purpose of driving our inventories' sales, we resumed campaign "Na Ponta do Lápis"at the beginning of March, where we reached 6 thousand visits in our sale points, 23 thousand online services, and R$389 million in sales, representing 1,500 units sold in the entire country.

In spite of these important achievements, as we commented at the time of our last result, the Company outlined a tactic plan to face challenges imposed by macro-environment in 2015, and has already obtained significant advances in each of the 3 defined fronts:

(i) Capital increase, which was unanimously approved in the Special Shareholders' Meeting held in April 15 and that shall be completed by the end of June;

(ii) Early extension of corporate debts falling due in 2015, with a very positive creditor banks' initial acceptance; and

(iii) Acceleration of non-core assets sale and evolution in different conversations, especially completion of sale of our interest in Argentinian development company TGLT by R$25 million, in April.

Notes to the quarterly information - ITR

(In thousands of reais)

1 Operations

A PDG Realty S.A. Empreendimentos e Participações ("Company"), its subsidiaries and joint ventures are engaged in: (a) holding interest in other companies that operate in the real estate industry, as shareholder, quotaholder, consortium member, or through other types of investment, such as subscription or acquisition of debentures, subscription bonus or other real estate amounts; (b) acquisition of investment properties; and (c) real estate properties for real estate development.

Established as a corporation domiciled in Brazil, the Company's shares are traded at BM&FBOVESPA - "PDGR3". As of March 31, 2015, the Company's head office was located at Rua da Quitanda, 86, 4° andar (parte) - Rio de Janeiro - RJ. In compliance with decision made in the Special Shareholders' Meeting held on April 15, 2015, the Company's head office moved to the city of São Paulo, São Paulo State, at Avenida Engenheiro Luis Carlos Berrini, no. 105, 11th floor, neighborhood Cidade Monções, CEP: 04571-010.

Some of the Company's real estate development projects are structured through subsidiaries, associates and jointly-controlled subsidiaries. Third parties' interest in investees is held through interest in Special Purpose Entities (SPE's).

In addition to funds generated from its operations, the Company uses funds from the House Financing System ("SFH") and from prime financial institutions. Credit facilities that are obtained are classified by the Company under working capital lines, at regular market conditions, or to produce its real estate projects entered into at SFH conditions and equivalent.

In the Company's strategic planning, Management expected, up to the end of 2015, to deliver almost all construction work existing before 2013, sell these projects' remaining units and, consequently, increase operating cash generation. Generated cash would be used to accelerate deleveraging process and resume the Company's growth.

Up to this moment, the Company was successful in executing this plan, began to generate operating cash, and started its deleveraging process. Since the end of 2012, total leverage (total costs to incur plus net debt) fell from R$13,100 to R$7,826, which is equivalent to a reduction of R$5,274 of onerous liabilities. Note that the Company had the support of its main creditors in the process of debt roll over to complete this stage of restructuring process.

Despite success until now, current economic scenario poses extra risks to execution of strategic plan. Therefore, Management decided to adopt three actions to improve the Company's capital structure and mitigate possible risks to complete the Company's restructuring process:

- Capital increase of up to R$500,000, approved by the Annual General Meeting held on April 15, 2015;

- Anticipated extension of corporate debts and debts to support production falling due in 2015 in coordination with capital increase. Some credits have already been negotiated and we expect to conclude other negotiations together with the conclusion of capital increase; and

- Accelerate sale of non-core assets and inventory assets in wholesale market, in order to guarantee an additional liquidity cushion. In the second half of 2014, we carried out some transactions and other are being studied to be completed in the first half of 2015.

With above-mentioned initiatives, we expect to consolidate completion of restructuring process provided for in strategic planning, despite unfavorable economic scenario, through best alignment in materialization of our assets and liabilities.

2 Presentation of quarterly information and main accounting policies

2.1. Basis of presentation

The individual and consolidated quarterly information was prepared based on the going concern assumption for the Company and its subsidiaries and associates ("Group"). The preparation of Quarterly Information statements requires the adoption of assumptions to account for certain assets, liabilities and other transactions, such as: provisions for contingencies and guarantees, allowance for doubtful accounts, useful life of fixed assets, budgeted cost of the developments under construction, classification of short and long-term, among other.

The results calculated upon the realization of the facts that led to the recognition of these estimates may differ from the amounts recognized in this quarterly information. Management periodically and timely monitors and reviews these estimates and the assumptions at least once a year.

The functional currency in which the individual and consolidated quarterly information is reported is Real. All amounts presented in these quarterly information are expressed in thousands of Reais, except when otherwise indicated.

The Company's accounting policies have been consistently applied to all the periods presented in this individual and consolidated quarterly information.

2.2. Statement of conformity

Individual quarterly information of the parent company has been prepared in accordance with accounting practices adopted in Brazil (BR GAAP), which, in the Company's case, differ from separate statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), referring to:

a. Capitalization of interest incurred by the parent company and recorded under caption investments in relation to assets under construction of its subsidiaries, which, for IFRS purposes, this capitalization is only permitted in consolidated financial statements and not in separate financial statements;

b. To recognition of equity in subsidiaries with negative shareholders' equity, pursuant to the terms of item 39A of CPC 18;

Consolidated quarterly information has been prepared in accordance with IFRS's issued by IASB and also in accordance with BR GAAP practices.

Specifically, individual and consolidated quarterly information is in conformity with IFRS's applicable to entities of real estate development in Brazil, including Guideline OCPC 04, as further described in Note 2.10, regarding treatment given to recognition of revenue in this industry, which involves matters related to the application of the concept of continuous transfer of risks, benefits and control over sold real estate units.

There is no difference between consolidated shareholders' equity and consolidated income attributable to the parent company's shareholders, according to consolidated information prepared in accordance with IFRS.

The issuance of the quarterly information of the Company was authorized by the Management on May 06, 2015.

2.3. Presentation of segment information

Information per operating segment is presented consistently with the internal report provided to the main operating decision maker, the executive responsible for the finance and inventors relations offices, mostly comprised of home real estate development.

2.4. Financial instruments

The financial instruments may be classified as financial assets or liabilities at fair value through profit or loss, loans and receivables, investments held to maturity and available for sale or derivatives classified as effective hedge instruments or financial liabilities at amortized cost, according to the case. The Company determines the classification of its financial instruments upon its initial recognition, when it becomes part of the contractual provisions.

The Company's financial assets and liabilities include cash and cash equivalents, interest earning bank deposits, trade accounts receivable, other accounts receivable, bank credit notes ('CCBs'), suppliers, real estate acquisition, loans or financing and related parties.

The subsequent measurement of financial assets and liabilities depends on their classification, which can be as follows:

Financial assets at fair value through profit or loss

a. Cash and cash equivalents

Cash equivalents are maintained for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company considers as cash equivalent, interest earning bank deposits that are immediately convertible into a known cash amount. The Company's interest earning bank deposits are represented by DI funds, Bank Deposit Certificates (CDBs) and repurchase and resale commitments with redemption period lower than 90 days of respective transactions dates.

b. Interest earning bank deposits

Interest earning bank deposits are classified into the heading "Interest earning bank deposits" recognized as contra-entry in income. Classification depends on the purpose for which investment was acquired.

When the purpose of investment acquisition is to invest funds to obtain short-term gains, these are classified as "interest earning bank deposits"; when intention is to invest funds to maintain investments up to maturity, these are classified as securities held to maturity, provided that Management intends and has financial conditions to maintain financial investment up to maturity.

When, upon investment, intention is none of the above, these investments are classified as securities available for sale, represented in the balance sheet by the fair value and the shareholders' equity as a counterpart.

The Company's interest earning bank deposits are trading securities measured at cost plus interest, price-level restatements, adjustment to market value, less impairment losses, when applicable, incurred up to dates of consolidated quarterly information not subject to significant changes in value. The breakdown of these interest earning bank deposits are shown in Note 4.

Receivables and loans

a. Trade accounts receivable

Presented at nominal or realization value, subject to adjustment to present value (AVP), indicated in note 5, including price-level restatement and interest, when applicable. The Company forms allowance for doubtful accounts for amounts whose recovery is considered remote in a sum considered sufficient by Management. Estimates used to recognize the allowance for doubtful accounts are based on contracts that are considered as difficult to collect and for which there are no actual guarantees and that, in the Company's case, are directly related to the transfer of real estate unit to buyers.

Monetary variation and earnings on the balance of accounts receivable from units under construction are recorded in income (loss) for the year as "Income from real estate sales". After the construction period, interest is accounted for as "Financial income".

b. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives classified as hedge instruments, as the case may be. The Company classifies its financial liabilities upon initial recognition.

Financial liabilities are initially recognized at fair value, and in the case of financial liabilities at amortized cost, include directly related transaction costs.

The Company's financial liabilities include mainly accounts payable to suppliers, other accounts payable, loans and financing, derivative financial instruments, costs, premiums on securities issuance, and obligations from real estate acquisition.

c. Derivative financial instruments (liabilities)

Financial instruments are recognized only as from the date the Company become a party to their contractual provisions. When recognized, they are initially recorded at its fair value plus any transaction costs directly attributed to its acquisition or issue, when applicable. Its subsequent measurement takes place at the balance sheet date and in accordance with the rules set forth and features for each type of classification of financial assets and liabilities.

Classification as debt or equity

Debt instruments or equity instruments are either way classified, according to the substance of contract terms.

Liabilities at amortized cost

Loans and financing, certificates of real estate receivables (CRIs) and debentures
The initial recognition of Loans and financing, certificates of real estate receivables and debentures (except the debentures of the 8th issuance which are stated at fair value through profit or loss - see Note 14b and 20) subject to interests are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement upon settlement of liabilities, as well as during the amortization process by the effective interest rate method.

Loans and financing are restated by the monetary variance and charges agreed on in a contract, and allocated up to the balance sheet date. Debentures are adjusted in conformity with indices provided for in contract up to the balance sheet date.

The Company financially settles real estate receivables assigned for securitization and issuance of CRIs. This assignment has right of recourse against the Company and, accordingly, the balance of accounts receivable granted is recorded in the balance sheet as a contra entry to the amount received in advance and recorded in current and non-current liabilities. Contracted credit facilities are presented per type of debt and classified as financing/ support to production and working capital.

The Company reports debts at the funded amount deducted from transaction costs, discounts and incurred premiums.

Payables for acquisition of real estate
Obligations established in contract for land acquisitions are recorded at the original value plus, when applicable, corresponding charges and price-level restatements.

2.5. Property for sale

a. Land, property under construction and developed property
Property under construction or the properties already to be marketed are recorded at construction cost incurred, which does not exceed its net realizable value.

Cost includes: land; materials; hired labor; and other related construction costs, including financial cost of applied capital (financial charges for accounts receivable from land acquisition, real estate credit transactions incurred during construction and interest on debenture issuance, which are capitalized under caption “Inventory of real estate for sale” and recognized in the Company’s income at the proportion of costs incurred in caption “Cost of real estate properties sold”).

The net realizable value is the estimated sales price under normal business conditions, minus the execution costs. Land is recorded at the cost of acquisition, plus any financial charges generated by its corresponding accounts payable.

b. Physical exchanges recorded at fair value
Physical exchanges upon purchase of land with units to be built are recorded at fair value, evaluated at sales value of exchanged units, accounted for in caption “Inventory of real estate for sale” as a contra entry to caption “Advances from clients”, and real estate sales income is recognized in accordance with income recognition criteria described in Note 2.10.

2.6. Intangible assets

Intangible assets acquired separately are measured at cost and, subsequently, deducted from accumulated amortization and impairment losses, when applicable. The cost of intangible assets acquired in a business combination corresponds to their fair value at acquisition date. The useful life of the intangible asset is classified as defined or undefined.

Intangible assets with defined useful lives are amortized throughout their economic useful lives and evaluated in relation to impairment losses whenever there is any indication that the asset lost economic value.

Intangible assets with undefined useful lives are not amortized but tested for impairment on an annual basis, individually or at cash generating unit level.

2.7. Adjustment to present value

Assets and liabilities resulting from relevant short-term transactions, or long-term transactions with no expected compensation or subject either to: (a) prefixed interest; (b) (b) rates known to be lower than prevailing market rates for similar transactions; and (c) adjustments solely for inflation absent accrued interest are adjusted to their present value.

On term sales of not concluded real estate units, receivables are adjusted at present value, based on long-term interest rate, and their reversals are recognized in the result for the year under the caption “Income from sale of real estate".

2.8. Provisions

A provision is recognized when the Company have a present (legal or constructive) obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense referring to any provision is presented in the statement of income, net of any reimbursement.

a. Provision for guarantees

The provisions for warranties related to the five-year period, after construction work, are recorded over the construction of ventures and are part of the cost of real estate sold. For projects built by the Company itself, the Company records provisions based on budget and expenditures history.

The segregation of the provision into current liabilities is carried out at the extent ventures are completed and delivered to buyers; thus beginning the warranty period.

For ventures in which the Company hires third parties for construction, the latter takes on the responsibility for the warranties over the after construction work period, however, in the cases in which the construction company does not cover costs, the Company takes on joint responsibility, taking into account that for such cases the Company recognize a provision.

b. Income and social contribution taxes on net income

Deferred tax assets

Deferred tax credits resulting from tax loss or negative social contribution basis are only recognized to the extent their realization is likely, based on the future profitability outlook. Prepayments and amounts that can be offset are presented in current and non-current assets, in accordance with their expected realization.

The book value of deferred taxes is reviewed monthly and are recognized to the extent in which it is probable that future taxable income will permit that deferred tax assets are recovered. Additional details on deferred taxes are included in Note 16

Current and deferred tax liabilities

The income and social contribution tax expense comprises current and deferred taxes on income and are recognized in the income (loss).

Current taxes are the expected taxes payable on the taxable income for the year, at tax rates enacted or substantively enacted on the date of presentation of the quarterly information, and any adjustments to taxes payable in relation to prior years.

Deferred taxes are recognized in relation to the temporary differences between the book values of assets and liabilities for accounting purposes and the related amounts used for taxation purposes. Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively decreed up to the date of presentation of the quarterly information.

Taxable income regime: For the companies that opted for the taxation regime based on taxable income, the income and social contribution taxes, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 per year for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax loss carryforward and negative basis of social contribution limited to 30% of the taxable income.

Special tax regime of detached assets: Introduced by Law No. 10,931/2004 (RET), applicable to real estate ventures that opted for this regime, on optional and irreversible basis while the rights and obligations of the real estate developer are effective in relation to real estate buyers that comprise the detached assets. Each venture under the RET is taxed at the rate of 1.92% for income tax and social contribution, and 2.08% for the tax for social security financing (COFINS) and the contribution to the social integration program (PIS).

Deemed income regime: Applicable to companies which annual revenue for the immediately previous year is lower than R$ 78,000. In this context, the calculation basis of income tax and social contribution is calculated at the rate of 8% and 12% respectively, on gross income (32% when the income arises from service provision and 100% from financial income), to which the regular income tax and social contribution rates are applied.

Assessment of the impacts of Law No. 12,973/2014 (former Provisional Measure No. 627)

With the publication of the Regulatory Instruction 949/2009 the Company and its subsidiaries opted for the RTT (Transitory Tax Regime) which allows a company to eliminate the accounting effects of Law No. 11,638/07 and MP No. 449/08, converted into Law No. 11,941/09, by means of records in the Taxable Profit Assessment Book (LALUR) or supporting controls, without any modification of the commercial accounting.

On November 11, 2013, the Provisional Measure (MP) No. 627 was published, which revoked the Transitory Tax Regime (RTT), among other provisions. On May 13, 2014, Law No. 12,973 was published, as a result of the conversion of MP 627, that among other provisions: (i) revokes the Regime Tributário de Transição (RTT) (Transitional Tax Regime) starting in 2015, with the introduction of new tax regime; (ii) amends the Decree Law No. 1,598/77 in relation to the calculation of income tax of companies and social contribution on net income. The new tax regime set forth in the Law 12.973 is effective as of 2014, if the company exercises the option. Among the Law 12.973 provisions, we need to highlight a few that address the distribution of profits and dividends, the basis for calculating interest on capital, and criteria for calculating the equity during the RTT term. Based on our best interpretation of the current text of such Law, we concluded that there was no need of early adopting the Law to the year 2014 and no significant effects were exerted on our operations or financial statements for the period ended December 31, 2014. The Company adhered to said Law beginning as of January 1, 2015.

Evaluation of impact of Decree 8,426 of April 1, 2015

Beginning as of July 1, 2015, PIS and COFINS will be levied on financial income earned by legal entities: (i) subject to non-cumulative calculation regime; (ii) that have only part of its revenues subject to non-cumulative calculation regime.

Rates levied on financial revenues will be applied at the rate of 0.65% for PIS and 4% for Cofins, including those deriving from hedge transactions. Regarding interest on capital, rates will be maintained as 1.65% for PIS and 7.6% for Cofins.

The Company is still evaluating the effects from this change.

c. Profit sharing - Employees and Management

The Company and its subsidiaries have employees’ benefit plan in the form of profit sharing, bonus plans and, when applicable, are recognized in income under caption "General and administrative expenses". Provision for bonus and bonus payments are based on annual income goal duly approved by the Company’s Board of Directors.

Additionally, the bylaw of the Company and its subsidiaries establish the profit distribution to the Management.

2.9. Significant judgments, estimates and assumptions

a. Fair value of financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted by the market, when possible. However, when such data are not available, a certain level of judgment is required to establish the fair value. Judgment includes considerations on the data utilized, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments.

b. Provisions for tax, civil and labor risks

The Company recognizes provision for tax, civil and labor claims. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external attorneys.

Provisions are revised and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions.

c. *Share-based payment*

The Company measures the cost of transactions settled with employees' shares based on fair value of equity instruments on grant date.

Estimates of share-based payments' fair values require the most adequate evaluation method for the granting of equity instruments, which depends on grant terms and conditions.

This also requires determining the most appropriate data for evaluation model, including the expected life of the option, volatility and dividend income yield and related assumptions. Assumptions and models used in fair value estimates of share-based payments are explained in Note 23.

d. *Appraisal of recoverable value of assets*

The Management reviews the net book value annually in order to assess events or changes in economic, operating, or technological circumstances likely to point out a deterioration or loss of their recoverable value. In case these evidences are identified, the asset's receivable value is calculated and, if net book value exceeds receivable value, a provision for impairment is recognized by adjusting the asset's net book value to its recoverable value.

Assumptions used to determine assets' values are based on the evaluation or indication that the asset's book value exceeds its recoverable value. These indications take into consideration the asset's obsolescence, the significant and unexpected reduction in its market value, changes to macro-economic environment in which the Company operates, and fluctuations in interest rates that may impact future cash flows of cash generating units.

The Company's main assets whose recoverable values are tested at yearend are: inventories of real estate for sale, investments maintained at cost value and intangible assets with undefined useful lives.

e. *Contingent assets and liabilities and legal obligations*

The accounting practices used to recognize and disclose contingent assets and liabilities and legal obligations are as follows:

Contingent assets - Are only recognized when there are real guarantees, or favorable, final and unappealable decisions. Contingent assets with chance of success classified as probable are disclosed in a Note.

Contingent liabilities - Are accrued when the losses are regarded as probable by the Company's legal counsel and the amounts involved can be reliably measured. The contingent liabilities regarded as possible losses are only disclosed in the accompanying notes, whereas those regarded as remote losses are neither accrued nor disclosed.

Legal obligations - Are recorded as liabilities, regardless of the evaluation of the loss likelihood.

f. Works budget

Total budgeted costs comprised by incurred costs and estimated costs for the completion of construction work are regularly reviewed according to construction evolution, and adjustments based on this review are reflected in the Company's results in accordance with the accounting method used.

g. Investment property

Investment properties are represented by lands and buildings in Shopping Centers kept to earn income from rentals and/or capital appreciation, and are stated at fair value at least annually as disclosed in Note 8.

Methodology on the measurement of fair value of investment properties

For measuring the fair value of properties, the appraisal company considered the direct comparative method regarding market data for lands classified into investment properties and that do not have a defined project. For ventures in construction or in operation, the appraiser considered for measuring the fair value the income method: Discounted cash flow. The descriptions of each method are as follows:

Direct market data comparative - Using this method, the applicable market value is set based on comparable market evidences, that is, similar real estate for sale or recently sold. These market evidences are homogenized by weighting factors, in order to support the setting of a value range. In the absence of comparable elements, other methods for setting the value were also adopted.

Income method: Discounted cash flow - In this methodology, the current rent income is estimated, based on the current and past performance, over a 10-year period, considering appropriate growth rates and contract events (price adjustments, revisions and renewals), which shall take place in the shortest term provided for the legislation applicable to lease contracts. For cases in which the current rent is above or lower than the market one, market revisions are considered, on the revision dates of each contract. Besides, in case of collection of percentage rent, the projections considered the highest amount among the earned income.

To reflect the perpetuity of operations, at the end of the tenth year, the income is capitalized, the income flow and perpetuity value are brought to present value at discount rates adequate to perception of market risk, taking into account the probable risk/performance of each scenario. For purposes of analysis, the continuity of the contracts in effect is considered, with their automatic renewal and income losses due to default not being considered.

Under-construction investment properties are valued by the estimated fair value of the completed investment, less the estimated amount of the costs to complete the construction, cost of financing and a reasonable profit margin. The main assumptions adopted to determine the fair value of the investment property are detailed in Note 8.

2.10. Income recognition

Sale of assets and real estate (Real estate development)

Income from real estate sales is calculated considering contract revenues plus price-level restatements up to delivery of keys, less the following costs: expenses with acquisition and regularization of land; direct and indirect costs related to projects and construction; non-recoverable taxes and contributions; and financial charges deriving from financing of construction.

Recognition of income from real estate sales is as follows:

a. On credit sales of completed unit: at the time sale is completed, regardless of contract value receipt period; and

b. In the sale of units not yet completed, according to the criteria established by the following:

i) OCPC 01 (R1) - Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM Resolution No. 561 of December 17, 2008;
ii) OCPC - 04 - Application of Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities approved by CVM Resolution No. 653 of December 16, 2010;
iii) ICPC 02 - Construction contract of the real estate sector approved by the CVM Resolution No. 612 of December 22, 2009;

Sales revenues, land and construction costs are recognized in income using the percentage of completion of each project, and this percentage is measured based on contract costs incurred in relation to total budgeted costs of respective projects, including project and land costs.
Determined sales income, including price-level restatement net of installments already received, are accounted for as accounts receivable. Amounts received and higher than recorded income are recognized as advances to clients, and prefixed interest levied after delivery of keys is recognized in income at the accrual basis, regardless of receipt.

The Company evaluated its contracts for the sale of real estate units and contracts executed by its subsidiaries based on analysis brought by OCPC 04, understanding that executed contracts are in the scope of CPC-17 - Construction contracts, as to the extent construction advances, risks and benefits are continuously transferred to the property committed buyer.

Information on balances of operations with real estate projects in progress and advances from clients are detailed in Note 17.

Income earned from rental of investment property
Property for investment Rent revenue is recognized in the Company's consolidated income under caption "Other operating revenues" at the straight-line method over lease period. Granted lease incentives are recognized as an integral part of the total rental income, over the lease period.

Financial income
Financial income comprises income from interest on interest earning bank deposits, recognized in the income, under the effective interest method.

2.11. Unrecorded sales expenses

Commissions on sales were recorded as assets in income using the same recognition criterion as for income, as described.

Publicity, marketing and promotion expenses are recognized in income as sales expenses when publicity is broadcast and/or marketing action occurs.

2.12. Investment property

Investment property is originally measured at cost, including transaction costs. The carrying value includes the replacement cost of a portion of an investment property existing at the time when the cost is incurred if the criteria for recognition are met; excluding the daily service costs of investment property. After initial recognition, investment properties are presented at fair value.

Gains or losses from changes in fair value of investment properties are included in the income statement in the period they are generated.

2.13. Property, plant and equipment

Property, plant and equipment is recorded by the acquisition, formation or construction cost, less accumulated depreciation, calculated using the straight-line method based on rates determined by the assets' estimated useful life. Expenses incurred with repairs and maintenance are only accounted for if the economic benefits associated with these items are probable and the amounts are measured in a reliable manner, while the other expenses are recorded directly in income/loss when incurred. The recovery of fixed assets by means of future operations as well as the useful lives and the residual value of this property are monitored periodically and adjusted prospectively, if necessary.

2.14. Investments in subsidiaries

The Company's investments in subsidiaries are recorded based on the equity method of accounting, for the purposes of the Company's quarterly financial statements.

Based on the equity method of accounting, investment in subsidiary is recorded on the Company's balance sheet at cost, plus the changes following the acquisition of equity interest in the subsidiary. In the Company, the goodwill related to the subsidiary is included in the book value of the investment which is not amortized. As the goodwill based on future profitability integrates the book value of the investment in the parent company (it is not recognized separately), it is not tested separately in relation to its recoverable amount.

Interest in subsidiary is presented in the statement of income of the parent company as equity income (loss), representing the net income attributable to the subsidiary's shareholders.

Subsidiary quarterly financial statements are prepared for the same reporting period as the Company. Where necessary, adjustments are made so that the accounting policies are consistent with those adopted by the Company.

After applying the equity accounting method, the Company determines whether it is necessary to recognize additional impairment on the Company's investment in its subsidiary.

The Company determines, at each balance sheet closing date, if there is objective evidence that investment in the subsidiary suffered impairment loss. If so, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the subsidiary and the book value and recognizes the amount in the statement of income.

When there is loss of significant influence on the subsidiary, the Company evaluates and recognizes investment at fair value. Any difference between the book value of the associate at the time of the loss of significant influence and the fair value of the remaining investment and proceeds from the sale will be recognized in income.

Associates are the entities in which the Company has, directly or indirectly, significant influence but not control or jointly-control on financial and operating policies. The significant influence is characterized by the Company holding, directly or indirectly, from 20% to 50% of the voting rights of the entity.

Investments in associates are accounted for using the equity method and are initially recognized at cost, which includes transaction expenses. Consolidated quarterly information statements includes interest of the Company in income or loss for the year and other comprehensive income of investee, after adjustment to align the accounting policies of the investee with those of the Company, beginning as of the date in which a significant influence starts until the date in which that significant influence ends. When the participation of the Company in the losses of an investee exceeds its shareholding in this entity, the book value of the investment measured by the equity method, including any long-term interest as part of the investment is reduced to nil and recognition of additional losses is discontinued, except in cases where the Company has constructive obligations or has made payments on behalf of the investee, when then a provision for loss on investments is formed.

Any difference between the book value of the former joint venture upon loss of joint control and the fair value of the investment, as well as any proceeds from the sale of the joint venture, will be recognized in the statement of income. Investments that maintain significant influence will be accounted for as investment in subsidiary. In the parent Company's quarterly information and consolidated, and in such cases, will be valued under the equity method.

2.15. Other income and costs

Other income and costs include earnings, charges, and price-level restatements and foreign exchange variations, which are calculated based on official indices or rates that are levied on current and non-current assets and liabilities. The adjustments of assets to the market or realizable value are also included.

2.16. Statements of added value

The Company prepared the individual and consolidated Statements of Value Added (DVAs), which are presented as integral part of the individual and consolidated quarterly information according to the BR GAAP applicable to the publicly-held companies, whereas those according to the IFRS represent additional financial information.

2.17. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated through income for the period attributable to the Company's shareholders and outstanding common shares' weighted average in the respective period, considering, when applicable, stock split adjustments occurred in the period or in the subsequent event captured in the preparation of quarterly information, as presented in Note 19.

2.18. Dividends

The proposal for distribution of dividends made by the Company's Management and that is within the portion equivalent to minimum mandatory dividends is recorded as current liabilities, under caption "Dividends payable", as it is considered as a legal obligation provided for in the Company's bylaws; however, if there is a portion of dividends that is higher than minimum mandatory dividends stated by Management after the accounting period to which quarterly information refers, but before the date in which said quarterly information is issued, this portion will be recorded in caption "Proposed additional dividends, in shareholders' equity.

2.19. Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currency of the Company (Real) at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the date of presentation are converted into the functional currency at the exchange rate determined on that date. Exchange gain or loss in monetary items is the difference between the amortized cost of the functional currency of the period, adjusted by interest and effective payments during the period, and the amortized cost in foreign currency at the exchange rate at the end of the presentation period.

2.20. New standards and interpretations not yet adopted

2014 financial statements contemplate pronouncements and interpretations adopted beginning as of January 1, 2014:

• **OCPC 07 -** Evidencing upon Disclosure of General Purpose Financial-Accounting Reports - CVM Resolution no. 727 of November 11, 2014: the purpose of this rule is to address basic requirements for preparation and evidencing to be followed on disclosure of general purpose financial-accounting reports. It specifically provides on evidencing of own information in annual and interim financial-accounting statements, especially those included in notes. This addresses the fact that evidenced information should be relevant for external users. And they are relevant only if influence investors and creditors' decision process. Accordingly, non-relevant information should not be disclosed.

• **ICPC 09 (R2) -** Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method - CVM Resolution no. 729 of November 27, 2014: the purpose of this review derives mainly from issuance of technical pronouncements CPC 18 (R2), CPC 19 (R2) and CPC 36 (R3) as a result of changes made by IASB in international accounting rules IAS 28, IFRS 10 and IFRS 11. Other items have also been reviewed for adjustment of text to current needs and to maintain them in conformity with international rules.

• **ICPC 19 -** Taxes - CVM Resolution no. 730 of November 27, 2014: Interpretation is related to IFRIC Interpretation 21 - Levies, issued by IASB. This document provides on bookkeeping of a tax payment obligation if the obligation is under the reach of Technical Pronouncement CPC 25 and also addresses bookkeeping of tax payment obligations whose period and time are correct.
• Change in **CPC 01**/IAS 36 - "Asset impairment" on disclosure of non-financial assets' impairment. This change eliminates certain disclosures of Cash Generating Units impairment (UGC) that had been included in IAS 36 with issuance of IFRS 13.

• Change in **CPC 39**/IAS 32 - "Financial Instruments: Presentation", regarding offset of financial assets and liabilities. This change clarifies that the right to offset should not be contingent in a future event. It should also be legally applicable to all counterparties in the normal course of business, as well as in case of default, insolvency, or bankruptcy. This change also considers liquidation mechanisms.

• Review Technical Pronouncement no. 07 - "Equity Method" changes wording of **CPC 35 -** "Separate Statements" to incorporate changes made by IASB in IAS 27 - Separate Financial Statements, which permits adoption of equity method in subsidiaries' separate financial statements, thus aligning Brazilian accounting practices to international accounting rules. Especially for IFRS purposes, changes in IAS 27 were early adopted.

(New and reviewed) standards and interpretations issued in 2015 and still not adopted:

• **IFRS 9 -** "Financial Instruments" addresses classification, measurement and recognition of financial assets and liabilities:

Phase 1: Classification and measurement of financial assets and liabilities: in relation to classification and measurement pursuant to the terms of IFRS 9, all recognized financial assets that are currently included in IAS 39 scope will be subsequently measured at amortized cost or at fair value.

Phase 2: Methodology of impairment: IFRS 9 impairment model reflects expected credit losses instead of estimated credit losses, pursuant to the terms of IAS 39. According to the approach of impairment on IFRS 9, it is no longer required that a credit event occurs before the recognition of credit losses. Instead, an entity always records expected credit losses and variations to such estimated credit losses. The value of expected credit losses should be restated on each date of the quarterly information to reflect changes in credit risk since the initial recognition.

Phase 3: Hedge accounting: hedge accounting requirements established by IFRS 9 maintain the three types of hedge accounting mechanisms from IAS 39. On the other hand, the new regulation brought greater flexibility regarding the types of transactions eligible for hedge accounting, specifically the expansion of the types of instruments qualified as hedging instruments and the types of risk components of non-financial items eligible the hedge accounting. Additionally, the effectiveness test has been renewed and replaced with the principle of “economic relationship”. Retroactive assessment of hedge effectiveness is no longer necessary. Additional disclosure requirements related to risk management activities of an entity were introduced.

Applicable for annual periods started as of or after January 1, 2018. The early adoption of standards, although encouraged by the IASB, is not allowed in Brazil by the Committee of Accounting Pronouncements (CPC).

• **IFRS 15 -** Income from Contracts with Clients: on May 28, 2014, IASB and the Financial Accounting Standards Board (FASB) issued new requirements for acknowledging revenue in both IFRS and U.S. GAAP, respectively. IFRS 15 - Income from Contracts with Clients - requires entity to recognize their income amount, reflecting the consideration they expect to receive in exchange for controlling such assets or services. The new standard shall replace most of the detailed guidance on the recognition of income that currently exists under the IFRS and the U.S. GAAP when the standard is adopted. The adoption is required for years ended on or after January 1, 2017, and early adoption is allowed for IFRS purposes, but not locally allowed before harmonization and approval by CPC and CVM (Securities Commission).

The Company is evaluating the effects of IFRS 15 and IFRS 9 on its quarterly information, and has not yet concluded the analyses so far, and is therefore unable to estimate the impact of adopting the present standard.

There are no other IFRS or IFRIC interpretations that have not yet entered into effect that could have significant impact on the Company.

3 Consolidation of subsidiaries

The subsidiaries were fully consolidated since the acquisition date, defined as the date when the Company obtains control over it, and continue being consolidated until that control is no longer in effect.

The quarterly information of subsidiaries are usually prepared for the same reporting period that the parent company, using consistent accounting policies.

Income for the period and each component of other comprehensive income directly recognized in shareholders' equity will be attributed to the parent company's owners and to minority interest.

i. Interest of non-controlling shareholders

For each business combination, the Group measures any minority interest on the acquisition date, using one of the following criteria:

At fair value or by proportional interest of identifiable net assets of the acquiree, which are generally at fair value.

Changes to the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with shareholders, in the capacity of shareholders. Adjustments to minority interest are based on a proportional amount of the subsidiary's net assets. No adjustment is made to goodwill based on future profitability and no gain or loss is recognized in income for the year.

ii. Loss of control

Upon loss of control, the Group derecognizes assets and liabilities of subsidiary, any non-controlling interest and other components recorded in shareholders' equity regarding this subsidiary. Any gain or loss resulting from loss of control is recognized in income. If the Group holds any in interest in former subsidiary, this interest is measured at fair value on the date control is lost. Subsequently, this interest is calculated by using equity in associates or at cost or fair value in an asset available for sale, depending on the level of influence it still has.

iii. Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated quarterly information. Unrealized gains originating from transactions with investee recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

4 Cash and cash equivalents and interest earning bank deposits

a. Cash and cash equivalents

Refer substantially to bank balances and marketable securities maturing in less than 90 days without any penalty on redemption, relating to bank deposit certificates and fixed income funds. The Company has investment policies that determine which financial investments are concentrated in low-risk securities, investments in prime financial institutions, and paid on average 99% of Interbank Certificate Deposit (CDI):

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Cash and banks	6,167	7,364	303,467	369,317
Interest earning bank deposits				
Very short-term interest earnings bank deposits	62	-	10,273	16,214
Fixed-income investment funds	-	3,252	13,858	85,283
Bank deposit certificates (CDB)	126,373	249,121	459,522	547,422
Purchase and sale commitments	3,694	25,982	45,912	26,029
Subtotal	**130,129**	**278,355**	**529,565**	**674,948**
Total	**136,296**	**285,719**	**833,032**	**1,044,265**

b. Interest earning bank deposits

The Company invests in investment funds classified into “Interest earning bank deposits”. Fund quotas are measured at market value and their earnings are recognized as “Financial income”. The balance on March 31, 2015 is R$ 47,731 (R$ 47,683, on December 31, 2014).

5 Trade accounts receivable

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Development and property sale	115,256	119,156	7,678,851	8,229,790
(-) Allowance for doubtful accounts	(258)	(302)	(19,855)	(19,132)
(-) Adjustment to present value	(1,337)	(1,192)	(48,632)	(55,417)
Total	**113,661**	**117,662**	**7,610,364**	**8,155,241**
Current portion	81,924	93,444	4,459,429	4,495,579
Non-current portion	31,737	24,218	3,150,935	3,659,662
Total	**113,661**	**117,662**	**7,610,364**	**8,155,241**

Accounts receivable from real estate sales are substantially adjusted at INCC (civil construction national index) variation up to delivery of keys and then at IGP-M (general price index - market) variation plus interest of 12% p.a.

As of March 31, 2015 and December 31, 2014, the Company had balances in its consolidated accounts receivable, in the current portion, distributed as follows:

	03/31/2015			12/31/2014		
	In transfer process	Past due	Total	In transfer process	Past due	Total
falling due	3,311,777	-	3,311,777	3,389,608	-	3,389,608
overdue	**1,094,574**	**53,078**	**1,147,652**	**1,057,023**	**48,948**	**1,105,971**
0-30 days	532,324	25,814	558,138	514,062	23,805	537,867
31 to 60 days	128,209	6,217	134,426	123,811	5,733	129,544
61 to 90 days	160,266	7,772	168,038	154,768	7,167	161,935
91 to 120 days	75,133	3,643	78,776	72,555	3,360	75,915
121-360 days	63,648	3,086	66,734	61,464	2,846	64,310
Over 360 days	134,994	6,546	141,540	130,363	6,037	136,400
Total	**4,406,351**	**53,078**	**4,459,429**	**4,446,631**	**48,948**	**4,495,579**

Maturities of amounts in the process of being transferred refer to the original date included in the purchase and sale agreement, and the Company only changes maturity date upon effective renegotiation with clients.

In transfer process

When the Company delivers its projects, almost the totality of clients undergoes a bank financing process (also known as transfer) that is required for the delivery of keys and entering into possession of unit. Clients that are not approved for bank financing will be analyzed on an individual basis and may be terminated; therefore, they will not receive the keys and will not enter into possession of the real estate.

Clients that do not address financing conditions will not receive the units and the Company will return, according to contract, a portion of received balance and will place units for sale again.

Balances of accounts receivable from units completed or in construction

The consolidated balances of accounts receivable for completed units, as of March 31, 2015, amounted to R$ 4,134,983 (R$ 4,421,496 as of December 31, 2014) and for enterprises under construction, as of March 31, 2015 amounted to R$ 3,475,381 (R$ 3,733,745 as of December 31, 2014).

Aging list, per maturity year, of long-term notes receivable balances are as follows:

	Parent company		Consolidated	
Year of maturity	03/31/2015	12/31/2014	03/31/2015	12/31/2014
2016	22,438	17,123	2,569,273	3,278,019
2017	3,971	3,030	248,456	163,018
2018	1,443	1,101	90,242	59,210
2019	1,223	933	76,461	50,168
2020 onwards	2,662	2,031	166,503	109,247
Total	**31,737**	**24,218**	**3,150,935**	**3,659,662**

Adjustment to present value (AVP)

Adjustment to present value of accounts receivable from units not completed and recognized on a proportional basis at criterion described in Note 2.10 is calculated by using an average discount rate of 6.15% in the quarterly information at March 31, 2015 (5.50% in the period ended December 31, 2014), calculated at the average rate of the Company’s and its subsidiaries’ loan raising less inflation (IPC-A). This rate is compared to NTN-B and the highest is used. The current rate used is NTN-B. The discount rate is periodically reviewed by the Company's Management.

Allowance for doubtful accounts

The Company recognized as allowance for doubtful accounts, the amount of R$ 19,855 (R$ 19,132 as of December 31, 2014), approximately 37% on the overdue balances of March 31, 2015. Overdue balances refer to “*pro-soluto*” cases (cases without appeal); I.e. units that were passed on to clients and have payables to the Company.

Units registered under the Special Taxation System (RET)

As of March 31, 2015, the Company has 129 constructions (124 as of December 31, 2014) enrolled in the Special taxation regime - RET. As of March 31, 2015, the balances of accounts receivable related to these ventures amount to R$ 4,747,241 (as of December 31, 2014, R$ 5,045,109), which represent 53% of the total balance of accounts receivable of the Company as of March 31, 2015 (51% as of December 31, 2014).

Untreated units

The Company and its subsidiaries recognize termination of units as a reversal of accumulated income and costs previously recorded to the extent of construction work progress at the time of contract rescission.

The Company, during the quarter ended March 31, 2015, recorded a net volume of 1,080 canceled units which (2,591 units for the quarter of 2014); out of this total amount, 81.67% occurred because of the ineligibility of income (in 2014: 84%), 11.57% for exchange (in 2014: 2.17%) and 6.76% for a number of reasons (in 2014: 13.83%).

6 Real estate inventories for sale

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Property under construction	5,004	3,707	1,037,503	870,950
Property concluded	2,622	5,392	625,453	698,732
Lands for future developments	40,547	40,391	2,525,615	2,576,820
Advances to suppliers	1,293	1,367	16,481	11,608
Compound interest	2,373	1,956	112,847	115,770
Goodwill on land	-	-	10,126	18,241
Total	**51,839**	**52,813**	**4,328,025**	**4,292,121**
Current portion	25,591	12,422	2,152,793	1,927,392
Non-current portion	26,248	40,391	2,175,232	2,364,729
Total	**51,839**	**52,813**	**4,328,025**	**4,292,121**

Book value of a project's land is transferred to caption "Real Estate under Construction", within the heading "Property Inventory to negotiate", when units are placed for sale, that is, when the project is launched.

The goodwill balance corresponds to the valuation of land properties, and the capitalized charges in the parent company are recorded as "Investments" and in "Properties for sale" in the consolidated, in accordance with OCPC No. 01.

Lands for future developments
The Company reclassifies part of its inventories into non-current assets, according to launches scheduled for subsequent years, into the heading of "Land for future development".

The Company accumulates expenses with properties in the city of Salvador, classified as "Land for future projects", which will be mainly assigned to enterprises considered in the project denominated "Mintaka" by the Company. Physical barter referring to future "Mintaka" projects will be recorded in inventories and advances from clients upon definition of corresponding projects.

Allocation of financial charges
Loan, financing and debenture financial expenses, whose funds were used in the process of building real estate projects, are capitalized in caption "Real estate inventories for sale" and recognized in income under caption "Cost of Properties Sold" in the consolidated, in accordance with each project's sales percentage.

The balances of financial charges applicable to the parent company are shown under "Investments", as note 7. Changes on March 31, 2015 can be shown as follows:

	Parent company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Opening balance	**1,956**	**1,934**	**115,770**	**197,322**
(+) Capitalized finance costs related to:				
Loans and financing	1,202	2,645	41,539	184,135
Debentures	-	-	10,318	24,217
Total capitalized financial costs in the period	**1,202**	**2,645**	**51,857**	**208,352**
(-) Charges appropriated to the statement of income in the cost of properties	(785)	(2,623)	(54,780)	(289,904)
Total	**2,373**	**1,956**	**112,847**	**115,770**

7 Investments

a. Information on subsidiaries on March 31, 2015 and December 31, 2014

Interests in subsidiaries evaluated at the equity method are determined in accordance with the balance sheets of the respective investees.

Subsidiaries are engaged in performing real estate developments related to trading of home and commercial real estate.

The Company has shareholders' agreements related to subsidiaries with interest lower than 100%. Regarding the Management's resolutions of these subsidiaries, the Company takes part of the Board of Directors and/or Executive Board, participating in all strategic decisions of the business.

Subsidiaries' quarterly information used to calculate equity in investees and to consolidate adopt the same accounting practices adopted by the Company, which are described in Note 2, when applicable. The summary of main quarterly information of subsidiaries is described in Note 7.c.

Changes in the Company's investments are as follow:

Parent company

Company's name	% of direct interest	% of indirect interest	Balance at December 31, 2014	Increases / Payments	Decreases / Write-offs	Capital gain/loss	Distribution of dividends	Other[1]	Equity	Balance at March 31, 2015
Investments in subsidiaries										
Agre Empreendimentos Imobiliarios S.A	99.99%	0.01%	1,685,652	-	(108,823)	-	-	-	(73,166)	1,503,663
Amazon Empreendimentos Imobiliários Ltda	99.99%	0.01%	13,228	-	(186)	-	-	-	-	13,042
Fator Aquarius Empreendimentos Imobiliários Lt	99.99%	0.01%	20,543	-	(289)	-	-	-	-	20,254
Atp Adelaide Participacoes Ltda	99.99%	0.01%	65,558	-	(920)	-	-	-	(305)	64,333
Bento Lisboa Participações S. A.	40.00%	60.00%	13,188	-	(7,621)	-	-	-	137	5,704
Chl Desenvolvimento Imobiliário S/A	72.79%	27.21%	697,810	-	(9,801)	-	-	-	(8,234)	679,775
Club Felicitá Empreendimento Imobiliários S.A.	99.99%	0.01%	15,396	-	(216)	-	-	-	(5)	15,175
Club Florença Empreendimento Imobiliários S.A.	99.99%	0.01%	11,688	-	(164)	-	-	-	(64)	11,460
Colore Empreendimento Imobiliário Spe S/A	87.35%	0.00%	22,909	-	(321)	-	-	-	93	22,681
Ecolife Campestre Empreend. Imobiliários S.A.	81.71%	0.00%	5,791	-	(81)	-	(85)	-	(390)	5,235
Gold Investimentos S.A.	49.32%	50.68%	237,253	-	(3,333)	(4,543)	-	-	512	229,889
Goldfarb Incorporações E Construções S.A	99.99%	0.01%	1,467,912	-	(23,577)	-	-	-	35,240	1,479,575
Ln 29 Incorporação e Empreendimento Ltda	64.00%	0.00%	10,966	-	(154)	-	-	-	16	10,828
Ln 8 Incorp e Empreend Ltda	99.99%	0.01%	27,704	-	-	-	-	-	(2,252)	25,452
Pdg São Paulo Incorporações S.A	99.99%	0.01%	333,156	-	(4,680)	-	-	-	(8,131)	320,345
Pdg Araxa Income S.A.	99.99%	0.01%	34,471	-	(484)	-	-	-	(7)	33,980
Pdg Companhia Securitizadora	99.99%	0.01%	67,522	185	-	-	-	-	(836)	66,871
Pdg Desenvolvimento Imobiliário Ltda	99.99%	0.01%	385,228	-	(3,585)	(1,826)	(5,372)	-	(3,354)	371,091
Pdg Ln 28 Incorporação e Empreendimento Ltda	99.99%	0.01%	17,999	-	(252)	-	-	-	(14)	17,733
Pdg Ln 31 Incorporação e Empreendimentos Ltd	99.99%	0.01%	11,107	-	(157)	-	-	-	(1,045)	9,905
Pdg Ln 34 Incorp e Empreend Ltda	99.99%	0.01%	(1,229)	38,371	-	-	-	-	8,614	45,756
Pdg Nova Lima Incorporação S.A.	80.00%	0.00%	10,128	-	-	-	(1,800)	-	(540)	7,788
Pdg-Ln7 Incorporação e Empreendimentos S.A.	99.99%	0.01%	48,419	-	-	-	-	-	(10,673)	37,746
Performance Br Empreendimentos Imobiliários S	68.00%	0.00%	86,808	-	(1,219)	-	(5,646)	-	(2,107)	77,836
PDG Vendas Corretora Imobiliária Ltda.	99.99%	0.01%	26,691	-	(6,032)	-	-	-		20,659
REP Desenvolvimento Imobiliário S.A	58.10%	0.00%	197,615	-	(9,077)	-	-	-	2,974	191,512
Sardenha Empreendimentos Imobiliários S.A.	80.00%	0.00%	6,594	-	(93)	-	-	-	-	6,501
Fator Sky Empreendimento Imobiliário Ltda	99.99%	0.01%	14,385	-	(202)	-	-	-	-	14,183
Zmf 5 Incorporações S.A.	99.99%	0.01%	28,410	-	(399)	-	-	-	(2,442)	25,569
Pdg Bh Incorporações S.A.	80.00%	0.00%	15,321	-	-	-	(1,160)	-	70	14,231
PDG 64 Empreendimentos e Participações S.A	67.00%	0.00%	242,025	80	-	-	-	-		242,105
Other[2]			53,950	129	(96,916)	-	-	11,628	11,403	58,999
			5,953,003	**38,765**	**(278,582)**	**(6,369)**	**(14,063)**	**11,628**	**(54,506)**	**5,649,876**
Investments in associates										
Queiroz Galvão Mac Cyrela Veneza	20.00%	0.00%	8,972	160	-	-	-	-	(215)	8,917
TGLT S.A [3]	27.18%	0.00%	22,178	-	-	-	-	[3] 1344	-	23,522
Other[2]			20,350	356	(5,420)	-	-	2,903	1,373	19,561
			51,500	**516**	**(5,420)**	**-**	**-**	**2,903**	**1,158**	**52,000**
Subtotal - Equity interest			**6,004,503**	**39,281**	**(284,002)**	**(6,369)**	**(14,063)**	**14,531**	**(53,348)**	**5,701,876**
Other										
TGLT S.A [3]			395,466	-	(1,324)	-	-	-	-	394,142
Compound interest			13,140	-	(1,130)	-	-	-	-	12,010
Appreciation of land			59,643	-	(8,115)	-	-	-	-	51,528
Subtotal - other investments			**468,249**	**-**	**(10,569)**	**-**	**-**	**-**	**-**	**457,680**
Total investments			**6,472,752**	**39,281**	**(294,571)**	**(6,369)**	**(14,063)**	**14,531**	**(53,348)**	**6,159,556**

[1] Provision for losses in investments reclassified to non-current liabilities under caption "Other obligations".

[2] Investments individually with balances up to R$ 5 million on March 31, 2015.

[3] Foreign exchange rate variation in the period totaling R$ 1,344.

b. Information on Group's jointly-controlled subsidiaries and associates as of March 31, 2015 and December 31, 2014

	Consolidated								Consolidated Balance	
Company's name	**% of direct interest**	**Assets**	**Liabilities**	**Shareholders' equity**	**Income (loss)**	**Equity in income of subsidiaries**	**Other³**	**Investments on 03/31/2015**	**Investments on 12/31/2014**	**Equity in subsidiaries on 03/31/2014**
Api Spe 08 - Planejamento e Desenvolv. Imob. Ltda.	50.00%	108,360	46,464	61,896	-	-	-	30,948	30,948	-
Chl Lxxviii Incorporações Ltda Imobiliários S.A	50.00%	46,707	18,079	28,628	180	90	-	14,314	14,224	1,404
Costa São Caetano Empreendimentos S.A.	25.00%	112,201	79,619	32,582	-	-	-	8,146	8,146	232
Gliese Incorporadora Ltda	42.46%	139,355	92,220	47,135	189	80	-	20,014	19,933	521
Iepe - Investimentos Imobiliarios Ltda	30.00%	25,772	6,016	19,756	1,019	306	-	5,927	5,621	(4,011)
Inpar - Abyara - Projeto Res. Santo Amaro Spe Ltda	30.00%	27,898	6,032	21,866	-	-	-	6,560	6,560	(28)
Jetirana Empreendimentos S.A.	50.00%	141,102	96,676	44,426	-	-	-	22,213	22,509	1,037
Living Cedro Empreendimentos Imobiliarios	50.00%	-	-	-	-	-	-	-	5,640	(18)
Londres Empreendimentos S.A.	25.00%	151,719	102,984	48,735	-	-	-	12,184	12,184	1,175
Murcia Emprendimentos Imobiliários	30.00%	27,000	8,347	18,653	-	-	-	5,596	5,597	-
Paiol Velho Ltda.	39.00%	34,084	7,381	26,703	-	-	-	10,414	10,414	-
Queiroz Galvão Mac Cyrela Veneza	20.00%	92,462	47,878	44,584	(1,075)	(215)	-	8,917	8,976	(86)
Schahin Borges De Figueiredo Incorporadora Ltda	30.00%	27,732	76	27,656	-	-	-	8,297	8,297	-
Shopping Buriti Mogi Empr. Imob. SPE Ltda.	50.00%	129,467	54,856	74,611	1,058	529	-	37,306	34,590	242
Spe Chl Cv Incorporações Ltda	50.00%	84,149	52,949	31,200	2,787	1,394	-	15,600	14,207	1,265
Spe Reserva I Empreendimento Imobiliario S/A	50.00%	315,878	254,716	61,162	8,195	4,098	-	30,581	19,792	-
TGLT	27.18%	930,773	849,174	81,599	-	-	-	22,179	22,179	-
Windsor Investimentos Imobiliários Ltda	25.00%	1,394,292	845,086	549,206	81,549	20,387	-	137,302	116,915	6,658
Other investments ¹ ²		637,442	511,644	125,798	4,589	1,942	14,760	84,734	87,707	849
Total		**4,426,393**	**3,080,197**	**1,346,196**	**98,491**	**28,611**	**14,760**	**481,232**	**456,677**	**9,240**

¹ Investments with balances up to R$ 5 million on March 31, 2015
² Position of aggregate investments of the reallocation of intangible assets and goodwill
³ Provision for losses in investments reclassified to non-current liabilities under caption "Other obligations".

c. Financial information on Group's subsidiaries as of March 31, 2015 and December 31, 2014.

	Consolidated at 03/31/2015								Consolidated balance	
Company's name	**% Total of the company**	**% Minority interest**	**Assets**	**Liabilities**	**Shareholders' equity**	**Income (loss)**	**Income of non-controlling shareholders**	**Shareholders' equity of non-controlling shareholders**	**Shareholders' equity of non-controlling shareholders on 12/31/2014**	**Income (loss) 03/31/2014**
Acanto Incorporadora Ltda.	66.67%	33.33%	29,973	1,063	28,910	-	-	9,636	9,636	-
Agin Anapolis Empreendimento Imobiliario	50.00%	50.00%	68,581	213	68,368	(32)	(16)	34,184	34,200	(14)
Amoreiras Campinas Incorporadora Ltda	49.00%	51.00%	80,500	55,772	24,728	2,060	1,051	12,611	5,678	-
Api Spe 22 - Planej. E Des. De Empr. Imob. Ltda	49.00%	51.00%	73,235	27,299	45,936	1,924	981	23,427	21,996	-
Api Spe 89 - Planej. E Des. De Empr. Imob. Ltda	49.00%	51.00%	50,384	30,181	20,203	2,059	1,050	10,304	6,531	-
Api Spe10-Plan e Des De Emp Imob Ltda	80.00%	20.00%	74,492	43,199	31,293	1,814	363	6,259	5,896	213
Araxá Participações e Empreend. Imob. S.A	42.00%	58.00%	133,752	53,461	80,291	1,776	1,030	46,569	45,539	6,621
Astroemeria Incorporadora Ltda.	80.00%	20.00%	39,893	11,714	28,179	(60)	(12)	5,636	5,648	15
Atmos Incorporadora Ltda.	75.00%	25.00%	165,871	106,608	59,263	(4,730)	(1,183)	14,816	15,599	-
Bni Artico Desenvolvimento Imobiliario Ltda	50.38%	49.62%	20,026	6,916	13,110	(259)	(129)	6,505	7,326	42
Bolonha Incorporadora Ltda	49.00%	51.00%	42,924	28,723	14,201	241	123	7,243	10,640	-
Brás Empreendimentos SPE Ltda	51.00%	49.00%	57,421	28,813	28,608	(8,701)	(4,263)	14,018	17,812	-
Chl 156 Desenvolvimento Imobiliário S/A.	49.00%	51.00%	34,438	11,020	23,418	169	86	11,943	11,352	-
Chl Cxx Incorporações S.A.	55.00%	45.00%	55,682	40,204	15,478	1,222	550	6,965	6,416	371
Chl Lxviii Incorporações Imobiliários S.A.	70.00%	30.00%	36,306	6,340	29,966	(30)	(9)	8,990	8,999	104
Chl Xlvi Incorporações Ltda.	49.00%	51.00%	186,397	97,094	89,303	5,433	2,771	45,545	27,162	-
Costa Do Caparica Administracao De Bens Ltda	75.00%	25.00%	(23,778)	(68,479)	44,701	3,352	838	11,175	7,816	-
Dubhe Incorporadora S/A	55.00%	45.00%	39,645	5,223	34,422	-	-	15,490	15,490	-
Esperanca Incorporadora Ltda	70.00%	30.00%	45,909	26,672	19,237	-	-	5,771	5,771	-
Garibaldi Incorporadora Ltda	70.00%	30.00%	19,571	1,270	18,301	-	-	5,490	5,490	-
Geraldo Martins Empreendimentos Imob. S.A.	50.00%	50.00%	69,157	30,499	38,658	(2,122)	(1,061)	19,329	20,648	2,363
Gerbera Incorporadora Ltda.	71.67%	28.33%	65,339	7,686	57,653	(4)	(1)	16,333	16,334	3
Goldfarb 33 Empreendimento Imobiliário Ltda.	49.00%	51.00%	43,124	27,586	15,538	(2,164)	(1,104)	7,924	4,678	-
Gundel Incorporadora Ltda	70.00%	30.00%	131,895	83,089	48,806	-	-	14,642	14,642	-
Lacerda Franco Incorporadora Spe Ltda.	50.00%	50.00%	3,608	(14,508)	18,116	23	12	9,058	(907)	237
Lbc Empreedimento Imobiliario Spe Ltda	50.00%	50.00%	22,906	5,645	17,261	(451)	(226)	8,631	8,856	(89)
Ln 29 Incorporação e Empreendimento Ltda	64.00%	36.00%	39,259	22,341	16,918	25	9	6,090	6,081	(571)

			Consolidated at 03/31/2015						Consolidated balance	
Company's name	**% Total of the company**	**% Minority interest**	**Assets**	**Liabilities**	**Shareholders' equity**	**Income (loss)**	**Income of non-controlling shareholders**	**Shareholders' equity of non-controlling shareholders**	**Shareholders' equity of non-controlling shareholders on 12/31/2014**	**Income (loss) 03/31/2014**
Ln 8 Incorporação E Empreendimentos Ltda	49.00%	51.00%	53,103	27,652	25,451	(2,252)	(1,149)	12,980	10,176	-
Orion Incorporadora Ltda	70.00%	30.00%	90,749	37,927	52,822	-	-	15,847	15,847	-
Pdg Masb Empreendimento Imob. Spe Ltda	50.00%	50.00%	39,727	16,041	23,686	(1,545)	(773)	11,843	12,616	237
Pdg SP 5 Incorporações Spe Ltda	50.00%	50.00%	23,507	11,928	11,579	(980)	(490)	5,790	12,280	1,314
Peonia Empreendimentos Imobiliários	66.30%	33.70%	78,672	31,070	47,602	-	-	16,042	16,042	123
Performance Br Empreendimentos Imob. S.A.	68.00%	32.00%	122,277	7,811	114,466	(3,098)	(991)	36,629	40,277	2,000
REP Desenvolvimento Imobiliário S.A	58.10%	41.90%	796,661	467,036	329,625	3,851	1,614	192,381	183,638	(251)
Reserva Das Tribos Incorporadora Ltda	49.00%	51.00%	70,575	14,439	56,136	(4,043)	(2,062)	28,629	27,982	228
Scorpius Incorporadora Ltda	49.00%	51.00%	88,887	65,102	23,785	2,345	1,196	12,130	7,912	-
Shimpako Incorporadora Ltda.	66.67%	33.33%	46,621	3,185	43,436	-	-	14,477	14,478	-
Spe Chl Xcii Incorporações Imobiliários S.A	70.00%	30.00%	219,840	189,800	30,040	(233)	(70)	9,012	9,082	(696)
Tangará - Investimentos Imobiliários Ltda	49.00%	51.00%	132,979	57,157	75,822	5,014	2,557	38,669	23,670	-
Tobias Empreendimentos SPE Ltda	51.00%	49.00%	235,073	144,314	90,759	120	59	44,472	37,245	-
Torre De Ferrara Incorporadora Ltda	70.00%	30.00%	20,628	554	20,074	-	-	6,022	6,022	-
Torre De Rhodes Incorporadora Ltda	70.00%	30.00%	20,344	1,511	18,833	-	-	5,650	5,650	-
Vitality Empreendimentos Imobiliários Ltda	80.00%	20.00%	32,513	1,294	31,219	(48)	(10)	6,244	7,948	-
Zmf 10 Incorporações S/A	49.00%	51.00%	86,214	44,751	41,463	3,614	1,843	21,146	14,288	-
Zmf 19 Incorporações Ltda	49.00%	51.00%	99,320	53,607	45,713	16,299	8,312	23,314	9,341	-
Other investments[1]			1,600,028	1,318,469	281,559	(32,101)	(4,247)	58,500	79,704	844
Total			**5,464,228**	**3,169,292**	**2,294,936**	**(11,512)**	**6,649**	**944,361**	**879,527**	**13,094**

[1] Investments with balances up to R$ 5 million on March 31, 2015

d. Investment in shares

On March 31, 2015, the Company, through its subsidiary Agra Empreendimentos Imobiliários S.A., maintains an exclusive investment fund (FIP PDG) whose main assets are equity interests in its subsidiaries. Fund shares are valued according to equity quotations and its earnings are recognized in subsidiary's income, and are eliminated upon preparation of the Company's consolidated quarterly information.

8 Investment property

	Enterprises in operation	Projects under development [1]	Total
Balances at December 31, 2013	**385,144**	**77,430**	**462,574**
Acquisitions and improvements (a)	330	80,484	80,814
Disposal (b)	(15,769)	-	(15,769)
Adjustment to fair value (c)	15,665	25,856	41,521
Transfers (d)	140,752	(140,752)	-
Reclassifications (e)	(6,070)	(7,459)	(13,529)
Balances at December 31, 2014	**520,052**	**35,559**	**555,611**
Acquisitions and improvements (f)	6,944	10,136	17,080
Disposal (g)	(13,200)	(14)	(13,214)
Balances at March 31, 2015	**513,796**	**45,681**	**559,477**

[1] Joint ventures under construction or renovation stage; not operational

(a) Expenses with the construction of Botucatu Shopping Mall and renovation of Valinhos, Hortolandia, and Bay Market (Mais Mall).

(b) Alienation refers to the sale of Largo XIII Shopping Mall.

(c) Recognized in income (loss) for the year in the heading "Other operating income".

(d) It refers to the transfer of the balance of construction works in progress for Buildings due to the opening of Botucatu Shopping Mall.

(e) The Company assessed tax credits [PIS (Social Integration Program) and COFINS (Contribution for the Financing of Social Security)] arising from improvements made to the real estate properties, and part of the asset amount was reclassified to recoverable taxes

(f) It refers to the renovation/expansion of Valinhos and Bay Market (Mais) Shopping Malls and acquisition of CCS (Service and Convenience Centers) through SPE (Specific Purpose Society) Santo Eustaquio

(g) It refers to the sale of the CCS Lapa asset (real estate)

a. Measurement of fair value of investment properties

The subsidiary REP - Real Estate Desenvolvimento Imobiliário S.A. and its subsidiaries adopt the fair value method to better reflect its business and for understanding that it is the best information for market analysis.

Fair value hierarchy

The fair value of investment properties is determined based on discounted cash flow, prepared internally, and asset appraisal report obtained from independent external real estate appraisers, with appropriate and recognized professional qualification, and recent experience in the property location and category that is being appraised. The independent appraisers proved the fair value of the investment property portfolio of the Group on annual basis, and the internal studies are made upon any indication of change in the assumptions adopted for calculating the fair value of properties.

Measurement of investment properties' fair value was classified as Level 2 (Comparative method directly from market data) and 3, fair value based on inputs used in this evaluation technique.

Appraisal techniques and observable and unobservable inputs - 2 and 3 Levels Fair Value
The following chart shows the appraisal method adopted in the measurement of the fair value of investment properties, as well as the significant observable and unobservable inputs used as of December 31, 2014:

Fair value hierarchy - Level	Valuation technique	Significant inputs	Relation between significant observable and unobservable inputs	Property value in 2014
Level 2	***Equity Appraisal Report:*** The market value applicable to a property is defined based on comparable market evidences, that is, similar properties on sale or recently transacted.	• No significant input was considered in the appraisal;	The estimated fair value would increase (decrease) if: • increase or decrease in transaction volume in the region where the property is located; • increase or decrease in the limit of construction area; • extraordinary events occur that increase or decrease the square meter vale in the region;	R$ 48,200
Level 3	***Discounted cash flows:*** The appraisal model considers the present value of net cash flows to be generated from the investment property, taking into account the rate of growth in the lease price, construction costs to be incurred (ventures in construction), venture maintenance costs, and occupancy rate. The expected net cash flows are discounted by a risk-adjusted discount rate. Among other factors, the estimate of discount rate for ventures in construction considers the construction risk. Model of "Effective Interest Rate" discounted cash flow.	• Growth in lease prices in the expected market (2% to 15%). • Maintenance period of the venture (average of 10 years) • Maintenance cost of the venture - average of 3% of net operating income (NOI); • Risk-adjusted discounted rates (interval from 8.9% to 14%)	The estimated fair value would increase (decrease) if: • the expected growth in lease prices in the market is in excess (in short); • the occupancy rate is higher (lower); • the periods without receiving lease are shorter (less), or • the risk-adjusted discount rate is lower (higher).	R$ 507,411

9 Property, plant and equipment

Property, plant and equipment are segregated into well-defined classes. They are related to operating activities. There are effective controls on property, plant and equipment items that allow the identification of losses and changes in estimated useful lives of assets. The annual depreciation is calculated by the linear method throughout the useful life of the assets, at rates which consider the estimated useful lives of the assets, as follows:

	Parent company			
Cost:	**Furniture and fixtures**	**Computers**	**Sales Stand (i)**	**Total**
Balance at 12/31/2013	**379**	**3,848**	**11,757**	**15,984**
. Write-offs	-	(17)	(11,757)	(11,774)
Balance at 12/31/2014	**379**	**3,831**	**-**	**4,210**
Balance at 03/31/2015	**379**	**3,831**	**-**	**4,210**

	Parent company			
Depreciation:	**10% p.a. Furniture and fixtures**	**20% p.a. Computers**	**Sales Stand (i)**	**Total**
Balance at 12/31/2013	**(236)**	**(2,381)**	**(11,757)**	**(14,374)**
. Depreciations	(37)	(1,060)	-	**(1,097)**
. Write-offs	-	-	11,757	**11,757**
Balance at 12/31/2014	**(273)**	**(3,441)**	**-**	**(3,714)**
. Depreciations	(10)	(39)	-	**(49)**
Balance at 03/31/2015	**(283)**	**(3,480)**	**-**	**(3,763)**
Residual balance at 03/31/2015	**96**	**351**	**-**	**447**
Residual balance at 12/31/2014	**106**	**390**	**-**	**496**
Residual balance at 12/31/2013	**143**	**1,467**	**-**	**1,610**

	Consolidated						
Cost:	**Machinery and equipment**	**Furniture and fixtures**	**Computers**	**Leasehold improvements (ii)**	**Sales Stand (i)**	**Other fixed assets**	**Total**
Balance at 12/31/2013	**37,736**	**16,677**	**25,845**	**16,917**	**377,696**	**20,429**	**495,300**
. Additions	-	814	412	7,552	18,296	-	**27,074**
. Write-offs	(5,789)	-	(19)	-	(386,355)	(15,351)	**(407,514)**
Balance at 12/31/2014	**31,947**	**17,491**	**26,238**	**24,469**	**9,637**	**5,078**	**114,860**
. Additions	487	1,346	350	5,600	538	8	**8,329**
. Write-offs	(140)	(4)	-	(10,000)	(1,543)	-	**(11,687)**
Balance at 03/31/2015	**32,294**	**18,833**	**26,588**	**20,069**	**8,632**	**5,086**	**111,502**

	Consolidated						
Depreciation:	**10% p.a. Machinery and equipment**	**10% p.a. Furniture and fixtures**	**20% p.a. Computers**	**Leasehold improvements (ii)**	**Sales Stand (i)**	**Other fixed assets**	**Total**
Balance at 12/31/2013	**(12,690)**	**(9,209)**	**(18,315)**	**(8,803)**	**(373,562)**	**(4,844)**	**(427,423)**
. Depreciations	(3,331)	(1,632)	(3,811)	(1,523)	(17,075)	(529)	**(27,901)**
. Write-offs	2,096	-	10	-	385,289	3,381	**390,776**
Balance at 12/31/2014	**(13,925)**	**(10,841)**	**(22,116)**	**(10,326)**	**(5,348)**	**(1,992)**	**(64,548)**
. Depreciations	(801)	(376)	(578)	(345)	(1,523)	(66)	**(3,689)**
. Write-offs	-	-	-	-	1,352	-	**1,352**
Balance at 03/31/2015	**(14,726)**	**(11,217)**	**(22,694)**	**(10,671)**	**(5,519)**	**(2,058)**	**(66,885)**
Residual balance at 03/31/2015	**17,272**	**7,411**	**3,862**	**9,398**	**3,113**	**3,015**	**44,071**
Residual balance at 12/31/2014	**18,022**	**6,650**	**4,122**	**14,143**	**4,289**	**3,086**	**50,312**
Residual balance at 12/31/2013	**25,046**	**7,468**	**7,530**	**8,114**	**4,134**	**15,585**	**67,877**

(i) The depreciation is made according to the useful life of the assets, with average term of 18 months used during the period of sale of the developments and recorded in the result under the caption "Selling Expenses".
The write-off is made as a consequence of the dismantling of the stand.
(ii) The amortization is made over the real estate rental contract.

Property, plant and equipment impairment test

The Group periodically revises the existence of indications of recoverability of Fixed Asset items. When non-recoverable property, plant and equipment items are identified, the Group analyzes and records provisions for impairment. For the period ended March 31, 2015, the Group did not find any indication or needs of recognizing the provision for impairment of fixed asset items.

10 Intangible assets

The breakdown of intangible assets as of March 31, 2015 and December 31, 2014 is as follows:

	Parent company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Breakdown of goodwill by company				
Agre Empreendimentos Imobiliarios S.A.	275,900	275,900	359,625	359,922
Agre Urbanismo S.A.	3,403	3,403	3,403	3,403
PDG São Paulo Incorporações S.A.	-	-	3,283	3,548
Aztronic Engenharia de Softwares Ltda. (i)	4,362	4,362	4,362	4,362
CHL Desenvolvimento Imobiliários S.A.	59,443	59,443	59,949	60,009
Goldfarb Incorporações e Construções S.A.	38,377	38,377	40,726	40,806
LN 8 Incorporacao e Empreendimentos Ltda.	1,620	2,944	1,620	2,944
PDG Desenvolvimento Imobiliário S.A.	-	-	35,767	35,767
PDG LN Incorporações e Construções S.A.	3,438	3,438	3,438	3,438
TGLT S.A. (i)	5,013	5,013	5,013	5,013
Fator Ícone Empreendimento Imobiliários. (i)	2,586	2,586	2,586	2,586
Total	**394,142**	**395,466**	**519,772**	**521,798**
Software and other intangible assets	28,700	28,037	73,094	73,229
Subtotal	**422,842**	**423,503**	**592,866**	**595,027**
Reallocation for investments (Note 7) (i)	(394,142)	(395,466)	(36,541)	(36,541)
Closing balance	**28,700**	**28,037**	**556,325**	**558,486**

(i) In the Quarterly information of the "Parent company" and "Consolidated", these Intangible Assets are being presented in the headings of Investments, because they are intangible assets of associated companies (Note 7)

a. Changes in intangible assets

The changes in intangible assets in the periods ended March 31, 2015 and December 31, 2014 could be shown as follows:

	Parent company	Consolidated				
	Right to use software	Trademarks and patents	Right to use software	Subtotal	Goodwill on investments	Total
Cost:						
Balance at 12/31/2013	**37,371**	**88**	**110,441**	**110,529**	**615,132**	**725,661**
. Additions	4,835	-	18,780	18,780	-	18,780
Balance at 12/31/2014	**42,206**	**88**	**129,221**	**129,309**	**615,132**	**744,441**
. Additions	1,962	-	3,844	3,844	-	3,844
Balance at 03/31/2015	**44,168**	**88**	**133,065**	**133,153**	**615,132**	**748,285**
Amortization:						
Balance at 12/31/2013	**(9,940)**	**-**	**(37,611)**	**(37,611)**	**(90,776)**	**(128,387)**
. Amortizations	(4,229)	-	(18,469)	(18,469)	(39,099)	(57,568)
Balance at 12/31/2014	**(14,169)**	**-**	**(56,080)**	**(56,080)**	**(129,875)**	**(185,955)**
. Amortizations	(1,299)	-	(3,979)	(3,979)	(2,026)	(6,005)
Balance at 03/31/2015	**(15,468)**	**-**	**(60,059)**	**(60,059)**	**(131,901)**	**(191,960)**
Residual balance at 03/31/2015	**28,700**	**88**	**73,006**	**73,094**	**483,231**	**556,325**
Residual balance at 12/31/2014	**28,037**	**88**	**73,141**	**73,229**	**485,257**	**558,486**
Residual balance at 12/31/2013	**27,431**	**88**	**72,830**	**72,918**	**524,356**	**597,274**

b. Impairment

The main assumptions adopted for estimating the recoverable value are as follows. The amounts attributed to the main assumptions represent the evaluation of future trends by management in relevant sectors and were based on historical data from internal and external sources.

The fair value measurement was classified as Level 3 fair value, based on the adopted valuation technique inputs.

The impairment test was prepared considering the assumptions used for the projection and the monitoring of the company's projected cash flows, using a perpetuity model and was divided into three big items: (i) Income from sale of property; (ii) Property development and construction costs and selling and administrative expenses; and (iii) net indebtedness (total debt less cash and cash equivalents).

The projected income was divided into two big items: (i) contracted income from properties sold and (ii) income from unsold property inventories. Income from unsold inventories is based on historical sales curves (statistical basis) and the updated price list for each enterprise. Direct sale incomes are based on contractual maturity of installments, with reserves for statistical percentages of defaults and related recoveries.

Amounts received for transfer within the Financial Housing System is calculated with basis on assumptions of property delivery dates and financing agreements to support production. The net indebtedness was projected with basis on the liability lines related to debts to third parties not foreseen in projected cash flows less the available funds in assets.

Land development and property construction costs are based on estimates for projects in progress and new launch schedules. Selling and administrative expenses are based on the Company's budget and take into account the size of the operations.

Software intangible assets

Assets classified as "Software and other intangible assets" correspond to the Company's operating software acquisition and implementation costs whose amortization started in January 2011. During the period ended March 31, 2015, the amount of R$ 3,979 was amortized and accounted for in the Company's income (R$ 4,269 as of March 31, 2014). Software amortization period was estimated as eight years.

11 Related party transactions and balances

a. *Advances for future capital increase*

The amounts classified as non-current assets under advances for future capital increase (FACA) refer to contribution intended to make projects' initial stage possible. These contributions are not subject to any index or interest rate and will be the object of a decision by part of shareholders as regards their capitalization.

b. *Debenture transactions*

The balances of debentures, classified in non-current assets of the Parent Company, are related to non-convertible debentures issued by investees and are remunerated at rates that may range from IGPM plus interest of 12% p.a, IGPM plus interest of 14% p.a. and CDI plus interest of 3% p.a.

c. *Management remuneration*

The Company's administrators global remuneration limit for the year 2015 has been established as up to R$ 26,988 (R$ 28,000 for the year 2014), for administrators' remuneration, including in such total sum fixed and variable remuneration (considering the maximum attainable level), direct and indirect, remuneration considered for the fiscal council, as well as the amounts to be covered by the Company as a result of stock option plan granted in view of the Company's Stock Option Plan.

Amount recorded as remuneration, profit sharing, dividends and/or benefits in general during the year ended March 31, 2015 and 2014, less share-based remuneration are as follow:

	Parent company		**Consolidated**	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Remuneration				
Board of Directors	180	180	180	180
Fiscal Council	72	72	72	72
Statutory Board	669	730	669	1,346
Charges	154	183	154	338
	1,075	**1,165**	**1,075**	**1,936**
Benefits				
Statutory Board	-	70	-	77
	-	**70**	**-**	**77**
Total compensation	**1,075**	**1,235**	**1,075**	**2,013**
Profit sharing	-	-	-	4,871
Share-based	2,170	2,190	2,170	2,190
Total variable compensation	**2,170**	**2,190**	**2,170**	**7,061**
Total	**3,245**	**3,425**	**3,245**	**9,074**

The variable compensation of Management is composed of profit sharing and these are usually provisioned over the year, based on the estimate of payment.

The Company, based on item 8 of the CVM/SNC/SEP official circular No. 01/2013 of February 8, 2013, presents the following references regarding disclosure of related-party transactions:

(i) Does not own short-term benefits to employees and management;
(ii) Does not have post-employment benefits;
(iii) Does not have other long-term benefits;
(iv) Does not own benefits on termination of employment contract; and
(v) Share-based remuneration (Share purchase option plan - Disclosed in Note 23)

d. *Collaterals and guaranties*

The Company totals R$ 4,951,476 of sureties and guarantees on March 31, 2015 (R$4,620,524 as of December 31, 2014). These amounts derive from sureties and guarantees provided in real estate credit transactions carried out by the Company's investees, based on balances payable and future releases contracted up to this date, proportional to the Company's interest in investees.

Companies are compliant with all contract conditions of said real estate credit transactions.

e. *Related party balances:*

Balances and transactions with related parties are shown below:

	Parent company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Assets				
Debentures - Non-current assets	32,335	31,167	27,802	26,634
Related-party Loans- Current and Non-Current Assets	65,756	66,112	68,056	67,229
FACA - Non-current assets	1,234,638	1,284,207	-	-
	-			
Liabilities				
Convertible debentures - 8th issuance (Note 14b)	3,978	3,978	3,978	3,978

Rights to related companies have no established maturities and no financial charges. The main purpose of loan transactions and balances receivable from subsidiaries and associated entities was to fund the initial stage of the enterprises, based on commercial relationships with the related parties for the development and construction activities.

f. *Related parties with provision of materials and services*

Transactions and businesses with related parties are carried out at usual market prices and conditions; therefore, they do not generate benefits or losses to the Company or any other party.

In accordance with Article 15 of our Bylaws, it is the Board of Directors' responsibility to decide on: Executing, amending and terminating contracts, as well as on carrying out transactions of any nature between the Company and the Company's shareholders and/or subsidiaries, associates or parent companies of the Company's shareholders. Board of Directors' meetings held to decide on these and other investment decisions are installed with the presence of the majority of the Board of Directors' members and decisions are considered valid if approved by the majority of present members.

Main information on transactions carried out with the Company's or its investees' administrators and partners is presented as follows:

Related party								Expenses Incurred at	
Relationship with the Company		**Supplier**	**Object of the contract**	**Date of transaction**	**Amount concerned**	**Note:**	**Contract period**	**03/31/2015**	**12/31/2014**
Vinci Partners	F	Austral Seguradora	insurance and guarantee insurance	Jun/13 to Nov/19	2,565	limit per Work insurance: R$ 120,000	of constructi on work +	343	1,106
Vinci Partners	F	Cecrisa R. Cerâmicos S.A.	Material: Ceramics	Jun/13 to	15,098	-	6 months	39	3,852
Vinci Partners	F	Unidas Locadora de Veículos Ltda	Leasing: vehicle	Mar/15	28	-	1 year	2	10
Board Member	F	Instituto de Desenviolvimento Gerencial S.A.	Consulting	Jun/14	211	total contracted amount - R$ 2,109,546	9 months	1	72
Board Member	F	União Consultoria V. e A. de P. de Gestão S/S	Consulting	Jun/14	949			-	347
Board Member	F	União Consulotria E. de Projetos de Gestão	Consulting	Jun/14	949			-	310
Board Member	F	Instituto de Desenviolvimento Gerencial S.A.	Consulting	Jun/14	18	total contracted amount - R$ 23,254	1 month	-	18
Board Member	F	INDG Tecnologia e Serviços Ltda	Consulting	Jun/14	5			-	5
				Total:	**19,823**			**385**	**5,720**

12 Loans and financing

The Company reduces cash exposure of each project using third-party funds to finance construction under the conditions of SFH (housing finance system) and working capital facilities offered by prime financial institutions.

The Company took out a loan in April 2014 from Banco do Brasil S.A. at an amount of R$ 320,000, with payment period of three years and grace period of 18 months, and with scheduled maturity on October 5, 2015 and final maturity on April 05, 2017.

Consolidated breakdown of the Company's loans as of March 31, 2015 and December 31, 2014, per debt type, is as follows:

	Parent company		Average rate	Guarantee
Type of debt	03/31/2015	12/31/2014		
SFH	27,755	34,259	TR + 9.0% to 12.0%	Mortgage / receivables / collateral signatures
Finep/Finame	109,951	116,221	5.25% to 8.25%	PDG collateral
Working capital and SFI	319,049	318,124	CDI + 3.35% 4.50% to 8.70%	Pledge of quotas, Promissory Note, Collateral, Mortgage, Credit Rights
Total	**456,755**	**468,604**		
Current portion	123,753	125,908		
Non-current portion	333,002	342,696		
Total	**456,755**	**468,604**		

	Consolidated		Average rate	Guarantee
Type of debt	03/31/2015	12/31/2014		
SFH	2,652,146	2,975,374	TR + 8.3% to 12.3%	Receivables/ proportional surety/ mortgage/ guarantee/ pledge/ real estate mortgage/ guarantors
			TJLP + 1%	Mortgages and sureties
Working capital and SFI	464,815	477,400	CDI + 3.35% 4.50% to 8.70%	Pledge of quotas, Promissory Note, Collateral, Mortgage, Credit Rights
Finep/Finame	135,082	142,275	5.25% to 8.25%	PDG collateral
Total	**3,252,043**	**3,595,049**		
Current portion	1,429,822	1,258,415		
Non-current portion	1,822,221	2,336,634		
Total	**3,252,043**	**3,595,049**		

The balance of loans and financing consolidated in the long term falls due as follows:

	Consolidated	
Year	**03/31/2015**	**12/31/2014**
2016	1,567,110	2,009,505
2017	145,778	186,931
2018	91,111	116,832
2019 onwards	18,222	23,366
Total	**1,822,221**	**2,336,634**

13 Redeemable preferred shares

On June 14, 2010, issuance of 52,434,457 preferred shares redeemable by the subsidiary of the Company Gold Investimentos S.A. (previously denominated ZMF 22), was carried out at issuance price of R$2.67 per each Redeemable Preferred Share. The total issuance amount of the redeemable preferred shares was R$140,000.

In September 2010, new issuance of 59,925,094 preferred shares redeemable of the subsidiary Companhia - Gold Investimentos S.A., was carried out at issuance price of R$2.67 per each Redeemable Preferred Share. The total issue amount of the redeemable preferred shares was R$160,000.

Redeemable preferred shares are entitled to restricted vote and to the following equity advantages:

a. Fixed, priority and cumulative dividends to be paid on an annual basis (“Cumulative Fixed Dividends”) on the following dates: June 15, 2011 (amount paid - R$ 29,830); June 15, 2012 (amount paid - R$ 35,654); June 15, 2013 (amount paid - R$ 25,422); June 15, 2014 (amount paid - R$ 31,946); On December 15, 2014 (amount paid: R$ 17,973) and June 15, 2015 (according to the date changed by the Special Shareholders’ Meeting on February 10, 2014), regardless of the deliberation at the Special Meeting, and based on the special trial balance calculation for dividend assessment;

b. Cumulative Fixed Dividend to be paid in each fixed dividend payment date, linked to investment value contributed by the investor that holds preferred shares;

c. They will be redeemable, pursuant to the terms provided for in Gold Investimentos S.A. Bylaws;

d. Other rights related to preferred investor condition.
Redeemable Preferred Shares issued by Gold Investimentos S.A., due to its characteristics, were classified as financial instruments and dividends were classified in income under account “Other Net Operating Income (Expenses)”.

The balance of redeemable shares on March 31, 2015, totals R$ 310,779 (R$ 301,570 on December 31, 2014) and is part of the heading “Other current liabilities”.

14 Bank Credit Bills (CCBs) and Debentures

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Liabilities from CCB issuance - Corporate				
3rd series - 1st issuance	6,900	7,104	6,900	7,104
4th series - 1st issuance	7,781	8,035	7,781	8,035
15th series - 1st issuance	259,251	250,784	259,251	250,784
22nd series - 1st issuance	51,326	49,602	51,326	49,602
3rd Series of 3rd Issuance	-	-	16,700	16,132
5th Series of 3rd Issuance	11,534	94,745	11,534	94,745
7th Series of 3rd Issuance	23,317	22,524	23,317	22,494
Other issues by CCB (ii)	1,069,453	1,156,578	1,244,175	1,259,498
Corporate Sub-Total	**1,429,562**	**1,589,372**	**1,620,984**	**1,708,394**
Liabilities from CCB issuance Support production *				
3rd Series of 2nd Issuance	-	-	118,659	115,305
2nd Series of 2nd Issuance	-	-	95,083	92,354
24th series - 1st issuance	157,896	151,958	157,896	151,958
CCB (Banking Credit Bill) CEF 600MM (i)	592,527	591,613	592,527	591,613
CCB subtotal - Support to production	**750,423**	**743,571**	**964,165**	**951,230**
Total	**2,179,985**	**2,332,943**	**2,585,149**	**2,659,624**
Current portion	1,147,567	1,122,234	1,513,482	1,402,668
Non-current portion	1,032,418	1,210,709	1,071,667	1,256,956
Total	**2,179,985**	**2,332,943**	**2,585,149**	**2,659,624**

* The hiring conditions are the same as the SFH (Housing Finance System):

a) Derived from credit lines obtained from the Government Severance Indemnity Fund (FGTS) and/or savings account;
b) Destined for real estate financing (residential or commercial real estate development);
c) Remunerated by reference interest rate variation + maximum interest rate of 12% per annum

a. Bank credit notes (CCBs)

(i) It contemplates the issuance of a Bank Credit Bill (CCB) in the amount of R$ 600,000 on behalf of the Caixa Economica Federal, which took place on June 28, 2013.
Funds raised by the Company will bear financial charges corresponding to 120% of CDI Over (Interbank Deposit Certificates) daily average rate.

Fund raising was agreed on for a period of 48 months, with quarterly payments of financial charges and 8 amortization installments paid on a quarterly basis beginning as of the 24th month.

(ii) It contains funding from eight new sources obtained throughout 2014, totaling the amount of R$ 671,000.

b. Debentures

The main characteristics of the debentures issued by the Company and subsidiaries could be shown as follows:

Parent company

Debentures	Type	Nature	Issuance	Maturity	Kind	Condition of remuneration	Nominal value	Securities issued	Securities in the market	Method of amortization	Installments	Guarantees
Corporate												
1st Issuance	Non-convertible	Public	7/2/2007	7/2/2018	Unsecured	100% DI + 1.8% p.a.	10	25,000	25,000	Annual	4	Without guarantee
4th Issuance	Non-convertible	Public	8/10/2010	8/10/2016	Unsecured	100% DI + 2.90% p.a.	1,000	280	280	Quarterly	10	Pledge of receivables
6th Issuance	Non-convertible	Public	03/31/2011	9/30/2016	Real	11.31% p.a.	1,000	97,000	97,000	Sole	1	Without guarantee
7th Issuance	Non-convertible	Public	3/15/2012	12/15/2018	Unsecured	IPCA + 6.56% p.a.	1,000	140	140	Annual	2	Without guarantee
8th Issuance*	Convertible	Private	9/17/2012	9/17/2016	Unsecured	-	0.01	199,000	199,000	Sole	1	Without guarantee
Support to production												
3rd Issuance	Non-convertible	Public	9/29/2009	3/15/2016	Real	TR + 9.8058% p.a.	1,000	300	300	Semi-annual	8	Assignment/Pledge of shares and quotas
5th Issuance	Non-convertible	Public	9/23/2010	8/1/2016	Real	TR + 9.19% p.a.	1,000	600	600	Semi-annual	8	Assignment/Pledge of shares and quotas

Subsidiaries

Debentures	Type	Nature	Issuance	Maturity	Kind	Condition of remuneration	Nominal value	Securities issued	Securities in the market	Amortization	Installments	Guarantees
Corporate												
ZMF 23	Convertible	Private	9/23/2011	2/28/2015	Unsecured	100% DI + 1.6% p.a.	1.00	8,850	8,850	Sole	1	Without guarantee
ZMF 23	Non-convertible	Private	9/23/2011	2/28/2015	Unsecured	100% DI + 1.6% p.a.	1.00	4,425	4,425	Sole	1	Pledge
STX 10 [1]	Convertible	Private	7/30/2011	2/28/2015	Unsecured	100% DI + 1.6% p.a.	1.00	8,580	8,580	Sole	1	Without guarantee
STX 10 [1]	Non-convertible	Private	7/30/2011	2/28/2015	Unsecured	100% DI + 1.6% p.a.	1.00	4,290	4,290	Sole	1	Pledge
Support to production												
REP	Non-convertible	Private	11/25/2014	11/20/2026	Real	100% DI + 2.05% p.a.	70,000	1	1	Monthly	144	Chattel mortgage + fiduciary assignment of receivables + guarantee

[1] Debentures fully paid up in the second quarter of 2014.
* Stated at fair value (Note 20)

The Company's balances of debentures as of March 31, 2015 and December 31, 2013 are:

	Parent company									Consolidated			
	Support to production			Corporate						Support to production	Corporate		
	3rd Issuance	5th Issuance	Subtotal	1st Issuance	4th Issuance	6th Issuance	7th Issuance	8th Issuance	Subtotal	REP	ZMF 23	STX 10	Total
a) *Debentures payable*													
Balance at 12/31/2013 (i)	**164,738**	**497,760**	**662,498**	**263,497**	**213,435**	**136,032**	**162,422**	**3,978**	**1,441,862**	**-**	**14,222**	**14,072**	**1,470,156**
(+) Funding	-	-	-	-	-	-	-	-	-	70,000	-	-	**70,000**
(+) Monetary correction	13,755	41,879	**55,634**	31,060	28,026	34,233	21,005	-	**169,958**	762	561	-	**171,281**
(-) Payments (Interest payment)	(70,133)	(122,943)	**(193,076)**	(28,323)	(27,342)	(20,071)	(10,361)	-	**(279,173)**	(567)	(8,724)	(14,072)	**(302,536)**
Balance at 12/31/2014 (ii)	**108,360**	**416,696**	**525,056**	**266,234**	**214,118**	**150,195**	**173,066**	**3,978**	**1,332,647**	**70,195**	**6,059**	**-**	**1,408,901**
(+) Funding	-	-	-	-	-	-	-	-	-		-	-	-
(+) Monetary correction	2,570	7,948	**10,518**	8,131	7,393	3,492	9,005	-	**38,539**	2,514	1,542	-	**42,595**
(-) Payments (Principal + Interest)	(40,598)	(130,260)	**(170,858)**	(16,368)	(7,480)	-	(11,113)	-	**(205,819)**	(2,550)	(7,230)	-	**(215,599)**
Balance at 03/31/2015	**70,332**	**294,384**	**364,716**	**257,997**	**214,031**	**153,687**	**170,958**	**3,978**	**1,165,367**	**70,159**	**371**	**-**	**1,235,897**
Composition by year of maturity:													
2015	50,322	114,384	**164,706**	70,497	109,031	-	-	-	**344,234**	8,780	371	-	**353,385**
2016	20,010	180,000	**200,010**	62,500	105,000	153,687	30,958	3,978	**556,133**	9,595	-	-	**565,728**
2017	-	-	-	62,500	-	-	-	-	**62,500**	10,299	-	-	**72,799**
2018	-	-	-	62,500	-	-	140,000	-	**202,500**	11,087	-	-	**213,587**
After 2018	-	-	-	-	-	-	-	-	-	30,398	-	-	**30,398**
Balance at 03/31/2015	**70,332**	**294,384**	**364,716**	**257,997**	**214,031**	**153,687**	**170,958**	**3,978**	**1,165,367**	**70,159**	**371**	**-**	**1,235,897**

	Parent company									Consolidated			
	Support to production			Corporate						Support to production	Corporate		
	3rd Issuance	5th Issuance	Subtotal	1st Issuance	4th Issuance	6th Issuance	7th Issuance	8th Issuance	Subtotal	REP	ZMF 23	STX 10	Total
b) *Expenses with issuance*													
Balance at 12/31/2013 (i)	**(356)**	**(2,340)**	**(2,696)**	**(2,595)**	**(1,703)**	**(185)**	**(2,584)**	**-**	**(9,763)**	**-**	**-**	**-**	**(9,763)**
(-) Funding cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,831)**	**-**	**-**	**(2,831)**
(-) Amortization of Expenses	118	778	**896**	519	498	67	522	-	**2,502**	-	-	-	**2,502**
Balance at 12/31/2014 (ii)	**(238)**	**(1,562)**	**(1,800)**	**(2,076)**	**(1,205)**	**(118)**	**(2,062)**	**-**	**(7,261)**	**(2,831)**	**-**	**-**	**(10,091)**
(-) Amortization of Expenses	30	195	**225**	129	124	17	131	-	**626**	433	-	-	**1,059**
Balance at 03/31/2015	**(208)**	**(1,367)**	**(1,575)**	**(1,947)**	**(1,081)**	**(101)**	**(1,932)**	**-**	**(6,635)**	**(2,398)**	**-**	**-**	**(9,033)**
Net balance on 03/31/2015	**70,124**	**293,017**	**363,141**	**256,050**	**212,950**	**153,586**	**169,027**	**3,978**	**1,158,732**	**67,761**	**371**	**-**	**1,226,864**
Installment:													
Short term	70,332	224,382	**294,714**	70,497	144,031	56,687	30,958	-	**596,887**	-	371	-	**597,258**
Long term	(208)	68,635	**68,427**	185,553	68,919	96,899	138,069	3,978	**561,845**	67,761	-	-	**629,606**
Total	**70,124**	**293,017**	**363,141**	**256,050**	**212,950**	**153,586**	**169,027**	**3,978**	**1,158,732**	**67,761**	**371**	**-**	**1,226,864**
Net balance on 12/31/2014	**108,122**	**415,134**	**523,256**	**264,158**	**212,913**	**150,077**	**171,004**	**3,978**	**1,325,386**	**67,365**	**6,059**	**-**	**1,398,809**
Installment:													
Short term	87,720	229,181	**316,901**	66,558	107,059	-	-	-	**490,518**	6,141	-	-	**496,659**
Long term	20,402	185,953	**206,355**	197,600	105,854	150,077	171,004	3,978	**834,868**	61,223	6,059	-	**902,150**
Total	**108,122**	**415,134**	**523,256**	**264,158**	**212,913**	**150,077**	**171,004**	**3,978**	**1,325,386**	**67,365**	**6,059**	**-**	**1,398,809**

*The hiring conditions are the same as the SFH (Housing Finance System):

a) Derived from credit lines obtained from the Government Severance Indemnity Fund (FGTS) and/or savings account;
b) Destined for real estate financing (residential or commercial real estate development);
c) Remunerated by reference interest rate variation + maximum interest rate of 12% per annum

The Company and its subsidiaries have debenture and Bank credit notes (CCBs) agreements, which include restrictive clauses, normally applicable to these types of operations, related to the compliance with financial indicators, cash generation and others. These restrictive clauses are properly monitored and they do not restrict the ability to operate in the normal course of business.

Debentures and Bank credit notes (CCBs) have clauses determining maximum indebtedness levels and Adjusted EBITDA indices, covenants, calculated based on the Company's consolidated quarterly information. For the quarter ended March 31, 2015, the Company is not exposed to early maturity of debts since it has complied with its Covenants.

15 Payables for acquisition of real estate property

These refer to liabilities taken on with the purchase of land for real estate developments, as seen below:

	Parent company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Cash - recorded	-	-	36,514	35,872
Cash - to be recorded	-	-	184,321	187,901
Subject to VGV - recorded	3,600	4,308	107,665	84,909
Subject to VGV (General Sales Value) - to be recorded	4,762	4,762	227,295	236,372
(-) Adjustment to present value	-	-	(783)	(783)
Total	**8,362**	**9,070**	**555,012**	**544,271**
Current	8,362	9,070	354,055	369,689
Non-current	-	-	200,957	174,582
Total	**8,362**	**9,070**	**555,012**	**544,271**

The balances of obligations for acquisitions of properties, in regard to the financial barters subject to VGV, amount to R$ 334,960 on March 31, 2015, (R$ 321,281 on December 31, 2014).

These operations are based on commitments assumed on the acquisition of land for real estate developments, upon settlement with the barterer of the land concurrently with the financial settlement by the clients of the real estate units sold and upon the transfer of financial resources, as provided for in the agreement.

Liabilities are substantially updated according to the National Civil Construction Index (INCC) or the General Market Price Index (IGP-M), with interest ranging from 6% to 12% per annum.

The amounts of obligations for acquisitions of properties of the non-current portion have the following composition by maturity:

	Consolidated	
Year	03/31/2015	12/31/2014
2016	32,527	28,259
2017	50,994	44,301
2018	27,252	23,675
2019	26,862	23,336
2020 onwards	63,322	55,011
Total	**200,957**	**174,582**

16 Taxes payable

SRF Normative Instruction no. 84/79 (Building and Sale of Real Estate) provides that for fiscal purposes the Company may defer tax payments in order to match them in proportion to income from sales made. Hence, tax payable is stated in assets or liabilities based on the difference between the profit recognized in such Quarterly information and deferred current tax ("payable") according to the cash method.

a. *Income and social contribution tax expenses*

A significant majority of the SPEs chooses the taxation system based on deemed profit, where the tax basis is the income from sales, and, therefore, regardless of the financial results, the taxation rates average 3.08% of sales income. The consolidated income and social contribution tax expenses are summarized as follow:

	03/31/2015		03/31/2014	
Tax basis for calculation of taxes:	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Income from real estate sales	666,875	666,875	1,097,419	1,097,419
(-) Income from real estate sales – Taxable income	14,170	14,170	(83,267)	(83,267)
(-) Income from real estate sales at RET	(528,532)	(528,532)	(518,679)	(518,679)
Income from real estate sales at deemed profit	**152,513**	**152,513**	**495,473**	**495,473**
Other income - Real estate development	32,622	32,622	41,951	41,951
Other income - Real estate development (taxable income)	(5,144)	(5,144)	(1,519)	(1,519)
(-) Other income – real estate development RET	(8,011)	(8,011)	(19,915)	(19,915)
Other income - Real estate development (deemed profit)	19,468	19,468	20,517	20,517
Presumed profit - Real estate development - IRPJ 8% - CSLL 12%	**13,758**	**20,638**	**41,279**	**61,919**
Rental/service income – taxable income	7,995	7,995	2,449	2,449
Rental/service income – deemed profits	957	957	16,266	16,266
Presumed profit – Services/Rentals - IRPJ – CSLL 32%	**306**	**306**	**5,205**	**5,205**
Deemed Profit (Development + Services)	**14,064**	**20,944**	**46,484**	**67,124**
(+) Financial income	20,126	20,126	8,913	8,913
(-) Financial income - Taxable income	(56,652)	(56,652)	(15,486)	(15,486)
(+) Other income	20,874	20,874	9,945	9,945
(-) Other income - Taxable income	(2,883)	(2,883)	(9,235)	(9,235)
Presumed profit tax basis	**55,064**	**61,944**	**40,621**	**61,261**
(-) Consolidated expense - Presumed profit - IRPJ/CSLL	(13,766)	(5,575)	(16,335)	(7,738)
(+) Deferred IRJP on temporary differences - Taxable income	(9,753)	(3,511)	4,315	1,090
(-) Consolidated expense - RET	(6,760)	(3,541)	(6,786)	(3,555)
Companies Taxed under the Presumed + Taxable Profit Methods	**(30,279)**	**(12,627)**	**(18,806)**	**(10,203)**
(+) Other	5,449	4,697	8,042	4,431
Expense no Income (loss)	**(24,830)**	**(7,930)**	**(10,764)**	**(5,772)**

	03/31/2015		03/31/2014	
Breakdown of expense	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Current	(33,033)	(12,664)	(17,270)	(10,062)
Deferred	8,202	4,734	6,506	4,290
Expense no Income (loss)	**(24,831)**	**(7,930)**	**(10,764)**	**(5,772)**

Taxes (Income and social contribution taxes)	**03/31/2015**	**03/31/2014**
Current	(45,697)	(27,332)
Deferred	12,936	10,796
	(32,761)	**(16,536)**

Certain investees of the Group shall discharge their income and social contribution taxes by means of the taxable income system. In the periods ended March 31, 2015 and 2014, the calculation under the Taxable Income method did not generate Income tax and social contribution expenses to the Company.

b. Deferred tax assets and liabilities

Deferred assets

Deferred income tax, social contribution, PIS and Cofins are recorded in order to reflect the tax effects arising from temporary differences between the tax base, which defines cash method taxation (SRF Normative Instruction no. 84/79) and the actual appropriation of real property tax, note 2.8.b.

The deferred amounts of current assets in connection with income and social contribution taxes, PIS and COFINS are as follows:

	Consolidated	
Tax	**03/31/2015**	**12/31/2014**
IRPJ and CSLL	2,668	2,391
PIS and COFINS	1,463	1,555
Total	**4,131**	**3,946**

Deferred liabilities

Deferred income tax, social contribution, PIS and Cofins are recorded in order to reflect the tax effects arising from temporary differences between the tax base, which defines cash method taxation (SRF Normative Instruction no. 84/79) and the actual appropriation of real property tax, note 2.10.

The amount of the deferred income and social contribution tax are shown as follow:

	Consolidated	
	03/31/2015	**12/31/2014**
Deferred income tax liabilities	171,751	182,590
Deferred social contribution tax liability	75,503	81,238
Total	**247,254**	**263,828**

Considering the current context of the Parent Company's operations, substantially related to the holding of interest in other companies, tax credits were not recognized on the totality of the accumulated balance of tax losses and social contribution tax loss carryforwards, as well as on the balance of temporarily nondeductible expenses upon calculation of the taxable income.

On March 31, 2015, the balance of accumulated tax losses of the Company is R$ 1,883,677 (R$ 1,602,938 on December 31, 2014).

The balances of deferred tax liabilities are recorded as follows:

	Parent company		Consolidated	
Tax	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
IRPJ and CSLL	-	-	247,254	263,828
PIS and COFINS	1,537	1,594	166,499	185,568
Total	**1,537**	**1,594**	**413,753**	**449,396**
Current portion	1,363	1,594	270,344	295,279
Non-current portion	174	-	143,409	154,117
Total	**1,537**	**1,594**	**413,753**	**449,396**

17 Operations with real estate projects under development and advances from clients

Refer to unrecognized income derived from contracted sales for projects under construction that are not yet reflected in Quarterly information. The amounts are as follows:

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Unrecognized contracted sales	14,297	21,453	1,443,581	1,805,232
Construction commitment	(7,973)	(12,076)	(1,022,334)	(1,263,310)
Total	**6,324**	**9,377**	**421,247**	**541,922**

The unrecorded income amounts of the contract value of units sold are as follows:

	Parent company		Consolidated	
Year	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
2015	6,324	9,377	289,506	426,186
2016	-	-	99,515	87,199
2017 onwards	-	-	32,226	28,537
Total	**6,324**	**9,377**	**421,247**	**541,922**

The result of real estate operations is recorded based on the accounting practice presented in note 2.10. Therefore, the balance of accounts receivable from the units sold and not yet concluded are reflected in part in the March 31, 2015 quarterly information, as the respective book entries reflect recognized income, net of the installments received.

The amount classified under the caption "Advances from clients", in current and non-current liabilities is as follows:

	Parent company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Physical barter - recorded	-	-	197,220	206,300
Physical barter - to be recorded	2,750	2,750	197,543	204,215
Trade accounts receivable	153	122	135,247	161,380
Total	**2,903**	**2,872**	**530,010**	**571,895**
Current	153	122	193,248	212,503
Non-current	2,750	2,750	336,762	359,392
Total	**2,903**	**2,872**	**530,010**	**571,895**

18 Provisions

The Company and its subsidiaries, are parties in court and administrative proceedings of a labor and civil nature, which arose from its normal course of business. The provision for contingencies of the Company is mainly formed by these subsidiaries.

The respective contingency provisions were created considering the assessment of a loss likelihood by legal counsel, and are recorded under "Other net operating income (expenses)."

Based on the opinion of its legal counsel, Management believes that the contingency provisions created are sufficient to cover any likely losses in the court proceedings and differences found in tax calculations, as described below:

	Parent company		Consolidated	
Nature - Probable loss	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Labors	1,840	1,811	110,034	108,126
Civil	1,744	966	153,910	137,817
Total	**3,584**	**2,777**	**263,944**	**245,943**
Non-current portion	3,584	2,777	263,944	245,943
Total	**3,584**	**2,777**	**263,944**	**245,943**

Below follows a breakdown of the contingency provisions of the Company and its subsidiaries:

	Parent company			
	Labor	**Tax**	**Civil**	**Total**
Balance at 12/31/2013	**-**	**-**	**-**	**-**
Additions	1,811	-	966	2,777
Balance at 12/31/2014	**1,811**	**-**	**966**	**2,777**
Additions	29	-	778	807
Balance at 03/31/2015	**1,840**	**-**	**1,744**	**3,584**

	Consolidated			
	Labor	**Tax**	**Civil**	**Total**
Balance at 12/31/2013	**71,794**	**138**	**111,136**	**183,068**
Additions	36,332	-	26,681	63,013
Reversals	-	(138)	-	(138)
Balance at 12/31/2014	**108,126**	**-**	**137,817**	**245,943**
Additions	1,908	-	16,093	18,001
Balance at 03/31/2015	**110,034**	**-**	**153,910**	**263,944**

The proceeding s with a loss likelihood and deemed “possible” by the Company’s legal counsel are composed of:

	Parent company		Consolidated	
Nature - Possible loss	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Labors	3,781	3,741	109,358	107,130
Tax	-	-	19,033	19,033
Civil	2,953	3,011	314,633	288,926
Total	**6,734**	**6,752**	**443,024**	**415,089**

Civil suits refer largely to discussions on fines related to delays in the delivery of property developments, repairs of construction defects or damages to properties close to property developments, and the questioning of contractual inflation updating indices.

The labor lawsuits include labor claims by former employees for unpaid sums (overtime, unhealthy and hazardous work conditions, etc.) and payment of social charges.

In addition to the already exposed by the Company, below is the amount of the provision for warranty, which was accounted for in accordance with the accounting practice presented in note 2.8.a:

	Parent company		Consolidated	
Provision for guarantee[1]	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Current	302	285	100,895	98,064
Non-current	235	200	31,791	34,665
Total Provision	**537**	**485**	**132,686**	**132,729**

(1) These are recorded under other provisions in the liabilities of the Company and its subsidiaries

19 Shareholders' equity

a. Capital

On March 31, 2015, the Company's capital is represented by 1,323,264,223 (one billion, three hundred twenty-three million, two hundred sixty-four thousand and two hundred twenty-three) registered common shares without par value, fully subscribed and paid-in, in the total amount of R$ 4,960,080.

The Company is authorized to increase its capital stock irrespective of amendments to the by-laws, by means of decision(s) by the Board of Directors, in issuance(s) amounting to up to the limit of 1,080,000,000 (one billion and eighty million) common shares, excluding increases approved at annual shareholders' meeting. This limit considers all the capital increases made within the Company's authorized capital, since the Company's incorporation, including all capital increases approved by the Board of Directors. The Board of Directors' decision(s) approving such issuances of shares will define the conditions of the issuance, establishing if the increase will be made by public or private subscription, the price, type and payment conditions. Up to March 31, 2015, the total shares issued by the Board of Directors was 671,081,089 (Six hundred seventy-one million, eighty-one thousand and eighty-nine) common shares.

The Board of Directors, in the meeting held on March 26, 2014, approved with the consent of the Fiscal Council, the cancellation of the total of 16,283,700 (sixteen million, two hundred eighty-three thousand and seven hundred) registered common shares, without par value, of the Company, until then held in treasury, acquired in conformity with the Program of Repurchase of Shares approved in the Company's Board of Directors' meeting held on November 24, 2011, without reduction of capital stock and incorporated into the Company's reserve account.

The change in the Company's capital on March 31, 2015 is as follows:

	Quantity of common shares	Amount
Common shares	1,339,547,923	4,960,083
(-) Cost for placement of shares (2009 and 2010)	-	(52,240)
Balance at 12/31/2013 and 12/31/2012	**1,339,547,923**	**4,907,843**
(-) Cancellation of treasury shares	(16,283,700)	-
Balance at 12/31/2014	**1,323,264,223**	**4,907,843**
Balance at 03/31/2015	**1,323,264,223**	**4,907,843**

b. Income (loss) per share

The tables that follow reconcile losses and the weighted average of shares outstanding with the sums used to calculate basic and diluted loss per share in the parent's and consolidated figures:

	03/31/2015	03/31/2014
Basic loss per share		
Net loss for the period available for common shares	(161,651)	2,753
Outstanding average weighted common shares	1,323,264	1,323,264
Loss per share (in R$) - basic	**(0.12216)**	**0.00208**
Diluted loss per share		
Net loss for the period available for common shares	(161,651)	2,753
Outstanding average weighted common shares	1,323,264	1,323,264
Potential increase in common shares on account of the stock option plan	112,125	94,107
Potential increase in common shares on account of the capital increase - Subscription and debenture bonus	198,906	198,906
Loss per share (in R$) - diluted	**(0.09891)**	**0.00170**

c. Program of repurchase of shares and treasury shares

The changes and the balances of treasury shares, at the end of each period are shown below:

	Quantity	Repurchase price	Price average
Common shares			
Balance at 12/31/2013	**16,284**	**105,740**	**6,49**
Cancellation of treasury shares	(16,284)	(105,740)	(6,49)
Balance at 12/31/2014	-	-	-
Balance at 03/31/2015	-	-	-

d. Valuation adjustments to equity - Other comprehensive income

The balance on March 31, 2015 is represented by the amount of R$ 65,248 (R$ 66,592 on December 31, 2014) in regard to: i) the adjustments of conversion of the Quarterly Information, of the investee TGLT R$ 15,232 (R$ 16,576 on December 31, 2014); and ii) on March 31, 2015 and December 31, 2014, R$ 27,374 and R$ 22,642 in regard to amortizations of goodwill of the subsidiaries Goldfarb and REP - Real Estate Desenvolvimento Imobiliário S.A., respectively.

20 Financial instruments

a. Financial instruments' analysis

The Company and its subsidiaries are party to transactions involving financial instruments for the purpose of financing its activities or investing its available funds.

The key financial instruments commonly employed by the Company and its subsidiaries are those found under "Cash and cash equivalents" and "Loans and financing", "Debentures" to fund projects under construction, working capital loans, all under normal market conditions. All of these instruments are recognized under the criteria described in Note 2.4.

The Company and its subsidiaries are party to transactions involving financial instruments for the purpose of financing its activities or investing its available funds.

The Company restricts its exposure to credit risks associated with banks and short-term investments, by placing investments in first-class financial institutions on high-yield short-term papers. As to accounts receivable, the Company restricts its exposure to credit risks by means of sales to a broad range of clients and the ongoing performance of credit analyses.
As at March 31, 2015, there was no significant concentration of credit risk associated with clients.

The management of these risks is performed through the definition of conservative strategies aiming at liquidity, profitability and safety. The control policy consists of ongoing monitoring of contracted rates against market rates.

Financial instruments category is shown as follows:

	Parent company		Consolidated		Rating
	03/31/2015	12/31/2014	03/31/2015	12/31/2014	
Financial assets					
Cash and cash equivalents	136,296	285,719	833,032	1,044,265	*Fair value through profit or loss*
Interest earning bank deposits	47,731	47,683	47,731	47,683	*Fair value through profit or loss*
Accounts receivable	113,661	117,662	7,610,364	8,155,241	Receivables and loans
Debentures	32,335	31,167	27,802	26,634	Receivables and loans
Loans receivable	65,756	66,112	68,056	-	Receivables and loans
Current account with partners in undertakings	-	-	149,823	155,025	Receivables and loans
Advances for future capital increase	1,234,638	1,284,207	-	-	Receivables and loans
Credit receivables purchased	260,656	230,081	78,850	76,678	Receivables and loans
Total financial assets	**1,891,073**	**2,062,631**	**8,815,658**	**9,505,526**	
Financial liabilities					
Suppliers	11,457	11,895	214,162	225,044	Financial liabilities
Accounts payable for acquisition of real property	8,362	9,070	555,012	544,271	Financial liabilities
Debentures	1,154,754	1,325,386	1,222,886	1,398,809	Financial liabilities
Debentures (8th Issuance)	3,978	3,978	3,978	3,978	*Fair value through profit or loss*
Loans and financing	456,755	468,604	3,252,043	3,595,049	Financial liabilities
Liabilities from CCB/CCI issuance	2,179,985	2,332,943	2,585,149	2,659,624	Financial liabilities
Co-obligation in the assignment of receivables	32,385	33,910	184,111	215,775	Financial liabilities
Current account with partners in undertakings	-	-	31,150	32,040	Financial liabilities
Other liabilities	336,345	334,086	568,414	352,308	Financial liabilities
Total financial liabilities	**4,184,021**	**4,519,872**	**8,616,905**	**9,026,898**	

b. Fair value of assets and liabilities

The financial instruments' book values, consisting substantially in short-term investments and loans, are shown in the March 31, 2015 and December 31, 2014 quarterly information as sums that are close to market values, considering similar transactions.

In September 2012, the Company performed the 8th issuance of convertible debentures. Debentures were capitalized through Vinci Partners, are convertible into shares and may be traded in active market. The Company calculated fair value based on quotation value on quarterly information base date.

On March 31, 2015, the Company had the following fair value for these debentures:

	03/31/2015	12/31/2014
Quantity of debentures	199,000,000	199,000,000
Quantity of debentures canceled	(94,103)	(94,103)
Number of net debentures	**198,905,897**	**198,905,897**
Nominal value in the issuance (in reais)	0,01	0,01
Total value of the issuance	**1,989**	**1,989**
Ticker PDGR-D81 (in Reais)	0,02	0,02
Fair value of the 8th Issuance	**3,978**	**3,978**

c. *Considerations on financial instruments' risks*

Interest rate risk

The Company is exposed to floating interest rates, substantially to: changes in CDI rates earned by short-term investments in Bank Certificates of Deposit and Repurchase Agreements based on Debentures and contracted in reais; and interest on loans receivable entered into at IGP-M plus 12% to 18 per annum and CDI plus 2% to 3% per annum. The Copy is also exposed to interest on bank loans at CDI plus 1.35% per annum and 5.83% per annum, and TR plus 11.02% per annum, loans entered into under the National Housing System at TR plus 8.3% per annum and 12% per annum, and interest on debentures issued at CDI plus 0.9% per annum and TR plus 8.75% per annum.

Sensitivity analysis

As provided in CVM Instruction no. 475 dated December 17, 2008, the Company and its subsidiaries should submit a sensitivity analysis for each type of market risk arising from financial instruments and considered relevant by Management, to which the entity is exposed on the closing date of each fiscal period.

Most of our costs and our entire portfolio of receivables for unfinished projects are restated by the INCC index.

In order to verify the sensitivity of the index in the financial investments to which the Company is exposed on the base date March 31, 2015, 03 different scenarios were defined. Based on the values of CDI in effect on March 31, 2015 and defined as a probable scenario, as of which scenarios with devaluation of 25% (Scenario II) and 50% (Scenario III).

The "gross financial income" was calculated for each scenario, not taking into account the incidence of taxes on investment yields. The base date used in the portfolio was March 31, 2015, with a one-year projection and checking the sensitivity of the CDI in each scenario.

		Probable scenario		
Operation	**CDI (Interbank Deposit Certificate) risk on balance**	**I**	**II**	**III**
Investment funds - fixed income	13,858	13%	9%	6%
Projected income		1,746	1,310	873
Bank deposit certificates	459,522	13%	9%	6%
Projected income		57,900	43,425	28,950
Resale commitments and immediate liquidity operations	56,185	13%	9%	6%
Projected income		7,079	5,309	3,540
Total projected income		**66,725**	**50,044**	**33,363**

In order to verity the sensitivity of the index in the debts to which the Company is exposed on the base date March 31, 2015, 03 different scenarios were defined.

Based on the values of TR and CDI in effect on March 31, 2015, a likely scenario was defined for the next 12 months, on which basis changes from 25% to 50% were found on CDI and TR.

			Scenario		
Operation	**Risk**	**Risk on balance**	**Probable I**	**Scenario 25%**	**Scenario 50%**
Financings					
Rate subject to variation	CDI	2,610,128	299,991	365,982	432,139
Rate subject to variation	TR	2,865,884	235,975	240,965	245,957
Projected charges			**535,966**	**606,947**	**678,096**
Debentures					
Rate/index subject to variations	CDI	695,873	83,470	101,944	120,447
Balance of debentures	TR	364,716	25,543	26,094	26,645
Projected charges			**109,013**	**128,038**	**147,092**

Capital management

Management of capital is intended to preserve funds in hand to meet the needs for covering liabilities, pursuant to the Company's business plan.

The Company manages its capital through leverage quotients, which is calculated by the equation net debt, less debts for support to production, divided by the consolidated equity. The Company includes in the net debt the loans and financing except those destined to the financing/support to production, granted under SFH conditions, less cash and cash equivalents and interest earning bank deposits. The table below demonstrates the Company's total consolidated equity, as well as debts contracted in the period ended March 31, 2015 and December 31, 2014, as an example of its structure of own capital and capital obtained from third parties:

	03/31/2015	**12/31/2014**
Gross debt		
. SHF debt	2,652,146	2,975,374
. Other corporate debts	599,897	619,675
Total loans and financing	**3,252,043**	**3,595,049**
Debentures	1,226,864	1,398,809
Bank Credit Bills (CCBs) and co-obligations	2,769,260	2,875,399
Total gross debt	**7,248,167**	**7,869,257**
(-) Cash and cash equivalents and interest earning bank deposits	(880,763)	(1,091,948)
Net debt	**6,367,404**	**6,777,309**
(-) SHF debt	(2,652,146)	(2,975,374)
(-) CCB debt - Support to production *	(964,165)	(951,230)
(-) Debentures debt - Support to production *	(430,902)	(590,621)
Net debt less debt with support to production	**2,320,191**	**2,260,084**
Total consolidated shareholders' equity	**4,969,363**	**5,061,749**
Debt (without SFH and Support to production) / Shareholders'	46.7%	44.7%

*The hiring conditions are the same as the SFH (Housing Finance System):

a) Derived from credit lines obtained from the Government Severance Indemnity Fund (FGTS) and/or savings account;
b) Destined for real estate financing (residential or commercial real estate development);
c) Remunerated by reference interest rate variation + maximum interest rate of 12% per annum

Liquidity risk
The Company manages liquidity risk by planning cash flow and monthly reviewing its projects in accordance with realized flows, always seeking to increase accuracy and revalidation of flows. We give priority to funds from SBPE and SFH financing to production as they permit better matching between maturities of assets and liabilities and, also, funds originated from portfolio transfer to banks are used by them to amortize this debt. Historically and in recent past, we have obtained full success in matching asset and liability maturities.

In addition, we have corporate debts issued as debentures, CCB's and CRI's, primarily held by the largest Brazilian banks, with irrelevant participation of distribution channels in capital markets. We have focused on new fund raising with more attractive terms and costs and on anticipated roll-over of transactions coming due so as to adequate cash flow from the Company's financial activities in the short term. Long-term relationship, its size and interest in real estate development industry in Brazil has resulted in great success. Finally, projections of operating cash generation from 2014 onwards have strengthened these efforts.

Foreign exchange risk
As of March 31, 2015, the Company had no debts or amounts receivable denominated in foreign currency. In addition, no material cost of the Company is denominated in foreign currency, except for the investee TGLT, whose functional currency is Argentine pesos.

Credit risk
Credit risk is the risk of a business counterpart not complying with obligations provided in a financial instrument or contract with the client, resulting in financial loss.

Financial instruments which may potentially subject the Company to credit risk concentration are mainly comprised by bank balances, interest earning bank deposits (substantially in government bonds) and trade accounts receivable.

The Company is exposed to credit risk in its operating activities and bank and/or financial institution deposits, foreign exchange transactions and other financial instruments. In order to mitigate such risks, the Group adopts a conservative management by investing short-term funds with day-to-day liquidity and post -fixed rates in first-class banks, bearing in mind ratings by the key risk agencies and respecting prudential concentration limits.

The balance of accounts receivable is spread out over a number of clients, with tangible guarantees consisting in the respective properties.

d. Transactions with derivative financial instruments
On March 31, 2015, the Company has swap transaction contracted with bank Brasil Plural S.A. This transaction will mature on May 12, 2015.

The position as of March 31, 2015 and December 31, 2014 is as follows:

Position	Ref.	index	Base (reais)	Fair value 03/31/2015	Fair value 12/31/2014
PDG	DOMC11	0.6601	37,286	22,744	24,611
Bank	CDI + 2% p.a.	1.01631	23,863	24,267	26,526
			*	**(1,523)**	**(1,915)**

*Amount recorded in caption "other financial expenses"

For the purpose of verifying derivative financial instrument sensitivity, two different scenarios were defined based on fair value on March 31, 2015. The Company used market value to settle transaction as calculation basis, and applied deteriorations of 25% and 50%, in accordance with the following scenarios:

	Index			Analysis					
Scenario	Probable (expected)	Possible 25%	Remote 50%	Position	Ref.	Risk	probable scenario	possible scenario	remote scenario
DOMC11	1,000.00	750.00	500.00	PDG	DOMC11	Decrease	37,286	27,965	18,643
CDI	11.57%	14.46%	17.36%	Bank	CDI + 2% p.a.	High	26,870	31,102	31,948
						Income (loss)	**10,416**	**(3,137)**	**(13,305)**

21 Business Risk Management

a. *Implementation of the risk control system*

In order to manage the risk control system effectively, the Company has operational control of all projects in its portfolio, which allows, for example, accelerate unit sales to reduce their risk exposure in relation to certain projects.

Such acceleration usually occurs by reducing the selling price, changing the media vehicles used, etc.

b. *Risk control system*

Risk control includes an individual risk analysis for each development project and an investment portfolio risk analysis. Potential losses are calculated in stress scenario for each individual enterprise and for the portfolio as a whole, as well as the maximum cash exposure required by the portfolio.

c. *Loss risk control*

Risk for a new Company development is calculated bearing in mind what could be the loss should the latter decide to wind up the investment under extreme conditions. To this end a winding up price is defined, which may be estimated only in markets in which price formation is consistent, this consistency being defined as demand sensitivity to changes in price. The maximum loss expected in each project is calculated and a portion of company capital is allocated to support this risk.

The Company’s total risk consists in the sum of each project's individual risks. After being launched, the development project’s risk is reduced in proportion to the sale of units. The Company seeks maximum efficiency for its capital and believes that this efficiency is obtained when the sum of the risks in individual projects is close to the total of its available capital.

d. Control over maximum cash exposure

The risk control system monitors future cash needs in order to undertake the programmed projects in the Company's portfolio, based on each development project's economic feasibility study as well as on the need for individual cash flows regarding the projected cash flow for the portfolio as a whole. The cash flow projection assists in defining funding strategies and decision making with regard to which projects to include in the portfolio.

e. Operation in a liquid market

Through its market knowledge and with the assistance of partners, the Company is able to define the need for new joint ventures in different regions, as well as the income bracket of targeted potential purchasers. It concentrates projects in accordance with each geographical location's liquidity, i.e.: the potential displayed by each region in absorbing a certain number of properties and in responding to price changes.

The Company does not intend to act in markets in which there are no data available and in which there are no partners with specific expertise on such markets. Hence it believes that investment risks will be reduced, by acting in liquid regions with known market data and in association with local partners.

f. Operational risks

The operational risk management aims at monitoring: (i) of the construction agreement, in relation to the maximum guaranteed cost of the work; (ii) construction, with the Company retaining specialized companies to inspect the provision of services by the contracted builders (quality and the physical-financial schedule of the construction); (iii) of the financial and accounting audits carried out by the main independent audit firms; (iv) of documentation and legal risks; and (v) of the credit risk of the buyers of units through the active management of the receivables of the joint ventures.

22 Insurance coverage

The Company adopts the policy of contracting insurance coverage for assets subject to risks for amounts that the Management considers to be sufficient to cover eventual casualties, considering the nature of its activity. The policies in force and the premiums were dully paid. The company considers that it has a management program aiming to delimit risks, seeking coverage compatible with its size and operation in the market and its operations.

Insurance coverage in amounts for March 31, 2015 is as follows:

Items	Type of coverage	Amount insured
Construction insurance (engineering risk and civil liability)	Covers property and bodily damages involuntarily caused to third parties resulting from the execution of work, facilities and setting up at the site purpose of insurance; indirect damages caused by possible project errors; and extraordinary expenses such as clearing away of debris, disturbances, strikes etc.	4,148,830
Guarantee of delivery of real estate property insurance	Ensures the delivery of properties to conditional buyers	51,741
Equipment	Covers property damage to machinery and equipment of any nature	4,469
Corporate	Material damage caused by electrical damages, fire, windstorm, riots, assuring the loss of rental income	47,793
D&O	Management's civil liability	50,000
		4,302,833

23 Share-based payment

a. Stock option plan

On January 9, 2007, the Board of Directors of the Company established a stock option plan through the Option Agreement, appointing the board members and employees in positions of command, with the goal of aligning the interests and objectives of such individuals with the strategies and results expected by the Company.

The Plan is managed by a Stock Option Plan Compensation and Administration Committee ("Compensation Committee"), composed of 3 board members, which holds powers to establish stock option programs ("Programs") that define each years' grants and applicable rules. The Committee is empowered to define the appropriate standards in connection with granting options every year, by means of stock option programs ("Programs"). The granting of options, through the establishment of the Programs, must respect the maximum limit of 8% of the Company's shares at the granting date of each program. Shares issued under the Plan will enjoy the same rights as existing shares on their respective issue dates, including the right to receive in full dividends and interest on capital.

At January 3, 2010, the Compensation Committee approved the Third Program, totaling 35,200,000 common shares (after the 1:2 share splits dated September 9, 2009 and November 7, 2010), that was granted in full to Program beneficiaries at a subscription price of R$ 6.00 per share (share price after the 1:2 share splits dated September 9, 2009 and November 7, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting in January 2011 and the last batch in January 2014, plus grace period up to January 2016.

On March 31, 2015, the Company owns, in total, 375,000 outstanding options.

The weighted average fair price for the stock option plan is presented by using the Black & Scholes option pricing model, assuming a 1.31% dividend payment, expected volatility of roughly 36.73% per annum for the 1st program, 53.19% for the 2nd program, and 41.5% for the 3rd program, 11.17% weighted average risk-free rate and 4.8-year final maturity.

Current shareholders dilution in case of a full exercise of the options granted would be of 0.03% (0.03% as of December 31, 2014) pursuant to the following calculation:

	03/31/2015	12/31/2014	
Number of outstanding stock options	375,000	375,000	(a)
Total Company's shares	1,323,264,223	1,323,264,223	(b)
Total	**1,323,639,223**	**1,323,639,223**	**(c)=(a)+(b)**
Dilution percentage	**0.03%**	**0.03%**	**(c)/(b)-1**

The total sum of expenses with stock option plans, calculated using the Black & Scholes method, considering the year period, volatility based on the background of Company’s shares, the risk-free rate and dividend payout proposal.

The premium for these shares was found on the date of their granting and is being acknowledged as an expense against shareholders’ equity, during the grace period and as the services were provided.

During the quarter ended on March 31, 2014, we accumulated the expense of such plan, in the Company’s result, worth R$ 97. Such plan expenses were completely acknowledged until the end of the year 2014.

b. Long-term incentive plan

The Extraordinary Shareholders’ Meeting, held on December 19, 2013, approved the Company’s Long-Term Incentive Plan, under the Type of Call Option of Shares, whose purposes are as follows:

i. providing incentive for the expansion, success and achievement of the Company's social goals;
ii. to align the interests of the Company’s shareholders to the interests of the eligible people; and
iii. to enable the Company or other companies under its control to attract and maintain the eligible people linked to it (them).

The eligible beneficiaries under the type of call option of shares are the administrators and employees of the Company or of other companies under its control, as long as approved by the Company’s Board of Directors.

The Company’s Board of Directors, when considered convenient, will approve the granting of options, electing the beneficiaries to which the options will be granted under the terms of the plan, fixing the exercise price of the options and their payment conditions, establishing the terms and conditions of the exercise of the options and imposing any other conditions related to these options.

These options may be exercised as long as the respective beneficiaries remain continuously linked as administrator or employee of the Company or of any other company under its control, for the period between the granting date and the dates specified below:

- 20% (twenty percent) of the options may be exercised after the 2nd anniversary of the granting date;
- 20% (twenty percent) of the options may be exercised after the 3rd anniversary of the granting date;
- 30% (thirty percent) of the options may be exercised after the 4th anniversary of the granting date;
- 30% (thirty percent) of the options may be exercised after the 5th anniversary of the granting date;

The Options not exercised within the terms and conditions established will be considered automatically extinguished, with no right to indemnity, observing the maximum period of validity of the options, which will be of 6 (six) years from the granting date.

In the hypotheses of termination of the beneficiary, the rights granted to him under the plan may be extinguished or modified, as follows:

If, at any time, the beneficiary:

(a) voluntarily leaves the Company, resigning from his job, renouncing his position as administrator, due to normal retirement or permanent disability, and also, if he is dismissed by the Company, without just cause, or withdrawn from his position without violation of the duties and attributions of administrator, the options not yet exercisable in conformity with the respective option agreement, on the termination date, will be automatically extinguished, of full right, irrespective of prior notice or notification, and without any right to indemnity. And the options already exercisable in conformity with the respective option agreement, on the termination date, may be exercised, within 30 (thirty) days from the termination date, after which they will be automatically extinguished, of full right, irrespective of prior notice or notification, and without any right to indemnity.

(b) is separated from the Company, due to dismissal with just cause or withdrawn from his position for having violated the duties and attributions of administrator, all the options already exercisable or not yet exercisable in conformity with the respective option agreement, on the termination date, will be automatically extinguished, of full right, irrespective of prior notice or notification, and without any right to indemnity.

(c) is separated from the Company due to death, the options not yet exercisable in conformity with the respective option agreement, on the termination date, will be automatically extinguished, of full right, irrespective of prior notice or notification, and without any right to indemnity. And the options already exercisable in conformity with the respective option agreement, on the death date, may be exercised by the heirs and legal successors of the beneficiary, within 12 (twelve) months from the termination date , after which they will be automatically extinguished, of full right, irrespective of prior notice or notification, and without any right to indemnity.

The total shares that may be acquired under the plan will not exceed 8% (eight percent) of the shares representative of the Company's total capital stock (including the shares issued as result of the exercise of options based on this plan), as long as the total number of shares issued or which may be issued under the terms of the plan is always within the limit of the Company's authorized capital.

In December 2014, they were canceled as 6,188,122 options originating from cancellations were returned.

On December 19, 2014, an increase of 24,206,480 options was made to the long-term incentive plan, in conformity with all standards established and approved when the plan was implemented.

The exercise price payable by the holders per Option, less dividends and interest on own capital per share paid by the Company between the granting date and the option exercise date.

The fair value of stock option plan is presented through the Black & Scholes Option Pricing Model, assuming the payment of dividends according to the assumptions presented in the table below:

The following is a summary of stock option plan of Company's shares, referring to this plan on March 31, 2015.

	1st issuance	**2nd issuance**	**Total**
Grant date	12/19/2013	12/19/2014	
Final year-end deadline	12/19/2018	12/19/2019	
Shares issued	93,731,953	24,206,480	117,938,433
Canceled	(6,188,122)	-	(6,188,122)
To be exercised	87,543,831	24,206,480	111,750,311
Strike price	1.82	1.06	
Dividends	7.4%	6.5%	
Volatility	29.9%	25.1%	
Risk-free interest rate	11.6%	12.7%	
Maturity (in years)	5	5	

The dilution of current beneficiaries, on March 31, 2015 and December 31, 2014, in case of full exercise of the options granted would be 8.45%, according to the calculation below:

	03/31/2015	**12/31/2014**	
Number of outstanding stock options	111,750,311	111,750,311	(a)
Total Company's shares	1,323,264,223	1,323,264,223	(b)
Total	**1,435,014,534**	**1,435,014,534**	**(c)=(a)+(b)**
Dilution percentage	**8.45%**	**8.45%**	**(c)/(b)-1**

By the plan's conclusion in 2019, the total sum of expenses with stock option plans would rise to R$ 43,124, calculated using the Black & Scholes method, bearing in mind the exercise period, volatility based on the background of Company shares, the risk-free rate and dividend payout proposal.

As provided in CPC 10 - Share-Based Payments, approved under CVM Resolution no. 564/08, the premium for these shares was found on the date of their granting and was acknowledged as an expense against shareholders' equity, during the grace period and as the services are provided.

During the year ended March 31, 2015, we accumulated an expense appropriation, at the Company's result, in the amount of R$ 3,087 (R$ 11,216 in December 31, 2014).

The balances to be recognized in the Company's income are as follows:

	1st Issuance				2nd Issuance				Total			
Year	Gross amount	Recognized	Unrecognized	Residual	Gross amount	Recognized	Unrecognized	Residual	Gross amount	Recognized	Unrecognized	Residual
2013	38,772	(385)	-	38,387	-	-	-	-	38,772	(385)	-	38,387
2014	-	(11,172)	-	27,215	4,352	(44)	-	4,308	4,352	(11,216)	-	31,523
2015	-	(2,766)	(8,300)	16,149	-	(321)	(962)	3,025	-	(3,087)	(9,262)	19,174
2016	-	-	(8,042)	8,107	-	-	(1,270)	1,755	-	-	(9,312)	9,862
2017	-	-	(5,568)	2,539	-	-	(889)	866	-	-	(6,457)	3,405
2018	-	-	(2,539)	-	-	-	(602)	264	-	-	(3,141)	264
2019	-	-	-	-	-	-	(264)	-		-	(264)	-
	38,772	**(14,323)**	**(24,449)**	**-**	**4,352**	**(365)**	**(3,987)**	**-**	**43,124**	**(14,688)**	**(28,436)**	**-**

24 Segment information

The Company reviews the type of valuation of its business and understands that its business units do not mean different segments, but subdivisions of the real estate segment. Accordingly not presenting information by segment.

25 Net operating income

Below follows a breakdown of the Company's net operating income on March 31, 2015 and 2014:

	Parent company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Real estate sales	9,523	11,240	666,868	1,139,370
Other operating income	2	-	29,367	18,715
(-) Deductions from income	(439)	(324)	(35,371)	(37,726)
Net operating income	**9,086**	**10,916**	**660,864**	**1,120,359**

26 Costs of units sold

Below follows a breakdown of the Company's properties sold on March 31, 2015 and 2014:

	Parent company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Costs of units sold	(2,325)	(8,310)	(502,793)	(797,747)
Capitalized charges	(785)	(1,060)	(54,780)	(84,459)
Goodwill on land	-	-	-	(1,726)
Cost of properties sold	**(3,110)**	**(9,370)**	**(557,573)**	**(883,932)**

27 Financial income (loss)

	Parent company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Financial income				
Yield from interest earning bank deposits	8,188	10,040	18,163	19,637
Fair value of debentures	-	1,989	-	1,989
Monetary variation, interest and fines	34,416	2,967	44,866	40,088
Other financial income	2,551	7,820	3,247	17,019
	45,155	**22,816**	**66,276**	**78,733**
Financial expenses				
Interest on loans	(131,364)	(107,298)	(232,076)	(209,845)
Bank expenses	(14)	(27)	(952)	(1,126)
Other financial expenses	(1,982)	(4,211)	(5,346)	(8,548)
Total financial expenses	**(133,360)**	**(111,536)**	**(238,374)**	**(219,519)**
Capitalized interest (note 6)	1,202	1,255	47,711	80,449
	(132,158)	**(110,281)**	**(190,663)**	**(139,070)**
Total financial income	**(87,003)**	**(87,465)**	**(124,387)**	**(60,337)**

28 Administrative expenses

	Parent company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Salaries and payroll charges	(625)	(1,280)	(35,898)	(41,444)
Management compensation	(1,075)	(1,235)	(1,075)	(2,013)
Stock options	(3,087)	(2,794)	(3,087)	(2,794)
Profit sharing	-	-	(2,500)	(12,489)
Salaries and payroll charges	**(4,787)**	**(5,309)**	**(42,560)**	**(58,740)**
Lawyers' fees and court costs	(292)	(470)	(4,444)	(2,552)
IT maintenance	(2,473)	(15)	(4,028)	(2,858)
Consulting	(1,274)	(338)	(3,419)	(6,327)
Other services	(17)	236	(3,073)	(3,622)
Rendering of services	**(4,056)**	**(587)**	**(14,964)**	**(15,359)**
Traveling	-	-	(1,012)	(1,719)
Telecommunications and Internet	(224)	(147)	(1,863)	(2,635)
Rental and renewal of real estates	(311)	(454)	(5,951)	(6,113)
Other expenses	(508)	(1,018)	(3,719)	(6,663)
Other administrative expenses	**(1,043)**	**(1,619)**	**(12,545)**	**(17,130)**
Total	**(9,886)**	**(7,515)**	**(70,069)**	**(91,229)**

29 Sales expenses

	Parent company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Advertising and publicity	(450)	(371)	(19,707)	(18,996)
Commissions and bonuses on sales	(154)	(135)	(8,630)	(17,173)
Sales stand	(35)	(128)	(4,149)	(6,057)
Total	**(639)**	**(634)**	**(32,486)**	**(42,226)**

30 Independent Auditors

KPMG Auditores Independentes (KPMG) was contracted by PDG Group in 2014 for provision of external audit services in relation to the audit of its annual Financial Statements and reviews of its quarterly information.

In addition, KPMG was contracted by PDG Group in 2014 for provision of the following services not related to the external audit, which are still being rendered in 2015 as follow:

• Review of taxes in the total amount of R$ 75.

Upon contracting of services to be provided by the independent audit, the Company evaluates the context of the procedures to be performed, preserving the independence and objectivity of the auditor, pursuant to guidelines and standards that regulate the auditor's service and the relationship with the Company.

The purpose of this evaluation is to guarantee that the work does not create threats to the independence of the audit or of the members of the audit team, whether of threats of self-review, of own interest and defense of the Company's interest. Accordingly, the sufficiency and adequacy of data to be collected during the work are responsibility of the Company's management, as well as the responsibility for the decisions and performance of actions that might affect the Company.

The Company's management, as well as its independent auditors, understands that the aforementioned services do not affect the independence and objectivity of KPMG, necessary to perform the audit services in accordance with the rules in force in Brazil.

31 Subsequent events

1. On April 15, 2015, the Company's shareholders, at the Special Shareholders' Meeting, approved of:

a. The change in the Company's social headquarters to Avenida Engenheiro Luis Carlos Berrini, nº. 105, 11º. andar, Cidade Monções, CEP: 04571-010, in the city of São Paulo.

b. The increase in the Company's authorized capital limit, in order to become 1,535,000,000 (one billion, five hundred and thirty-five million) common shares, changing, as a result, article 7th, §2nd from the Company's by-laws.

c. The Company's capital increase, in the minimum amount of R$ 300,000 and maximum amount of R$500,000, upon issuance for private subscription of up to 1,136,363,636 common shares, nominative and with no par value, and shares without par value, at a per-share price of R$ 0.44. The issuance price was established based on the average daily quoted market price at BM&FBovespa of the Company's common shares, weighed by volume at the 20 trading sessions prior to March 17, 2015. From the total issuance price, considering the subscription of the total increase amount, the amount of R$ 10,000, or R$0.0088 per share, shall be directed to the capital account, and the balance shall be directed to the capital reserve account, in view of the Company's interest to use funds from the capital reserve to offset accumulated losses. The Company's common shares issued due to the Capital Increase shall grant their holders the same rights, advantages, and limitations as the other common shares issued by the Company, being also entitled to receive all dividends and/or interest on own capital, declared by the Company from the date of Capital Increase homologation by the Board of Directors.

   Vinci Partners Investimentos Ltda., through one or more investment funds managed by its subsidiaries ("Vinci Funds"), has committed to subscribe shares to be issued in the capital increase, by exercising the right of preference for share subscription, and also for the subscription of any remaining unsubscribed shares, so that the total amount to be provided by the Vinci Funds is, in the event that there are enough remaining shares, at least R$300,000, and the number of shares to be effectively subscribed by the Vinci Funds is certain to depend on the result of exercising the preference right and subscription of remaining unsubscribed shares by the other shareholders of the Company, which might, therefore, be lower than such amounts.

d. The bonus issue of subscription shares, to be provided as an additional advantage to the subscriber of the capital increase shares. In addition to subscribed shares, subscribers are entitled to a subscription bonus ("Subscription Bonus") for every 2.5 common shares subscribed, totaling up to 454,545,454 Subscription Bonuses issued, and it is not allowed to deliver Subscription Bonus fractions, which shall be disregarded at all times. Subscription Bonuses shall be issued in a single series, and each Subscription Bonus shall grant its holder the right to subscribe one common share at the exercise price of R$ 0.75 per Subscription Bonus. Subscription Bonuses are up to April 6, 2018, and may be exercised at any time from the date they are issued until its expiration date.

2. On April 29th, 2015, the Company's shareholders, at the special shareholders' meeting, approved, among other deliberations, of:

a. We present the financial statements of the Company for the year ended December 31, 2014, accompanied by the independent auditors' annual report.

b. Establishing the global annual remuneration of administrators and members of the Company's Fiscal Council the 2015, as a total maximum amount of R$ 26,988;

c. The change in journals for the publications required by the corporate law: from the journals "Valor Economico" and Diario Oficial do Estado", both from Rio de Janeiro, to the journals "Valor Economico and Diario Oficial do Estado", both from Sao Paulo.

3. By the end of April 2015, we sold, for R$ 25 million, our participation in TGLT S.A., an Argentina-based incorporated company.

32 Other information

The Company's bylaws establish in its chapter VIII and Article 39, as regards commercial conflicts, the following:

Controversy resolution through arbitration: the Company, its shareholders, managers and Board of Directors' members are obliged to resolve through arbitration of the Market Arbitration Panel any dispute or controversy that may arise among them, related to or deriving from the application, validity, effectiveness, interpretation, violation and its effects of provisions of Law 6404/76, of these Bylaws, standards issued by the National Monetary Council, by the Brazilian Central Bank and CVM, as well as other standards applicable to capital market general operation, in addition to those included in New Market Regulations, Market Arbitration Panel Arbitration Regulations, New Market Penalty Regulations and Participation Agreement.

CONSOLIDATED FORM

Negociation Management and Related Persons - Art. 11 - Instrucion CVM nº 358/2002

In 02/2015 the Company not conducted derivate and securitiestransactions, 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							
Group and related parties	**(X) Management Board**		**() Director**	**() Fiscal Council**		**() Technical or advisory committees**	
Inicial Amount							
Securities/Derivate	Securities Characteristics			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			189,033,919		14.29%	14.29%
PDGRD81*	Debenture			17,003,266		8.54%	8.54%
Montly movement - discriminating each purchase or sale trasaction within the month (day, quantity, price and volume)							
Securities/Derivate	Securities Characteristics	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
Shares	Ordinary	UBS					
Shares	Ordinary	UBS					
				TOTAL	**0**		**0**
PDGRD81	Debentures	UBS	Sale				
				TOTAL	**0**		**0**
Final Balance							
Securities/Derivate	Securities Characteristics (2)			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			189,033,919		14.29%	14.29%
PDGRD81*	Debenture			17,003,266		8.54%	8.54%

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

CONSOLIDATED FORM

Negociation Management and Related Persons - Art. 11 - Instrucion CVM nº 358/2002

In 02/2015 the Company not conducted derivate and securitiestransactions, 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							
Group and related parties	**() Management Board**		**(X) Director**		**() Fiscal Council**	**() Technical or advisory committees**	
Saldo Inicial							
Securities/Derivate	Securities Characteristics				Amount	% of participation	
						Same Species/Class	Total
Shares*	Ordinary				6,691,494	0.51%	0.51%
PDGRD81*	Debenture				-	-	-
Montly movement - discriminating each purchase or sale trasaction within the month (day, quantity, price and volume)							
Securities/Derivate	Securities Characteristics	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
				TOTAL	-		-
				TOTAL	**0**		**0**
Final Balance							
Securities/Derivate	Securities Characteristics (2)				Amount	% of participation	
						Same Species/Class	Total
Shares*	Ordinary				6,691,494	0.51%	0.51%
PDGRD81*	Debenture				-	-	-

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

Obs: According the minutes of the meeting of the day the Management Board 12/17/2014, Victor Marques de Almeida Dantas resigned the post of Customer

CONSOLIDATED FORM

Negociation Management and Related Persons - Art. 11 - Instrucion CVM nº 358/2002

In 02/2015 the Company conducted derivate and securitiestransactions, 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							
Group and related partie	() Management Board		( ) Director		(X) Fiscal Council	( ) Technical or advisory committees	
Inicial Amount							
Securities/Derivate	Securities Characteristics				Amount	% of participation	
						Same Species/Class	Total
Shares*	Ordinary				1,522,740	0.12%	0.12%
PDGRD81*	Debenture				270,069	0.14%	0.14%
Montly movement - discriminating each purchase or sale trasaction within the month (day, quantity, price and volume)							
Securities/Derivate	Securities Characteristics	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
Shares	Ordinary	UBS					
Shares	Ordinary	UBS					
				TOTAL	**0**		**0**
PDGRD81	Debentures	UBS					
				TOTAL	**0**		**0**
Final Balance							
Securities/Derivate	Securities Characteristics (2)				Amount	% of participation	
						Same Species/Class	Total
Shares*	Ordinary				1,522,740	0.12%	0.12%
PDGRD81*	Debenture				270,069	0.14%	0.14%

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

Shareholding structure	% Part.	Nº Shares
Orbis Investment Management Limited	15.74%	208,314,521
Vinci Equities Gestora de Recursos Ltda	10.53%	139,312,935
Vinci Capital Partners II F Fundo de	9.13%	120,866,533
Platinum Investment Management Limited	5.39%	71,387,800
Bank of America	5.06%	66,984,799
Director	0.51%	6,691,494
Others	53.64%	709,706,141
Total number of shares issued	**100.00%**	**1,323,264,223**

Report on the financial statements

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and the International Financial Reporting Standards - IFRS)

To
The Board members and Shareholders of
PDG Realty S.A. Empreendimentos e Participações
São Paulo - SP

We have reviewed the interim, individual and consolidated financial information of PDG Realty S.A. Empreendimentos e Participações ("Company") contained in the Quarterly Information - ITR Form for the quarter ended March, 31 2015, which comprise the balance sheet as of March, 31 2015 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21(R1)- Interim statements, and of consolidated interim accounting information in accordance with CPC 21(R1) and International Standard IAS 34 - Interim Financial Reporting, which considers OCPC 04 Guidance on the application of Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC), as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of review
We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, primarily to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing 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.

Conclusion on individual and consolidated interim information prepared in accordance with CPC 21(R1)

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on consolidated interim information prepared in accordance with IAS 34, which considers OCPC 04 Guideline on the application of Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC)

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim accounting information included in the quarterly information included in the aforementioned quarterly information prepared, in all material respects, in accordance with IAS 34, which considers OCPC 04 Guidance on the application of Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Exchange Commission (CVM) and Federal Accounting Council (CFC), applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Brazilian Securities Commission.

Emphasis of matter

OCPC 04 Guideline issued by the Accounting Pronouncements Committee

As described in note 2.2, individual and consolidated interim accounting information have been prepared in accordance with accounting practices adopted in Brazil (CPC 21(R1)). Consolidated interim financial information prepared in accordance with IFRS applicable to real estate development entities also consider OCPC 04 Guideline issued by the Accounting Pronouncements Committee. This guideline addresses revenue recognition of this industry and involves matters related to the meaning and application of the risk and benefit continuous transfer concept and of the control on sale of real estate units concept, as further described in Note 2.10. Our conclusion is not qualified in relation to this matter.

Other matters

Statements of added value

We also reviewed the individual and consolidated value-added statements for the three-month period ended on March, 31 2015, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the Statement of added value. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that might lead us to believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim information taken as a whole.

São Paulo, May 06, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Ederson Rodrigues de Carvalho
Accountant CRC 1SP199028/O-1

Fiscal Council Opinion

The Supervisory Board members approved, unanimously and without any reservations or restrictions, the following opinion: "The Fiscal Council of PDG Realty S.A. Empreendimentos e Participações, pursuant to its legal duties, on meeting held as of May 05, 2015, reviewed: (i) the Management Report and the Financial Statements for the year ended March 31 2015, comprising the balance sheet, statement of income, statements of changes in shareholders' equity, statement of cash flows, statement of added value and notes. Based on the examinations performed, the clarifications provided by the Management, the Fiscal Council concluded that the management report and the financial statements mentioned in all material respects, is fairly presented and consistent with the legal standards applicable.

Statement of the Executive Officers on the Financial Statements

DECLARATION FOR THE PURPOSE OF ARTICLE 25, PARAGRAPH 1, ITEM VI, CVM INSTRUCTION 480/09

We declare, in the capacity of officers of PDG Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city of São Paulo, São Paulo State, Engenheiro Luis Carlos Berrini Avenue, 105, 11th floor, Zip Code 04571-010, enrolled with CNPJ/MF no. 02.950.811/0001-89 (the “Company”), pursuant to the terms of item V of paragraph 1 of Article 25 of CVM Instruction 480, of December 7, 2009, that we have reviewed, discussed and agreed with the Company’s financial statements for the period ended March 31, 2015.

São Paulo, May 06, 2015

CARLOS AUGUSTO LEONE PIANI
Chief Executive Officer

MARCO RACY KHEIRALLAH
Financial CEO

Statement of the Executive Officers on the Independent auditors' report

DECLARATION FOR THE PURPOSE OF ARTICLE 25, PARAGRAPH 1, ITEM V, OF CVM INSTRUCTION 480/09

We declare, in the capacity of officers of PDG Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city of São Paulo, São Paulo State, Engenheiro Luis Carlos Berrini Avenue, 105, 11th floor, Zip Code 04571-010, enrolled with CNPJ/MF under no. 02.950.811/0001-89 (the "Company"), pursuant to the terms of item V of paragraph 1 of Article 25 of CVM Instruction 480, of December 7, 2009, that we have reviewed, discussed and agreed with the opinions expressed in the Company's independent auditors' report (KPMG Auditores Independentes) referring to the Company's financial statements for the period ended March 31, 2015.

São Paulo, May 06, 2015

CARLOS AUGUSTO LEONE PIANI
Chief Executive Officer

MARCO RACY KHEIRALLAH
Financial CEO