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

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Conference Call

Date:
Wednesday, August 15th, 2018

- **Portuguese**

11:00 a.m. (Brasília)
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- **English**
(Simultaneous translation)

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Highlights:

- Gross sales recorded a significant improvement, reaching R$95 million in 2Q18, a 93% increase over 1Q18 and 51% over 2Q17. In 1H18, gross sales amounted to R$144 million, in line with 1H17. (page 7)
- Due to the better gross sales, **net sales amounted to R$46 million in 2Q18**, significantly superior when compared to 1Q18 and 2Q17. In the semester, net sales totaled R$43 million. (page 7)
- The general and administrative expenses continue falling, decreasing by 31% in 2Q18 in comparison to 2Q17. In 1H18, G&A expenses dropped 52% over 1H17. (page 17)
- Conclusion, in 06/15/2018, of the **Capital Increase** related to the conversion of debt into equity, in the amount of **R$74.2 million.** (page 5)
- In June, the **payment of the first installment** was made to the creditors, amounting to **R$13.2 million**, as foreseen in the Reorganization Plan. (page 5)
- **The net loss was 36% down**, from R$532.4 million in 2Q17 to R$339.8 million in 2Q18. Comparing 1H18 to 1H17, net loss was 26% down. (page 21)

Recent Events:

- In July, the **payment** of the second installment, as foreseen in the Reorganization Plan, was made to the creditors, **amounting to R$14.6 million.** (page 5)

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Initial Message

The first half of 2018 was market by the start of the implementation phase of PDG Judicial Reorganization Plan. The Company's processes, controls and structures were reviewed and readjusted aiming to improve the efficiency and reduce the costs, prioritizing the needs arising from the Recovery Plan. This first year of Judicial Reorganization Plan implementation is one of the most important for the Company, as it contemplates relevant payments to labor and unsecured creditors and suppliers.

The Reorganization Plan comprises a good deal of PDG's liabilities; however, we keep continuous negotiations with the banks with the purpose of retake and conclude the unfinished projects, delivering on the commitments we have undertaken with our customers as well as adding more value to the Company's assets.

In this regard, in May we delivered the Ville Solare project, located in Belém, with a PSV of R$77 million and 518 units. We will keep directing all our efforts to conclude and deliver all the unfinished works, so that the Company can gradually launch again new projects as foreseen in the Receivership Plan.

We noticed a slight improvement in the real estate market, over the first quarter. However, events such as the truckers strike and World Soccer Cup occurred in the second quarter negatively impacting the industry recovery pace. So, we keep a very conservative expectation in connection with this industry for 2018.

Operating Results

During the second quarter, we obtained significant improvements; the 2Q18 gross sales totaled R$95 million, 51% above the sum recorded in the 2Q17. In the first half, gross sales totaled R$144 million, in line with 1H17. The increased sales noticed over the second quarter are a reflection of the change in the Company's sales policy, that is, with the resume of sales of the encumbered units.

During the 2Q18, cancellations amounted to R$49 million, 57% down on 2Q17. In 1H18, the cancellations reached R$101 million, 60% below the amount noted in the 1H17. We continue to maintain the strategy to prioritize cancellations of unencumbered units and those with better market liquidity, which are, therefore, immediate cash-generating at the time of resale.

Considering the improvements in the gross sales verified in the second quarter, result of the change in the sales policy, as previously mentioned, the net sales ended the 2Q18 positive in R$ 46 million and, in the accumulated result of 1H18, in R$43 million.

In the comparison between the 2Q18 and 2Q17, the general and administrative expenses were reduced by 31%. Comparing the 1H18 and 1H17, the total reduction was 52%, in line with the Company's goal to constantly readjust its structure and improve the operation efficiency. Between the 1H17 and 1H18, there was a 39% reduction in the headcount; so, we ended the first half with 254 employees. The commercial expenses increased 6% in the comparison between the 2Q17 and 2Q18 and, in 1H18, they recorded a 15% increase over 1H17. This increase is mainly due to the recognition of expenses with commissions referring to the rescissions occurred during the semester.

During the 2Q18, 353 units were transferred, equivalent to a PSV of R$64 million, a 5% increase in the number of units and in line with the PSV recorded in 2Q17. Therefore, we ended 1H18 with 555 units transferred, representing a PSV of R$104 million. The increase noted in the volume of transfers over the 2Q18 is explained by the improvement in the sales over this quarter.

The Company's inventory at market value ended 1H18 in R$ 1.9 billion, a 5% decrease over 1Q18. Regarding the 1H17, total inventory dropped 15% in PSV.

Due to the more reduced pace of construction work and the correction by the INCC, the cost to be incurred increased 1.7% over 1Q18 and 2.9% over 4Q17. Since late 2012, the total cost to be incurred, which was R$7.1 billion, registered an 89% drop.

The Company's extrajudicial debts presented a slight increase of R$5 million between the 1Q18 and 2Q18, mainly due to the period's monetary correction and interests.

The debts subjected to the Reorganization Plan were reduced by 8%, going from R$859 million in the 1Q18 to R$792 million in the 2Q18. This reduction is explained by the payment of the first of the six installments foreseen in the Plan, occurred in June, to creditors of classes I, III and IV, who chose the payment option "A". In addition, part of the debt was converted into equity by means of a capital increase.

As a result of all measures adopted by the Company's Management over the period, we were able to reduce the Company's net loss in 36%, going from R$532 million in the 2Q17 to R$339 million in the 2Q18. In the semiannual comparison, the net loss went from R$808 million in the 1H17 to R$600 million in the 1H18, a 26% reduction.

Judicial Reorganization Plan

The capital increase referring to the debt conversion into equity, contemplated in the Judicial Recovery Plan, in the amount of R$74.2 million, was concluded on June 15, with the share's delivery to the creditors. It is worth mentioning that during the preemptive right period in the capital increase process, there was a part of the investors who exercised their preemptive right and subscribed the shares, thus avoiding the dilution. Altogether, during the preemptive right period, a total of 70,145 shares were subscribed, amounting to R$165 thousand; this sum was distributed among the creditors as set forth in the Plan.

Also, in June, the Company started the payment of the labor creditors and creditors of classes III and IV, who chose to receive their credit in cash (option "A" of the Plan). These payments will be made in 6 installments, and PDG has already concluded the payment of 2 of them, referring to the months of June and July, totaling R$28 million.

Over this first semester, PDG has successfully performed all the obligations set forth in its Recovery Plan, focusing on the payments agreed upon with its creditors.

We keep working hard towards finding ways to conclude the unfinished projects. As such, we are in constant negotiations with financing banks and with other investors from the industry, in search of the necessary conditions and resources for the works handover. Finding the solution to conclude this projects is an essential factor for the company to be able, at the appropriate time, to return to the market with new launches.

Reviewing the progress achieved over this first half, we believe we are on the right path to restructuring PDG successfully.

Management.

Operating and Financial Indicators

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

- The Company's main results and indicators regarding 2Q18 and 1H18 are the following:

Launches	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17	2Q18 (IFRS)	1H18 (IFRS)
Total Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
PDG % Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
# of Launched Projects	0	0	n.m.	0	0	n.m.	0	0
# of Launched Units - PDG	0	0	n.m.	0	0	n.m.	0	0
Sales and Inventory	**2Q18**	**2Q17**	**2Q18 vs. 2Q17**	**1H18**	**1H17**	**1H18 vs. 1H17**	**2Q18 (IFRS)**	**1H18 (IFRS)**
Gross Sales %PDG - R$ million	95	63	50.8%	144	144	0.2%	95	144
Net Sales %PDG - R$ million	46	(50)	n.m.	43	(110)	n.m.	46	43
# of Net Sold Units %PDG	159	(243)	n.m.	172	(452)	n.m.	159	172
Inventory at Market Value %PDG - R$ million	1,964	2,321	-15.4%	1,964	2,321	-15.4%	1,964	1,964
Operational Result (1)	**2Q18**	**2Q17**	**2Q18 vs. 2Q17**	**1H18**	**1H17**	**1H18 vs. 1H17**		
Net Operational Revenues - R$ million	170	158	7.4%	235	276	-14.8%		
Gross Profits (Losses) - R$ million	(45)	57	n.m.	(50)	59	n.m.		
Gross Margin - %	n.a.	36	n.m.	n.a.	22	n.m.		
Adjusted Gross Margin - %	n.a.	44	n.m.	n.a.	28	n.m.		
EBITDA Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Net Earnings (Losses) - R$ million	(340)	(532)	-36.2%	(600)	(808)	-25.7%		
Net Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Backlog Results (REF) (1)	**2Q18**	**2Q17**	**2Q18 vs. 2Q17**					
Gross Revenues (REF) - R$ million	490	476	2.9%					
COGS - R$ million	(396)	(379)	4.5%					
Gross Profit - R$ million	94	97	-3.1%					
Gross Backlog Margin - %	19.2	20.4	-1.2 p.p					
Balance Sheet (1)	**2Q18**	**2Q17**	**2Q18 vs. 2Q17**					
Cash and Cash Equivalents - R$ million	226	244	-7.4%					
Net Debt - R$ million	2,537	5,370	-52.8%					
Shareholders Equity - R$ million	(3,763)	(4,184)	-10.1%					
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	n.a.	n.m.					
Total Assets - R$ million	2,577	4,103	-37.2%					

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

Operating Performance – Launches

- There were no launches during 1H18 and all efforts were oriented to the Reorganization Plan's implementation.

Operating Performance – Sales

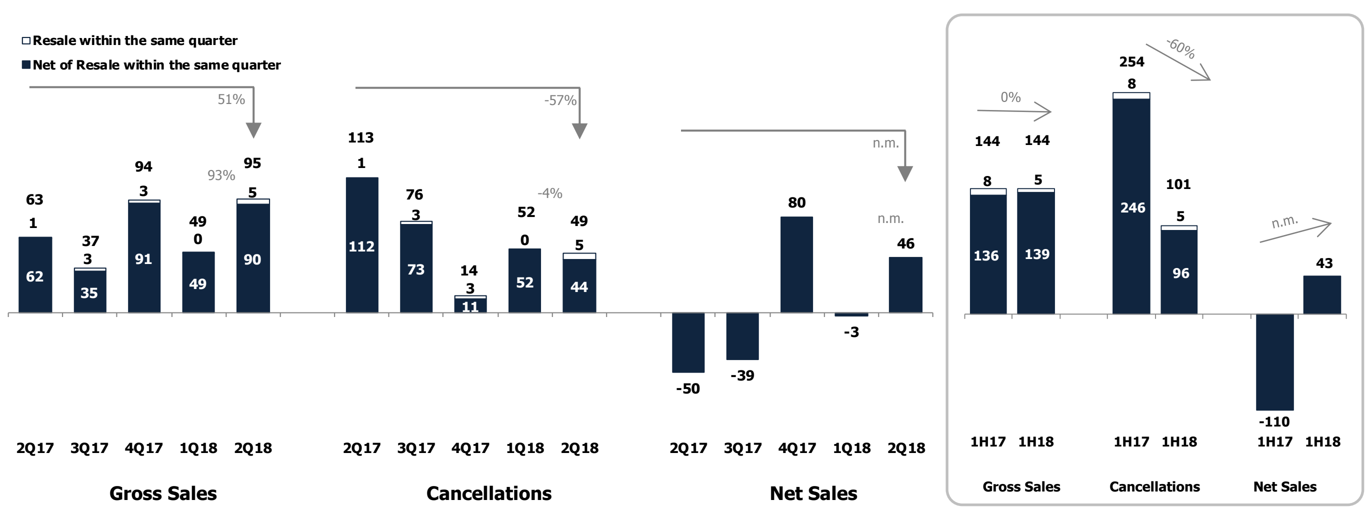
- As of the second quarter of this year, we changed the sales policy, so we also have resumed sales of encumbered units. Therefore, gross sales recorded a significant improvement, amounting to R$95 million, 93% over 1Q18 and 51% over 2Q17. In the first half, gross sales totaled R$144 million, in line with 1H17.

- Cash sales totaled R$23.4 million in 2Q18, accounting for 25% of the period gross sales. First-half cash sales amounted to R$40.8 million, which corresponded to 28% of gross sales in the semester.

- Total cancellations came to R$49 million in 2Q18, 4% down on 1Q18 and 57% down on 2Q17. In 1H18, the cancellations reached R$101 million, 60% below the amount noted in the 1H17. We continue to maintain the strategy to prioritize cancellations of unencumbered units and those with better market liquidity, which are, therefore, immediate cash-generating at the time of resale.

- Net sales totaled R$46 million in 2Q18, a significant improvement over 1Q18 and 2Q17. In the first half, net sales came to R$43 million.

Sales Performance – PSV %PDG in R$ million



Operating Performance – Cancellations and Resale

- Of total 2Q18 cancellations, 95% corresponded to projects with more than 60% of their units sold, reflecting the sales strategy adopted of prioritizing the cancellations of units with good market liquidity, which should represent a higher resale speed.

- In addition, 94% of second quarter cancellations corresponded to projects that had already been concluded.

Cancellations in 2Q18 by Percentage of Resale and Year of Delivery

PSV in R$ million

Percentage Sold	Concluded		2018 Delivery		2019 Delivery		Post 2019 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	-	-	-	-	-	-	-	-	-	-
21% to 40%	-	-	-	-	5	1.7	-	-	5	1.7
41% to 60%	-	-	-	-	-	-	2	0.8	2	0.8
61% to 80%	129	25.1	-	-	1	0.3	-	-	130	25.4
81% to 99%	84	21.7	-	-	-	-	-	-	84	21.7
TOTAL	**213**	**46.8**	**-**	**-**	**6**	**2.0**	**2**	**0.8**	**221**	**49.6**

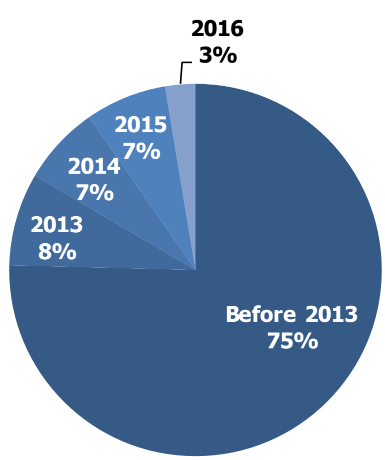
94%

95%

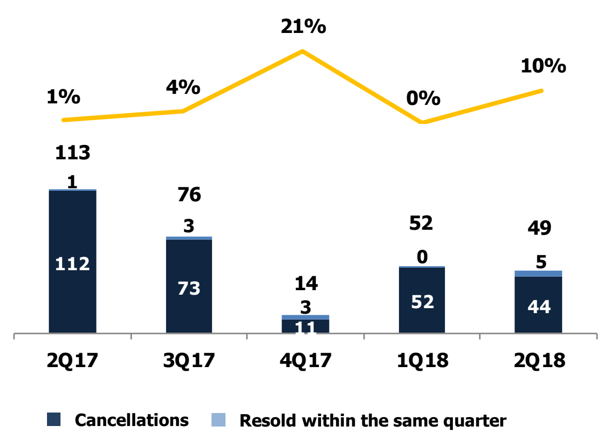
- Looking at the breakdown of cancellations by year of sale, we can see that 83% of cancellations in 2Q18 referred to units sold prior to 2014, i.e., when credit analysis criteria were less rigorous, and which, therefore, are more likely to lead to cancellation due to insufficient income.

- Of the R$49 million canceled in 2Q18, R$5 million (approximately 10%) were resold in the same quarter.

Cancellations by Year of Sale – %PSV – 2Q18



Cancellations and Resale Evolution – R$ million

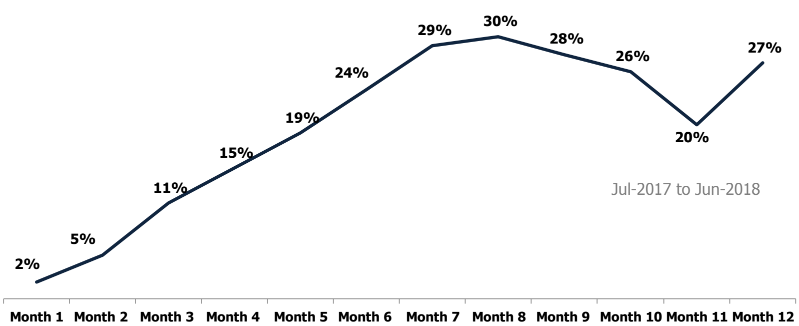


Operating Performance – Cancellations and Resale

- The resale curve recorded an average of 27% when accounting for 12 months after the cancellation.

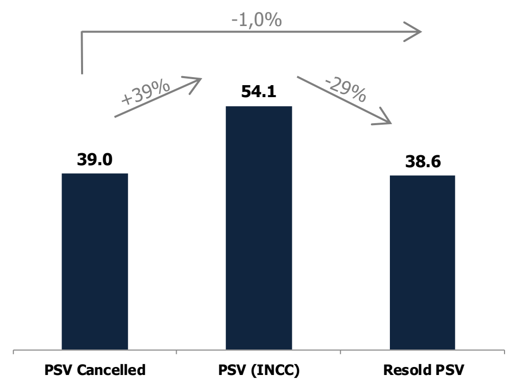
- The decline in resale price in relation to the accumulated inflation, between the original sale and the resale, is due to the restrictive economic moment and the granting of discounts, especially on cash sales. In the last 12 months, resale PSV has been 1% down on PSV from the original sale.

Average Resale Curve – units



Resale Price

Accrued in the last 12 months – R$ million



Operating Performance – Sales Speed (VSO) by Region

- Looking at the quarterly sales speed (VSO) in terms of inventory units effectively available, the ratio reached 5% in 2Q18, 2p.p above 2Q17.

- PDG's sales team was responsible for 72% of gross sales in 2Q18, and 71% of 1H18 gross sales.

Sales Speed (VSO) – R$ million

R$ million

	2Q17	3Q17	4Q17	1Q18	2Q18
Initial Inventory	**2,262**	**2,321**	**2,348**	**2,214**	**2,064**
(-) Cancellations	**0**	**0**	**0**	**0**	**0**
=Effective Inventory	**2,262**	**2,321**	**2,348**	**2,214**	**2,064**
(+) Launches	**0**	**0**	**0**	**0**	**0**
(-) Net Sales	-50	-39	80	-3	46
Gross Sales(1)	**63**	**37**	**94**	**49**	**95**
Cancellations(1)	113	76	14	52	49
(+) Adjustments (2)	**9**	**-12**	**-54**	**-153**	**-54**
Final Inventory	**2,321**	**2,348**	**2,214**	**2,064**	**1,964**
Quarterly Sales Speed (VSO) (Gross Sales)	**3%**	**2%**	**4%**	**2%**	**5%**
Quarterly Sales Speed (VSO) (Net Sales)	**n.a.**	**n.a.**	**3%**	**n.a.**	**2%**

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

(2) The negative adjustment of R$54 million in 2Q18 is mainly due to the price adjustment of some specific units and to discounts on sales.

Operating Performance – Sales Speed (VSO) by Region

- This quarter, the speed of sales by region showed improvement, reflecting the increase in gross sales occurred after the change in the Company's sales policy. The Southern and Midwest regions presented the best VSO (23% in 2Q18), due to the best sales performance in relation to its reduced inventory.

- Since the demand is still weakened, the commercial product continues with low market liquidity.

Sales Speed (VSO) by Region

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

VSO SP and RJ: 4%

VSO (ex-SP and RJ): 10%

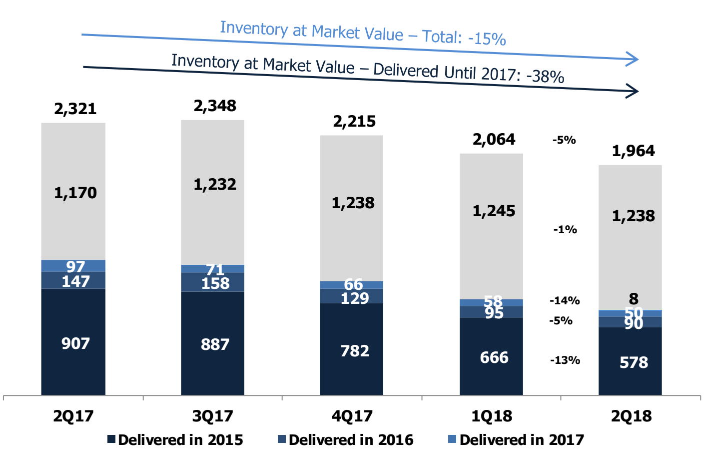
Operating Performance – Inventory

- Total inventory at market value closed 2Q18 in R$1.964 million, 5% down on the previous quarter. When compared to 2Q17, inventory at market value fell by 15%.

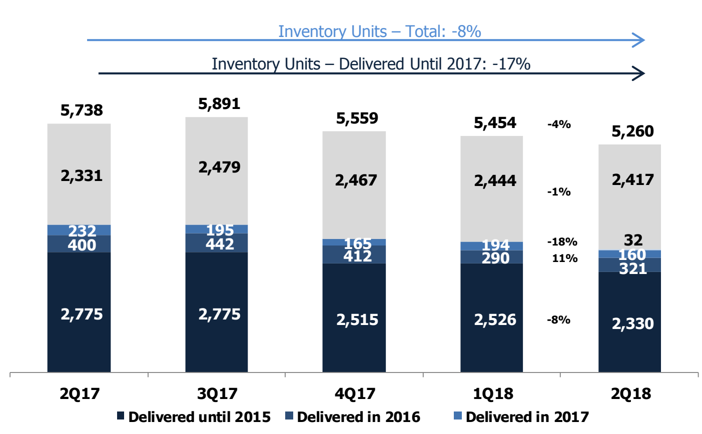
- Total inventory units decreased by 4% from 5,454 in 1Q18 to 5,260 in 2Q18. In the last 12 months, total inventory units recorded an increase of 8%.

- If we consider only those units delivered until the end of 2017, inventory PSV fell by 38% between 2Q17 and 2Q18, and the number of units fell by 17%.

Inventory at Market Value – R$ million



Inventory Units



Operating Performance – Inventory

- Inventory in the states of São Paulo and Rio de Janeiro currently corresponds to 56% of the Company's total inventory, excluding commercial units. Considering the residential units available, 55% is concentrated in projects that have more than 60% of their units sold, therefore, with a good market liquidity.

Inventory by Percentage of Sales and Region

PSV in R$ million

Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total			
	Unit	PSV	Unit	PSV	Unit	PSV	Unit	PSV	%	
SÃO PAULO	238	174.6	479	81.9	577	149.2	**1,294**	**405.6**	**33%**	**56%**
RIO DE JANEIRO	216	192.2	59	26.9	219	55.1	**494**	**274.2**	**23%**	
MG/ES	-	-	-	-	42	6.9	**42**	**6.9**	**1%**	
NORTH	115	45.2	113	84.4	457	123.8	**685**	**253.4**	**21%**	
NORTHEAST	493	134.9	-	-	154	69.9	**647**	**204.8**	**17%**	
SOUTH	-	-	-	-	58	17.0	**58**	**17.0**	**1%**	
MIDWEST	-	-	115	18.0	234	36.2	**349**	**54.2**	**4%**	
% Total (Ex- Commercial)		**45%**		**17%**		**38%**			**100%**	
TOTAL (Ex-Commercial)	**1,062**	**546.9**	**766**	**211.2**	**1,741**	**458.1**	**3,569**	**1,216.1**	**62%**	
COMMERCIAL	1,128	580.5	429	141.0	134	26.0	**1,691**	**747.5**	**38%**	**100% SP and RJ**
TOTAL	**2,190**	**1,127.4**	**1,195**	**352.2**	**1,875**	**484.1**	**5,260**	**1,963.6**	**100%**	
% Total		**57%**		**18%**		**25%**			**100%**	

55%

Inventory by Percentage of Sales and Year of Delivery

PSV in R$ million

Percentage Sold	Built		2018 Delivery		2019 Delivery		Post 2019 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	32	27.7	21	3.3	-	-	478	134.0	531	165.0
21% to 40%	-	-	-	-	167	71.0	534	348.2	701	419.2
41% to 60%	13	12.5	-	-	-	-	945	530.8	958	543.3
61% to 80%	928	202.6	-	-	154	65.2	113	84.4	1,195	352.2
81% to 99%	1,870	483.1	5	0.9	-	-	-	-	1,875	484.0
TOTAL	**2,843**	**725.9**	**26**	**4.2**	**321**	**136.2**	**2,070**	**1,097.4**	**5,260**	**1,963.6**

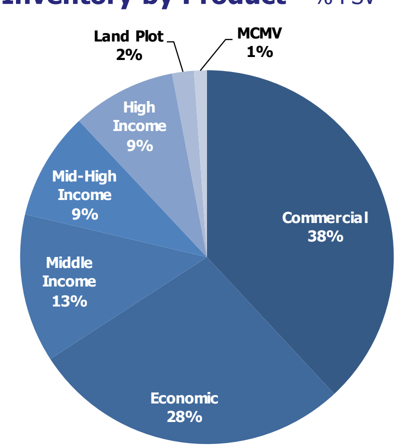
94% **43%**

- Presently, the Company's inventory presents the following characteristics: (i) 43% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 59% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units).

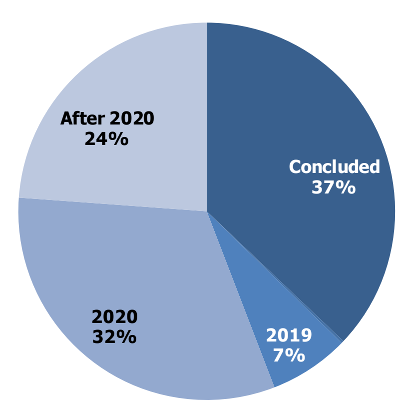
- Of the concluded inventory (R$725.8 million): (i) 62% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 94% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

- Of the inventory related to the ongoing projects (R$1,237.8 million): (i) 79% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 12% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



Operating Performance – Landbank

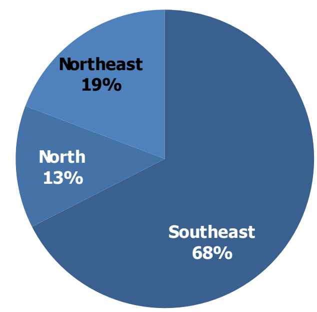
- The landbank closed 2Q18 with a potential PSV of R$1.7 billion (PDG's share), equivalent to 4,874 units.
- As a result of the sales and cancellations during this quarter, the landbank was reduced by 4 terrains, reflecting a R$367.5 million (21%) reduction in PSV when compared to 1Q18.
- The landbank that is not compatible with the Company's strategy is in the process of being canceled and sold, helping accelerate cost reductions, the payment of the installments foreseen in the Recovery Plan and monetizing assets for the Company's deleveraging process.

Landbank – Units and PSV

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

Landbank by Region

PSV %PDG



Operating Performance – Historical Data

- At the end of 2Q18, the Company had 18 projects in progress, equivalent to 4,540 units (PDG's share), 256 of which (6%) related to the Minha Casa Minha Vida program and 4,284 (94%) related to residential (excluding MCMV), commercial and land development units.

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

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

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

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

Obs.: Only projects under PDG management.

Operating Performance – Occupancy Permits

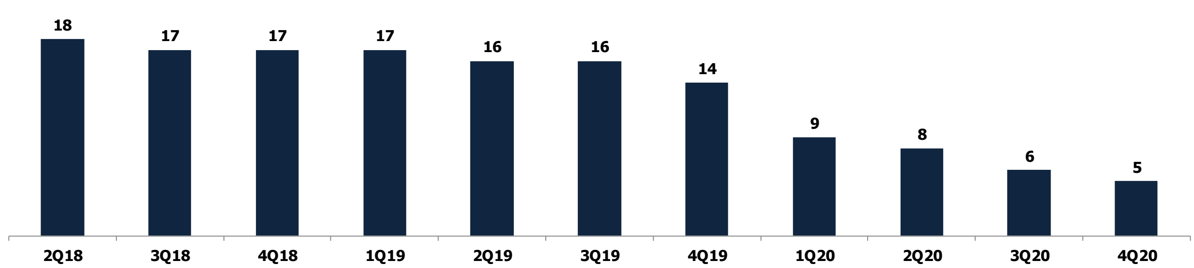
- In 2Q18, we obtained the occupancy permit for 1 projects managed by PDG, representing 518 units and total PSV of R$77.43 million.

2018 Deliveries - Occupancy Permits							
Project	**Occupancy Permit**	**Region**	**Product**	**Total PSV (R$ mn)**	**PDG PSV (R$ mn)**	**PDG Units**	**Average Price (R$ thous)**
Projects Managed by PDG							
TOTAL PDG 1Q18	-	-	-	-	-	-	-
VILLE SOLARE	2Q18	Belém	Economic	77.4	77.4	518	149.5
TOTAL PDG 2Q18	**1**	-	-	**77.4**	**77.4**	**518**	-
TOTAL 2018	**1**			**77.43**	**77.43**	**518**	-

Operating Performance – Occupancy Permit Schedule

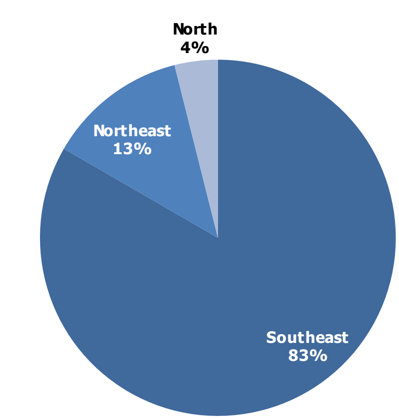
Projects in Progress – Occupancy Permit Schedule

- Taking into account the delivery of 1 project in 2Q18, the Company closed the quarter with 18 ongoing. In regards to the ongoing projects, 83% are located in the Southeast and 37% are residential projects (excluding MCMV, land development and commercial units).
- We expect to deliver 1 project in 3Q18.

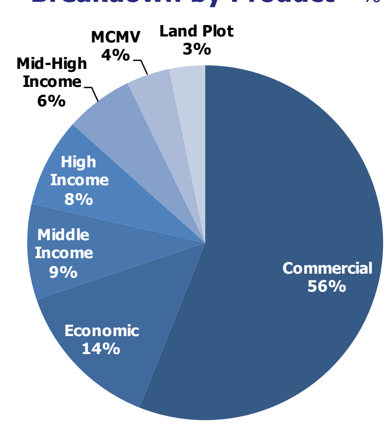


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV



Breakdown by Product – % PSV



Ville Solare – Belém / PA

- In the second quarter, we obtained the occupancy permit for the Ville Solare project in Belém/PA, near Parque Shopping (Mall).
- The residential project has 518 units, with a current average price of R$260 thousand.

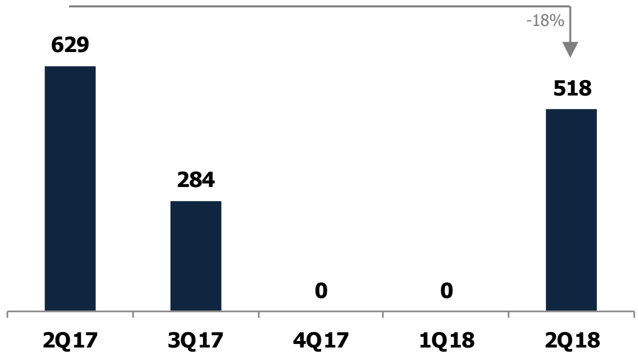
- Number of lifts: 2 per by tower
- Units per floor: 6 to 8
- Number of towers: 6
- Total units number: 518

Condominium Installation Meeting

- Total Land area: 20,032.76m²
- Number of floors: 12
- Private area: 53.22m² to 115.95m²
- Parking spots per unit: 1 to 2

Operating Performance – Title Individualizations

- We individualized 518 units in the 2Q18, an 18% decrease when compared to the 2Q17.

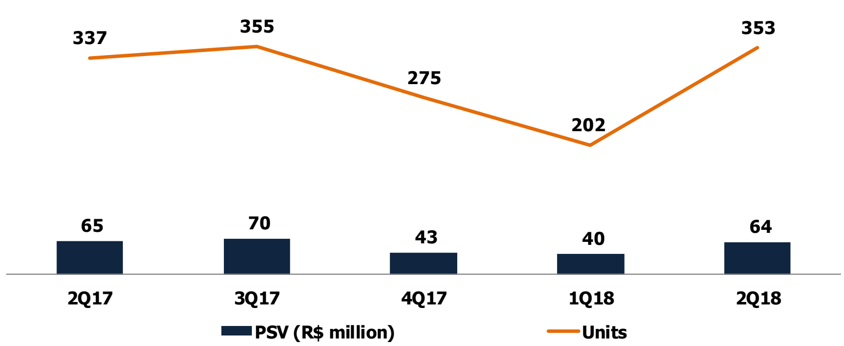


Operating Performance – Mortgage Transfers

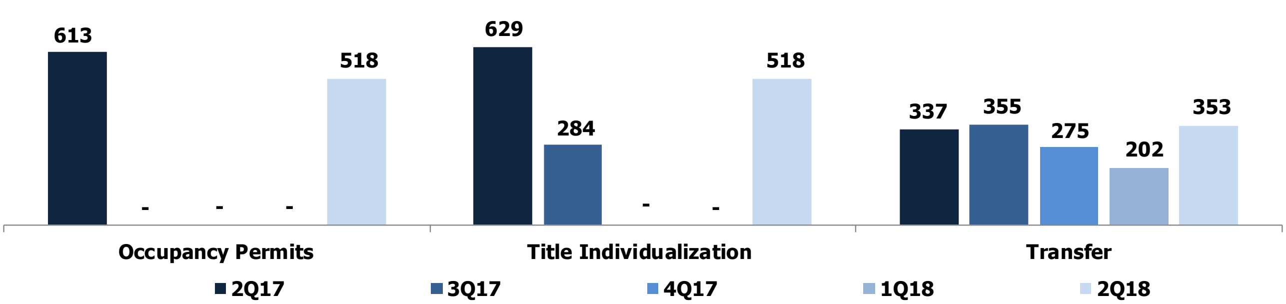
- During 2Q18, 353 units were transferred, equivalent to a PSV of R$64 million, a 75% increase in the number of units and a 60% in PSV when compared to 1Q18. The growth of transfers during this quarter is due to the improvement in sales in the period.

- Therefore, in the 1H18, 555 units were transferred, equivalent to a PSV of R$104 million.

Transfers by Quarter – PSV and units



Mortgage Transfer Cycle – units



Gross Margin

- During 2Q18, gross margin remained pressed, mainly due to the cash sale discounts granted, in order to accelerate the Company's cash inflow.

R$ million in IFRS

Gross Margin	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Net Revenues	170	158	7%	235	276	-15%
Cost	(215)	(101)	n.m.	(286)	(217)	32%
Gross Profit (Loss)	**(45)**	**57**	**n.m.**	**(51)**	**59**	**n.m.**
(+) Capitalized Interest	8	13	-35%	17	17	-1%
Adjusted Profit	**(37)**	**70**	**n.m.**	**(34)**	**76**	**n.m.**
Gross Margin	**n.a.**	**36.3%**	**n.m.**	**n.a.**	**21.5%**	**n.m.**
Adjusted Gross Margin	**n.a.**	**44.4%**	**n.m.**	**n.a.**	**27.6%**	**n.m.**

Backlog Result (REF)

- By the end of the quarter, the backlog margin was 19.2%, an 1.2 p.p decrease when compared to the 2Q17.
- The backlog recognition schedule is estimated at 27.0% in 2018, 38.7% in 2019 and 34.3% from 2020 on.

R$ million in IFRS

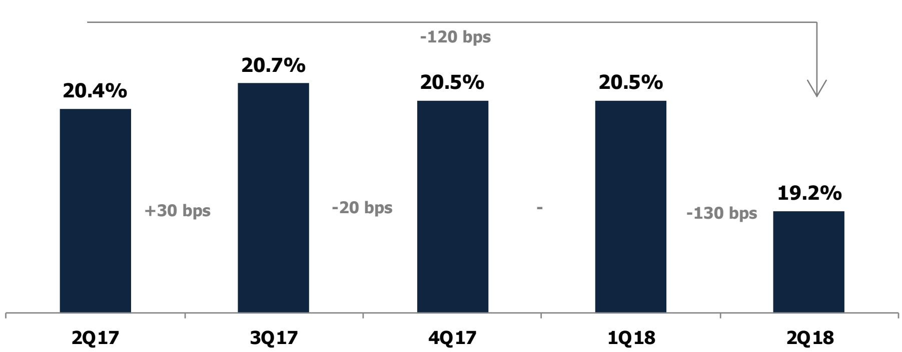
Backlog Results (REF)	2Q18	1Q18	4Q17
Gross Revenues	499	472	497
(-)Taxes *	(9)	(8)	(9)
Net Revenues - REF	490	464	488
(-) COGS	(396)	(369)	(388)
Gross Profit - REF	94	95	100
Gross Backlog Margin	***19.2%***	***20.5%***	***20.5%***
Capitalized Interest	11	11	10
Agre Goodwill	-	-	-
Adjusted Gross margin **	***16.9%***	***18.1%***	***18.4%***

* PIS and Cofins Estimate

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

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

Backlog Margin Trends (REF)



Backlog Result – Pre and Post 2012

- Projects launched after 2012, with an average gross margin of 23.4%, already represent 89% of total gross backlog profit.

R$ million in IFRS

Backlog Results (REF) (Pre and Post 2012 Projects)	Pre 2012	After 2012	2Q18
Net Revenues - REF	116	368	484
(-) COGS	(105)	(282)	(387)
Gross Profit - REF	11	86	97
Gross Backlog Margin	***9.5%***	***23.4%***	***20.0%***
Capitalized Interest	4	7	11
Agre Goodwill	-	-	-
Adjusted Gross margin	***6.0%***	***21.5%***	***17.8%***

Selling, General and Administrative Expenses (SG&A)

- PDG is still focused on reducing costs and adjusting its structure to the size of its operations aiming to improve its operational efficiency. In this regard, G&A expenses closed the second quarter 31% lower than in 2Q17. In 1H18, G&A expenses fell by 52% over 1H17.

- Selling expenses increased by 6% when comparing 2Q18 to 2Q17, and by 15% between 1H18 and 1H17. This increase refers to the recognition of commissions expenses related to cancellations occurring up to the end of 2Q18.

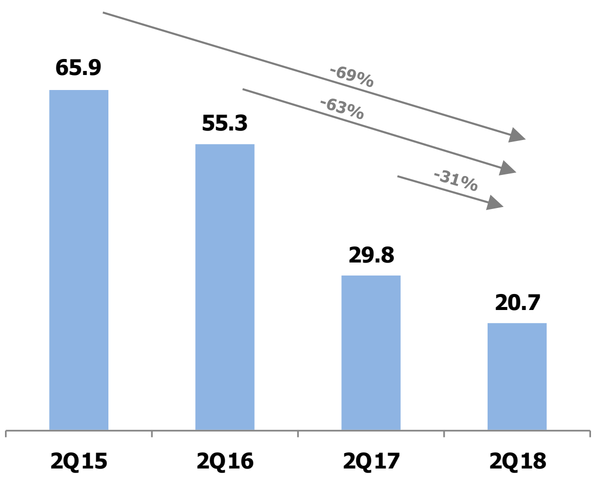
- In 2Q18, SG&A expenses closed the quarter 27% lower than 2Q17. In the half-year comparison, the SG&A reduction reached 43%

R$ million in IFRS

Commercial Expenses	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Total Commercial Expenses	**3.3**	**3.1**	**6%**	**12.6**	**11.0**	**15%**
G&A Expenses	**2Q18**	**2Q17**	**(%) Var.**	**1H18**	**1H17**	**(%) Var.**
Salaries and Benefits	13.0	16.1	-19%	21.5	36.1	-40%
Profit Sharing	0.0	0.0	n.m.	0.0	0.0	n.m.
Third Party Services	5.7	11.1	-49%	11.3	33.1	-66%
Other Admin. Expenses	2.0	2.6	-23%	3.7	6.7	-45%
Total G&A	**20.7**	**29.8**	**-31%**	**36.5**	**75.9**	**-52%**
Total SG&A	**24.0**	**32.9**	**-27%**	**49.1**	**86.9**	**-43%**

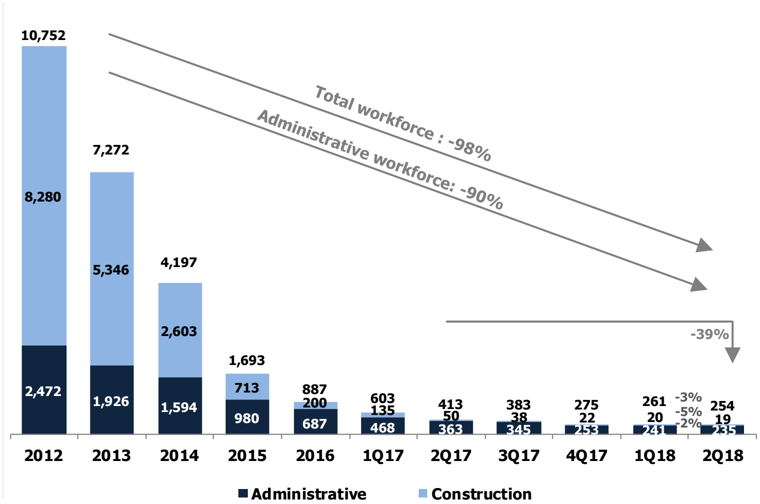
General and Administrative Expenses (G&A)

- For another consecutive quarter, the Company recorded a drop in its G&A. When compared to 2Q17, G&A expenses fell by 31%; compared to 2Q16 and 2Q15, the drop reached 63% and 69%, respectively.



Headcount

- We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 2Q18, we reduced our total workforce by 3% over 1Q18. When compared to the 2Q17, total workforce fell by 39%.



On and Off Balance Sheet Receivables and Cost to be Incurred

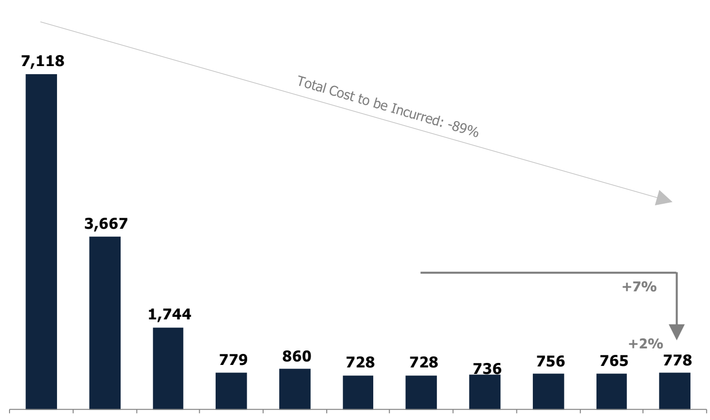
- We closed 2Q18 with total net receivables of R$1.1 billion, 1% higher on the previous quarter. This increase is due to the better sales performance and terrains sales during the quarter.
- Due to the more reduced pace of construction work and the correction by the INCC, the cost to be incurred increased 2% over 1Q18 and 3% over 4Q17. Since late 2012, the total cost to be incurred, which was R$7.1 billion, registered an 89% drop.

Accounts Receivable

R$ million in IFRS

On and Off Balance Receivables (R$ mn)	2Q18	1Q18	(%) Var.
Receivables *(on balance)*	801	818	-2%
Gross Backlog Revenues - REF	499	472	6%
Advances from Clients - sales installments	(63)	(64)	-2%
Advances from Clients - physical barter from launches	(102)	(99)	3%
Total Receivables (a)	**1,135**	**1,127**	**1%**
Cost to be Incurred - Sold Units	(396)	(369)	7%
Cost to be Incurred - Inventory Units	(382)	(396)	-4%
Total Costs to be Incurred (b)	**(778)**	**(765)**	**2%**
Total Net Receivables (a+b)	**357**	**362**	**-1%**
Short Term	**657**	**665**	**-1%**
Long Term	**144**	**153**	**-6%**
Total *Receivables (on balance)*	**801**	**818**	**-2%**
Constructed units	739	778	-5%
Units under constructions	396	349	13%
Total Receivables	**1,135**	**1,127**	**1%**

Costs to be Incurred – R$ million



Bank Debt (Extraconcursal)

- The Company's bank debt grew R$10 million between 1Q18 and 2Q18. This increase was due to the interests incurred in the period, after amortizations.

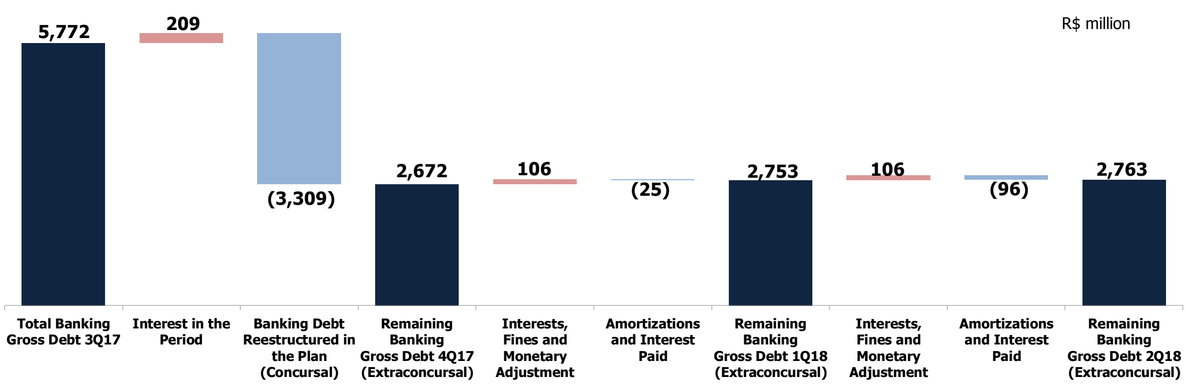
- During 2Q18, net debt increased R$5 million.

R$ million in IFRS

Indebtedness	2Q18	1Q18	(%) Var.
Cash	**226**	**221**	2%
SFH	764	763	0%
Debentures	189	180	5%
CCB/CRI	161	152	6%
Construction Financing	**1,114**	**1,095**	**2%**
Working Capital, SFI and Promissory Notes	348	358	-3%
Finep/Finame	6	5	20%
Debentures	305	296	3%
CCB/CRI	989	988	0%
Obligation for the issuance of CCB and CCI	1	11	-91%
Corporate Debt	**1,649**	**1,658**	**-1%**
Gross Debt	**2,763**	**2,753**	**0%**
Net Debt	**2,537**	**2,532**	**0%**
Net Debt (ex. Construction Financing)	**1,423**	**1,437**	**-1%**
Shareholders Equity *(1)*	**- 3,763**	**- 3,493**	**8%**
Net Debt (ex. SFH)/ Equity	**n.a.**	**n.a.**	**n.m.**

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

The New Debt Structure (Extraconcursal)



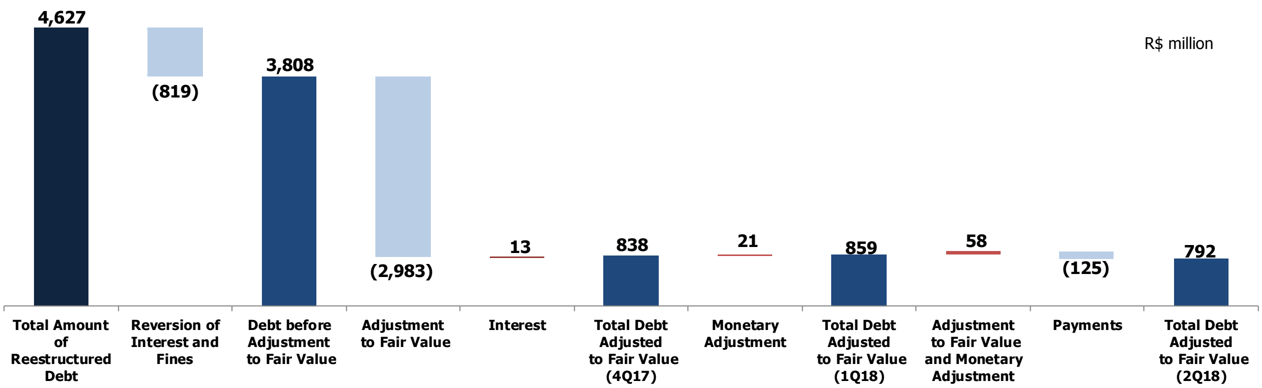
Net Debt Variation

R$ million in IFRS

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

Debt Subjected to the Reorganization Plan (Concursal)

- The debts subjected to the Reorganization Plan were reduced by 8%, going from R$859 million in the 1Q18 to R$792 million in the 2Q18. This reduction is explained by (i) the payment of the first of the six installments foreseen in the Plan, occurred in June, to creditors of classes I, III and IV, who chose the payment option "A" and (ii) the conversion of part of the debt into equity by means of a capital increase.



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

Financial Result

- During the first half, financial revenues totaled R$25.5 million, a 92% increase over 1H17. Gross financial expenses were reduced by 51%, from R$526 million in 1H17 to R$258 million in 1H18.

R$ million in IFRS

Financial Results (R$ mn)	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Investment Income	2.4	3.3	-27%	4.2	10.0	-58%
Interest and fines	31.8	9.4	n.m.	58.7	0.6	n.m.
Other financial revenue	(38.3)	2.3	n.m.	(37.4)	2.7	n.m.
Total financial revenues	**(4.1)**	**15.0**	**n.m.**	**25.5**	**13.3**	**92%**
Interest	(76.0)	(357.9)	-79%	(204.8)	(516.0)	-60%
Bank Expenses	0.2	(0.2)	n.m.	(0.3)	(0.5)	-40%
Other	(48.2)	(8.7)	n.m.	(52.5)	(32.7)	61%
Gross Financial Expenses	**(124.3)**	**(366.8)**	**-66%**	**(257.6)**	**(549.2)**	**-53%**
Capitalized Interest on Inventory	(5.7)	7.0	n.m.	1.4	16.0	-91%
Total Financial Expenses	**(130.0)**	**(359.8)**	**-64%**	**(256.2)**	**(533.2)**	**-52%**
Total Financial Result	**(134.1)**	**(344.8)**	**-61%**	**(230.7)**	**(519.9)**	**-56%**

Quarters ended on June 30st, 2018 and 2017

Income Statements (R$ '000) - IFRS	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Operating Gross Revenue						
Real Estate Sales	164,336	145,495	13%	234,918	272,909	-14%
Other Operating Revenues	7,004	5,107	37%	9,188	7,419	24%
(-) Revenues Deduction	(1,453)	7,595	n.m.	(8,722)	(4,115)	n.m.
Operating Net Revenue	**169,887**	**158,197**	**7%**	**235,384**	**276,213**	**-15%**
Cost of Sold Units	(206,905)	(87,954)	n.m.	(268,947)	(199,915)	35%
Interest Expenses	(8,438)	(12,883)	-35%	(16,682)	(16,878)	-1%
Cost of sold properties	**(215,343)**	**(100,837)**	**n.m.**	**(285,629)**	**(216,793)**	**32%**
Gross Income (loss)	**(45,456)**	**57,360**	**n.m.**	**(50,245)**	**59,420**	**n.m.**
Gross margin	***n.a.***	***36.3%***	**n.m.**	***n.a.***	***21.5%***	**n.m.**
Adjusted gross margin [(1)]	***n.a.***	***44.4%***	**n.m.**	***n.a.***	***27.6%***	**n.m.**
Operating Revenues (expenses):						
Equity Income	(378)	(920)	-59%	(3,916)	(900)	n.m.
General and Administrative	(20,665)	(29,799)	-31%	(36,464)	(75,877)	-52%
Commercial	(3,329)	(3,059)	9%	(12,567)	(10,977)	14%
Taxes	(1,229)	(4,158)	-70%	(1,408)	(12,655)	-89%
Depreciation & Amortization	(14,887)	(11,980)	24%	(56,745)	(18,626)	n.m.
Other	(136,364)	(368,451)	-63%	(227,168)	(399,456)	-43%
Financial Result	(134,144)	(344,828)	-61%	(230,650)	(519,965)	-56%
Total operating revenues (expenses)	**(310,996)**	**(763,195)**	**-59%**	**(568,918)**	**(1,038,456)**	**-45%**
Income before taxes	**(356,452)**	**(705,835)**	**-49%**	**(619,163)**	**(979,036)**	**-37%**
Income Taxes and Social Contribution	14,010	177,916	-92%	10,088	179,348	-94%
Income before minority stake	**(342,442)**	**(527,919)**	**-35%**	**(609,075)**	**(799,688)**	**-24%**
Minority interest	2,638	(4,493)	n.m.	8,958	(8,444)	n.m.
Net Income (loss)	**(339,804)**	**(532,412)**	**-36%**	**(600,117)**	**(808,132)**	**-26%**
Net margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

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

EBITDA	QUARTER			YTD		
	2Q18	2Q17	(%) Var.	1H18	1H17	(%) Var.
Income (loss) before taxes	(356,452)	(705,835)	-49%	(619,163)	(979,036)	-37%
(-/+) Financial Result	134,144	344,828	-61%	230,650	519,965	-56%
(+) Depreciation and Amortization	14,887	11,980	24%	56,745	18,626	n.m.
(+) Stock Option Plan	-	(13)	n.m.	-	(25)	-100%
(+) Interest Expenses - Cost of Sold Units	8,438	12,875	-34%	16,682	16,878	-1%
(-/+) Equity Income result	378	920	-59%	3,916	900	n.m.
EBITDA	**(198,605)**	**(335,245)**	**-41%**	**(311,170)**	**(422,700)**	**-26%**
EBITDA Margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

Consolidated Balance Sheet - ASSETS

On June 30st 2018, and March 31st 2018

ASSET (R$ '000)	2Q18	1Q18	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	225,950	220,940	2%
Accounts receivable	657,045	665,033	-1%
Properties held for sale	1,002,642	1,156,773	-13%
Prepaid expenses	-	-	n.m.
Accounts with related parties	19,509	27,529	-29%
Taxes to recover	22,275	23,972	-7%
Deferred income and social contribuition taxes	5,415	6,192	-13%
Total Current Assets	**1,932,836**	**2,100,439**	**-8%**
Noncurrent Assets			
Long-Term			
Accounts receivable	144,169	153,090	-6%
Properties held for sale	265,908	333,468	-20%
Deferred Taxes	15,597	14,291	9%
Taxes to recover	92,545	95,002	-3%
Accounts with related parties	74,214	75,113	-1%
Total Long-Term Assets	**592,433**	**670,964**	**-12%**
Permanent Assets			
Investments	44,026	47,032	-6%
Property and Equipament	495	683	-28%
Intangible	7,271	8,016	-9%
Total Permanent Assets	**51,792**	**55,731**	**-7%**
Total Noncurrent Assets	**644,225**	**726,695**	**-11%**
Total Assets	**2,577,061**	**2,827,134**	**-9%**

Consolidated Balance Sheet - LIABILITIES

PDG

On June 30st 2018, and March 31st 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	2Q18	1Q18	(%) Var.
Current			
Loans and financings	1,118,857	1,125,448	-1%
Debentures	493,414	476,099	4%
Obligation for the issuance of CCB & CCI	1,149,872	1,140,247	1%
Co-obligation for the issuance of CRI	1,259	11,115	-89%
Suppliers	158,533	115,438	37%
Payable obligations subject to the Reorganization Plan	98,260	181,086	-46%
Property acquisition obligations	11,222	11,168	0%
Advances from clients	142,772	139,790	2%
Taxes and contributions payable	38,824	41,076	-5%
Deferred taxes	20,313	24,486	-17%
Income and social contribution taxes	7,694	8,600	-11%
Accounts with related parties	14,342	14,049	2%
Other Provisions	99,577	108,144	-8%
Other Obligations	183,729	127,371	44%
Total Current	**3,538,668**	**3,524,117**	**0%**
Long-Term			
Payable obligations subject to the Reorganization Plan	693,774	678,248	2%
Property acquisition obligations	31,695	31,488	1%
Advances from clients	31,278	31,260	0%
Taxes and contributions payable	4,958	892	n.m.
Deferred taxes	1,035,963	1,053,469	-2%
Other Provision	598,827	586,852	2%
Other	404,594	413,478	-2%
Total Long-Term	**2,801,089**	**2,795,687**	**0%**
Shareholders' equity			
Subscribed capital	4,992,033	4,917,843	2%
Capital reserve	1,236,741	1,236,742	0%
Accumulated losses	(9,953,643)	(9,613,841)	4%
Minority interest	**(37,827)**	**(33,414)**	**13%**
Total Shareholders' equity	**(3,762,696)**	**(3,492,670)**	**8%**
Total liabilities and shareholders' equity	**2,577,061**	**2,827,134**	**-9%**