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

Quarterly Information as at
September 30, 2017

Contents

Message from Management

- Court-supervised Reorganization

Throughout the third quarter, we made efforts, together with our advisors, to adjust and strengthen the Court Reorganization Plan filled in June 2017. In this sense, after several meetings with our main creditors, a new and Consolidated Plan was filled on September 29th; therefore, completing another important step towards PDG´s restructuring process.

The consolidated Plan address the means of reorganization through which we believe it will be possible to sort out the current cash flow mismatch, maintain operational normality, an allow stalled works to resume.

The means of reorganization include: (i) PDG Group´s business resizing; (ii) debt restructuring subject to the Court Reorganization; (iii) raising new funds and (iv) the alienation of assets within the dynamics discussed in the Plan.

Since the filing of the Consolidated Plan, we have been directing efforts towards the Creditor´s Meeting preparation, which has its first meeting scheduled to November 22nd. After the conclusion of this important step, we will follow with the homologation, implementation and execution of the means of reorganization described in the Reorganization Plan.

The Company believes that, with the approval of the Consolidated Plan, it will be possible to equate its operations, equalize its cash flow necessities and resume its activities in a more efficient and sustainable manner.

Regarding the means of reorganization and the business resizing, the company is studying a new business scope, which considers our land bank potential and the current market trends.

- Operating Performance

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

With reference to cash preservation, we maintained the strategy adopted in the second quarter, whereby we started to prioritize the sale of unencumbered units, that is, units that allowed cash to be generated immediately, in addition to prioritizing the sale of units whose resources could be used to pay expenses of the SPE itself.

As a consequence, due to the sales strategy adopted, gross sales amounted to R$37 million in 3Q17, down 41% on 2Q17 and 90% below the amount recorded in 3Q16. Of the R$100.5 million sold as a result of this new strategy during 2Q17 and 3Q17, R$66.6 million relate to the sales of units whose resources can be used to pay the SPE's expenses, and R$33.9 million refer to the sales of units that generated free cash for the Company.

During 3Q17, the amount of cancelled contracts was R$76 million, 33% lower than that recorded in 2Q17 and 80% lower than in 3Q16. Even with the volume of cancelled contracts below that recorded in the last quarters, we continued to prioritize the cancelation of contracts of liquid and unencumbered units, which will generate free cash at the time of resale. Accounting for the 9M17, cancellations reached R$330 million, 65% lower than 9M16.

Therefore, due to the low volume of gross sales and contract cancellations in 3Q17, net sales were R$39 million negative in the period. In the year, net sales were negative in R$149 million.

This quarter, 355 units were transferred, corresponding to a PSV of R$70 million. During 9M17, 1,475 units (or PSV of R$268 million) were transferred. This decreased volume of transferred units resulted mainly from lower deliveries in the period, caused by the decreased pace of ongoing works, added by the smaller sales volume recorded during the quarter.

General and administrative expenses dropped 38% in 3Q17 over 3Q16. In 9M17, expenses were reduced by 33%, in line with the Company's goal of readjusting its operating structure.

Selling expenses decreased 92% in 3Q17 over 3Q16 and 84% when compared to the 9M16. This reduction arose mainly from the lack of launches and sales campaigns, in addition to the reduced sales volume.

In order to enjoy the benefits granted by the Tax Regularization Program (Programa de Regularização Tributária) and the Special Tax Regularization Program (Programa Especial de Regularização Tributária), the Company reassessed its liabilities and undertook the Program during the 2Q17 and 3Q17. Hence, reducing approximately R$104 million in taxes payable during the 3Q17 and over R$300 million since the adherence of the tax programs.

Taking into consideration the strategic and operational scope, we continue to take necessary actions to accelerate cash inflow, focusing on monetizing our assets, reducing costs and resizing our liabilities. These actions have helped the Company´s restructuring program and will continue to be within our main priorities.

Management.

A free translation from Portuguese into English of Independent auditor's review report on Quarterly Information prepared in Brazilian currency in accordance with rules issued by the Brazilian Securities Commission (CVM) applicable to Quarterly Information (ITR)

Independent auditor's review report on Quarterly Information, issued with disclaimer of conclusion

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

We were engaged to review the interim financial information, individual and consolidated, of PDG Realty S.A. Empreendimentos e Participações – under court-supervised reorganization (the "Company"), for the quarter ended September 30, 2017, which comprises the balance sheet as of September 30, 2017 and the related statements of operations and comprehensive loss for the three and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, including explanatory notes.

Company's Management is responsible for the preparation of the individual interim financial information in accordance with the Technical Pronouncement CPC21(R1) – *Demonstração Intermediária* ("CPC 21(R1)") and of the consolidated interim financial information in accordance with CPC21(R1) and IAS34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) ("IAS 34"), which considers the Technical Orientation OCPC04 related to the application of the Technical Interpretation ICPC02 to the Brazilian real estate development entities, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM") and by the Brazil's National Association of State Boards of Accounting ("CFC"), as well as for the presentation of this information in accordance with the standards issued by the CVM, applicable to the preparation of Quarterly Information – ITR Form. Our responsibility is to express a conclusion on this interim financial information based on our review. Due to the matters described in the section "Basis for disclaimer of conclusion", we were not able to obtain appropriate and sufficient evidence to provide a conclusion.

Scope of review

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

Basis for disclaimer of conclusion

1. As described in the Notes 1.b and 1.c, on February 22, 2017, the Company and certain subsidiaries filed at São Paulo State Court of Justice, the request to be under court-supervised reorganization. On March 27, 2017, at the Extraordinary General Meeting, the Company's shareholders approved the request to be under court-supervised reorganization of the Company and of certain subsidiaries. On June 6, 2017, the Management presented in the proceeding records, the court-supervised reorganization plan of the Company and of certain subsidiaries, which reflects the adjustments resulting from the recent negotiations among the Company and its creditors, and on September 29, 2017, it presented a new plan reflecting the adjustments resulting from the Company's negotiations with its creditors. On October 25, 2017, the creditors were convened by the Company's Management to the General Creditors' Meeting, to be firstly held on November 22, 2017 and, if necessary, to be secondly convened and held on November 30, 2017. The plan is concluded and approved in the proceeding records, nevertheless it may still be further improved and changed until the conclusion of the General Creditors' Meeting. Considering its financial situation and that the Company and its subsidiaries depend on the creditors and stakeholders' approval of the court-supervised reorganization plan, the operating continuity of the Company is still uncertain and will depend upon the conclusion and approval of the referred plan at the creditors' general meeting and, consequently, its further effective.

2. It should be mentioned that in the quarter ended September 30, 2017, the Company and its subsidiaries incurred in loss for the period, individual and consolidated, of R$1,107,294 thousand and R$1,097,862 thousand, respectively, in addition to presenting individual and consolidated negative working capital of R$4,636,663 thousand and R$4,262,380 thousand, respectively and individual and consolidated negative equity of R$4,479,456 thousand and R$4,486,341 thousand, respectively. This situation indicates the existence of relevant uncertainty that raises substantial doubt about the Company's and its subsidiaries' capacity to remain as a going concern and doubt about the basis for the preparation of the interim financial information, individual and consolidated. As of September 30, 2017, the Company's individual and consolidated assets and liabilities were classified and measured assuming normal continuity of the businesses.

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

4. Additionally, the individual and consolidated losses, incurred in the three and nine-month periods ended September 30, 2017, is overstated by R$194,395 thousand and R$202,134 thousand, respectively, as the Company recorded on its balance sheet as of then, untimely, certain adjustments that came from prior year. The untimely recognition of those adjustments regularized the balance sheet accounts, including the Company's equity in relation to that previously stated at December 31, 2016. Thus, the qualification is limited to the effects recorded in the statement of operations for the periods of three and nine-month ended on September 30, 2017. These facts shown significant deficiencies in the individual and consolidated interim financial information closing process.

5. As mentioned in Note 14.a, in the context of the Company and its subsidiary Vitelius Incorporadora Ltda. adhesion to the Tax Regularization Program ("PRT"), and of certain subsidiaries to the Special Tax Regularization Program ("PERT"), tax credits calculated on tax losses were recognized in the statement of operations for the three and nine-month periods then ended, in the amounts of R$87,164 thousand, Individual, of which R$64,879 thousand was transferred to its subsidiries, and R$232,142 thousand, Consolidated, also the credits were used to offset the tax liabilities that amounted to R$29,322 Individual, and, R$339,914 thousand, Consolidated. The program foresees the cancellation of the benefit of tax offsetting, with the consequent full charging of the tax debt, in certain cases and situations, including defaults, bankruptcy declared, among others, in addition to the fact that there is the need of approval for the adoption of adhesion to the program by the relevant federal authorities. There is significant uncertainty related to the fulfillment of the demanded requirements to keep attending of PRT and PERT, and about its full payment, considering the Company's and its subsidiaries' financial situation and also due to the uncertainties with regard to the approval and fulfillment of the court-supervised reorganization plan, as referred to in paragraphs 1 to 3 above.

6. As mentioned in Note 7.a, the Company has investments in Esperança Incorporadora Ltda., Torre de Ferrara Incorporadora Ltda., Torre de Rhodes Incorporadora Ltda., Gundel Incorporadora Ltda., Orion Incorporadora Ltda. and More Alphaville Empreendimentos Imobiliários Ltda. (subsidiaries), which are stated in the Company's individual interim financial information by the equity method and part of the consolidated financial information. However, we were unable to obtain sufficient and appropriate evidence for our conclusion referring to the balances of R$19,174 thousand of Investments, R$4,286 thousand (negative) of Provision for loss on investments and as zero balance referring to equity pickup result presented in the individual interim financial information. Consequently, we were also unable to obtain sufficient and appropriate evidence for our conclusion about the balances of assets and liabilities of these subsidiaries that were consolidated in the Company's consolidated interim financial information, which amounted to R$127,580 thousand and R$104,774 thousand, respectively, as well as about the zero result, for the three and nine-month periods ended September 30, 2017.

It was not possible for us to satisfy ourselves about fairness of the amounts of these investments and equity pickup result, as well as of assets, liabilities and consolidated loss for the period, through other review procedures. In view of this, due to the limited access to the accounting balances of these subsidiaries, we were unable to determine whether any adjustment would be necessary to the accounts of investments, provision for loss on investments, in the individual interim financial information, or to assets, liabilities and loss for the period, in the consolidated interim financial information, related to these subsidiaries.

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

Disclaimer of conclusion

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

Emphasis of matter

As described in Note 2, the interim financial information, individual and consolidated, has been prepared in accordance with the accounting standards adopted in Brazil (CPC 21 (R1)). The interim consolidated financial information prepared in accordance with IFRS, applicable to real estate development entities in Brazil (IAS 34, for interim information), additionally, consider, the Technical Orientation OCPC 04 issued by the CPC. This technical orientation addresses the revenue recognition of this industry and involves matters related to the meaning and application of the concept of continuous transfer of risks, rewards and control in real estate units, as described in more details in the explanatory Note 2 of the annual financial statements as of December 31st, 2016. Our conclusion is not modified due to this matter.

Other matters

Statements of value added

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

Correspondent balances

The audit of the balance sheets, individual and consolidated, as of December 31st, 2016 and the review of the interim financial information, individual and consolidated, for the quarter ended September 30, 2016, presented for comparison purposes, were conducted under other independent auditors’ responsibility who issued an audit report with disclaimer of opinion due to the significant uncertainty on the use of the assumption of continuity for the preparation of the financial statements and to the court-supervised reorganization plan status, as described in the section Basis for disclaimer of opinion originally issued, and a review report with disclaimer of conclusion due to the same matter described above and presented in the section Basis for disclaimer of conclusion, on March 29th, 2017 and November 14th, 2016, respectively.

São Paulo, November 1, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

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

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

Composition of capital stock

Number of shares (thousand)	Current quarter 09/30/2017
Common shares from paid-in capital	49,192
Preferred – Of the Paid-up Capital	-
Total from paid-in capital	49,192
Common shares – in treasury	-
Preferred shares – in treasury	-
Total – in treasury	-

Balance Sheet - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 09/30/2017	Previous year-end 12/31/2016
1	Total Assets	2,133,845	2,278,195
1.01	Current Assets	83,682	80,943
1.01.01	Cash and Cash Equivalents	4,317	5,931
1.01.01.01	Cash and Banks	741	329
1.01.01.02	Financial Investments	3,576	5,602
1.01.02	Financial Investments	2,347	-
1.01.02.01	Financial Investments Assessed at Fair Value	2,347	-
1.01.02.01.01	Securities for Transaction	2,347	-
1.01.03	Accounts Receivable	22,194	17,775
1.01.03.01	Clients	22,194	17,775
1.01.04	Inventories	30,148	36,543
1.01.04.01	Property Inventories Held for Sale	30,148	36,543
1.01.06	Tax Recoverable	10,309	11,334
1.01.06.01	Current Tax Recoverable	10,309	11,334
1.01.08	Other Current Assets	14,367	9,360
1.01.08.03	Other	14,367	9,360
1.01.08.03.06	Intercompany Loan Agreement	3,153	2,723
1.01.08.03.07	Other Assets	11,214	6,637
1.02	Noncurrent Assets	2,050,163	2,197,252
1.02.01	Long-term Realizable Asset	8,375	23,167
1.02.01.03	Accounts Receivable	4,675	6,986
1.02.01.03.01	Clients	4,675	6,986
1.02.01.04	Inventories	3,700	3,651
1.02.01.04.01	Property Inventories Held for Sale	3,700	3,651
1.02.01.09	Other Noncurrent Assets	-	12,530
1.02.01.09.03	Current Account with Partners in Ventures	-	12,530
1.02.02	Investments	2,014,386	2,140,807
1.02.02.01	Corporate Interest	2,014,386	2,140,807
1.02.02.01.01	Interest in Associates	6,342	6,835
1.02.02.01.02	Interest in Subsidiaries	1,999,524	2,068,870
1.02.02.01.04	Other Corporate Interest	8,520	65,102
1.02.03	Fixed Assets	1,310	1,818
1.02.03.01	Fixed Assets under Operation	1,310	1,818
1.02.04	Intangible	26,092	31,460
1.02.04.01	Intangible	26,092	31,460

Balance Sheet - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 09/30/2017	Previous year-end 12/31/2016
2	Total Liabilities	2,133,845	2,278,195
2.01	Current Liabilities	4,720,345	3,207,235
2.01.01	Social and Labor Liabilities	2,308	861
2.01.01.02	Labor Liabilities	2,308	861
2.01.02	Suppliers	23,646	22,952
2.01.02.01	National Suppliers	23,646	22,952
2.01.03	Tax Liabilities	5,428	1,301
2.01.03.01	Federal Tax Liabilities	5,428	1,301
2.01.03.01.02	Deferred Tax Liabilities	1,155	543
2.01.03.01.05	Tax Installment	3,812	284
2.01.03.01.06	Other Current Liabilities	461	474
2.01.04	Loans and Financing	2,424,920	1,591,755
2.01.04.01	Loans and Financing	490,180	45,398
2.01.04.01.01	In National Currency	490,180	45,398
2.01.04.02	Debentures	1,934,740	1,546,357
2.01.05	Other Liabilities	2,248,234	1,557,532
2.01.05.02	Other	2,248,234	1,557,532
2.01.05.02.04	Property Acquisition Liabilities	1,607	4,517
2.01.05.02.05	Advance from Clients	34	34
2.01.05.02.09	Other Liabilities	20,477	10,606
2.01.05.02.10	CCB/CCI Issue Liability	2,226,116	1,542,375
2.01.06	Provisions	15,809	32,834
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	15,705	32,736
2.01.06.01.05	Provision for Contingencies	15,705	32,736
2.01.06.02	Other Provisions	104	98
2.01.06.02.01	Provisions for Guarantees	104	98
2.02	Noncurrent Liability	1,892,956	2,443,159
2.02.01	Loans and Financing	-	420,010
2.02.01.01	Loans and Financing	-	385,401
2.02.01.01.01	In National Currency	-	385,401
2.02.01.02	Debentures	-	34,609
2.02.02	Other Liabilities	1,854,602	1,980,215
2.02.02.02	Other	1,854,602	1,980,215
2.02.02.02.08	Current Account with Partners in Ventures	142,536	116,549
2.02.02.02.09	CCB/CCI Issue Liability	-	499,595
2.02.02.02.10	Tax Installment	1,466	-
2.02.02.02.15	Other Liabilities	1,710,600	1,364,071
2.02.04	Provisions	38,354	42,934
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	37,839	42,487
2.02.04.01.09	Provision for Contingencies	37,839	42,487
2.02.04.02	Other Provisions	515	447
2.02.04.02.01	Provisions for Guarantees	515	447
2.03	Net Equity	(4,479,456)	(3,372,199)
2.03.01	Realized Share Capital	4,917,843	4,917,843
2.03.02	Capital Reserves	1,236,743	1,236,706
2.03.02.01	Goodwill in Issue of Shares	1,206,746	1,206,746
2.03.02.04	Options Granted	29,997	29,960
2.03.05	Retained Earnings (Accumulated Losses)	(10,634,042)	(9,526,748)

Income Statement - Parent Company
(Thousands of Reais)

Account Code	Account Description	Current Quarter 07/01/2017 to 09/30/2017	Current Year-End Accrual 01/01/2017 to 09/30/2017	Same Quarter as the Previous Year-End 07/01/2016 to 09/30/2016	Previous Year-End Accrual 01/01/2016 to 09/30/2016
3.01	Revenue from Sale of Goods and/or Services	257	1,097	4,621	13,075
3.02	Cost of Goods and/or Services Sold	(4,660)	(9,647)	(2,840)	(10,154)
3.03	Gross Income	(4,403)	(8,550)	1,781	2,921
3.04	Operating Expenses/Income	(98,008)	(558,173)	(1,570,382)	(2,402,164)
3.04.01	Expenses with Sales	-	(76)	(406)	(2,012)
3.04.02	General and Administrative Expenses	(16,191)	(51,526)	(12,799)	(41,425)
3.04.04	Other Operating Income	-	-	-	802
3.04.04.02	Other	-	-	-	802
3.04.05	Other Operating Expenses	(12,961)	(123,608)	(191,506)	(371,063)
3.04.05.01	Tax Expenses	561	(17,031)	(56)	(375)
3.04.05.02	Depreciation/Amortization	(1,821)	(9,323)	(21,072)	(27,369)
3.04.05.04	Losses in Equity Interests	-	-	-	(127,767)
3.04.05.05	Other	(11,701)	(97,254)	(170,378)	(215,552)
3.04.06	Equity Income	(68,856)	(382,963)	(1,365,671)	(1,988,466)
3.05	Income Before Financial Income (Expense) and Taxes	(102,411)	(566,723)	(1,568,601)	(2,399,243)
3.06	Financial Income (Expenses)	(205,017)	(637,395)	(148,834)	(468,304)
3.06.01	Financial Income	(2,143)	2,494	7,833	14,279
3.06.02	Financial Expenses	(202,874)	(639,889)	(156,667)	(482,583)
3.07	Income Before Taxes on Profit	(307,428)	(1,204,118)	(1,717,435)	(2,867,547)
3.08	Income Tax and Social Contribution on Profit	8,266	96,824	(111)	(479)
3.08.01	Current	-	1,604	(111)	(479)
3.08.02	Deferred	8,266	95,220	-	-
3.09	Net Income from Continuing Operations	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)
3.11	Profit/Loss for the Period	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)
3.99	Earnings per Share – (Reais/Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	ON	(6.08152)	(22.50964)	(34.91515)	(58.30269)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	(6.08152)	(22.50964)	(34.91515)	(58.30269)

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

Account Code	Account Description	Current Quarter 07/01/2017 to 09/30/2017	Current Year-End Accrual 01/01/2017 to 09/30/2017	Same Quarter as the Previous Year-End 07/01/2016 to 09/30/2016	Previous Year-End Accrual 01/01/2016 to 09/30/2016
4.01	Net Profit for the Period	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)
4.03	Comprehensive Income (Loss) for the Period	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)

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

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 09/30/2017	Previous Year-End Accrual 01/01/2016 to 09/30/2016
6.01	Net Cash from Operating Activities	18,509	(39,883)
6.01.01	Cash Flow from Operations	(26,812)	(177,757)
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	(1,204,118)	(2,867,547)
6.01.01.02	Depreciation and Amortization	9,323	27,369
6.01.01.03	Gains/Losses in Equity Interests	-	127,767
6.01.01.05	Financial Expenses Interest Payable and Monetary Variation	637,627	475,273
6.01.01.07	Allocation of Expenses with Sale Stands	-	32
6.01.01.08	Expenses with Stock Option	37	1,090
6.01.01.09	Impairment Write-off on Goodwill, Interest and Property Inventory	1,760	-
6.01.01.11	Equity	382,963	1,988,466
6.01.01.13	Provision for Guarantee and Contingencies	(21,605)	71,516
6.01.01.14	Other	166,410	(1,691)
6.01.01.15	Provision for Equity in Income	960	-
6.01.01.16	Estimated Losses on Doubtful Credits	(169)	(32)
6.01.02	Variations in Assets and Liabilities	70,306	372,204
6.01.02.02	Intercompany Loans Receivable	(149)	6,594
6.01.02.03	Accounts Receivable	(1,939)	8,908
6.01.02.05	Taxes Recoverable	-	(942)
6.01.02.06	Property Inventories Held for Sale	6,227	20,575
6.01.02.09	Current Account with Partners in Ventures	38,517	-
6.01.02.13	Advances from Clients	-	34
6.01.02.14	Property Acquisition Liabilities	-	4,391
6.01.02.16	Tax and Labor Liabilities	13,564	4,509
6.01.02.17	Suppliers	694	1,888
6.01.02.20	Other	13,392	326,247
6.01.03	Other	(24,985)	(234,330)
6.01.03.01	Income Tax and Social Contribution	(1,924)	(176)
6.01.03.02	Interest Paid on Loans	(23,061)	(234,154)
6.02	Net Cash from Investing Activities	(2,858)	271,495
6.02.01	Shareholding (Increase) Decrease in Associates and Subsidiaries	-	(398,270)
6.02.03	Intangible	(181)	(411)
6.02.04	Advance for Future Capital Increase	-	670,517
6.02.07	Financial Investments	(2,347)	-
6.02.08	Assets Acquisition	(330)	(341)
6.03	Net Cash from Financing Activities	(17,265)	(238,455)
6.03.01	Loans Raising	60,182	147,960
6.03.02	Loan Amortizations	(77,447)	(386,415)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(1,614)	(6,843)
6.05.01	Cash and Cash Equivalents Initial Balance	5,931	17,488
6.05.02	Cash and Cash Equivalents Final Balance	4,317	10,645

Statements of changes in shareholders' equity - Parent Company - 01/01/2017 - 09/30/2017
(Thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Stock Options Granted and Treasury Shares	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Net Equity
5.01	Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)
5.02	Prior Year Adjustments	-	-	-	2	-	2
5.03	Adjusted Initial Balances	4,917,843	1,236,706	-	(9,526,748)	-	(3,372,199)
5.04	Capital Transactions with Shareholders	-	37	-	-	-	37
5.04.03	Recognized Options Granted	-	37	-	-	-	37
5.05	Total Comprehensive Income	-	-	-	(1,107,294)	-	(1,107,294)
5.05.01	Net Profit for the Period	-	-	-	(1,107,294)	-	(1,107,294)
5.07	Final Balances	4,917,843	1,236,743	-	(10,634,042)	-	(4,479,456)

Statements of changes in shareholders' equity - Parent Company - 01/01/2016 - 09/30/2016

(Thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Stock Options Granted and Treasury Shares	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Net Equity
5.01	Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255
5.03	Adjusted Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255
5.04	Capital Transactions with Shareholders	-	1,090	-	-	-	1,090
5.04.03	Recognized Options Granted	-	1,090	-	-	-	1,090
5.05	Total Comprehensive Income	-	-	-	(2,868,026)	-	(2,868,026)
5.05.01	Net Profit for the Period	-	-	-	(2,868,026)	-	(2,868,026)
5.07	Final Balances	4,917,843	1,236,435	-	(7,086,959)	-	(932,681)

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

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 09/30/2017	Previous Year-End Accrual 01/01/2016 to 09/30/2016
7.01	Revenue	1,936	14,349
7.01.01	Sales of Goods, Products and Services	1,793	11,008
7.01.02	Other Revenues	143	3,341
7.02	Inputs Acquired from Third Parties	(150,927)	(372,836)
7.02.01	Cost of Products, Goods and Services Sold	(9,647)	(10,154)
7.02.02	Materials, Power, Third-Party Services and Other	(44,026)	(20,165)
7.02.03	Asset Value Loss/Recovery	-	(127,767)
7.02.04	Other	(97,254)	(214,750)
7.03	Gross Added Value	(148,991)	(358,487)
7.04	Retentions	(9,323)	(27,369)
7.04.01	Depreciation, Amortization and Depletion	(9,323)	(27,369)
7.05	Net Added Value Produced	(158,314)	(385,856)
7.06	Added Value Received in Transfer	(380,469)	(1,974,187)
7.06.01	Equity Income	(382,963)	(1,988,466)
7.06.02	Financial Income	2,494	14,279
7.07	Total Added Value to Distribute	(538,783)	(2,360,043)
7.08	Distribution of Added Value	(538,783)	(2,360,043)
7.08.01	Personnel	6,550	18,927
7.08.01.01	Direct Remuneration	6,138	17,322
7.08.01.02	Benefits	154	328
7.08.01.03	FGTS – Government Severance Indemnity Fund for Employees	258	1,277
7.08.02	Taxes, Rates and Contributions	(77,928)	6,400
7.08.02.01	Federal	(77,928)	6,180
7.08.02.03	Municipal	-	220
7.08.03	Debt Remuneration	639,889	482,656
7.08.03.01	Interest	637,627	475,273
7.08.03.02	Rent	-	73
7.08.03.03	Other	2,262	7,310
7.08.04	Remuneration on Own Capital	(1,107,294)	(2,868,026)
7.08.04.03	Retained Profit (Loss) for the Period	(1,107,294)	(2,868,026)

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 09/30/2017	Previous year-end 12/31/2016
1	Total Assets	3,917,425	4,651,014
1.01	Current Assets	2,665,600	2,704,206
1.01.01	Cash and Cash Equivalents	160,994	200,973
1.01.01.01	Cash and Banks	55,345	49,482
1.01.01.02	Financial Investments	105,649	151,491
1.01.02	Financial Investments	64,406	-
1.01.02.01	Financial Investments Assessed at Fair Value	64,406	-
1.01.02.01.01	Securities for Transaction	64,406	-
1.01.03	Accounts Receivable	1,063,207	1,249,963
1.01.03.01	Clients	1,063,207	1,249,963
1.01.04	Inventories	1,299,427	1,166,612
1.01.04.01	Property Inventories Held for Sale	1,299,427	1,166,612
1.01.06	Tax Recoverable	29,279	44,117
1.01.06.01	Current Tax Recoverable	29,279	44,117
1.01.07	Prepaid Expenses	7,239	7,763
1.01.07.01	Unallocated Expenses	7,239	7,763
1.01.08	Other Current Assets	41,048	34,778
1.01.08.03	Other	41,048	34,778
1.01.08.03.06	Intercompany Loan Agreement	26,436	24,564
1.01.08.03.10	Deferred Taxes	14,612	10,214
1.02	Noncurrent Assets	1,251,825	1,946,808
1.02.01	Long-term Realizable Asset	1,148,514	1,762,472
1.02.01.03	Accounts Receivable	414,506	772,702
1.02.01.03.01	Clients	414,506	772,702
1.02.01.04	Inventories	526,084	706,102
1.02.01.04.01	Property Inventories Held for Sale	526,084	706,102
1.02.01.09	Other Noncurrent Assets	207,924	283,668
1.02.01.09.03	Current Account with Partners in Ventures	72,262	60,165
1.02.01.09.10	Other Receivables	125,501	223,503
1.02.01.09.13	Current Tax Recoverable	10,161	-
1.02.02	Investments	47,785	49,012
1.02.02.01	Corporate Interest	47,785	49,012
1.02.02.01.01	Interest in Associates	47,785	49,012
1.02.03	Fixed Assets	14,901	27,640
1.02.03.01	Fixed Assets under Operation	14,901	27,640
1.02.04	Intangible	40,625	107,684
1.02.04.01	Intangible	40,625	107,684

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 09/30/2017	Previous year-end 12/31/2016
2	Total Liabilities	3,917,425	4,651,014
2.01	Current Liabilities	6,927,980	5,807,432
2.01.01	Social and Labor Liabilities	38,651	44,798
2.01.01.02	Labor Liabilities	38,651	44,798
2.01.02	Suppliers	290,238	251,319
2.01.02.01	National Suppliers	290,238	251,319
2.01.03	Tax Liabilities	77,376	283,804
2.01.03.01	Federal Tax Liabilities	77,376	283,804
2.01.03.01.01	Income and Social Contribution Taxes Payable	8,757	97,562
2.01.03.01.02	Deferred Tax Liabilities	30,002	45,483
2.01.03.01.05	Tax Installment	27,851	4,198
2.01.03.01.06	Other Current Liabilities	10,766	136,561
2.01.04	Loans and Financing	3,258,802	2,559,948
2.01.04.01	Loans and Financing	1,324,063	1,013,591
2.01.04.01.01	In National Currency	1,324,063	1,013,591
2.01.04.02	Debentures	1,934,739	1,546,357
2.01.05	Other Liabilities	2,861,302	2,278,978
2.01.05.02	Other	2,861,302	2,278,978
2.01.05.02.04	Property Acquisition Liabilities	72,265	85,825
2.01.05.02.05	Advance from Clients	133,034	188,928
2.01.05.02.06	Current Account with Partners in Ventures	8,223	5,798
2.01.05.02.07	Joint Liability for Assignment of Receivables	16,106	24,411
2.01.05.02.09	Other Liabilities	129,478	162,472
2.01.05.02.10	CCB/CCI Issue Liability	2,496,793	1,811,544
2.01.05.02.11	Intercompany Loan Agreement	5,403	-
2.01.06	Provisions	401,611	388,585
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	349,021	336,757
2.01.06.01.05	Provision for Contingencies	349,021	336,757
2.01.06.02	Other Provisions	52,590	51,828
2.01.06.02.01	Provisions for Guarantees	52,590	51,828
2.02	Noncurrent Liabilities	1,475,786	2,258,082
2.02.01	Loans and Financing	-	422,180
2.02.01.01	Loans and Financing	-	387,571
2.02.01.01.01	In National Currency	-	387,571
2.02.01.02	Debentures	-	34,609

Balance Sheet - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 09/30/2017	Previous year-end 12/31/2016
2.02.02	Other Liabilities	643,862	1,064,589
2.02.02.02	Other	643,862	1,064,589
2.02.02.02.03	Advance from Clients	82,390	72,368
2.02.02.02.04	Property Acquisition Liabilities	60,658	34,701
2.02.02.02.05	Deferred Tax Liabilities	48,696	44,919
2.02.02.02.08	Current Account with Partners in Ventures	156,020	131,615
2.02.02.02.09	CCB/CCI Issue Liability	-	501,040
2.02.02.02.10	Tax Installment	2,489	24,667
2.02.02.02.15	Other Liabilities	293,609	255,279
2.02.04	Provisions	831,924	771,313
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	792,624	720,423
2.02.04.01.09	Provision for Contingencies	792,624	720,423
2.02.04.02	Other Provisions	39,300	50,890
2.02.04.02.01	Provisions for Guarantees	39,300	50,890
2.03	Consolidated Net Equity	(4,486,341)	(3,414,500)
2.03.01	Realized Share Capital	4,917,843	4,917,843
2.03.02	Capital Reserves	1,236,743	1,236,706
2.03.02.01	Goodwill in Issue of Shares	1,206,746	1,206,746
2.03.02.04	Options Granted	29,997	29,960
2.03.05	Retained Earnings (Accumulated Losses)	(10,634,042)	(9,526,748)
2.03.09	Noncontrolling Interests	(6,885)	(42,301)

Income Statement - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Quarter 07/01/2017 to 09/30/2017	Current Year-End Accrual 01/01/2017 to 09/30/2017	Same Quarter as the Previous Year-End 07/01/2016 to 09/30/2016	Previous Year-End Accrual 01/01/2016 to 09/30/2016
3.01	Revenue from Sale of Goods and/or Services	15,225	291,438	(84,254)	175,365
3.02	Cost of Goods and/or Services Sold	(30,477)	(247,269)	(326,010)	(658,701)
3.03	Gross Income	(15,252)	44,169	(410,264)	(483,336)
3.04	Operating Expenses/Income	(125,851)	(644,343)	(1,146,713)	(1,820,972)
3.04.01	Expenses with Sales	(2,242)	(13,219)	(27,546)	(83,338)
3.04.02	General and Administrative Expenses	(29,337)	(105,214)	(47,134)	(157,238)
3.04.04	Other Operating Income	-	-	-	17,196
3.04.04.02	Other	-	-	-	17,196
3.04.05	Other Operating Expenses	(94,379)	(525,117)	(1,069,068)	(1,597,406)
3.04.05.01	Tax Expenses	(3,245)	(15,900)	(1,446)	(7,524)
3.04.05.02	Depreciation/Amortization	(5,597)	(24,223)	(29,693)	(57,713)
3.04.05.04	Losses in Equity Interests	(5,993)	(29,957)	(71,061)	(214,087)
3.04.05.05	Other	(79,544)	(455,037)	(966,868)	(1,318,082)
3.04.06	Equity Income	107	(793)	(2,965)	(186)
3.05	Income Before Financial Income (Expense) and Taxes	(141,103)	(600,174)	(1,556,977)	(2,304,308)
3.06	Financial Income (Expenses)	(190,283)	(710,248)	(171,913)	(549,035)
3.06.01	Financial Income	17,908	31,205	31,350	96,393
3.06.02	Financial Expenses	(208,191)	(741,453)	(203,263)	(645,428)
3.07	Income Before Taxes on Profit	(331,386)	(1,310,422)	(1,728,890)	(2,853,343)
3.08	Income Tax and Social Contribution on Profit	33,212	212,560	(5,778)	(36,959)
3.08.01	Current	(9,954)	(19,830)	(17,345)	(64,679)
3.08.02	Deferred	43,166	232,390	11,567	27,720
3.09	Net Income from Continuing Operations	(298,174)	(1,097,862)	(1,734,668)	(2,890,302)
3.11	Consolidated Profit (Loss) for the Period	(298,174)	(1,097,862)	(1,734,668)	(2,890,302)
3.11.01	Attributed to Parent Company's Shareholders	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)
3.11.02	Attributable to Non-Controlling Shareholders	988	9,432	(17,122)	(22,276)
3.99	Earnings per Share – (Reais/Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	ON	(6.08152)	(22.50964)	(34.91515)	(58.30269)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	(6.08152)	(22.50964)	(34.91515)	(58.30269)

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

Account Code	Account Description	Current Quarter 07/01/2017 to 09/30/2017	Current Year-End Accrual 01/01/2017 to 09/30/2017	Same Quarter as the Previous Year-End 07/01/2016 to 09/30/2016	Previous Year-End Accrual 01/01/2016 to 09/30/2016
4.01	Consolidated Net Profit for the Period	(298,174)	(1,097,862)	(1,734,668)	(2,890,302)
4.03	Consolidated Comprehensive Income for the Period	(298,174)	(1,097,862)	(1,734,668)	(2,890,302)
4.03.01	Attributed to Parent Company's Shareholders	(299,162)	(1,107,294)	(1,717,546)	(2,868,026)
4.03.02	Attributed to Non-Controlling Shareholders	988	9,432	(17,122)	(22,276)

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

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 09/30/2017	Previous Year-End Accrual 01/01/2016 to 09/30/2016
6.01	Net Cash from Operating Activities	259,383	565,405
6.01.01	Cash Flow from Operations	(165,382)	(1,471,599)
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	(1,310,422)	(2,853,343)
6.01.01.02	Depreciation and Amortization	24,223	57,713
6.01.01.03	Gains/Losses in Equity Interests	29,957	150,088
6.01.01.05	Financial Expenses, Interest Payable and Monetary Variation	763,677	615,378
6.01.01.07	Allocation of Expenses with Sale Stands	1,496	5,438
6.01.01.08	Expenses with Stock Option	37	1,090
6.01.01.10	Impairment Write-off on Goodwill, Interest and Property Inventory	172,788	33,199
6.01.01.11	Equity	793	186
6.01.01.12	Present Value Adjustment	(6,808)	17,872
6.01.01.13	Provision for Guarantee and Contingencies	78,836	253,583
6.01.01.14	Other	100,239	132,303
6.01.01.15	Provision for Equity in Income	-	19,714
6.01.01.16	Estimated Losses on Doubtful Credits	(20,198)	95,180
6.01.02	Variations in Assets and Liabilities	501,188	2,391,495
6.01.02.02	Intercompany Loans Receivable	-	6,647
6.01.02.03	Accounts Receivable	510,253	1,562,898
6.01.02.05	Taxes Recoverable	5,854	2,214
6.01.02.06	Property Inventories Held for Sale	(81,295)	496,174
6.01.02.08	Unallocated Expenses	(151)	(11,299)
6.01.02.09	Current Account with Partners in Ventures	8,740	26,935
6.01.02.13	Advances from Clients	(3,939)	40,529
6.01.02.14	Property Acquisition Liabilities	12,397	351
6.01.02.16	Tax and Labor Liabilities	(35,172)	6,612
6.01.02.17	Suppliers	38,919	18,270
6.01.02.20	Other	45,582	242,164
6.01.03	Other	(76,423)	(354,491)
6.01.03.01	Income Tax and Social Contribution	(26,287)	(75,690)
6.01.03.02	Interest Paid	(50,136)	(278,801)
6.02	Net Cash from Investing Activities	(59,944)	(95,786)
6.02.01	Shareholding (Increase) Decrease in Associates and Subsidiaries	5,000	(92,438)
6.02.03	Intangible	(181)	(2,536)
6.02.06	Financial Investments	(64,406)	-
6.02.08	Assets Acquisition	(357)	(1,088)
6.02.09	Disposal of Fixed Assets	-	276
6.03	Net Cash from Financing Activities	(239,418)	(839,109)
6.03.01	Loans Raising	68,856	208,074
6.03.02	Loan Amortizations	(308,274)	(1,047,183)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(39,979)	(369,490)
6.05.01	Cash and Cash Equivalents Initial Balance	200,973	604,093
6.05.02	Cash and Cash Equivalents Final Balance	160,994	234,603

Statements of changes in shareholders' equity - Consolidated - 01/01/2017 - 09/30/2017
(Thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Stock Options	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Net Equity	Non-controlling Interest	Consolidated Net Equity
5.01	Initial Balances	4,917,843	1,236,706	-	(9,526,750)	-	(3,372,201)	(42,301)	(3,414,502)
5.02	Prior Year Adjustments	-	-	-	2	-	2	-	2
5.03	Adjusted Initial Balances	4,917,843	1,236,706	-	(9,526,748)	-	(3,372,199)	(42,301)	(3,414,500)
5.04	Capital Transactions with Shareholders	-	37	-	-	-	37	25,984	26,021
5.04.03	Recognized Options Granted	-	37	-	-	-	37	-	37
5.04.08	Net Changes in Noncontrolling Interests	-	-	-	-	-	-	25,984	25,984
5.05	Total Comprehensive Income	-	-	-	(1,107,294)	-	(1,107,294)	9,432	(1,097,862)
5.05.01	Net Profit for the Period	-	-	-	(1,107,294)	-	(1,107,294)	9,432	(1,097,862)
5.07	Final Balances	4,917,843	1,236,743	-	(10,634,042)	-	(4,479,456)	(6,885)	(4,486,341)

Statements of changes in shareholders' equity - Consolidated - 01/01/2016 - 09/30/2016
(Thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Stock Options Granted and Treasury Shares	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Net Equity	Non-controlling Interest	Consolidated Net Equity
5.01	Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255	450,310	2,384,565
5.03	Adjusted Initial Balances	4,917,843	1,235,345	-	(4,218,933)	-	1,934,255	450,310	2,384,565
5.04	Capital Transactions with Shareholders	-	1,090	-	-	-	1,090	(333,799)	(332,709)
5.04.03	Recognized Options Granted	-	1,090	-	-	-	1,090	-	1,090
5.04.08	Net Changes in Noncontrolling Interests	-	-	-	-	-	-	(333,799)	(333,799)
5.05	Total Comprehensive Income	-	-	-	(2,868,026)	-	(2,868,026)	(22,276)	(2,890,302)
5.05.01	Net Profit for the Period	-	-	-	(2,868,026)	-	(2,868,026)	(22,276)	(2,890,302)
5.07	Final Balances	4,917,843	1,236,435	-	(7,086,959)	-	(932,681)	94,235	(838,446)

Statements of added value - Consolidated
(Thousands of Reais)

Account Code	Account Description	Current Year-End Accrual 01/01/2017 to 09/30/2017	Previous Year-End Accrual 01/01/2016 to 09/30/2016
7.01	Revenue	294,209	188,170
7.01.01	Sales of Goods, Products and Services	283,178	136,798
7.01.02	Other Revenues	11,031	51,372
7.02	Inputs Acquired from Third Parties	(800,156)	(2,298,742)
7.02.01	Cost of Products, Goods and Services Sold	(247,269)	(658,701)
7.02.02	Materials, Power, Third-Party Services and Other	(67,893)	(125,068)
7.02.03	Asset Value Loss/Recovery	(29,957)	(214,087)
7.02.04	Other	(455,037)	(1,300,886)
7.03	Gross Added Value	(505,947)	(2,110,572)
7.04	Retentions	(24,223)	(57,713)
7.04.01	Depreciation, Amortization and Depletion	(24,223)	(57,713)
7.05	Net Added Value Produced	(530,170)	(2,168,285)
7.06	Added Value Received in Transfer	30,412	96,207
7.06.01	Equity Income	(793)	(186)
7.06.02	Financial Income	31,205	96,393
7.07	Total Added Value to Distribute	(499,758)	(2,072,078)
7.08	Distribution of Added Value	(499,758)	(2,072,078)
7.08.01	Personnel	40,681	89,399
7.08.01.01	Direct Remuneration	32,307	77,228
7.08.01.02	Benefits	3,222	6,219
7.08.01.03	FGTS – Government Severance Indemnity Fund for Employees	5,152	5,952
7.08.02	Taxes, Rates and Contributions	(187,067)	72,229
7.08.02.01	Federal	(187,063)	67,280
7.08.02.03	Municipal	(4)	4,949
7.08.03	Debt Remuneration	744,490	656,596
7.08.03.01	Interest	763,676	615,378
7.08.03.02	Rent	3,037	11,168
7.08.03.03	Other	(22,223)	30,050
7.08.04	Remuneration on Own Capital	(1,097,862)	(2,890,302)
7.08.04.03	Retained Profit (Loss) for the Period	(1,107,294)	(2,868,026)
7.08.04.04	Non-controlling Interest in Retained Profits	9,432	(22,276)

Accompanying Notes to the Quarterly Information

(In thousands of Brazilian Reais)

1 Operating Context

a. *General Information*

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

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

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

b. *Judicial Reorganization*

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

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

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

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

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

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

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

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

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

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

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

On June 06, 2017, the Entity's Management presented, in the proceeding records, the Entity's and certain controlled entities' judicial reorganization plan.

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

On September 29 the Company presented a new in-court reorganization plan, according to the records of the reorganization plan ("Plan"), and on October 25 called a General Meeting of Creditors (Note 31). Company management informs that the design of the Plan reflects adjustments in connection with agreements by and between the PDG Group and its creditors over the last weeks. The General Meeting of Creditors and further information are presented in the subsequent events note.

c. *Operating Continuity*

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

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

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

2 Presentation of the Quarterly Information and main accounting standards

a. Quarterly information and accounting standards

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

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

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

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

The functional and reporting currency of the Individual and Consolidated Quarterly Information is the Real

(R$). All amounts presented in the Quarterly Information are expressed in thousands of reais, except when referred to, otherwise.

The issuance of the Entity's Quarterly Information was approved by the Board of Directors and authorized for filing on November 1, 2017.

b. New standards and interpretations not yet adopted

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

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

CPC 48, interpretation of IFRS 9, addresses the classification and measurement of financial instruments. The main changes are as follows: (i) new criteria for classification of financial assets; (ii) new model of impairment for financial assets, made of both expected and incurred losses, in replacement of the current model of incurred losses; and (iii) relaxation of requirements for adoption of hedge accounting. Management will be assessing the total impact of its adoption.

CPC 47, equivalent to IFRS 15, sets the criteria for measurement and the time for revenue recognition by the Company. Currently, real estate development companies, together with segment entities, are engaged in clarifying regulators abroad that CPC 47 should not change the time of recognition of revenue from sales of real properties in certain contracts, thus maintaining the procedure for continuous recognition during the construction (POC), as usually applied by the Company. Company management waits for the conclusion on the matter and a formal position of standard setters and regulators in Brazil, through the issuance of the currently existing standards, to assess the potential effects in the financial statements and internal controls, since, if revenue recognition is changed to the time of handover of properties, may significantly affect the Company's financial statements.

Company management waits for the revised enactment of standards by CPC and CFC to determine significant effects, in case of change in interpretations of the time of revenue recognition.

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

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

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

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

3 Controlled Entities' Consolidation

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

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

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

a. *Non-Controlling Shareholders' Interest*

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

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

b. *Loss of Control*

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

c. *Transactions eliminated in the consolidation*

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

4 Cash, cash equivalents and financial investments

The Entity has financial investment policies that set that the investments must be concentrated in low risk securities, investments in first class financial institutions, and are, in average, remunerated at 89.1% of the CDI at September 30, 2017 (December 31, 2016: 91.5% of the CDI).

a. Cash and cash equivalents

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

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Cash and banks	**741**	**329**	**55,345**	**49,482**
Financial investments				
Shortest-term financial investments	-	62	11	5,847
Fixed income investment funds	-	-	-	9,992
Bank deposit certificates (CDB)	3,448	205	73,715	62,823
Repo operations	128	5,335	31,923	72,829
Subtotal	**3,576**	**5,602**	**105,649**	**151,491**
Total cash and cash equivalents	**4,317**	**5,931**	**160,994**	**200,973**

b. Financial Investments

At September 30, 2017 the Entity presents R$ 64,406, in the consolidated current asset, relative to the investments bound to transactions restricted to the debt payment. The investments are realized in Fixed Income Investment Funds (R$ 9,911) and CDB (R$ 54,496). In the controlling entity (R$ 2,347) in CDB.

5 Accounts receivable from clients

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Real estate development and sale	35,759	33,850	2,130,812	2,810,887
(-) Provision for doubtful credits	(8,890)	(9,089)	(648,972)	(775,891)
(-) Adjustment to present value	-	-	(4,127)	(12,331)
Total	**26,869**	**24,761**	**1,477,713**	**2,022,665**
Current portion	22,194	17,775	1,063,207	1,249,963
Noncurrent portion	4,675	6,986	414,506	772,702
Total	**26,869**	**24,761**	**1,477,713**	**2,022,665**

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

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

	Holding		Consolidated	
Year of maturity	9/30/2017	12/31/2016	9/30/2017	12/31/2016
2018	177	752	23,742	218,827
2019	564	655	118,133	177,054
2020	2,423	4,797	90,230	212,885
2021	404	453	50,696	70,255
2022 onwards	1,107	329	131,705	93,681
Total	**4,675**	**6,986**	**414,506**	**772,702**

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

	9/30/2017			12/31/2016		
	Under transfer process	Direct portfolio	Total	Under transfer process	Direct portfolio	Total
to be due	279,277	82,906	362,183	472,499	162,747	635,246
due	**626,596**	**74,428**	**701,024**	**421,648**	**193,069**	**614,717**
0 to 30 days	12,285	4,785	17,070	86,676	21,091	107,767
31 to 60 days	20,123	3,332	23,455	64,522	11,341	75,863
61 to 90 days	101,130	3,414	104,544	41,957	11,912	53,869
91 to 120 dias	28,255	3,235	31,490	9,842	11,249	21,091
121 to 360 days	177,732	24,642	202,374	102,432	67,903	170,335
Over 360 days	287,071	35,020	322,091	116,219	69,573	185,792
Total	**905,873**	**157,334**	**1,063,207**	**894,147**	**355,816**	**1,249,963**

On lending process

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

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

Balances of the accounts receivable from finished and under construction units

The accounts receivable consolidated balances from finished units, as at September 30, 2017, amount to R$ 1,259,492 (December 31, 2016: R$ 1,802,076), and for ventures under construction, as at September 30, 2017, amount to R$ 218,221 (December 31, 2016: R$ 220,589).

Adjustment to Present Value (AVP)

Adjustment to Present Value of accounts receivable for unfinished units, proportionally appropriated by the criterion as described in the Accompanying Note nr. 2 of the financial statements as at December 31, 2016, is calculated by using a discount rate of 10.80% on the quarterly information of September 30, 2017 (December 31, 2016: 8.08%), calculated by the loan raising average rate of the Entity and its controlled entities, deducted from inflation (IPC-A). This rate is compared to the NTN-B and the higher one is used. The rate that is currently used is the NTN-B. The discount rate is periodically revised by the Entity's Management.

Provision for doubtful credits and (PCLD) and terminated units

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

At September 30, 2017 the provision for termination deals and PCLD, consolidated, totaled the amount of R$ 648,972 (December 31, 2016: R$ 775,891), representing 30.46% over the total of accounts receivable from the development and resale of real estate units. The balances due mainly refer to the 'in full payment' cases, long-term default of accounts receivable of on-lending at the floor plan. The transaction in the period is thus demonstrated:

	Consolidated
Balance on 12/31/2016:	**(775,891)**
Net change due to rescissions incurred	106,721
Net change in PCLD	20,198
Balance on 9/30/2017:	**(648,972)**

Net movement of PCLD is entered in the Entity's income in the entry "Other operating incomes (expenses), net", while net movement of termination deals is entered in the entry "Real Estate Sales (R$274,679) and Costs of units sold (R$ 167,958)".

The Entity, during the year-ended September 30, 2017, recorded a net volume of 1,302 units with contract termination (September 30, 2016: 2,524 units); out of this total, 67.43% occurred due to income mismatching (September 30, 2016: 52.89%), 1.69% due to exchange (September 30, 2016: 16.52%) and 30.88% for various reasons (September 30, 2016: 30.59%).

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

Developments enrolled in the Special Tax Levying Regime (RET)

The account receivable balances related to the ventures total, as at September 30, 2017, R$ 433,201 (December 31, 2016: R$ 1,516,999), which represent 29% of total accounts receivable of the Entity at September 30, 2017 (December 31, 2016: 75%).

6 Real Estate Units Inventories to be traded

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Real estate under construction	-	-	406,554	396,991
Completed real estate units	30,021	35,957	822,014	696,607
Pieces of land for future developments	3,700	3,651	526,084	706,102
Advance to suppliers	-	-	11,291	14,500
Capitalized interest	127	586	59,568	56,754
Added value on launched real estate	-	-	-	1,760
Total	**33,848**	**40,194**	**1,825,511**	**1,872,714**
Current portion	30,148	36,543	1,299,427	1,166,612
Noncurrent portion	3,700	3,651	526,084	706,102
Total	**33,848**	**40,194**	**1,825,511**	**1,872,714**

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

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

Pieces of land for future developments

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

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

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

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

Allocation of financial charges

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

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Initial balance	**586**	**2,521**	**56,754**	**72,203**
(+) Capitalized financial charges relative to:				
Loans and financing	665	329	23,183	48,538
Debentures	-	-	-	23,206
Total capitalized financial charges in the period	**665**	**329**	**23,183**	**71,744**
(-) Charges appropriated to income in cost of real estate units sold	(1,124)	(2,264)	(20,369)	(87,193)
Total	**127**	**586**	**59,568**	**56,754**

7 Investments

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

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

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

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

At September 30, 2017 the Company holds investments in subsidiaries whose administrative, financial and accounting management is carried out by their external associates. These subsidiaries are assessed at the equity method and consolidated in the Company's financial statements.

As the Company has not been receiving financial statements and information about the following investees, it is currently in the process of negotiation or arbitration with its associates, in charge of managing the investees. The investees' balances stated in the consolidated at September 30, 2017 are as follows:

SPEs:	Assets	Liabilities	Net equity	% PDG	% partners
Esperança	11,988	11,707	281	197	84
Torre de Ferrara	4,660	619	4,040	2,828	1,212
Torre de Rhodes	3,932	3,978	(45)	(32)	(13)
Gundel	51,340	43,678	7,661	5,363	2,298
Orion	53,671	37,445	16,226	11,358	4,868
Subtotal [1]	**125,591**	**97,428**	**28,163**	**19,714**	**8,449**
More Alphaville [2]	1,989	7,346	(5,357)	(4,286)	(1,071)
Total	**127,580**	**104,774**	**22,806**	**15,428**	**7,378**

[1] The investees listed in this item are a party to legal and arbitration litigations, required in connection with the lack of transparency of local association in managing investee SPEs. The following litigations are currently in progress:

(i) Arbitration procedure aimed at determining the value of debts arising from the association with subsidiary Agra as regards the investments made in the SPEs.

(ii) Claim for enforcement of out-of-court securities filed by the associate against the SPEs based on the construction contract.

(iii) Injunctive relief in preparation (under sub judice rule) aimed at removing the current managers of the SPEs and the appointment of a judicial administrator, besides requesting total access to financial and administrative information about SPEs. Despite the efforts (including dragging the matter through the courts), the subsidiary could not yet have access to the SPEs information.

[2] The Company is under negotiations with the investee's associate to obtain up-to-date information.

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

The transaction of investments in the Entity is thus demonstrated:

Holding

Entity name	% Direct Interest	% Indirect Interest	Balance on 12/31/2016	Increases / Paying-in	Decreases / Write-offs	Equity result	Provision for loss in investments [1]	Balance on 9/30/2017
Investments in Controlled Entities								
CHL Desenvolvimento Imobiliário S/A	99.99%	0.01%	575,215	-	(5)	(70,237)	-	504,973
Goldfarb Incorporações E Construções S.A	99.99%	0.01%	314,849	-	(1,413)	50,398	-	363,834
PDG Desenvolvimento Imobiliário Ltda	99.99%	0.01%	266,385	-	-	2,528	-	268,913
PDG São Paulo Incorporações S.A	99.99%	0.01%	233,804	-	(73)	506	-	234,237
Gold Investimentos S.A.	49.32%	50.68%	67,772	1,425	-	(4,873)	-	64,324
API SPE 20 - Planej. e Desenvolv. Imobiliários S/A.	99.99%	0.01%	50,259	-	-	(3,791)	-	46,468
ZMF 5 Incorporações S.A	99.99%	0.01%	55,628	-	-	(4,110)	-	51,518
PDG Araxá Income S/A	99.00%	0.01%	29,050	-	-	910	-	29,960
PDG SPE 38 Empreendimentos Imobiliarios Ltda	99.99%	0.01%	30,338	-	-	(1,815)	-	28,523
PDG SP 7 Incorporações SPE Ltda	99.99%	0.01%	26,101	-	-	1,477	-	27,578
PDG SP 9 Incorporações SPE Ltda	99.99%	0.01%	25,865	-	-	28	-	25,893
PDG Companhia Securitizadora	99.99%	0.01%	24,362	-	(2,287)	(447)	-	21,628
PDG SP 2 Incorporações SPE Ltda	99.99%	0.01%	20,565	-	-	410	-	20,975
PDG SP 6 Incorporações SPE Ltda	99.99%	0.01%	21,187	-	-	62	-	21,249
JLO Brooklin Empreendimento Imobiliario Spe Ltda.	100.00%	0.00%	21,009	-	-	276	-	21,285
PDG SP 15 Incorporações SPE Ltda	99.99%	0.01%	20,965	-	-	707	-	21,672
PDG-LN7 Incorporação e Empreendimentos S.A.	85.29%	14.71%	20,602	-	-	(319)	-	20,283
CHL LXVIII incorporações ltda.	100.00%	0.00%	20,034	-	-	(20)	-	20,014
Performance Br Empreendimentos Imobiliários S.A.	68.00%	0.00%	19,094	-	-	275	-	19,369
LBC Empreendimento Imobiliario Spe	100.00%	0.00%	16,262	-	-	(6,971)	-	9,291
Gold Mali Empreendimentos Imobiliários Ltda.	50.00%	50.00%	16,169	-	-	(16)	-	16,153
LN 29 Incorporação e Empreendimento Ltda	64.00%	16.00%	14,273	-	-	33	-	14,306
Colore Empreendimento Imobiliário Spe S/A	80.00%	0.00%	10,674	-	-	(30)	-	10,644
Vital Palácio Miraflores Incorporadora Ltda.	78.15%	21.85%	9,880	-	-	(10)	-	9,870
Club Felicitá Empreendimento Imobiliários S.A.	96.69%	3.31%	6,445	-	-	(5)	-	6,440
PDG Masb Empreendimento Imobiliario Spe Ltda.	50.00%	0.00%	9,006	-	-	(207)	-	8,799
GDP 1 Incorporações SPE Ltda.	99.99%	0.01%	7,288	-	-	(432)	-	6,856
PDG SPE 15 Empreendimentos Imobiliários Spe Ltda	99.99%	0.01%	13,336	-	-	(4,431)	-	8,905
PDG LN 34 Incorp e Empreend Ltda	80.00%	20.00%	7,441	-	-	946	-	8,387
ST XROCK 10 Desenvolvimento Imobiliário S/A.	99.99%	0.01%	7,105	-	-	19	-	7,124
PDG LN 28 Incorporação e Empreendimento Ltda	86.60%	13.40%	7,034	-	-	(62)	-	6,972
Club Florença Empreendimento Imobiliários S.A.	99.99%	0.01%	6,939	-	-	146	-	7,085
Gold Sao Paulo Empreendimentos Imobiliário Ltda.	50.00%	50.00%	5,432	-	-	-	-	5,432
			2,068,870	**2,555**	**(3,778)**	**(382,982)**	**314,859**	**1,999,524**
Investments in Associates								
Malmequer Empreendimentos S/A	42.50%	0.00%	2,745	6	-	17	-	2,768
Queiroz Galvao Mac Cyrela Veneza Empr. Imob. S.A.	20.00%	0.00%	1,857	-	-	256	(151)	1,962
Other [2]			2,233	42	(16)	(254)	(393)	1,612
			6,835	**48**	**(16)**	**19**	**(544)**	**6,342**
Subtotal - corporate interest			**2,075,705**	**2,603**	**(3,794)**	**(382,963)**	**314,315**	**2,005,866**
Other								
Intangible [3]			61,182	-	(55,214) [3]	-	-	5,968
Capitalized interest			2,160	392	-	-	-	2,552
Land added value			1,760	-	(1,760)	-	-	-
Subtotal - other investments			**65,102**	**392**	**(56,974)**	**-**	**-**	**8,520**
Total investments			**2,140,807**	**2,995**	**(60,768)**	**(382,963)**	**314,315**	**2,014,386**

¹ Investments in Controlled Entities with individualized balances of up to R$ 5 million on September 30, 2017.
² Investments in Associates with individualized balances of up to R$ 1 million on September 30, 2017.
³ Added value write-off in the amount of R$ 53,491 allocated in the lands of controlled entity Agre. (Note 9b).

i. Provision for losses in investments

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

	Holding	Consolidated
Balance on 12/31/2016	**1,175,773**	**10,208**
Investments in controlled entities		
Additions	320,844	-
Write-offs	(5,985)	-
	314,859	**-**
Investments in associates		
Additions	-	5,698
Write-offs	(544)	(1,715)
	(544)	**3,983**
	314,315	**3,983**
Balance on 9/30/2017	**1,490,088**	**14,191**

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

	Consolidated								Consolidated Balance	
Entity name	**% Direct Interest**	**Assets**	**Liability**	**Net Equity**	**Total Income for the Period**	**Equity result**	**Other [2]**	**Investment on 9/30/2017**	**Investment on 12/31/2016**	**Equity income on 9/30/2016**
Inpar - Abyara - Projeto Res. Santo Amaro Spe Ltda	30.00%	49,529	2,772	46,757	230	69	-	14,027	13,332	-
Schahin Borges De Figueiredo Incorporadora Ltda	30.00%	28,108	61	28,047	87	26	-	8,414	8,391	2
Iepe - Investimentos Imobiliarios Ltda	30.00%	17,841	1,224	16,617	(1,447)	(434)	-	4,985	5,587	(544)
Inpar - Abyara - Projeto Residencial America Spe Ltda	30.00%	32,023	15,273	16,750	(87)	(26)	-	5,025	5,355	-
Other investees [1]		493,443	481,219	12,224	(417)	(428)	14,191	15,334	16,347	356
Total investments		**620,944**	**500,549**	**120,395**	**(1,634)**	**(793)**	**14,191**	**47,785**	**49,012**	**(186)**

[1] Investments with balances of up to R$ 5 million on September 30, 2017.
[2] It contains Provision for losses in investments classified for the noncurrent liabilities in the entry "Other liabilities".

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

	Consolidated on 9/30/2017								Consolidated Balance	
Entity name	**Entity's % Total**	**% Minor**	**Assets**	**Liability**	**Net Equity**	**Income**	**Non-Controlling Income**	**Non-Controlling Net Equity**	**Net Equity of Non-Controlling on 12/31/2016**	**Income on 9/30/2016**
Performance Br Empreendimentos Imob. S.A.	68.00%	32.00%	30,284	5,034	25,250	406	130	8,080	7,468	(21,103)
Gonder Incorporadora Ltda.	86.00%	14.00%	100,350	150,907	(50,557)	5,079	711	(7,078)	(7,789)	238
Klabin Segall Invest E Partic Spe S.A	70.00%	30.00%	6,621	25,841	(19,220)	(190)	(57)	(5,766)	(5,709)	946
Ecolife Independência Empreendimentos Imob	80.00%	20.00%	13,702	43,137	(29,435)	440	88	(5,887)	(5,975)	444
PDG Masb Empreendimento Imob. Spe Ltda	50.00%	50.00%	32,996	48,034	(15,038)	(414)	(207)	(7,519)	(7,379)	(1,048)
API Spe10-Plan e Des De Emp Imob Ltda	80.00%	20.00%	65,353	90,433	(25,080)	(10,420)	(2,084)	(5,016)	(2,932)	(196)
Other investees [1]			575,102	519,336	55,766	51,157	10,851	16,301	(19,985)	(1,557)
Total			**824,408**	**882,722**	**(58,314)**	**46,058**	**9,432**	**(6,885)**	**(42,301)**	**(22,276)**

[1] Investments higher or lower than R$ 5 million at September 30, 2017.

c. *Investments in shares*

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

8 Fixed asset

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

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

	Holding				
Cost:	**Machinery and Equipment**	**Furniture and Fixtures**	**Computers**	**Improvements made in third party real estate**	**Total**
Balance on 12.31.2015	**-**	**379**	**3,848**	**705**	**4,932**
. Additions	848	-	361	-	1,209
Balance on 12.31.2016	**848**	**379**	**4,209**	**705**	**6,141**
. Additions	330	-	-	-	330
. Write-offs	-	(317)	(28)	(705)	(1,050)
Balance on 9.30.2017	**1,178**	**62**	**4,181**	**-**	**5,421**

	Holding				
Depreciation:	**10% per annum Machines and Equipment**	**10% per annum Furniture and Fixtures**	**20% per annum Computers**	**Improvements made in third party real estate**	**Total**
Balance on 12.31.2015	**-**	**(311)**	**(3,599)**	**(47)**	**(3,957)**
. Depreciation	(68)	(38)	(190)	(70)	(366)
Balance on 12.31.2016	**(68)**	**(349)**	**(3,789)**	**(117)**	**(4,323)**
. Depreciation	(82)	(14)	(154)	(42)	(292)
. Write-offs	-	317	28	159	**504**
Balance on 9.30.2017	**(150)**	**(46)**	**(3,915)**	**-**	**(4,111)**
Residual Balance 9.30.2017	**1,028**	**16**	**266**	**-**	**1,310**
Residual Balance 12.31.2016	**780**	**30**	**420**	**588**	**1,818**
Residual Balance 12.31.2015	**-**	**68**	**249**	**658**	**975**

	Consolidated						
Cost:	Machinery and Equipment	Furniture and Fixtures	Computers	Improvements made in third party real estate	Sales Booth	Other assets	Total
Balance on 12.31.2015	**28,306**	**17,888**	**26,515**	**22,118**	**4,023**	**5,086**	**103,936**
. Additions	1,180	1,112	1,195	1,990	271	-	**5,748**
. Write-offs	(1,842)	(529)	(799)	(58)	(1,472)	(1,084)	**(5,784)**
Balance on 12.31.2016	**27,644**	**18,471**	**26,911**	**24,050**	**2,822**	**4,002**	**103,900**
. Additions	357	-	-	-	-	-	**357**
. Write-offs	(691)	(5,469)	(11,841)	(24,050)	(2,822)	(3,357)	**(48,230)**
Balance on 9.30.2017	**27,310**	**13,002**	**15,070**	**-**	**-**	**645**	**56,027**

	Consolidated						
Depreciation:	10% per annum Machines and Equipment	10% per annum Furniture and Fixtures	20% per annum Computers	Improvements made in third party real estate (ii)	Sales Booth (i)	Other assets	Total
Balance on 12.31.2015	**(14,826)**	**(11,581)**	**(24,108)**	**(11,598)**	**(3,263)**	**(2,341)**	**(67,717)**
. Depreciation	(2,989)	(1,786)	(1,292)	(4,249)	(1,191)	(249)	**(11,756)**
. Write-offs	1,102	123	306	10	1,632	40	**3,213**
Balance on 12.31.2016	**(16,713)**	**(13,244)**	**(25,094)**	**(15,837)**	**(2,822)**	**(2,550)**	**(76,260)**
. Depreciation	(2,017)	(1,033)	(576)	(837)	-	(144)	**(4,607)**
. Write-offs	686	5,406	11,820	16,674	2,822	2,333	**39,741**
Balance on 9.30.2017	**(18,044)**	**(8,871)**	**(13,850)**	**-**	**-**	**(361)**	**(41,126)**
Residual Balance 9.30.2017	**9,266**	**4,131**	**1,220**	**-**	**-**	**284**	**14,901**
Residual Balance 12.31.2016	**10,931**	**5,227**	**1,817**	**8,213**	**-**	**1,452**	**27,640**
Residual Balance 12.31.2015	**13,480**	**6,307**	**2,407**	**10,520**	**760**	**2,745**	**36,219**

Fixed Asset Impairment Test (*impairment)*

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

9 Intangible

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Composition of goodwill per entity				
Agre Empreendimentos Imobiliarios S.A. (Note 9b)	-	53,491	-	53,491
Agre Urbanismo S.A.	399	402	-	-
CHL Desenvolvimento Imobiliários S.A.	5,125	6,616	-	-
Goldfarb Incorporações e Construções S.A.	308	465	-	-
LN 8 Incorporacao e Empreendimentos Ltda.	-	72	-	-
PDG LN Incorporações e Construções S.A.	136	136	-	-
Total	**5,968**	**61,182**	**-**	**53,491**
Software and other intangible	26,092	31,460	40,625	54,193
Subtotal	**32,060**	**92,642**	**40,625**	**107,684**
Reallocation for Investments (Note 7) (i)	(5,968)	(61,182)	-	-
Ending balance	**26,092**	**31,460**	**40,625**	**107,684**

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

a. Transaction of Intangible Assets

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

	Holding	Consolidated				
	Right for the use of software	Brands and patents	Right for the use of software	Subtotal	Added value in investments	Total
Cost:						
Balance on 12.31.2015	**56,008**	**88**	**135,741**	**135,829**	**511,428**	**647,257**
. Additions	5,151	-	5,530	5,530	-	5,530
. Write-offs	-	(88)	(701)	(789)	-	(789)
Balance on 12.31.2016	**61,159**	**-**	**140,570**	**140,570**	**511,428**	**651,998**
. Additions	181	-	181	181	-	181
. Write-offs	-	-	(12,605)	(12,605)	-	(12,605)
Balance on 9.30.2017	**61,340**	**-**	**128,146**	**128,146**	**511,428**	**639,574**
Amortizations:						
Balance on 12.31.2015	**(22,144)**	**-**	**(61,397)**	**(61,397)**	**(457,937)**	**(519,334)**
. Amortizations	(7,555)	-	(25,045)	(25,045)	-	(25,045)
. Write-offs	-	-	65	65	-	65
Balance on 12.31.2016	**(29,699)**	**-**	**(86,377)**	**(86,377)**	**(457,937)**	**(544,314)**
. Amortizations	(5,549)	-	(13,733)	(13,733)	-	(13,733)
. Write-offs [1]	-	-	12,589	12,589	(53,491) [1]	(40,902)
Balance on 9.30.2017	**(35,248)**	**-**	**(87,521)**	**(87,521)**	**(511,428)**	**(598,949)**
Residual Balance 9.30.2017	**26,092**	**-**	**40,625**	**40,625**	**-**	**40,625**
Residual Balance 12.31.2016	**31,460**	**-**	**54,193**	**54,193**	**53,491**	**107,684**
Residual Balance 12.31.2015	**33,864**	**88**	**74,344**	**74,432**	**53,491**	**127,923**

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

b. Impairment test of assets (impairment)

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

c. Software Intangibles

Assets classified as "*Software* and other intangibles" correspond to the acquisition and to the costs of implementation of the Entity's operating *software*, whose start of amortization occurred in January 2011. During the period ended September 30, 2017, R$ 13,733 (September 30, 2016: R$ 19,582) was amortized, accounted in the Entity's income. The *software* amortization term was assessed in eight years.

10 Transactions and balances with related parties

a. Advance for future capital increase (AFAC)

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

b. The Management remuneration

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

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

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 9/30/2016
Fixed remuneration								
Board of Directors	450	1,350	120	360	450	1,350	120	360
Audit Committee	70	216	88	184	70	216	88	184
Statutory Board	475	1,694	963	2,793	475	1,694	963	2,793
Charges	297	949	386	913	297	949	386	913
	1,292	**4,209**	**1,557**	**4,250**	**1,292**	**4,209**	**1,557**	**4,250**
Benefits								
Statutory Board	(14)	36	81	221	(14)	36	81	221
	(14)	**36**	**81**	**221**	**(14)**	**36**	**81**	**221**
Variable remuneration								
Retention bonus	259	1,490	2,296	13,375	259	1,490	2,296	13,375
Charges	194	548	692	3,651	194	548	692	3,651
	453	**2,038**	**2,988**	**17,026**	**453**	**2,038**	**2,988**	**17,026**
Total fixed and variable	**1,731**	**6,283**	**4,626**	**21,497**	**1,731**	**6,283**	**4,626**	**21,497**
Based on shares	12	37	455	990	12	37	455	990
Grand Total	**1,743**	**6,320**	**5,081**	**22,487**	**1,743**	**6,320**	**5,081**	**22,487**

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

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

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

c. *Sureties and guarantees*

The Entity totals R$ 1,120,961 of sureties and guarantees at September 30, 2017 (December 31, 2016: R$1,711,768). The amounts originated from sureties and bonds rendered in the real estate credit transactions made by the Entity's portfolio entities, having as a base the balances payable and future clearances contracted up to this date, and in the proportion of the shareholding that the Entity has in the share capital of said entities.

d. *Balances with related parties:*

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

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Asset				
Loans with Related Parties	3,153	2,723	26,436	24,564
Current Accounts with Partners in Ventures	-	12,530	72,262	60,165
Liability				
Current Accounts with Partners in Ventures	142,536	116,549	164,243	137,413
Loans with Related Parties	-	-	5,403	-

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

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

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

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

Related Party								Expenses Incurred on	
Relation with Entity		Supplier	Object of the Contract	Transaction Date	Amount involved	Note	Contract Term	9/30/2017	12/31/2016
Vinci Partners	F	Austral Seguradora	Work insurance and guarantee insurance	Jun/13 to Nov/19	3.188	Maximum coverage per insurance-work: R$120,000	36 months of work + 12 months post-work	-	708
Vinci Partners	F	Cecrisa R. Cerâmicos S.A	Material: ceramics	Jun/13 to Sept/17	14.675	-	6 months	47	474
Vinci Partners	F	Unidas Locadora de Veículos Ltda	Rent: vehicle	Sept/13 to Mar/17	28	-	1 year	-	1
Counselor	F	Instituto de Desenvolvimento Gerencial S.A.	Consulting	Jun/14	257	total contracted amount R$ 2,571	19 months	-	1.337
Counselor	F	União Consultoria V. e A. de P. de Gestão S/S	Consulting	Jun/14	1.157			-	-
Counselor	F	União Consulotria E. de Projetos de Gestão	Consulting	Jun/14	1.157			-	-
Counselor	F	Instituto de Desenvolvimento Gerencial S.A.	Consulting	Oct/15	725	total contracted amount R$ 7,250	11 months	644	81
Counselor	F	União Consultoria V. e A. de P. de Gestão S/S	Consulting	Oct/15	3.263			1.371	-
Counselor	F	União Consulotria E. de Projetos de Gestão	Consulting	Oct/15	3.263			-	-
				Total	27.713			2.062	2.601

11 Loans and Financing

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

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

The Entity recorded fine and interest for some contracts that have specific clauses for the entry in judicial reorganization of the Entity.

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

	Holding		Average Rate	Guarantee
Type of Debt	**9/30/2017**	**12/31/2016**		
SFH	-	2,954	TR + 9%	Mortgage/ Receivables/ Surety/ Pledge
Working Capital/ SFI and Promissory Note	357,362	329,599	118% CDI	Chattel mortgage of quotas, shares and real estate units/ Surety/ Pledge / Fiduciary assignment of credit
Finep/Finame	132,818	98,246	Fixed rate 5.25% to	PDG Surety
Total	**490,180**	**430,799**		
Current portion	490,180	45,398		
Noncurrent portion	-	385,401		
Total	**490,180**	**430,799**		

	Consolidated		Average Rate	Guarantee
Type of Debt	**9/30/2017**	**12/31/2016**		
SFH	830,776	970,394	TR + 9%	Receivables/ Proportional Surety/ Mortgage/ Endorsement/ Pledge/ Real Estate Mortgage/ Surety
Working Capital/ SFI and Promissory Note	357,363	329,600	118% CDI	Chattel Mortgage of quotas, shares and real estate units/ Surety/ Pledge/ Fiduciary assignment of credit
Finep/Finame	135,924	101,168	PRÉ 5.25% até 8.70%	PDG Surety
Total	**1,324,063**	**1,401,162**		
Current portion	1,324,063	1,013,591		
Noncurrent portion	-	387,571		
Total	**1,324,063**	**1,401,162**		

12 Bank Credit Notes (CCBs) and Debentures payable

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

a. Bank Credit Notes

	Holding		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Liability due to Corporate CCB Issuance				
3rd Series of 1st Issuance	1,393	1,250	1,393	1,250
4th Series of 1st Issuance	696	625	696	625
15th Series of 1st Issuance	311,154	289,191	311,154	289,191
3rd Series of 3rd Issuance	-	-	2,777	2,817
5th Series of 3rd Issuance	12,340	11,118	12,340	11,118
7th Series of 3rd Issuance	11,160	11,731	11,160	11,731
25th Series of 1st Issuance	89,251	86,316	89,251	86,316
26th Series of 1st Issuance	-	-	75,940	62,421
27th Series of 1st Issuance	248,054	205,067	248,054	205,067
28th Series of 1st Issuance	88,543	72,115	88,543	72,115
Other issuances by CCB	942,602	910,297	1,002,242	983,163
Corporate Subtotal	**1,705,193**	**1,587,710**	**1,843,550**	**1,725,814**
Liability by Issuance of CCB Support to production *				
3rd Series of 2nd Issuance	-	-	76,108	69,073
2nd Series of 2nd Issuance	-	-	56,212	63,437
24th Series of 1st Issuance	240,639	200,575	240,639	200,575
CCB CEF 600MM	280,284	253,685	280,284	253,685
Subtotal CCB Support to production	**520,923**	**454,260**	**653,243**	**586,770**
Total	**2,226,116**	**2,041,970**	**2,496,793**	**2,312,584**
Current portion	2,226,116	1,542,375	2,496,793	1,811,544
Noncurrent portion	-	499,595	-	501,040
Total	**2,226,116**	**2,041,970**	**2,496,793**	**2,312,584**

*They have the same conditions of SFH contracting:

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

b. Debentures payable

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

Holding												
Debentures	**Type**	**Nature**	**Issuance**	**Maturity**	**Kind**	**Remuneration Condition**	**Nominal Value**	**Securities Issued**	**Securities Outstanding**	**Mode of Amortization**	**Portions**	**Guarantees**
Corporate												
1st Issuance	Non-Convertible	Public	7/2/2007	7/4/2020	Unsecured	120 % CDI	10	25,000	25,000	Annual	1	No Guarantee
4th Issuance	Non-Convertible	Public	8/10/2010	7/4/2020	Real	120 % CDI	1,000	280	280	Quarterly	1	Quotas
7th Issuance	Non-Convertible	Public	3/15/2012	12/15/2018	Real	IPCA + 6.56% p.a.	1,000	140	140	Irregular	10	Quotas
9th Issuance	Non-Convertible	Public	6/8/2016	6/30/2019	Unsecured	120 % CDI	1,000	30,000	30,000	Single	1	No Guarantee
10th Issuance	Non-Convertible	Public	7/1/2016	6/30/2019	Unsecured	120 % CDI	1,000	20,000	20,000	Single	1	No Guarantee
11th Issuance	Non-Convertible	Public	8/5/2016	7/4/2020	Real	120 % CDI	1,000	565,000	565,000	Single	1	Quotas
Support to Production												
5th Issuance [1]	Non-Convertible	Public	9/23/2010	3/1/2017	Real	TR + 9.34% p.a.	1,000	600	600	Semester	1	Assignment/Chattel Mortgage of Shares and Quotas

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

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

											Consolidated
	Corporate									Support to production	
	5th issuance	Subtotal	1st issuance	4th issuance	7th issuance	9th issuance	10th issuance	11th issuance	Subtotal	REP	Total
a) *Debentures payable*											
Balance on 12/31/2015	**188,341**	**209,024**	**269,541**	**223,694**	**191,597**	**-**	**-**	**-**	**895,845**	**71,005**	**966,850**
(+) Raising	-	-	-	-	-	32,000	20,000	561,924	**613,924**	-	**613,924**
(+) Updating	17,641	**18,104**	44,499	38,422	30,728	2,609	1,389	36,439	**172,190**	2,682	**174,872**
(-) Payment (Principal + Interest)	(65,118)	**(86,264)**	-	-	(10,683)	-	-	-	**(98,936)**	(2,685)	**(101,621)**
(-) Equity sale	-	-	-	-	-	-	-	-	-	(71,002)	**(71,002)**
Balance on 12/31/2016	**140,864**	**140,864**	**314,040**	**262,116**	**211,642**	**34,609**	**21,389**	**598,363**	**1,583,023**	**-**	**1,583,023**
(+) Raising	-	-	-	-	-	18,000	30,000	-	**48,000**	-	**48,000**
(+/-) Updating	23,569	**23,569**	62,729	52,376	40,139	15,614	(7,654)	119,567	**306,340**	-	**306,340**
(-) Payment (Principal + Interest)	(1,347)	**(1,347)**	-	-	-	-	-	-	**(1,347)**	-	**(1,347)**
Balance on 9/30/2017	**163,086**	**163,086**	**376,769**	**314,492**	**251,781**	**68,223**	**43,735**	**717,930**	**1,936,016**	**-**	**1,936,016**
Composition per maturity year:											
2017	163,086	**163,086**	376,769	314,492	251,781	68,223	43,735	717,930	**1,936,016**	-	**1,936,016**
Balance on 9/30/2017	**163,086**	**163,086**	**376,769**	**314,492**	**251,781**	**68,223**	**43,735**	**717,930**	**1,936,016**	**-**	**1,936,016**

											Consolidated
	Corporate									Support to production	
	5th issuance	Subtotal	1st issuance	4th issuance	7th issuance	9th issuance	10th issuance	11th issuance	Subtotal	REP	Total
b) *Expenses with issuance*											
Balance on 12/31/2015	**(781)**	**(900)**	**(1,558)**	**(707)**	**(1,540)**	**-**	**-**	**-**	**(4,705)**	**(3,316)**	**(8,021)**
(-) Expense amortization	781	**900**	519	707	522	-	-	-	**2,648**	50	**2,698**
(-) Equity sale [1]	-	-	-	-	-	-	-	-	-	3,266	**3,266**
Balance on 12/31/2016	**-**	**-**	**(1,039)**	**-**	**(1,018)**	**-**	**-**	**-**	**(2,057)**	**-**	**(2,057)**
(-) Expense amortization	-	-	388	-	393	-	-	-	**781**	-	**781**
Balance on 9/30/2017	**-**	**-**	**(651)**	**-**	**(625)**	**-**	**-**	**-**	**(1,276)**	**-**	**(1,276)**
Net balance on 9/30/2017	**163,086**	**163,086**	**376,118**	**314,492**	**251,156**	**68,223**	**43,735**	**717,930**	**1,934,740**	**-**	**1,934,740**
Portion of:											
Current Liability	163,086	**163,086**	376,118	314,492	251,156	68,223	43,735	717,930	**1,934,740**	-	**1,934,740**
Total	**163,086**	**163,086**	**376,118**	**314,492**	**251,156**	**68,223**	**43,735**	**717,930**	**1,934,740**	**-**	**1,934,740**
Net balance on 12/31/2016	**140,864**	**140,864**	**313,001**	**262,116**	**210,624**	**34,609**	**21,389**	**598,363**	**1,580,966**	**-**	**1,580,966**
Portion of:											
Current Liability	140,864	**140,864**	313,001	262,116	210,624	-	21,389	598,363	**1,546,357**	-	**1,546,357**
Noncurrent Liability	-	-	-	-	-	34,609	-	-	**34,609**	-	**34,609**
Total	**140,864**	**140,864**	**313,001**	**262,116**	**210,624**	**34,609**	**21,389**	**598,363**	**1,580,966**	**-**	**1,580,966**

* They have the same conditions of SFH contracting:

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

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

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

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

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

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

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

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

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

Thus, the Entity made the reclassification to the current liability of those debts, as well as the debts bound to advance maturity of those debts.

13 Liabilities due to real estate acquisition

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

	Holding		Consolidated	
	9/30/2017	**12/31/2016**	**9/30/2017**	**12/31/2016**
Cash entered	-	-	39,335	28,719
Cash to enter	-	-	21,689	28,429
Financial exchange - VGV entered	1,607	1,501	27,700	42,269
Financial exchange - VGV to enter	-	3,016	44,199	21,109
Total	**1,607**	**4,517**	**132,923**	**120,526**
Current portion	1,607	4,517	72,265	85,825
Noncurrent portion	-	-	60,658	34,701
Total	**1,607**	**4,517**	**132,923**	**120,526**

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

The liabilities are, substantially, updated by the variation of the National Index of Civil Construction

(INCC) or by the variation of the Market General Price Index (IGP-M) and interest that vary from 6% to 12% per year.

The amounts of liabilities of real estate acquisitions of the non-current portion have the following composition per maturity:

	Consolidated	
Year	**9/30/2017**	**12/31/2016**
2018	2,932	7,634
2019	7,095	5,032
2020	2,641	4,858
2021	1,808	4,090
2022 onwards	46,182	13,087
Total	**60,658**	**34,701**

14 Tax liabilities

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

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

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

At September 30, 2017, the balance of IR (Income tax) tax losses and of the negative base of accumulated CSLL of the Entity is R$ 3,342,613 (December 31, 2016: R$ 3,455,513).

a. Taxes in installments

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

On September 29, 2017 Provisional Executive Order Nº 804 implemented the Special Program for Tax Regularization ("PERT"), revoking Provisional Executive Order Nº 783 of May 31, 2017. With the new provisional executive order, the taxpayer may opt to continue taking part in the PRT, according to the options established by Provisional Executive Order Nº 783, or transfer its regularization to PERT.

The PERT program allows, among other options, using payment in cash of 7.5% (seven point five percent) of the debt in 5 monthly and consecutive installments, between August and December 2017, and debt balance can be deducted by 50% for penalties and by 90% for interest; the remaining balance can be settled by using credits from losses on income tax and CSLL carryforward. The Company assessed the changes introduced by PERT and migrated most of its subsidiaries and affiliates to the new program, using the option of payment described above.

The use of tax credit from losses on income tax and CSLL carryforward allowed the Group (PDG) to record credits amounting to R$ 232,142 in P&L for the period as "Income Tax and Social Contribution on Profit – Deferred" and the R$ 70,783 credit from reduction in penalties and interest as "Financial Expenses".

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

	Holding		Consolidated	
	9/30/2017	**12/31/2016**	**9/30/2017**	**12/31/2016**
Tax Regularization Program (PRT/PERT):				
- IRPJ and CSL	5,278	-	20,472	-
- PIS and COFINS	-	-	7,395	-
- Social Security (ISS)	-	-	599	-
Ordinary installments:				
- IRPJ and CSLL	-	284	401	14,435
- PIS and COFINS	-	-	391	12,705
- ISS	-	-	1,082	1,725
Total	**5,278**	**284**	**30,340**	**28,865**
Current portion	3,812	284	27,851	4,198
Noncurrent portion	1,466	-	2,489	24,667
Total	**5,278**	**284**	**30,340**	**28,865**

i. Transaction of taxes in installments

The transactions of taxes in installments may be thus demonstrated:

	Holding		Consolidated	
Installments made	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Initial balance	**284**	**284**	**28,865**	**29,714**
(+/-) Adjustment to the initial balances	(283)	-	(1,177)	-
(-) Migration from ordinary installment to PRT	-	-	(25,909)	-
(+) New installments:				
. Tax Regularization Program (PRT/PERT) [1]	29,322	-	339,914	-
. Ordinary Installment	-	-	1,049	3,577
(+) Updating (Selic)	39	-	1,545	5,105
(-) Payments	(1,799)	-	(11,022)	(9,531)
Balances in installments	**27,563**	**284**	**333,265**	**28,865**
(-) Payment with Tax Loss [2]	(22,285)	-	(232,142)	-
(-) Fine/Interest Reduction	-	-	(70,783)	-
Balances payable	**5,278**	**284**	**30,340**	**28,865**

[1] The exclusion to the adhesion to the installment mode will occur if there is failure to pay 3 (three) consecutive installments or (6) alternate ones. For entities under PRT or PERT, the installments must be paid until December 2017. In the event of exclusion from PRT/PERT, the debt balance will be calculated deducting the amounts paid in kind, with legal additions until the termination date.

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

b. *Deferred Tax assets and liabilities*

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

i. *Composition of deferred tax assets*

	Consolidated	
Tax	**9/30/2017**	**12/31/2016**
IRPJ and CSLL	5,921	4,152
PIS and COFINS	8,691	6,062
Total	**14,612**	**10,214**

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

	Holding		Consolidated	
Tax	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
IRPJ	-	-	26,241	25,733
CSLL	-	-	12,611	11,240
IR and CS	**-**	**-**	**38,852**	**36,973**
PIS and COFINS	1,155	543	39,846	53,429
Total	**1,155**	**543**	**78,698**	**90,402**
Current portion	1,155	543	30,002	45,483
Noncurrent portion	-	-	48,696	44,919
Total	**1,155**	**543**	**78,698**	**90,402**

c. *Expenses with income tax and social contribution*

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

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

	9/30/2017		9/30/2016	
Equity base for tax determination:	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Real estate sale revenues	284,286	284,286	205,962	205,962
(-) Real estate sale revenues real profit	(5,435)	(5,435)	(92,588)	(92,588)
(-) Real estate sale revenues under RET	(93,544)	(93,544)	66,490	66,490
Real Estate Sale Revenues under presumed profit	**185,307**	**185,307**	**179,864**	**179,864**
Other revenues - real estate development	11,031	11,031	37,145	37,145
(+/-) Other revenues - real estate development real profit	(4,499)	(4,499)	11,011	11,011
(+/-) Other revenues - real estate development under RET	(5,559)	(5,559)	(35,303)	(35,303)
Other revenues - real estate development presumed profit	21,089	21,089	12,853	12,853
Real Estate Development Presumed Profit - IRPJ 8% - CSLL 12%	**16,512**	**24,768**	**15,417**	**23,126**
Rent/Services Revenues - real profit	2,657	2,657	13,855	13,855
Rent/Services Revenues - presumed profit	76	76	372	372
Services/Rent Presumed Profit - IRPJ - CSLL 32%	**24**	**24**	**119**	**119**
Presumed Profit (Development + Services)	**16,536**	**24,792**	**15,536**	**23,245**
(+) Financial Revenues - presumed profit	38,161	38,161	48,287	48,287
(-) Financial Revenues - real profit	(22,263)	(22,263)	(2,395)	(2,395)
(+) Other revenues - presumed profit	13,245	13,245	2,302	2,302
(-) Other revenues - real profit	(928)	(928)	(6,571)	(6,571)
Presumed Profit Base	**67,942**	**76,198**	**66,125**	**73,834**
(-) Consolidated Expense Presumed Profit - IRPJ / CSLL	(16,986)	(6,858)	(16,531)	(6,645)
(+) Deferred IRPJ temporary differences - Real profit	2,349	846	(8,125)	(2,925)
(-) Consolidated expense - RET	(1,249)	(654)	393	206
(+) Setting up deferred IRPJ and CSLL (PRT)	170,693	61,449	-	-
Entities taxed under the Presumed Profit + Real Profit	**154,807**	**54,783**	**(24,263)**	**(9,364)**
(+) Other	4,980	(2,010)	(751)	(2,581)
Expense on Income	**159,787**	**52,773**	**(25,014)**	**(11,945)**

	9/30/2017		9/30/2016	
Expense Composition	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Current	(11,476)	(8,354)	(43,143)	(21,536)
Deferred	171,263	61,127	18,129	9,591
Expense on Income	**159,787**	**52,773**	**(25,014)**	**(11,945)**

Taxes (IR + CS)	**9/30/2017**	**9/30/2016**
Current	(19,830)	(64,679)
Deferred	232,390	27,720
	212,560	**(36,959)**

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

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

	Consolidated	
	9/30/2017	**12/31/2016**
(i) Sales Revenues to appropriate from units sold		
Contracted sales revenues	1,342,475	1,792,627
Appropriated sales revenues	(859,502)	(1,102,244)
Sales revenue to appropriate (a)	**482,973**	**690,383**
(ii) Budgeted costs to appropriate from units sold		
Budgeted cost of units	(1,832,256)	(2,027,232)
Incurred cost of units	1,460,343	1,523,345
Budgeted cost to appropriate (b)	**(371,913)**	**(503,887)**
(iii) Income to appropriate from units sold		
Sales revenues to appropriate (a)	482,973	690,383
Budgeted cost to appropriate (b)	(371,913)	(503,887)
Gross income to appropriate	**111,060**	**186,496**
(-) Tax forecast and APV	(12,409)	(21,570)
Net income to appropriate	**98,651**	**164,926**
(iv) Budgeted costs to appropriate of units in inventory		
Budgeted costs of units	(780,374)	(759,650)
Incurred cost of units	416,728	403,108
Budgeted cost to appropriate	**(363,646)**	**(356,542)**

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

	Consolidated	
Year	**9/30/2017**	**12/31/2016**
2017	26,700	93,707
2018 onwards	71,951	71,219
Total	**98,651**	**164,926**

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

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

	Holding		Consolidated	
	9/30/2017	**12/31/2016**	**9/30/2017**	**12/31/2016**
Physical exchange - lauched	-	-	120,296	105,959
Physical exchange - to lauch	-	-	39,086	43,430
Received from clients	34	34	56,042	111,907
Total	**34**	**34**	**215,424**	**261,296**
Current portion	34	34	133,034	188,928
Noncurrent portion	-	-	82,390	72,368
Total	**34**	**34**	**215,424**	**261,296**

16 Provisions

a. *Provision for contingencies*

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

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

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

	Holding		Consolidated	
Nature – Probable Loss	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Labor	29,319	25,967	108,762	98,867
Tax	407	26,520	8,366	27,010
Civil	23,818	22,736	1,024,517	931,303
Total	**53,544**	**75,223**	**1,141,645**	**1,057,180**
Current portion	15,705	32,736	349,021	336,757
Noncurrent portion	37,839	42,487	792,624	720,423
Total	**53,544**	**75,223**	**1,141,645**	**1,057,180**

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

	Holding			
	Labor	**Tax**	**Civil**	**Total**
Balance on 12/31/2015	**374**	**42**	**8,782**	**9,198**
Additions	36,978	27,231	94,593	158,802
Reversals	(11,385)	(753)	(80,639)	(92,777)
Balance on 12/31/2016	**25,967**	**26,520**	**22,736**	**75,223**
Additions	6,042	56	5,617	11,715
Reversals	(2,690)	(26,169)	(4,535)	(33,394)
Balance on 9/30/2017	**29,319**	**407**	**23,818**	**53,544**

	Consolidated			
	Labor	**Tax**	**Civil**	**Total**
Balance on 12/31/2015	**87,026**	**16,502**	**366,834**	**470,362**
Additions	78,859	30,092	974,191	1,083,142
Reversals	(67,018)	(19,584)	(409,722)	(496,324)
Balance on 12/31/2016	**98,867**	**27,010**	**931,303**	**1,057,180**
Additions	20,919	5,834	234,345	261,098
Reversals	(11,024)	(24,478)	(141,131)	(176,633)
Balance on 9/30/2017	**108,762**	**8,366**	**1,024,517**	**1,141,645**

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

	Holding		Consolidated	
Nature – Possible Loss	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Labor	75,156	64,007	272,902	179,558
Tax	178,862	12,777	293,378	104,257
Civil	19,005	4,300	279,776	235,014
Total	**273,023**	**81,084**	**846,056**	**518,829**

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

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

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

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

b. *Provision for guarantees*

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

	Holding		Consolidated	
Provision for Guarantee[1]	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Current portion	104	98	52,590	51,828
Noncurrent portion	515	447	39,300	50,890
Total provision	**619**	**545**	**91,890**	**102,718**

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

17 Net Equity

a. *Share capital*

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

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

	Number of ON shares	Share Capital		
		Subscribed	Raising expenses	Total
Balance on 12/31/2016	49,192,557	4,970,080	(52,237)	4,917,843
Balance on 9/30/2017	49,192,557	4,970,080	(52,237)	4,917,843

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

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

b. Loss per share

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

	9/30/2017	9/30/2016
Basic loss per share		
Loss for the period available for common shares	(1,107,294)	(2,868,026)
Weighted average of outstanding common shares	49,192	49,192
Basic loss per share (in R$)	**(22.50964)**	**(58.30269)**
Diluted loss per share		
Loss for the period available for common shares	(1,107,294)	(2,868,026)
Weighted average of outstanding common shares	49,192	49,192
Diluted loss per share (in R$)	**(22.50964)**	**(58.30269)**

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

18 Financial Instruments

a. Analysis of the financial instruments

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

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

Note nr. 2.4.

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

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

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

The category of financial instruments is thus demonstrated:

	Holding		Consolidated		Classification
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	
Financial assets					
Cash and cash equivalents	4,317	5,931	160,994	200,973	Fair value through profit or loss
Financial investments	2,347	-	64,406	-	Fair value through profit or loss
Accounts receivable	26,869	24,761	1,477,713	2,022,665	Receivables and loans
Loans receivable	3,153	2,723	26,436	24,564	Receivables and loans
Current accounts with partners in ventures	-	12,530	72,262	60,165	Receivables and loans
Total financial assets	**36,686**	**45,945**	**1,801,811**	**2,308,367**	
Financial liabilities					
Suppliers	23,646	22,952	290,238	251,319	Financial liabilities
Accounts payable due to real estate acquisition	1,607	4,517	132,923	120,526	Financial liabilities
Debentures payable	1,934,740	1,580,966	1,934,739	1,580,966	Financial liabilities
Loans and financing	490,180	430,799	1,324,063	1,401,162	Financial liabilities
Liability due to issuance of CCB/CCI	2,226,116	2,041,970	2,496,793	2,312,584	Financial liabilities
Co-liability in assignment of receivables	-	-	16,106	24,411	Financial liabilities
Loans payable	-	-	5,403	-	Financial liabilities
Current accounts with partners in ventures	142,536	116,549	164,243	137,413	Financial liabilities
Other liabilities	1,731,077	1,374,679	423,087	417,753	Financial liabilities
Total financial liabilities	**6,549,902**	**5,572,432**	**6,787,595**	**6,246,134**	

i. Fair value of assets and liabilities

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

b. Considerations about the risks in financial instruments

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

Sensitivity analysis

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

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

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

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

		Probable scenario		
Transaction	**CDI risk on balance on 9/30/2017**	**I**	**II**	**III**
Bank deposit certificate	73,715	11%	8%	6%
Forecasted revenue		8,204	5,897	4,423
Repo and immediate liquidity transactions	31,934	11%	8%	6%
Forecasted revenue		3,554	2,555	1,916
Total forecasted revenue		**11,758**	**8,452**	**6,339**

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

Capital management

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

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

	9/30/2017	12/31/2016
Gross debt		
. Housing Financial System (SFH) debt	830,776	970,394
. Other corporate debts	493,510	430,768
Total loans and financing	**1,324,286**	**1,401,162**
Debentures payable	1,936,016	1,580,966
Bank credit notes (CCBs) and co-liabilities	2,512,899	2,336,995
Total gross debt	**5,773,201**	**5,319,123**
(-) Cash, cash equivalents anf financial investments	(225,400)	(200,973)
Net debt	**5,547,801**	**5,118,150**
(-) SFH debt	(830,776)	(970,394)
(-) CCB debt - Support to production *	(653,243)	(586,770)
(-) Debenture debt payable - Support to production *	(163,086)	(140,864)
Net debt less debt with support to production	**3,900,696**	**3,420,122**
Total consolidated net equity (PL)	**(4,486,341)**	**(3,414,502)**
Debt (with no SFH abd Support to production) / PL	-86.9%	-100.2%

*They have the same conditions of SFH contracting:

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

Liquidity risk

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

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

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

Exchange risk

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

Credit risk

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

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

The Entity is exposed to the credit risk in its operating activities and deposits in banks and/or financial institutions, exchange transactions e other financial instruments. In order to mitigate risks, the Group (PDG) adopts a conservative management by making investments with daily liquidity and post- fixed rates, in first class banks, considering the ratings of the major credit rating agencies and respecting the concentration prudential limits.

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

19 Business risk management

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

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

a. *Implementation of the risk control system*

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

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

b. *Risk control system*

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

c. *Loss risk control*

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

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

d. *Cash maximum exposure control*

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

e. *Performance in the market with liquidity*

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

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

f. Operating risks

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

20 Insurance coverage

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

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

Items	Coverage Type	Insured Amount
Construction Insurance (Engineering and Civil Liability Risk)	Material and bodily damages involuntarily caused to third parties due to the construction work execution, installations and assemblies in the location, object of the insurance; coverage of indirect damages caused due to possible errors in the project; and extraordinary expenses such as dumping, riots, strikes, etc.	767,596
Guarantee Insurance for real estate unit delivery	It guarantees construction work delivery to prospective buyers	1,516
Corporate	Material damage caused due to electrical damages, fire, gale, riot and insures loss of rent	17,246
D&O	Civil liability of Management members	100,000
		886,358

21 Payment based on shares

a. Long-term incentive plan

We approved, at the Extraordinary General Meeting held on October 8, 2015, the Entity's Long-Term Incentive Plan, in the Modality Purchase Option of Shares, and having as objectives:

i. to stimulate the expansion, success and achievement of the Entity's corporate objects;
ii. to align the Entity's shareholders' interest to the ones of the eligible persons; and
iii. to enable the Entity or other corporations under its holding to attract and keep the eligible persons bound to it (them).

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

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

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

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

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

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

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

	ILP - Granting performed		
Issuance characteristics:	**1st Issuance**	**2nd Issuance**	**3rd Issuance**
Date of granting	12/19/2013	12/19/2014	11/4/2015
Final exercise term	12/19/2018	12/19/2019	11/4/2018
Granting options issued [1]	1,874,639	484,130	2,589,082
Options cancelled until 9/30/2017:	(1,823,678)	(395,312)	(863,027)
Exercise price [2]	91.00	53.00	2.48
Dividends	7.4%	6.5%	0.0%
Volatility	29.9%	25.1%	24.2%
Risk-free interest rate	11.6%	12.7%	13.8%
Maturity (years)	5	5	3
% exercise of options:			
. In the 1st anniversary of the grant	-	-	33%
. In the 2nd anniversary of the grant	20%	20%	33%
. In the 3rd anniversary of the grant	20%	20%	33%
. In the 4th anniversary of the grant	30%	30%	-
. In the 5th anniversary of the grant	30%	30%	-

[1] **Granting options issued:**	**1st Issuance**	**2nd Issuance**	**3rd Issuance**
prior to grouping of 10/8/2015:	93,731,953	24,206,480	-
balance grouped 50 shares to 1:	1,874,639	484,130	2,589,082
prior to grouping of 10/8/2015:	1.82	1.06	-
[2] Equivalent in grouping 50x1	91.00	53.00	2.48

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

	ILP - Balance of grantings issued				Total	% Dilution
	1st Issuance	**2nd Issuance**	**3rd Issuance**	**Total**	**outstanding shares**	**calculated [1]**
Balance to exercise 12/31/2015	**425,889**	**305,038**	**2,589,082**	**3,320,009**	**49,192,557**	**6.75%**
Cancelled	(83,722)	(62,609)	-	(146,331)		
Balance to exercise 12/31/2016	**342,167**	**242,429**	**2,589,082**	**3,173,678**	**49,192,557**	**6.45%**
Cancelled	(291,206)	(153,611)	(863,027)	(1,307,844)		
Balance to exercise 9/30/2017	**50,961**	**88,818**	**1,726,055**	**1,865,834**	**49,192,557**	**3.79%**

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

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

As set by CPC 10 – Payments Based on Shares, as approved by CVM Deliberation nr. 564/08, premium of those options was calculated on the date of their granting, and is being recognized as expense in offset to the net equity, during the grace period and as the services are rendered.
During the period ended September 30, 2017 expense was appropriated and accumulated, in the Entity's income, in the amount of R$ 37 (September 30, 2016: R$ 1,090).

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

ILP - Total expenses with issuance of share granting

Year	Gross Value	Appropriated	To appropriate	Residual
Re.: 1st issuance:				
2013	38,772	(385)	-	38,387
2014	-	(11,172)	-	27,215
2015	(27,215) [1]	-	-	-
	11,557	**(11,557)**	-	
Re.: 2nd issuance:				
2014	4,352	(44)	-	4,308
2015	(853) [1]	(1,283)	-	2,172
2016	(718) [1]	(500)	-	954
2017	(954) [1]	-	-	-
	1,827	**(1,827)**	-	
Re.: 3rd issuance:				
2015	1,737	(148)	-	1,589
2016	-	(861)	-	728
2017	(579) [1]	(37)	(11)	101
2018	-	-	(101)	-
	1,158	**(1,046)**	**(112)**	
Balance on 9/30/2017	**14,542**	**(14,430)**	**(112)**	**-**
Balance on 12/31/2016	**16,075**	**(14,393)**	**-**	**1,682**

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

22 Information per segment

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

23 Net Operating Income

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

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Real estate sales	205	2,746	4,609	18,756	93,430	658,405	351,705	1,242,293
(-) Rescissions incurred	239	(757)	(407)	(6,735)	(82,053)	(374,119)	(407,270)	(1,036,331)
Real estate sales income	**444**	**1,989**	**4,202**	**12,021**	**11,377**	**284,286**	**(55,565)**	**205,962**
Other operating income	1	143	910	3,341	3,612	11,031	(1,323)	51,372
Gross income	**445**	**2,132**	**5,112**	**15,362**	**14,989**	**295,317**	**(56,888)**	**257,334**
(-) Deductions from income	(188)	(1,035)	(491)	(2,287)	236	(3,879)	(27,366)	(81,969)
Net operating income	**257**	**1,097**	**4,621**	**13,075**	**15,225**	**291,438**	**(84,254)**	**175,365**

24 Cost of the units sold

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

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Cost of units sold	(4,657)	(9,050)	(2,298)	(11,484)	(99,663)	(518,764)	(572,596)	(1,265,525)
(-) Rescissions incurred	-	527	917	3,458	72,685	291,864	258,192	664,153
Cost of real estate units sales	**(4,657)**	**(8,523)**	**(1,381)**	**(8,026)**	**(26,978)**	**(226,900)**	**(314,404)**	**(601,372)**
Capitalized charges (Note 6)	(3)	(1,124)	(1,459)	(2,128)	(3,499)	(20,369)	(11,606)	(57,329)
Cost of real estate units sold	**(4,660)**	**(9,647)**	**(2,840)**	**(10,154)**	**(30,477)**	**(247,269)**	**(326,010)**	**(658,701)**

25 Financial Income

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Financial revenues								
Income from financial investments	(3,757)	(2,661)	2,619	3,821	(8,318)	1,753	8,128	28,393
Monetary variation, interest and fines	1,446	4,577	4,883	9,642	16,248	16,773	18,800	56,870
Other financial revenues	168	578	331	816	9,978	12,679	4,422	11,130
	(2,143)	**2,494**	**7,833**	**14,279**	**17,908**	**31,205**	**31,350**	**96,393**
Financial expenses								
Interest on loans	(202,415)	(638,292)	(154,067)	(475,673)	(270,874)	(786,860)	(211,180)	(657,508)
Bank expenses	(4)	(11)	(7)	(25)	(209)	(754)	(489)	(2,163)
Other financial expenses	(458)	(2,251)	(2,689)	(7,285)	55,693	22,978	(10,975)	(27,887)
Total financial expenses	**(202,877)**	**(640,554)**	**(156,763)**	**(482,983)**	**(215,390)**	**(764,636)**	**(222,644)**	**(687,558)**
Capitalized interest (Note 6)	3	665	96	400	7,199	23,183	19,381	42,130
	(202,874)	**(639,889)**	**(156,667)**	**(482,583)**	**(208,191)**	**(741,453)**	**(203,263)**	**(645,428)**
Total financial income	**(205,017)**	**(637,395)**	**(148,834)**	**(468,304)**	**(190,283)**	**(710,248)**	**(171,913)**	**(549,035)**

26 Administrative expenses

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Salaries and charges	988	(333)	(919)	(1,800)	(9,697)	(41,218)	(21,950)	(65,936)
Administration fees	(1,731)	(6,283)	(4,626)	(21,497)	(1,731)	(6,283)	(4,626)	(21,497)
Stock options	(12)	(37)	(455)	(990)	(12)	(37)	(455)	(990)
Income sharing	(960)	(960)	-	-	(4)	(4)	(6,000)	(17,005)
Salaries and charges	**(1,715)**	**(7,613)**	**(6,000)**	**(24,287)**	**(11,444)**	**(47,542)**	**(33,031)**	**(105,428)**
Attorneys' fees and judicial expenses	(169)	(361)	(36)	(1,313)	(728)	(974)	(129)	(5,577)
Computer maintenance	(1,521)	(6,099)	(2,283)	(5,955)	(1,729)	(9,321)	(2,891)	(8,142)
Consulting	(12,389)	(35,332)	(3,337)	(6,217)	(12,593)	(36,326)	(4,278)	(9,585)
Other services	(3)	(7)	-	-	(384)	(1,872)	(1,230)	(5,028)
Rendering of services	**(14,082)**	**(41,799)**	**(5,656)**	**(13,485)**	**(15,434)**	**(48,493)**	**(8,528)**	**(28,332)**
Travel	-	-	-	-	(276)	(1,223)	(798)	(1,898)
Telecommunications and internet	(350)	(1,104)	(653)	(2,175)	(363)	(1,416)	(1,158)	(4,650)
Real estate rent and refurbishment	-	(2)	(5)	(73)	(976)	(3,037)	(2,942)	(11,168)
Other expenses	(44)	(1,008)	(485)	(1,405)	(844)	(3,503)	(677)	(5,762)
Other administrative expenses	**(394)**	**(2,114)**	**(1,143)**	**(3,653)**	**(2,459)**	**(9,179)**	**(5,575)**	**(23,478)**
Total	**(16,191)**	**(51,526)**	**(12,799)**	**(41,425)**	**(29,337)**	**(105,214)**	**(47,134)**	**(157,238)**

27 Sales expenses

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Advertising, publicity and other	-	(9)	(242)	(1,360)	(1,918)	(8,901)	(19,985)	(56,177)
Commission and awards on sales	-	(67)	(153)	(620)	(121)	(2,822)	(5,755)	(21,723)
Sales booth	-	-	(11)	(32)	(203)	(1,496)	(1,806)	(5,438)
Total	**-**	**(76)**	**(406)**	**(2,012)**	**(2,242)**	**(13,219)**	**(27,546)**	**(83,338)**

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

	Holding				Consolidated			
	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016
Other operating expenses/ income [1]								
Accounts receivable from clients								
. Provision for doubtful credits (PCLD)	211	169	3	32	5,535	20,198	(106,063)	(106,063)
Provision for legal contingencies								
. Additions and reversals	(4,833)	21,679	(73,274)	(71,453)	(43,572)	(84,468)	(148,429)	(252,019)
Real estate inventory to trade								
- Impairment and other	-	-	-	-	-	(172,788)	(19,277)	(33,199)
Investments, development assignment and current accounts	3,243	(4,606)	276	(169,488)	2,623	10,036	(444,674)	(681,732)
Intangible (Note 9b)	-	(53,491)	-	-	-	(53,491)	-	-
Other balance sheet accounts	(10,322)	(61,005)	(97,383)	(101,608)	(50,123)	(204,481)	(319,486)	(441,960)
Total other operating expenses/ income	**(11,701)**	**(97,254)**	**(170,378)**	**(342,517)**	**(85,537)**	**(484,994)**	**(1,037,929)**	**(1,514,973)**
[1] Income statement accounts:								
. Other operating income	-	-	-	802	-	-	-	17,196
. Losses on equity interest	-	-	-	(127,767)	(5,993)	(29,957)	(71,061)	(214,087)
. Other	(11,701)	(97,254)	(170,378)	(215,552)	(79,544)	(455,037)	(966,868)	(1,318,082)
	(11,701)	**(97,254)**	**(170,378)**	**(342,517)**	**(85,537)**	**(484,994)**	**(1,037,929)**	**(1,514,973)**

29 Independent Auditors

PDG Group, as per the terms of article 31, of CVM Instruction 308/1999, that sets that the rotation of the independent auditors at every period of five consecutive years, entered into a contract for the rendering of independent audit with Ernst & Young Auditores Independentes ("EY"), for the rendering of independent audit services related to the audit of its annual Financial Statements and reviews of its Quarterly Information, as from the year-end 2017. There are no other services rendered in 2017 by ("EY") to the Entity.

30 Other Information

The Entity has in its Articles of Incorporation, in chapter VIII and article 39, the definition related to the commercial conflicts, as follows:

Solution to controversies via arbitration: the Entity, its shareholders, officers and members of the Supervisory Board, shall solve, by means of arbitration, before the Market Arbitration Chamber, any and all disputes or controversies that may arise among them, related to or incurred from, notably, the enforcement, validity, efficacy, interpretation, breach and its effects, of the provisions contained in Law 6.404/76, in these Articles of Incorporation, in the standards edited by the National Monetary Council, by the Central Bank of Brazil and by CVM, as well as in the other standards that are applicable to the capital market operations in general, in addition to those contained in the regulation of the New Market, the Arbitration Regulation of the Market Arbitration Chamber, of the Regulation of Sanctions and the Participation Contract of the New Market.

31 Subsequent event

The Company disclosed a material news release on October 25, 2017, informing its shareholders and the market in general that a General Creditors' Meeting ("Meeting") was firstly convened on that date, to be held at Expo Center Norte, Pavilhão Amarelo, located at Avenida Otto Baumgart, 100, Vila Guilherme, CEP 02049-000, São Paulo, São Paulo state, on November 22, 2017, at 2p.m., with creditors' registration from 7 a.m. to 12 a.m. and, in case of insufficient quorum, to be secondly convened and held at Expo Center Norte, Pavilhão Vermelho, located at Rua José Bernardo Pinto, 333, Vila Guilherme, CEP 02055-000, São Paulo, São Paulo state, on November 30, 2017, at 2p.m., with creditors' registration from 7 a.m. to 12 a.m.

The convened meeting has the following agenda and objectives:

a) presentation to creditors of the Judicial Recovery Plan ("Plan");
b) approval, rejection or amendment of the Plan; and
c) handling of other issues of PDG Group's and/or creditors' interest, as well as the adoption of the necessary measures to implement the Plan.

Stakeholders may obtain a copy of the Plan to be submitted to the Meeting in the digital proceeding records No. 1016422-34.2017.8.26.0100, available on the Internet site of the São Paulo State Court of Justice (http://www.tjsp.jus.br/), as well as on the investor relations site of the Companies (http://ri.pdg.com.br/) and on CVM's site (http://cvm.gov.br).

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nº 358/2002

In 09/2017 the Company not conducted derivate and securities transactions, according to the CVM Nº 358/2002, article 11. Below is the company position regarding securities and derivates:

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

* Including directly and indirectly interest in PDG.

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nº 358/2002

In 09/2017 the Company not conducted derivate and securities transactions, according to the CVM Nº 358/2002, article 11. Below is the company position regarding securities and derivates:

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

* Including directly and indirectly interest in PDG.

CONSOLIDATED FORM

Negotiation Management and Related Persons - Art. 11 - Instruction CVM nº 358/2002

In 09/2017 the Company not conducted derivate and securities transactions, according to the CVM Nº 358/2002, article 11. Below is the company position regarding securities and derivates:

Company Name: PDG Realty S.A. Empreendimentos e Participações - Under Court-Supervised Reorganization							
Group and related parties	( ) Management Board		( ) Director		(X) Fiscal Council	( ) Technical or advisory committees	
Inicial Balance							
Securities/Derivative	Securities Characteristiscs			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0,000		0.00%	0.00%
PDGR11*	Subscription Bonus			0,000		0.00%	0.00%
Montly movement– discriminating each purchase or sale transaction within the month (day, quantity, price and volume)							
Securities/Derivative	Securities Characteristiscs	Intermediate	Transaction	Day	Amount	Price (R$)	Volume (R$)
Shares	Ordinary						
				TOTAL	0		0,00
PDGR11	Subscription Bonus						
				TOTAL	0		0,00
Final Balance							
Securities/Derivative	Securities Characteristiscs (2)			Amount		% of participation	
						Same Species/Class	Total
Shares*	Ordinary			0,000		0.00%	0.00%
PDGR11*	Subscription Bonus			0,000		0.00%	0.00%

* Including directly and indirectly interest in PDG.

Shareholders		Nº Shares
Individual	52,52%	25.834.677
Vinci Prioritário Fundo de Investimento em Ações	22,38%	11.011.480
Vinci Capital Partners II F FI em Participações	11,66%	5.737.130
Management	0,00%	10
Other	13,44%	6.609.260
Total de ações emitidas	**100%**	**49.192.557**

Supervisory Board Opinion

The Supervisory Board of PDG Realty S.A. Empreendimentos e Participações – Under Court-supervised Reorganization, in the exercise of its legal duties, in a meeting held on November 1, 2017, analyzed the Management Report and the Quarterly Information for the period ended September 30, 2017, comprising the balance sheet, the income statement, the statement of changes in shareholders' equity, the statement of cash flows, the statement of added value and notes thereto. Based on the reviews carried out and on clarification from Management, the Supervisory Board arrived at the conclusion that the aforesaid management report and Quarterly Information, in all their material respects, have been presented fairly and in accordance with the applicable legal standards.

Officers' Representation on the Financial Statements

REPRESENTATION FOR PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM VI, OF BRAZILIAN SEC RULE Nº 480/09

As officers of PDG Realty S.A. Empreendimentos e Participações – Under Court-supervised Reorganization, a jointly-stock company with offices in the City of São Paulo, State of São Paulo, at Avenida Dr. Cardoso de Melo, n° 1955, 10º andar, CEP 04548-005, CNPJ/MF Nº 02.950.811/0001-89 ("Entity"), pursuant to item VI, paragraph 1, article 25 of Brazilian SEC Rule Nº 480 of December 7, 2009, we represent that we reviewed, discussed and agreed to the Entity's quarterly information for the period ended September 30, 2017.

São Paulo, November 1, 2017

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

Officers' Representation on the Independent Auditors' Report

REPRESENTATION FOR PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM V, OF BRAZILIAN SEC RULE Nº 480/09

As officers of PDG Realty S.A. Empreendimentos e Participações – Under Court-supervised Reorganization, a jointly-stock company with offices in the City of São Paulo, State of São Paulo, at Avenida Dr. Cardoso de Melo, n° 1955, 10º andar, CEP 04548-005, CNPJ/MF Nº 02.950.811/0001-89 ("Entity"), pursuant to item v, paragraph 1, article 25 of Brazilian SEC Rule Nº 480 of December 7, 2009, we represent that we reviewed, discussed and agreed to the conclusions set out in the reported issued by the Entity's independent auditors (Ernst & Young Auditores Independentes) on the Entity's quarterly information for the period ended September 30, 2017.

São Paulo, November 1, 2017

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

NATALIA MARIA FERNANDES PIRES
General Counsel