São Paulo, August 14th, 2017: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the second quarter and first half of 2017. Founded in 2003, PDG develops projects for different segments and publics, operating in the development, construction and sale of residential and commercial units, as well as land plots.

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Conference Call

Date:
Tuesday, August 15th, 2017

- **Portuguese**

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

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Highlights:

- **General and administrative expenses** maintained their downward trajectory, closing the quarter **46% down year-on-year**. While the first semester figure fell by 31% over 1H16. (page 17)

- **Selling expenses fell by 90% over 2Q16**. The first-half selling expenses recorded a **80% decline over 1H16**. (page 17)

- **Total financial expenses increased 56% year-on-year**. Comparing 1H16 with 1H17, the increase was 13%. (page 19)

- In this quarter, **net loss decreased 28% over 2Q16**. The semester net loss fell by 30% over 1H16. (page 21)

- During 2Q17, we obtained occupancy permits for 2 projects (managed by PDG) totaling 613 units and a PSV of R$222 million. In the first half of the year, occupancy permits for 5 projects managed by PDG were achieved, with an PSV of R$390 million and 1,274 units in total, reducing the Company's operational and financial risk. (page 13)

Recent Events:

- On August 4, the Company disclosed a Material Fact informing of its alignment with its main creditors regarding some aspects of the Reorganization. The alignment includes the treatment to be given to the segregated properties under the Group and PDG Securitization companies, the allocation of the results of assets encumbered to the Banks and not tied to the segregated properties, and PDG Group's estimate of remuneration for managing the assets. (page 3)

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Court-supervised Reorganization

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

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

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

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

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

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

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

Operating Performance

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

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

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

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

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

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

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

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

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

Operating Performance

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

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

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

Management.

Operating and Financial Indicators

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

- The Company's main results and indicators regarding 2Q17 and 1H17 are the following:

Launches	2Q17	2Q16	2Q17 vs. 2Q16	1H17	1H16	1H17 vs. 1H16	2Q17 (IFRS)	1H17 (IFRS)
Total Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
PDG % Launches - R$ million	0	0	n.m.	0	0	n.m.	0	0
# of Launched Projects	0	0	n.m.	0	0	n.m.	0	0
# of Launched Units - PDG	0	0	n.m.	0	0	n.m.	0	0

Sales and Inventory	2Q17	2Q16	2Q17 vs. 2Q16	1H17	1H16	1H17 vs. 1H16	2Q17 (IFRS)	1H17 (IFRS)
Gross Sales %PDG - R$ million	63	345	-81.7%	144	748	-80.7%	60	140
Net Sales %PDG - R$ million	(50)	77	n.m.	(110)	174	n.m.	(53)	(114)
# of Net Sold Units %PDG	(243)	298	n.m.	(452)	518	n.m.	(253)	(463)
Inventory at Market Value %PDG - R$ million	2,321	2,695	-13.9%	2,321	2,695	-13.9%	2,305	2,305

Operational Result (1)	2Q17	2Q16	2Q17 vs. 2Q16	1H17	1H16	1H17 vs. 1H16
Net Operational Revenues - R$ million	158	120	31.8%	276	260	6.2%
Gross Profits (Losses) - R$ million	57	(57)	n.m.	59	(73)	n.m.
Gross Margin - %	36.3	n.a.	n.m.	21.5	n.a.	n.m.
Adjusted Gross Margin - %	44.4	n.a.	n.m.	27.6	n.a.	n.m.
EBITDA Margin - %	n.a.	n.a.	n.m.	n.a	n.a.	n.m.
Net Earnings (Losses) - R$ million	(532)	(740)	-28.1%	(808)	(1,150)	-29.7%
Net Margin - %	n.a.	n.a.	n.m.	n.a	n.a.	n.m.

Backlog Results (REF) (1)	2Q17	2Q16	2Q17 vs. 2Q16
Gross Revenues (REF) - R$ million	476	620	-23.2%
COGS - R$ million	(379)	(423)	-10.4%
Gross Profit - R$ million	97	197	-50.8%
Gross Backlog Margin - %	20.4	31.8	-11.4 p.p

Balance Sheet (1)	2Q17	2Q16	2Q17 vs. 2Q16
Cash and Cash Equivalents - R$ million	244	271	-10.0%
Net Debt - R$ million	5,370	5,170	3.9%
Shareholders Equity - R$ million	(4,184)	1,057	n.m.
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	302.0	n.m.
Total Assets - R$ million	4,103	8,907	-53.9%

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

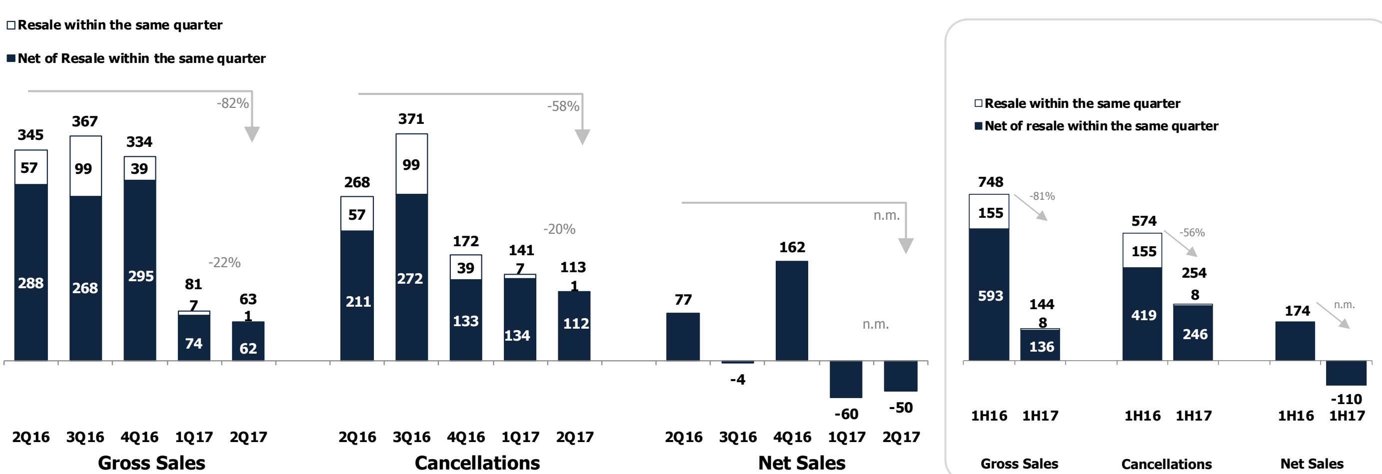
Operating Performance – Launches

- There were no launches during the first semester of 2017, all attention is still focused on structuring and approving the Court-supervised Reorganization Plan.

Operating Performance – Sales

- Aiming to preserve the Company's Cash, this quarter our sales strategy was altered, whereby we started to prioritize the sale of unencumbered units, that is, units that allow immediately cash generation, in addition to prioritizing the sale of units whose resources could be used to pay expenses of the SPE itself.
- Taking into account the new sales strategy, this quarter's gross sales (considering resale of cancellations within the same quarter) reached R$63 million, a 22% decrease when compared to 1Q17 and a 82% drop when compared to the 2Q16. In the first half, gross sales came to R$144 million, a 81% reduction over the same period last year.
- Cash sales totaled R$21.5 million in 2Q17, accounting for 34% of period gross sales. First-half cash sales amounted to R$36,5 million, which corresponded to 25% of gross sales in the semester.
- Total cancellations came to R$113 million in 2Q17, 20% down on 1Q17, and 58% down on 2Q16. During 1H17, cancellations amounted to R$254 million, 56% down on 1H16. Total cancellations were not higher due to the Company's cash restriction policy, which didn't allow the conclusion of all cancellations requested in the period.
- Due to the reduction in gross sales during this quarter, net sales were negative R$50 million in 2Q17. First-half net sales were negative R$110 million.

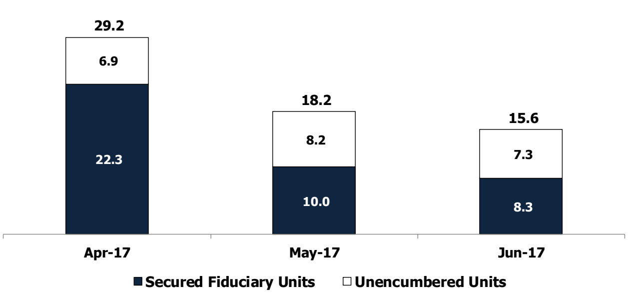
Sales Performance – PSV %PDG in R$ million



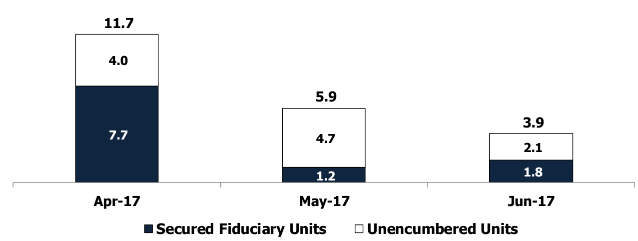
Operating Performance – Sales (Current Strategy)

- As mentioned in the previous item, we implemented a new sales strategy this quarter. The new strategy aims to preserve the Company's Cash until the approval of the Court Reorganization Plan, establishing the sales focus on unencumbered units and on units whose resources can be used to pay the SPE's own expenses (Secured Fiduciary Sale of Shares).
- Of the R$63 million sold during 2Q17, R$40.6 million relate to the sales of units whose resources can be used to pay the SPE's expenses, and R$22.4 million refer to the sales of units that generated free cash for the Company.
- Of the R$21.5 million cash sales in 2Q17, R$10.7 million refer to units whose resources can be used to pay the SPE's own expenses, and R$10.8 million in the free cash dynamics.

Gross Sales (New Strategy) – R$ million



Cash sales (New Strategy) – R$ million



Operating Performance – Cancellations and Resale

- Of total 2Q17 cancellations, 84% corresponded to projects with more than 60% of their units sold, underlining the fact that cancellations are continuing to occur in projects with good market liquidity and, therefore, with a higher resale speed.
- In addition, 82% of second quarter cancellations corresponded to projects that had already been concluded. Therefore, the resale of such cancellations will result in either an immediate inflow of cash to the Company or an amortization of the SFH debt, by means of transfers with the banks.

Cancellations in 2Q17 by Percentage of Resale and Year of Delivery

PSV in R$ million

Percentage Sold	Concluded		2017 Delivery		2018 Delivery		Post 2018 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	-	-	-	-	43	9.4	-	-	43	9.4
21% to 40%	-	-	-	-	7	2.3	1	0.4	8	2.7
41% to 60%	-	-	-	-	5	1.8	10	4.2	15	6.0
61% to 80%	146	29.4	2	0.6	1	0.4	1	0.5	150	30.9
81% to 99%	250	62.8	-	-	4	0.8	-	-	254	63.6
TOTAL	**396**	**92.2**	**2**	**0.6**	**60**	**14.7**	**12**	**5.1**	**470**	**112.6**

82%

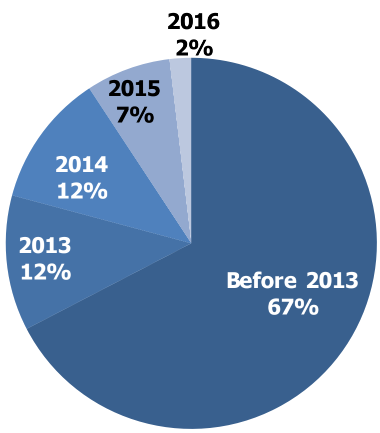
84%

Operating Performance – Cancellations and Resale

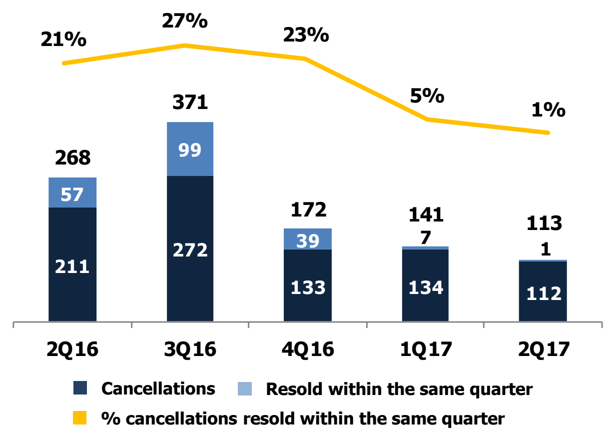
- Looking at the breakdown of cancellations by year of sale, we can see that 79% of cancellations in 2Q17 referred to units sold prior to 2014, i.e., when credit analysis criteria were less rigorous, and which, therefore, are more likely to lead to cancellation due to insufficient income.

- Of the R$113 million cancelled in 2Q17, R$1 million (approximately 1%) were resold in the same quarter, 4 p.p. less than the 5% posted in the previous quarter. The reduction of units resold this quarter was mainly due to the new sales strategy adopted.

Cancellations by Year of Sale – %PSV – 2Q17



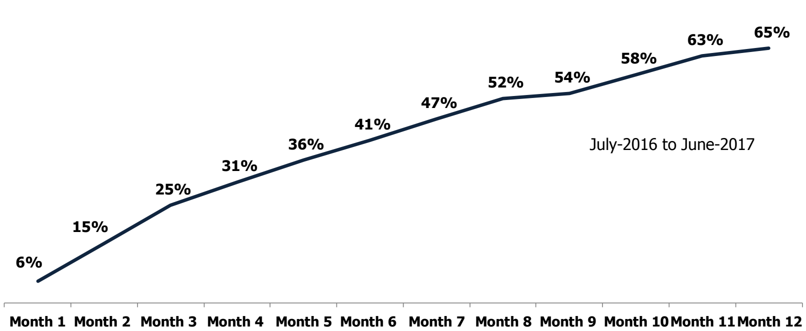
Cancellations and Resale Evolution – R$ million



- The graph below shows that the average resale curve recorded an amount under 80%, reaching 65% when accounting for 12 months after the cancellation. The decrease in the resale curve is explained by the reduction in gross sales in the semester, essentially a consequence of the filing for Court-supervised Reorganization, and the new sales strategy adopted by the Company.

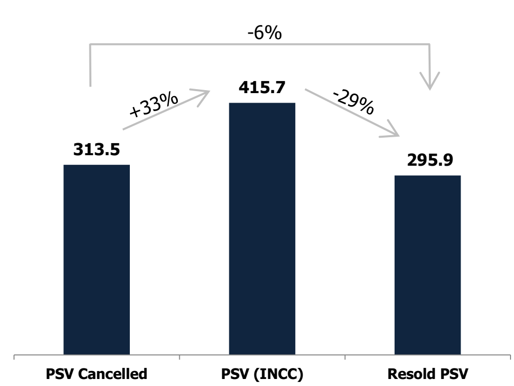
- The decline in resale price in relation to the accumulated inflation, between the original sale and the resale, is due to the granting of discounts, including discounts on cash sales. In the last 12 months, resale PSV has been 6% down on PSV from the original sale.

Average Resale Curve – units



Resale Price

Accrued in the last 12 months – R$ million



Operating Performance – Sales Speed (VSO)

- Looking at the quarterly sales speed (VSO) in terms of inventory units effectively available, the ratio reached 3% in 2Q17, 9p.p. down on 2Q16.
- PDG's sales team continues to record a healthy inventory sales performance, being responsible for 58% of gross sales in 2Q17, and for 57% throughout the semester.

Sales Speed (VSO) – R$ million

R$ million

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Initial Inventory	**2,967**	**2,778**	**2,695**	**2,720**	**2,263**	**2,262**
(-) Cancellations	**0**	**0**	**39**	**0**	**0**	**0**
=Effective Inventory	**2,967**	**2,778**	**2,656**	**2,720**	**2,263**	**2,262**
(+) Launches	**0**	**0**	**0**	**0**	**0**	**0**
(-) Net Sales	**97**	**77**	**-4**	**162**	**-60**	**-50**
Gross Sales(1)	403	345	367	334	81	63
Cancellations(1)	306	268	371	172	141	113
(+) Adjustments (2)	**-92**	**-6**	**60**	**-295**	**-61**	**9**
Final Inventory	**2,778**	**2,695**	**2,720**	**2,263**	**2,262**	**2,321**
Quarterly Sales Speed (VSO) (Gross Sales)	**14%**	**12%**	**14%**	**12%**	**4%**	**3%**
Quarterly Sales Speed (VSO) (Net Sales)	**3%**	**3%**	**n.a.**	**6%**	**n.a.**	**n.a.**

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

(2) The positive adjustment of R$9 million in 2Q17 is mainly due to the appreciation of cancelled units and the INCC indexation of inventory units.

Operating Performance – Sales Speed (VSO) by Region

- The 2Q17 registered a low level of sales speed due to the retraction of gross sales, except for the South region, which showed a VSO of 15%, as a consequence of its low level of inventory units.
- It is worth noting that the commercial units were deliberately separated from the residential ones, given their different sales dynamics.

Sales Speed (VSO) by Region

Region (ex-Commercial)	VSO - Gross Sales					
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
SÃO PAULO	15%	16%	14%	10%	6%	6%
RIO DE JANEIRO	16%	14%	13%	6%	2%	0%
MG/ES	22%	17%	21%	50%	5%	3%
NORTH	18%	17%	21%	26%	5%	3%
NORTHEAST	21%	18%	30%	27%	3%	2%
SOUTH	33%	25%	32%	28%	13%	15%
MIDWEST	24%	15%	15%	26%	9%	2%
TOTAL (EX-COMMERCIAL)	**18%**	**16%**	**18%**	**16%**	**5%**	**4%**
COMMERCIAL	1%	1%	2%	3%	0%	1%
TOTAL	**14%**	**12%**	**14%**	**12%**	**4%**	**3%**

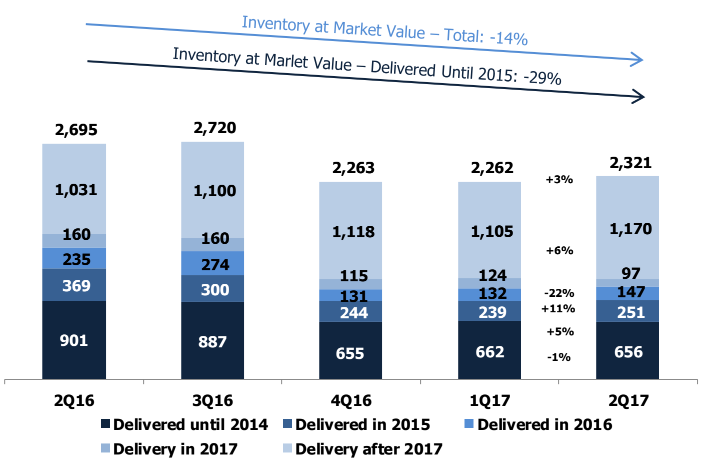
VSO SP and RJ 4%

VSO (ex-SP and RJ) 4%

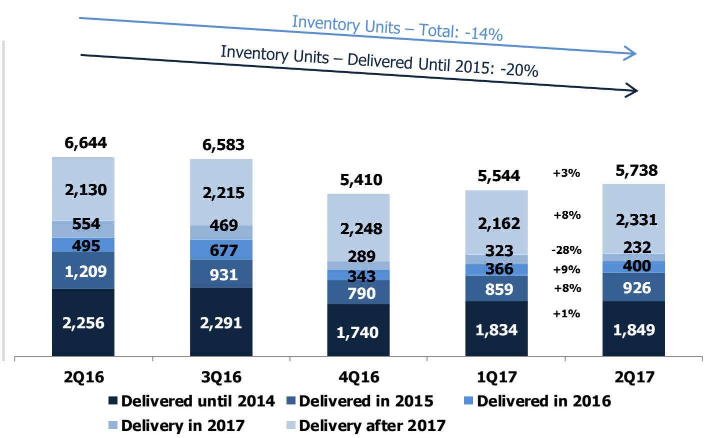
Operating Performance – Inventory

- Total inventory at market value closed 2Q17 in R$2,321 million, 3% higher than the previous quarter. In comparison to 2Q16, inventory at market value fell by 14%.
- Due to the negative net sales this quarter, total inventory units increased by 3% from 5,544 in 1Q17 to 5,738 in 2Q17. In the last 12 months, total inventory units recorded a decline of 14%.
- If we consider only those units delivered until the end of 2015, inventory PSV fell by 29% between 2Q16 and 2Q17 and the number of units by 20%.

Inventory at Market Value – R$ million



Inventory Units



- Inventory in the states of São Paulo and Rio de Janeiro currently corresponds to 55% of the Company's total inventory, excluding commercial units. Considering the residential units available, 64% is concentrated in projects that have more than 60% of their units sold, which may help accelerate the Company´s sales.

Inventory by Percentage of Sales and Region

PSV in R$ million

Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total			
	Unit	PSV	Unit	PSV	Unit	PSV	Unit	PSV	%	
SÃO PAULO	215	190.1	459	102.2	762	248.3	**1,436**	**540.6**	**35%**	**55%**
RIO DE JANEIRO	245	192.1	53	24.1	266	95.0	**564**	**311.2**	**20%**	
MG/ES	-	-	-	-	47	8.1	**47**	**8.1**	**1%**	
NORTH	112	42.8	330	136.2	328	114.9	**770**	**293.9**	**19%**	
NORTHEAST	469	131.9	-	-	209	123.7	**678**	**255.6**	**16%**	
SOUTH	-	-	-	-	113	45.9	**113**	**45.9**	**3%**	
MIDWEST	-	-	379	79.5	106	25.0	**485**	**104.5**	**6%**	
% Total (Ex- Commercial)		**36%**		**22%**		**42%**			**100%**	
TOTAL (Ex-Commercial)	**1,041**	**556.9**	**1,221**	**342.0**	**1,831**	**660.9**	**4,093**	**1,559.8**	**67%**	
COMMERCIAL	1,211	588.3	94	36.8	340	136.5	**1,645**	**761.6**	**33%**	**99% SP and RJ**
TOTAL	**2,252**	**1,145.2**	**1,315**	**378.8**	**2,171**	**797.4**	**5,738**	**2,321.4**	**100%**	
% Total		**49%**		**16%**		**35%**			**100%**	

64%

Inventory by Percentage of Sales and Year of Delivery

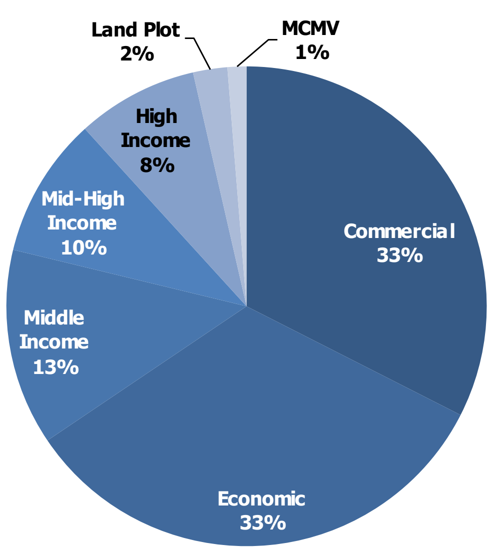
PSV in R$ million

Percentage Sold	Built		2017 Delivery		2018 Delivery		Post 2018 Delivery		Total		% Total
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV	
20% or less	192	111.9	-	-	469	131.9	-	-	661	243.8	11%
21% to 40%	-	-	-	-	143	64.0	529	333.9	672	397.9	17%
41% to 60%	13	3.7	-	-	572	269.2	334	230.6	919	503.5	22%
61% to 80%	1,059	238.0	92	35.8	53	24.1	111	80.9	1,315	378.8	16%
81% to 99%	2,051	762.5	-	-	120	34.9	-	-	2,171	797.4	34%
TOTAL	**3,315**	**1,116.1**	**92**	**35.8**	**1,357**	**524.0**	**974**	**645.4**	**5,738**	**2,321.4**	**100%**

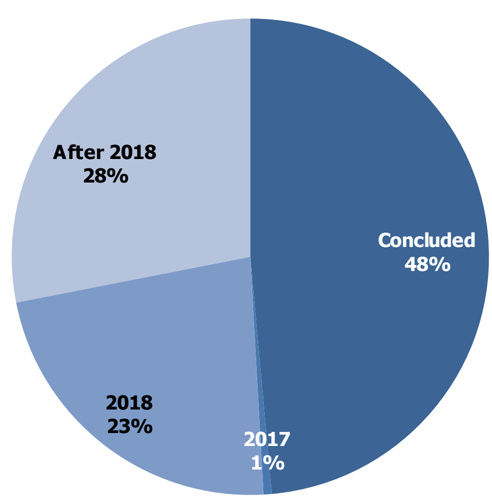
90% **51%**

- Overall, the Company's inventory presents the following characteristics: (i) 51% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 64% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units); and (iii) 48% has already been concluded (thereby generating immediate cash inflow), 62% of which is located in São Paulo and Rio de Janeiro.
- Of the concluded inventory (48%), 90% is concentrated in projects that are more than 60% sold: (i) 21% between 61% and 80% sold and; (ii) 69% between 81% and 99% sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



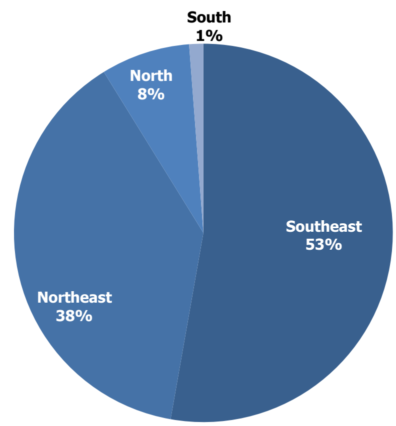
Operating Performance – Land Bank

- The landbank closed 2Q17 with a potential PSV of R$4.5 billion (PDG's share), equivalent to 10,738 units.
- As a result of the sale of 1 site this quarter, PSV for total land bank fell by 3%, reflecting a reduction of R$124 million when compared to 1Q17.
- The land bank that is not compatible with the Company's strategy is in the process of being canceled and sold, helping accelerate cost reductions and monetizing assets for the Company's deleveraging process.

Land Bank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R$ mn)	%	PSV (R$ mn)	%	Average Price (R$)
High Income	270	2.5%	333.7	7.4%	333.7	7.0%	1,235,822
Mid-High Income	1,466	13.7%	1,374.1	30.5%	1,374.1	28.7%	937,295
Middle Income	1,093	10.2%	542.0	12.0%	820.0	17.1%	495,883
Economic	4,898	45.6%	1,300.0	28.8%	1,300.0	27.1%	265,414
Residential	**7,727**	**72.0%**	**3,549.8**	**78.7%**	**3,827.7**	**80.0%**	**459,396**
Commercial	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**
Land Plot	**3,011**	**28.0%**	**959.1**	**21.3%**	**959.1**	**20.0%**	**318,529**
Total	**10,738**		**4,508.8**		**4,786.8**	**-**	**419,896**

Land Bank by Region
PSV %PDG



Operating Performance – De-risking Panel

- In 2Q17, we obtained occupancy permits for 2 projects managed by PDG, representing 613 units and total PSV of R$222,1 million. Regarding the projects managed by partners, we obtained 1 occupancy permit, accounting for 232 units and R$117,9 million. In total, we obtained 3 occupancy permits in 2Q17, amounting to 845 units and R$340 million in PSV.
- In 1H17, we obtained 6 occupancy permits, representing R$508 million in PSV (%PDG) and 1,506 units.

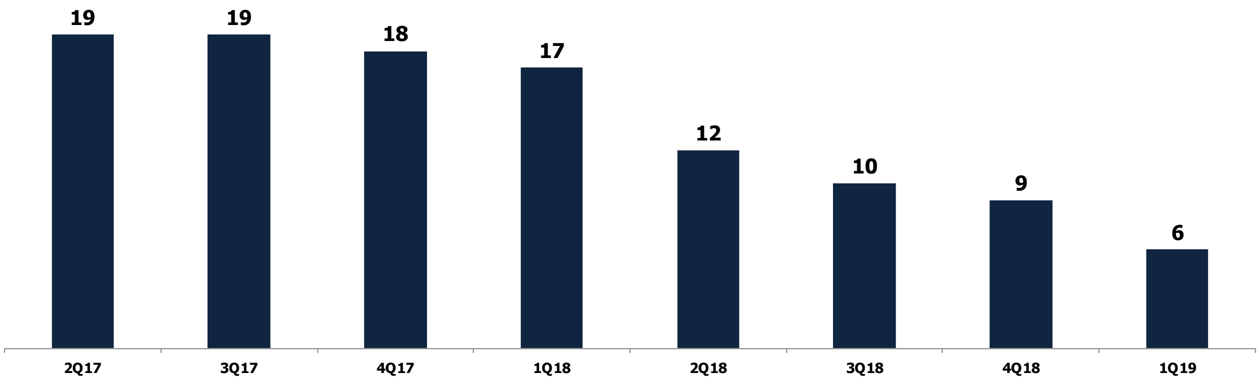
Occupancy Permits – 2017

2017 Deliveries - Occupancy Permits							
Project	**Occupancy Permit**	**Region**	**Product**	**Total PSV (R$ mn)**	**PDG PSV (R$ mn)**	**PDG Units**	**Average Price (R$ thous)**
Projects Managed by PDG							
CONDOMINIO VILLA DO MAR	1Q17	Salvador	Economic	69.4	69.4	284	244.4
PRIX PIRITUBA	1Q17	São Paulo	MCMV	30.2	30.2	156	193.6
MAXI PIRITUBA	1Q17	São Paulo	Economic	68.4	68.4	221	309.3
TOTAL PDG 1Q17	**3**			**168.0**	**168.0**	**661**	**-**
BUONA VITA FLORENÇA	2Q17	São Paulo (Countryside)	Land Plot	122.6	122.6	397	308.7
TORRE CENÁRIO	2Q17	Belém	Mid Income	99.5	99.5	216	460.8
TOTAL PDG 2Q17	**2**			**222.1**	**222.1**	**613**	**-**
TOTAL PDG 2017	**5**	**-**	**-**	**390.1**	**390.1**	**1,274**	**-**
Projects Managed by Partners							
TOTAL PARTNERS 1Q17	**0**	**-**	**-**	**0.0**	**0.0**	**0**	**-**
RESIDENCIAL PALM BEACH	2Q17	Manaus	Middle Income	137.1	117.9	232	507.8
TOTAL PARTNERS 2Q17	**1**			**137.1**	**117.9**	**232**	**-**
TOTAL PARTNERS 2017	**1**			**137.1**	**117.9**	**232**	**-**
TOTAL 2017	**6**			**527.2**	**508.0**	**1,506**	**-**

Operating Performance – De-risking Panel

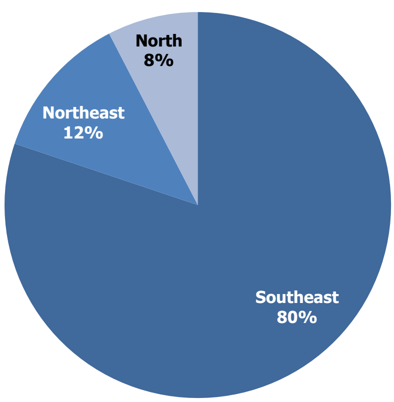
Projects in Progress – Occupancy Permit Schedule

- Taking into account the delivery of 2 projects in 2Q17, the Company closed the quarter with 19 ongoing projects. Considering the ongoing projects, 80% are located in the Southeast and 71% are residential projects (excluding MCMV, land development and commercial units).

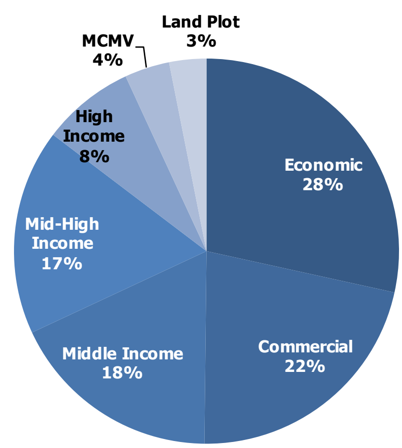


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV



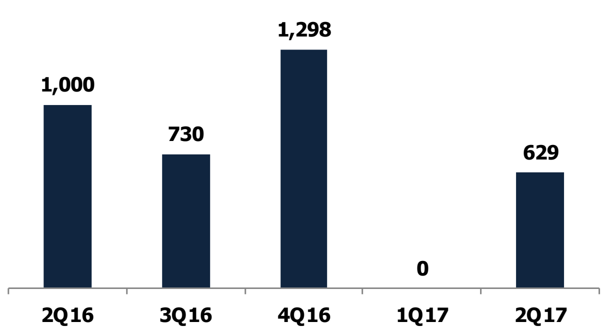
Breakdown by Product – % PSV



Operating Performance – Title Individualizations

- We individualized 629 units in the 2Q17, a 37% decrease when compared to the 2Q16.

Title Individualizations – units



Operating Performance – Historical Data

- At the end of 2Q17, the Company had 19 projects in progress, equivalent to 5,058 units (PDG's share), 256 of which (5%) related to the Minha Casa Minha Vida program and 4,802 (95%) related to residential (excluding MCMV), commercial and land development units.

	# Projects	# Total Units	# PDG Units
Launches[1]	714	160,526	155,046
Finished[2]	695	155,416	149,988
Ongoing[3]	19	5,110	5,058

(1) Historical launches until 2017, June - net of cancellations
(2) Projects with Occupancy Permit or Sold until 2017, June
(3) Ongoing projects until 2017, June

Finished Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	424	95,730	94,375
MCMV	271	59,686	55,613
Total	695	155,416	149,988

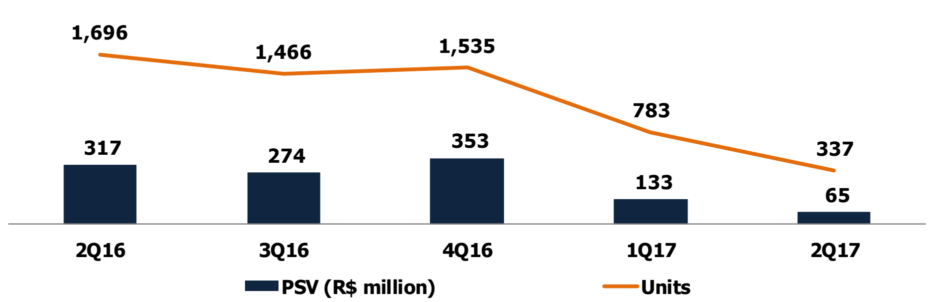
Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	18	4,854	4,802
MCMV	1	256	256
Total	19	5,110	5,058

Obs.: Only projects under PDG management.

Operating Performance – Mortgage Transfers

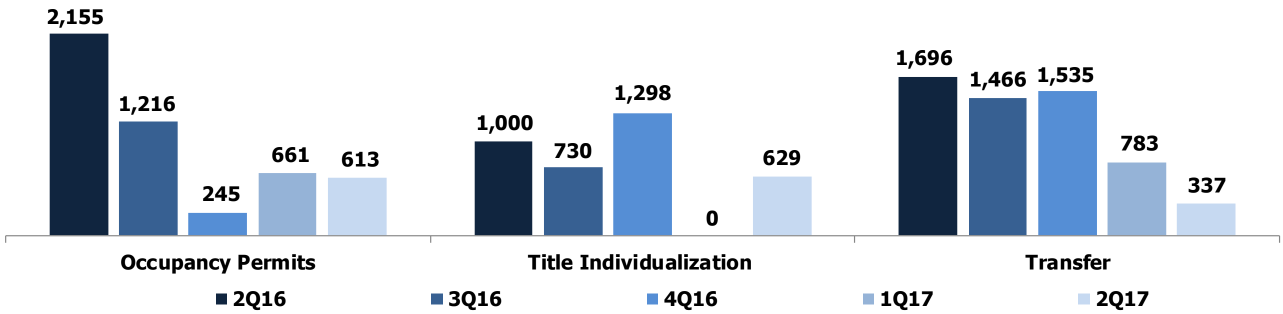
- In 2Q17, 337 units were transferred, equivalent to a PSV of R$65 million. The deceleration in the volume of transfer units was mainly due to the fewer deliveries in the period; caused by the reduction in the construction pace. Besides, the 2Q17 also registered a lower gross sales.
- Considering the 1H17, 1,120 units were transferred, with a total PSV of R$198 million.

Transfers by Quarter – PSV and units



Operating Performance – Mortgage Transfers

Mortgage Transfer Cycle – units



Financial Performance

Gross Margin

- Improvement in gross margins during 2Q17 and 1S17 is owed mainly to the cancelation of contracts with narrower margins, which prompted revenue reversal to be lower than cost reversal. Moreover, due to the provision for contract cancelations (Estimated Losses with Doubtful Accounts) recorded by the Company during 2H16, the impact of contract cancelations in the results was lower this period.

R$ million in IFRS

Gross Margin	2Q17	2Q16	(%) Var.	6M17	6M16	(%) Var.
Net Revenues	158	120	32%	276	260	6%
Cost	(101)	(177)	-43%	(217)	(333)	-35%
Gross Profit (Loss)	57	(57)	*n.m.*	59	(73)	*n.m.*
(+) Capitalized Interest	(13)	(24)	-46%	(17)	(46)	-63%
Adjusted Profit	57	(57)	*n.m.*	59	(73)	*n.m.*
Gross Margin	**36.3%**	**n.a.**	***n.m.***	**21.5%**	***n.a.***	***n.m.***
Adjusted Gross Margin	**44.4%**	**n.a.**	***n.m.***	**27.6%**	**n.a.**	***n.m.***

Backlog Result (REF)

- There was no change in the backlog margin from the 1Q17 to the 2Q17. By the end of the quarter, the backlog margin was 20.4%, a 4 p.p decrease when compared to the 4Q16.

- The backlog recognition schedule is estimated at 23.9% in 2017, 43.8% in 2018 and 32.3% from 2019 on.

R$ million in IFRS

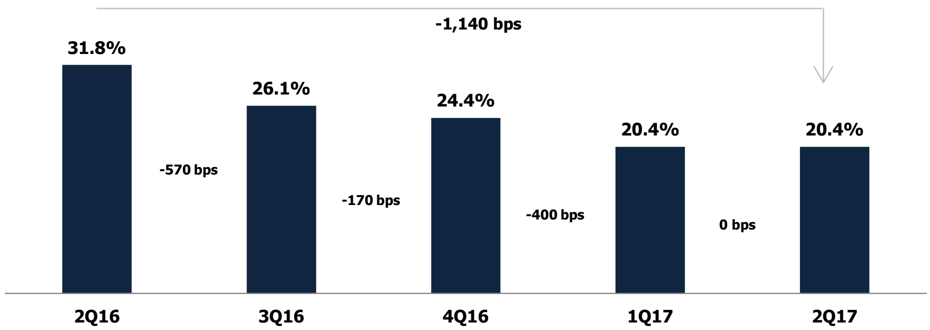
Backlog Results (REF)	2Q17	1Q17	4Q16
Gross Revenues	485	494	690
(-)Taxes *	(9)	(9)	(13)
Net Revenues - REF	476	485	677
(-) COGS	(379)	(386)	(512)
Gross Profit - REF	97	99	165
Gross Backlog Margin	***20.4%***	***20.4%***	***24.4%***
Capitalized Interest	9	62	48
Agre Goodwill	-	2	2
Adjusted Gross margin **	***18.5%***	***7.2%***	***17.0%***

* PIS and Cofins Estimate

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

Backlog result recognition schedule	2017	2018	2019
	23.9%	**43.8%**	**32.3%**

Backlog Margin Trends (REF)



Backlog Result – Pre and Post 2012

- Projects launched after 2012, with an average gross margin of 23.8%, already represent 91% of total gross backlog profit.

R$ million in IFRS

Backlog Results (REF) (Pre and Post 2012 Projects)	Pre 2012	After 2012	2Q17
Net Revenues - REF	106	370	476
(-) COGS	(97)	(282)	(379)
Gross Profit - REF	9	88	97
Gross Backlog Margin	***8.5%***	***23.8%***	***20.4%***
Capitalized Interest	2	7	9
Agre Goodwill	-	-	-
Adjusted Gross margin	***6.6%***	***21.9%***	***18.5%***

Selling, General and Administrative Expenses (SG&A)

- Reducing costs remains one of the Company's main priorities, in order to continue with the deleveraging process and adjust its structure to the size of its operations. In this regard, G&A expenses closed the quarter 46% lower than on 2Q16. Furthermore, considering the 1H17, G&A expenses were down 31% when compared to 1H16.
- Selling expenses in the quarter was down 90% over 2Q16 and 80% lower than 1H16.
- SG&A expenses closed the quarter 62% lower than 2Q16 and 48% lower when compared to 1H16.

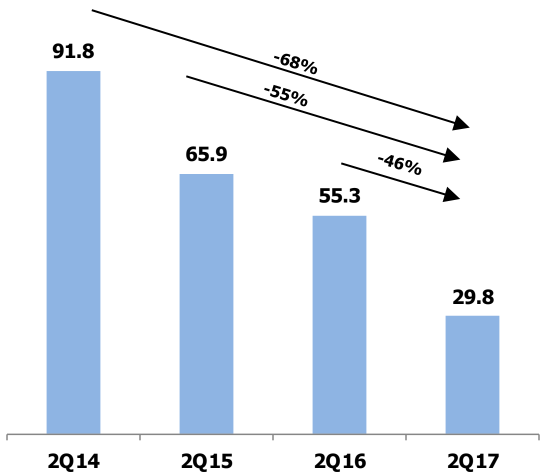
R$ million in IFRS

Commercial Expenses	QUARTER			YTD		
	2Q17	2Q16	Var. %	6M17	6M16	Var. %
Total Commercial Expenses	**3.1**	**31.3**	**-90%**	**11.0**	**55.8**	**-80%**

G&A Expenses	2Q17	2Q16	Var. %	6M17	6M16	Var. %
Salaries and Benefits	16.1	30.3	-47%	36.1	60.6	-40%
Profit Sharing	0.0	6.4	-100%	0.0	11.8	-100%
Third Party Services	11.1	9.1	22%	33.1	19.8	67%
Other Admin. Expenses	2.6	9.6	-73%	6.7	17.9	-63%
Total G&A	**29.8**	**55.3**	**-46%**	**75.9**	**110.1**	**-31%**
Total SG&A	**32.9**	**86.6**	**-62%**	**86.9**	**165.9**	**-48%**

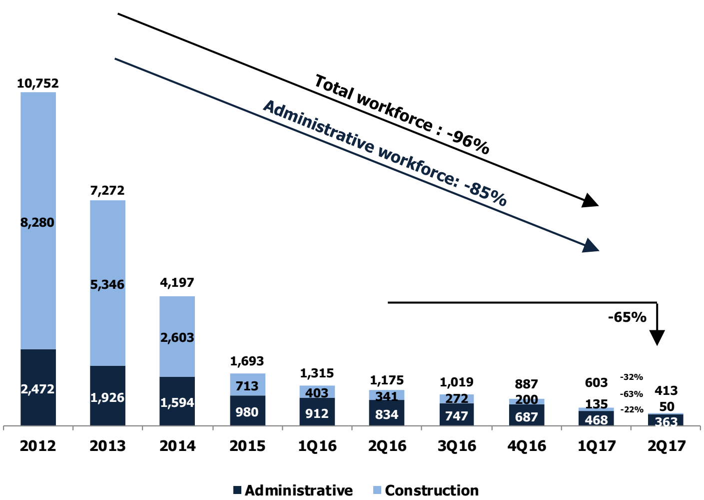
General and Administrative Expenses (G&A)

- G&A expenses maintained their downward trajectory, recording a 46% reduction over the 2Q16. When compared to 2Q15 and 2Q14, G&A expenses fell by 55% and 68%, respectively.



Headcount

- We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 2Q17, we reduced our total workforce by 32% over the previous quarter. When compared to the 2Q16, total workforce fell by 65%.



On and Off Balance Sheet Receivables and Cost to be Incurred

- We closed 2Q17 with total net receivables of R$1.9 billion, 6% down on the previous quarter. The reduction in net receivables can be explained mainly by the negative net sales and the receivables incurred this period.

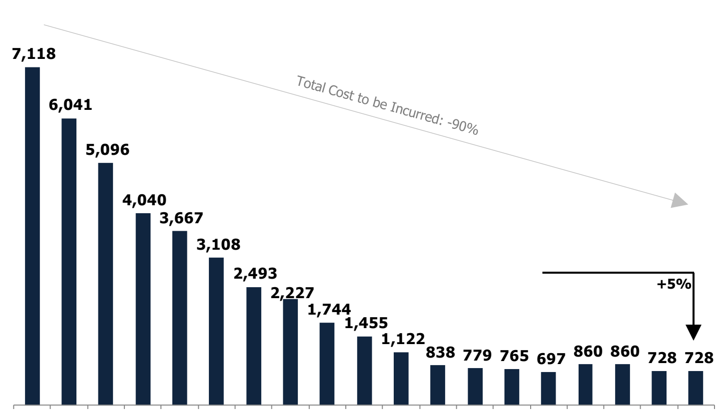
- This quarter the cost to be incurred maintained the same level as the 1Q17, reflecting a deceleration of the construction pace and also the increase in the INCC index. Year-on-year, the cost to be incurred increased by 5%.

Accounts Receivable

R$ million in IFRS

On and Off Balance Receivables (R$ mn)	2Q17	1Q17	(%) Var.
Receivables *(on balance)*	1,587	1,717	-8%
Gross Backlog Revenues - REF	485	494	-2%
Advances from Clients - sales installments	(58)	(76)	-24%
Advances from Clients - physical barter from launches	(100)	(101)	-1%
Total Receivables (a)	**1,914**	**2,034**	**-6%**
Cost to be Incurred - Sold Units	(379)	(386)	-2%
Cost to be Incurred - Inventory Units	(349)	(342)	2%
Total Costs to be Incurred (b)	**(728)**	**(728)**	**0%**
Total Net Receivables (a+b)	**1,186**	**1,306**	**-9%**
Short Term	**1,166**	**1,215**	**-4%**
Long Term	**421**	**502**	**-16%**
Total *Receivables (on balance)*	**1,587**	**1,717**	**-8%**

Costs to be Incurred – R$ million



Financial Result

- Financial expenses totaled R$343.3 million in the 2Q17, 56% higher than in 2Q16. The increase in the financial expenses is explained mainly by the accrual of interest and the fines resultant of the filing for Court-supervised reorganization.

- Accounting for the 1H17, financial expenses amounted to R$525.7 million, or a 13% increase when compared to the 1H16.

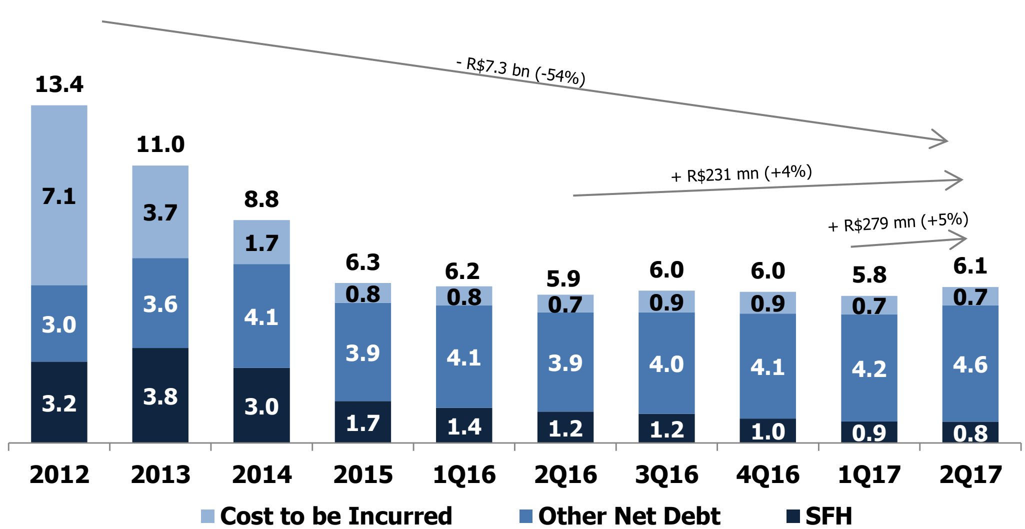
R$ million in IFRS

Financial Results (R$ mn)	QUARTER			YTD		
	2Q17	2Q16	Var. %	6M17	6M16	Var. %
Investment Income	3.3	9.3	-65%	10.0	20.3	-51%
Debentures - fair value	-	-	0%	-	-	0%
Interest and fines	9.4	11.3	-17%	0.6	38.1	-98%
Other financial revenue	2.3	3.1	-26%	2.7	6.7	-60%
Total financial revenues	**15.0**	**23.7**	**-37%**	**13.3**	**65.1**	**-80%**
Interest	(334.5)	(214.1)	56%	(492.6)	(446.3)	10%
Bank Expenses	-	(0.7)	n.m.	(0.4)	(1.7)	-76%
Other	(8.8)	(5.5)	60%	(32.7)	(16.9)	93%
Gross Financial Expenses	**(343.3)**	**(220.3)**	**56%**	**(525.7)**	**(464.9)**	**13%**
Capitalized Interest on Inventory	(16.5)	10.0	n.m.	(7.5)	22.7	n.m.
Total Financial Expenses	**(359.8)**	**(210.3)**	**71%**	**(533.2)**	**(442.2)**	**21%**
Total Financial Result	**(344.8)**	**(186.6)**	**85%**	**(519.9)**	**(377.1)**	**38%**

Net Debt + Cost to be Incurred – R$ billion

- Under the "extended leverage" concept, taking into account the cost to be incurred to complete the on-going projects, leverage has been falling since the end of 2012, recording R$7.3 billion (54%) decrease, also reducing operational complexity and the execution risk of our assets.

- In 2Q17, extended leverage increased by R$279 million (5%), mainly due to the accrual of interest during the period.



Obs.: For comparison purposes, other net debt of 2012, 2013, 2014 have been adjusted with the inclusion of the Redeemable Preferred Shares, amounting to R$300 million.

Net Debt

- Construction debt (National Housing System - SFH) decreased R$4 million between 1Q17 and 2T17. The slower amortization pace resulted from: (i) a reduction in the speed of transfers; and (ii) the redefinition of construction debt (SFH) amortization flows with creditor banks . Such redefinition was necessary after the request for Court Reorganization by the Company.

- In the period between the request for Reorganization and approval of the Plan, amortization won't be carried out for most debts, except for the construction debts (SFH). Therefore, due to the lack of amortization and the interest accrued in the period, net debt increased by 5% in 2Q17 over 1Q17.

R$ million in IFRS

Indebtedness	2Q17	1Q17	(%) Var.
Cash	**244**	**217**	**12%**
SFH	846	850	**0%**
Debentures	153	142	**8%**
CCB/CRI	628	599	**5%**
Construction Financing	**1,627**	**1,591**	**2%**
Working Capital, SFI and Promissory Notes	348	337	3%
Finep/Finame	133	102	30%
Debentures	1,678	1,541	9%
CCB/CRI	1,809	1,715	5%
Obligation for the issuance of CCB and CCI	19	22	-14%
Corporate Debt	**3,987**	**3,717**	**7%**
Gross Debt	**5,614**	**5,308**	**6%**
Net Debt	**5,370**	**5,091**	**5%**
Net Debt (ex. SFH)	**3,743**	**3,500**	**7%**
Shareholders Equity *(1)*	**- 4,184**	**- 3,670**	**n.m.**
Net Debt (ex. SFH)/ Equity	***n.a.***	***n.a.***	***n.m.***

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

Net Debt Variation

- Due to the accrual of interest and the lack of amortization of existing debts, net debt increased by R$279 million in the 2Q17. Considering the 1H17, the net debt increased by R$252 million.

- In total, since 2014, net debt was reduced by R$1.6 billion.

R$ million in IFRS

Net Debt Variation (R$ mn)	2013	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17
Cash and Cash Equivalents	**1,353**	**1,092**	**881**	**1,198**	**508**	**604**	**604**	**373**	**271**	**235**	**201**	**201**	**217**	**244**
Cash Variation	(468)	(261)	(211)	317	(690)	96	(488)	(231)	(102)	(36)	(36)	(403)	16	27
Gross Debt	**8,367**	**7,869**	**7,248**	**6,985**	**6,463**	**6,155**	**6,155**	**5,813**	**5,441**	**5,406**	**5,406**	**5,319**	**5,308**	**5,614**
Construction Financing	5,215	4,517	4,047	3,765	3,052	2,719	2,719	2,317	1,979	1,867	1,643	1,643	1,591	1,627
Corporate Debt	3,152	3,352	3,201	3,220	3,411	3,436	3,436	3,496	3,462	3,539	3,676	3,676	3,717	3,987
Gross Debt Variation	602	(498)	(621)	(263)	(522)	(308)	(1,714)	(342)	(372)	(35)	(87)	(836)	(11)	306
Net Debt Variation	**(1,070)**	**237**	**410**	**580**	**(168)**	**404**	**1,226**	**111**	**270**	**(1)**	**53**	**433**	**27**	**(279)**
Adjustments	**(86)**	**-**	**-**	**(502)**	**300**	**-**	**(202)**	**-**	**(214)**	**-**	**-**	**(225)**	**(53)**	**-**
Mark to market of PDGR D81 (warrant)	(86)	-	-	(2)	-	-	(2)	-	-	-	-	-	-	-
Sale of Equity Stake in REP	-	-	-	-	-	-	-	-	(214)	-	-	(214)	-	-
Capital Increase	-	-	-	(500)	-	-	(500)	-	-	-	-	-	-	-
Dismantling of partnership (Paddock)	-	-	-	-	-	-	-	-	-	-	(11)	(11)	-	-
Dismantling of partnership (VBI)	-	-	-	-	-	-	-	-	-	-	-	-	(53)	-
Redemption of APRs and Promissory Notes issuance	-	-	-	-	300	-	300	-	-	-	-	-	-	-
Net Debt Variation (+adjustments)	**(1,156)**	**237**	**410**	**78**	**132**	**404**	**1,024**	**111**	**56**	**(1)**	**-**	**208**	**(26)**	**(279)**

Income Statements

Quarters and Semesters ended on June 30th 2017 and 2016

Income Statements (R$ '000) - IFRS	QUARTER			YTD		
	2Q17	2Q16	(%) Var.	6M17	6M16	(%) Var.
Operating Gross Revenue						
Real Estate Sales	151,110	121,729	24%	278,524	261,528	6%
Other Operating Revenues	(2,288)	22,792	n.m.	24	52,694	-100%
(-) Revenues Deduction	9,375	(24,688)	n.m.	(2,335)	(54,603)	-96%
Operating Net Revenue	**158,197**	**119,833**	**32%**	**276,213**	**259,619**	**6%**
Cost of Sold Units	(87,954)	(152,570)	-42%	(199,915)	(286,968)	-30%
Interest Expenses	(12,883)	(24,337)	-47%	(16,878)	(45,723)	-63%
Cost of sold properties	**(100,837)**	**(176,907)**	**-43%**	**(216,793)**	**(332,691)**	**-35%**
Gross Income (loss)	**57,360**	**(57,074)**	**n.m.**	**59,420**	**(73,072)**	**n.m.**
Gross margin	***36.3%***	***n.a.***	**n.m.**	***21.5%***	***n.a.***	**n.m.**
Adjusted gross margin [1]	***44.4%***	***n.a.***	**n.m.**	***27.6%***	***n.a.***	**n.m.**
Operating Revenues (expenses):						
Equity Income	(920)	2,593	n.m.	(900)	2,779	n.m.
General and Administrative	(29,799)	(55,320)	-46%	(75,877)	(110,104)	-31%
Commercial	(3,059)	(31,321)	-90%	(10,977)	(55,792)	-80%
Taxes	(4,158)	(4,248)	-2%	(12,655)	(6,078)	n.m.
Depreciation & Amortization	(11,980)	(6,110)	96%	(18,626)	(28,020)	-34%
Other	(368,451)	(391,037)	-6%	(399,456)	(477,044)	-16%
Financial Result	(344,828)	(186,646)	85%	(519,965)	(377,122)	38%
Total operating revenues (expenses)	**(763,195)**	**(672,089)**	**14%**	**(1,038,456)**	**(1,051,381)**	**-1%**
Income before taxes	**(705,835)**	**(729,163)**	**-3%**	**(979,036)**	**(1,124,453)**	**-13%**
Income Taxes and Social Contribution	177,916	(15,931)	n.m.	179,348	(31,181)	n.m.
Income before minority stake	**(527,919)**	**(745,094)**	**-29%**	**(799,688)**	**(1,155,634)**	**-31%**
Minority interest	(4,493)	5,091	n.m.	(8,444)	5,154	n.m.
Net Income (loss)	**(532,412)**	**(740,003)**	**-28%**	**(808,132)**	**(1,150,480)**	**-30%**
Net margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

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

EBITDA						
	2Q17	2Q16	(%) Var.	6M17	6M16	(%) Var.
Income (loss) before taxes	(705,835)	(729,163)	-3%	(979,036)	(1,124,453)	-13%
(-/+) Financial Result	344,828	186,646	85%	519,965	377,122	38%
(+) Depreciation and Amortization	11,980	6,110	96%	18,626	28,020	-34%
(+) Stock Option Plan	8	6,373	-100%	20	11,752	-100%
(+) Interest Expenses - Cost of Sold Units	12,883	24,337	-47%	16,878	45,723	-63%
(-/+) Equity Income result	920	(2,593)	n.m.	900	(2,779)	n.m.
EBITDA	**(335,216)**	**(508,290)**	**-34%**	**(422,647)**	**(664,615)**	**-36%**
EBITDA Margin	***n.a.***	***n.a.***	**n.m.**	***n.a.***	***n.a.***	**n.m.**

Consolidated Balance Sheet - ASSETS

PDG

On June 30th 2017, and March 31st 2017

ASSET (R$ '000)	2Q17	1Q17	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	243,818	217,063	12%
Accounts receivable	1,165,585	1,215,128	-4%
Properties held for sale	1,260,434	1,217,988	3%
Prepaid expenses	7,291	10,812	-33%
Accounts with related parties	25,953	25,061	4%
Taxes to recover	22,647	43,722	-48%
Deferred income and social contribuition taxes	13,462	13,945	-3%
Total Current Assets	**2,739,190**	**2,743,719**	**0%**
Noncurrent Assets			
Long-Term			
Accounts receivable	421,034	501,740	-16%
Properties held for sale	547,746	702,795	-22%
Deferred Taxes	-	-	0%
Taxes to recover	19,860	-	0%
Accounts with related parties	91,915	77,216	19%
Others	166,218	244,129	-32%
Total Long-Term Assets	**1,246,773**	**1,525,880**	**-18%**
Permanent Assets			
Investments	48,052	48,872	-2%
Property and Equipament	24,403	26,104	-7%
Intangible	45,044	103,017	-56%
Total Permanent Assets	**117,499**	**177,993**	**-34%**
Total Noncurrent Assets	**1,364,272**	**1,703,873**	**-20%**
Total Assets	**4,103,462**	**4,447,592**	**-8%**

On June 30th 2017, and March 31st 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	2Q17	1Q17	(%) Var.
Current			
Loans and financings	1,327,414	1,288,769	3%
Debentures	1,830,782	1,682,861	9%
Obligation for the issuance of CCB & CCI	2,437,214	2,314,405	5%
Co-obligation for the issuance of CRI	18,790	21,927	-14%
Suppliers	298,910	294,726	1%
Property acquisition obligations	70,544	68,852	2%
Advances from clients	134,644	145,192	-7%
Taxes and contributions payable	114,857	194,086	-41%
Deferred taxes	36,908	39,452	-6%
Income and social contribution taxes	11,894	100,562	-88%
Accounts with related parties	10,734	10,592	1%
Other Provisions	391,116	389,478	0%
Other Obligations	128,944	154,630	-17%
Total Current	**6,812,751**	**6,705,532**	**2%**
Long-Term			
Loans and financings	-	-	0%
Debentures	-	-	0%
Obligation for the issuance of CCB & CCI	-	-	0%
Property acquisition obligations	59,593	59,557	0%
Advances from clients	81,864	90,554	-10%
Taxes and contributions payable	34,463	27,368	26%
Deferred taxes	55,642	70,940	-22%
Other Provision	802,631	771,385	4%
Other	440,839	391,857	12%
Total Long-Term	**1,475,032**	**1,411,661**	**4%**
Shareholders' equity			
Subscribed capital	4,917,843	4,917,843	0%
Capital reserve	1,236,731	1,236,718	0%
Accumulated losses	(10,334,882)	(9,802,470)	5%
Minority interest	**(4,013)**	**(21,692)**	**-82%**
Total Shareholders' equity	**(4,184,321)**	**(3,669,601)**	**14%**
Total liabilities and shareholders' equity	**4,103,462**	**4,447,592**	**-8%**