São Paulo, May 15th, 2017: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the first quarter 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, May 16th, 2017

- **Portuguese**

11:00 a.m. (Brasília)
10:00 a.m. (NY)

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- **English**
(Simultaneous translation)

10:00 a.m. (NY)
11:00 a.m. (Brasília)

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Highlights and Recent Events

- **SFH debt fell by R$120 million** between 4Q16 and 1Q17. (page 20)
- **Net financial debt fell by R$27 million in 1Q17** over the previous quarter**.** (page 21)
- **The Company´s total leverage**, including net financial debt and the cost to be incurred, **fell by R$159 million** in 1Q17 when compared to 4Q16. (page 20)
- **General and administrative expenses** maintained their downward trajectory, **closing the quarter 16% down year-on-year.** (page 17)
- **Selling expenses fell by 68% over 1Q16, and 87% over the previous quarter.** (page 17)
- **Total financial expenses fell by 40%** between 4Q16 and 1Q17 and by 25% when compared to 1Q16**.** (page 19)
- In 1Q17, **we obtained occupancy permits for 3 projects with over 600 units in total,** decreasing the Company's operational and financial risk. (page 13)

Recent Events:

- The Company concluded, with Vinci Partners, a credit facility in the total amount of R$100 million, which was implemented through two unsecured debenture issues, each of which divided into two series. The first series of the 9th and 10th issue, totaling R$50 million, were paid in 2016. **The second series, in turn, was paid in 1Q17, also in the amount of R$50 million.** (Page 19)
- In 1Q17, we concluded the sale of the projects Dom Condominium and Dom Offices, reducing costs to be incurred by R$127 million and SFH debt by R$52,7 million. (Pages 18 and 19)

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Court-supervised Reorganization

In the 2017´s first quarter, PDG filed for Court-supervised Reorganization, an important step towards the Company´s restructuring plan. The main objectives of the Court-supervised Reorganization are: (i) continue advancing – in an organized way and with predefined terms and procedures - with the coordination of all parties involved in the Restructuring Process; (ii) enable the maintenance of the operational normalcy of the Company's activities; in addition to (iii) preserve the Company's value and cash flow.

Another important step involving the Company's Court-supervised Reorganization was the approval of the Court-supervised Reorganization filing by the judge on 03/02/2017. Among the main measures set forth are:

(i) the appointment of PricewaterhouseCoopers Assessoria Empresarial Ltda. as the Judicial Administrator;

(ii) the suspension of the lawsuits and executions currently pending against PDG, for 180 days;

(iii) the issuance of a notice, pursuant to paragraph 1 of article 52 of the Brazilian Fiscal Responsibility Act (LRF), within 30 days for interested parties to present proof of claim and/or an objection to the claim within the Court-supervised Reorganization Process;

(iv) the presentation of the PDG Group court-supervised reorganization within 60 working days.

The filing and approval of the Court-supervised Reorganization request represent essential steps towards the Company's Restructuring Process. In this regard, PDG alongside with its advisors, have been focusing on the elaboration of the Restructuring Plan, fundamental to the Company´s operational and financial health and continuity. The Plan shall be presented by the beginning of June.

Operating Performance

Besides the elaboration of the Court-supervised Reorganization Plan, the management has been directing efforts to the reduction of SG&A, the preservation of the Company´s cash flow by the dismantle or sale of SPEs and in the continuous reduction of financial leverage.

This quarter's gross sales continued to be affected by the sector´s weak demand and sluggish economic situation. Another factor that directly affected our sales was that we had to restructure our sales processes after filing for court-supervised reorganization, which required an implementation and adaptation period, thus reducing sales. This situation will not apply in the second quarter.

Given the abovementioned factors, gross sales totaled R$81 million in 1Q17, which was 80% down on 1Q16 and 76% down on 4Q16.

Our 1Q17 cancellations amounted to R$141 million, which was 54% less than in 1Q16, and 18% below 4Q16. In the course of the year, we shall prioritize the cancel of units that show good liquidity and are free of encumbrance, thus generating immediate cash flow on resale.

Due to the low gross volume sales number posted in 1Q17, net sales in the period were negative R$60 million.

Despite tight restrictions affecting cash flow and credit for production, the Company continues its efforts to deliver projects in progress and reduce impacts for its customers as much as possible. This quarter, we delivered 3 projects totaling 661 units and approximately R$170 million in PSV. Therefore we started 2Q17 with only 21 projects underway.

In this quarter we sold the Dom Condominium and Dom Offices developments, thus reducing costs to be incurred by R$127 million and slicing R$52.7 million off the amount owed as construction financing debt (SFH).

A total of 783 units were transferred in the quarter, corresponding to R$133 million PSV.

General and administrative expenses were 16% down year-on-year, in line with our objective of resizing our operational structure. Our 1Q17 headcount was 54% less than 1Q16's and we ended the quarter with 603 employees.

Our 1Q17 selling expenses were 68% lower than 1Q16's, mainly because no new developments were rolled out and there were no sales campaigns in the quarter.

We have continued to reduce our developments' execution risk. Since end-2012, our total costs to be incurred has been reduced by 90% from its former level of R$7.1 billion. From 1Q16 through 1Q17, our costs to be incurred showed a small fall of 5% due to the lower pace of building work as a result of cash flow constraints currently affecting the company.

Our balance of production financing (credit provided by the federal housing finance program, local acronym SFH) is steadily falling as developments are delivered and transferred, partnerships are wound up and some developments are sold. In 1Q17, we were able to reduce total outstanding SFH debt balance by R$120 million (12%), and by R$538 million (39%) over the last 12 months.

Taking into account our extended leverage (net debt plus costs to be incurred), we have been able to reduce our liabilities by R$159 million from 4Q16 to 1Q17 and R$386 million over the last 12 months.

We will continue to prioritize all measures required to accelerate incoming cash flow, monetize assets, cut costs and adjust liabilities.

We intend to be disclosing our Reorganization Plan to the market shortly, as a crucial means of righting PDG's economic and financial situation. We shall negotiate a comprehensive and efficacious solution with our creditors and stakeholders in order to preserve the Company's commercial and operational activities while fulfilling our responsibilities to our customers, creditors and shareholders.

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.

Launches	1Q17	1Q16	1Q17 vs. 1Q16	4Q16	1Q17 vs. 4Q16	1Q17 (IFRS)
Total Launches - R$ million	0	0	n.m.	0	n.m.	0
PDG % Launches - R$ million	0	0	n.m.	0	n.m.	0
# of Launched Projects	0	0	n.m.	0	n.m.	0
# of Launched Units - PDG	0	0	n.m.	0	n.m.	0
Sales and Inventory	**1Q17**	**1Q16**	**1Q17 vs. 1Q16**	**4Q16**	**1Q17 vs. 4Q16**	**1Q17 (IFRS)**
Gross Sales %PDG - R$ million	81	403	-79.9%	334	-75.8%	80
Net Sales %PDG - R$ million	(60)	97	n.m.	162	n.m.	(61)
# of Net Sold Units %PDG	(209)	220	n.m.	604	n.m.	(210)
Inventory at Market Value %PDG - R$ million	2,262	2,778	-18.6%	2,263	0.0%	2,244

Operational Result (1)	1Q17	1Q16	1Q17 vs. 1Q16	4Q16	1Q17 vs. 4Q16
Net Operational Revenues - R$ million	118	140	-15.7%	72	64.2%
Gross Profits (Losses) - R$ million	2	(16)	n.m.	(242)	n.m.
Gross Margin - %	1.7	n.a	n.m.	n.a	n.m.
Adjusted Gross Margin - %	5.1	3.9	1.2 p.p	n.a	n.m.
EBITDA Margin - %	n.a	n.a	n.m.	n.a	n.m.
Net Earnings (Losses) - R$ million	(276)	(410)	-32.8%	(2,440)	-88.7%
Net Margin - %	n.a	n.a	n.m.	n.a	n.m.
Backlog Results (REF) (1)	**1Q17**	**1Q16**	**1Q17 vs. 1Q16**	**4Q16**	**1Q17 vs. 4Q16**
Gross Revenues (REF) - R$ million	485	703	-31.0%	677	-28.4%
COGS - R$ million	(386)	(481)	-19.8%	(512)	-24.6%
Gross Profit - R$ million	99	222	-55.4%	165	-40.0%
Gross Backlog Margin - %	20.4	31.6	-11.2 p.p	24.4	-4 p.p
Balance Sheet (1)	**1Q17**	**1Q16**	**1Q17 vs. 1Q16**	**4Q16**	**1Q17 vs. 4Q16**
Cash and Cash Equivalents - R$ million	217	373	-41.8%	201	8.0%
Net Debt - R$ million	5,091	5,440	-6.4%	5,118	-0.5%
Shareholders Equity - R$ million	(3,670)	1,939	n.m.	(3,415)	-7.5%
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a	161.1	n.m.	n.a	n.m.
Total Assets - R$ million	4,448	10,139	-56.1%	4,651	-4.4%

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

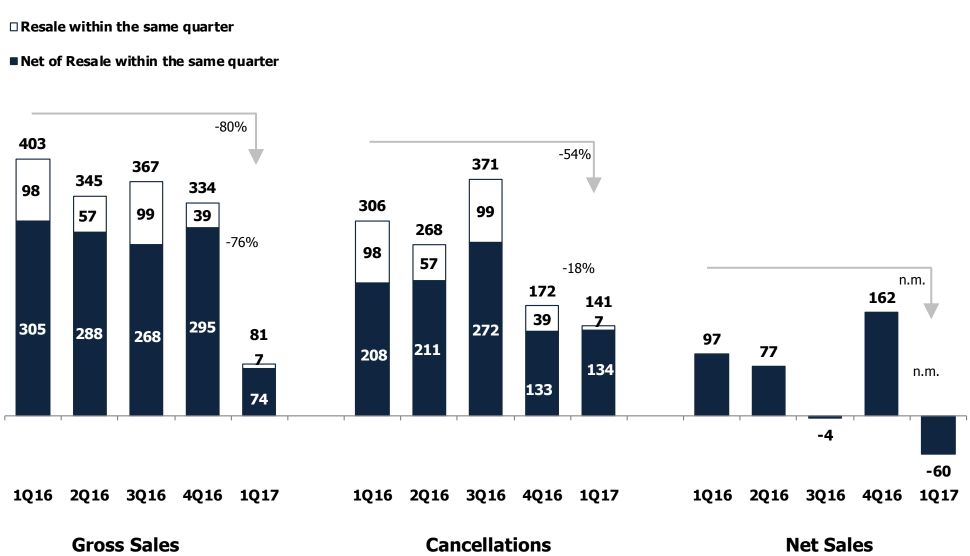
Operating Performance – Launches

- There were no launches in this quarter, all attention is still focused on monetizing assets and reducing the Company’s costs and liabilities.

Operating Performance – Sales

- This quarter’s gross sales continued to be affected by the sector´s weak demand and sluggish economic situation. Another factor that directly affected our sales was that we had to restructure and adapt to the new sales processes after filing for court-supervised reorganization. Thus, we focused on cash sales of completed and free of encumbrance units.
- Considering the abovementioned facts, gross sales (considering resale of cancellations within the same quarter) reached R$81 million, a 76% decrease when compared to 4Q16 e and a 80% drop when compared to the 1Q16.
- Cash sales totaled R$15 million in 1Q17, accounting for 19% of period gross sales.
- Total cancellations came to R$141 million in 1Q17, 18% down on 4Q16, and 54% down on 1Q16. Total cancellations were not higher due to the Company's cash restriction policy, which did not allow the conclusion of all cancellations requested over the first quarter.
- Due to the reduction in gross sales during this quarter, net sales were negative R$60 million in 1Q17.

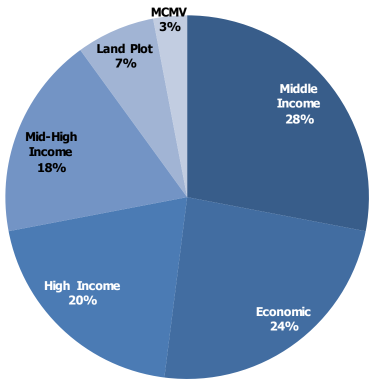
Sales Performance – PSV %PDG in R$ million



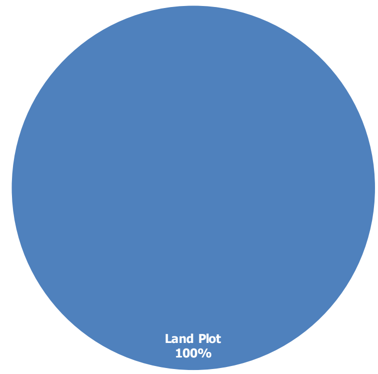
Net Sales by Product % PDG – PSV

- In 1Q17, the residential and commercial segments registered negative net sales, only the Land Plot segment recorded positive net sales.

1Q16



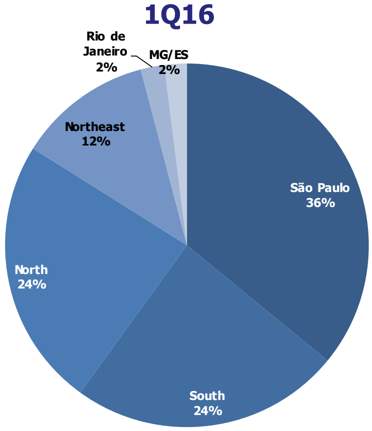
1Q17



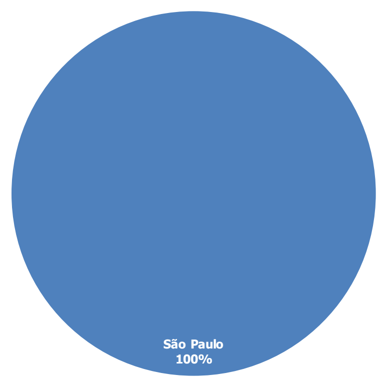
Net Sales by Region – % PSV

- In 1Q17, only São Paulo region had positive net sales, the other regions registered negative net sales.

1Q16



1Q17



Operating Performance – Cancellations and Resale

- Of total 1Q17 cancellations, 96% corresponded to projects with more than 60% of their units sold, a positive indicator underlining the fact that cancellations are continuing to occur in projects with good market liquidity and, therefore, with a higher resale speed.

- In addition, 87% of first-quarter cancellations corresponded to projects that had already been concluded. Therefore, the resale of such cancellations will result in the immediate inflow of cash to the Company, by means of transfers with the banks.

Cancellations in 1Q17 by Percentage of Resale and Year of Delivery

Percentage Sold	Concluded		2017 Delivery		2018 Delivery		Post 2018 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	-	-	-	-	16	3.7	-	-	16	3.7
21% to 40%	-	-	-	-	-	-	2	0.6	2	0.6
41% to 60%	-	-	-	-	5	1.6	1	0.4	6	2.0
61% to 80%	182	29.8	39	7.8	3	1.0	2	0.8	226	39.4
81% to 99%	389	92.8	4	2.7	-	-	-	-	393	95.5
TOTAL	**571**	**122.6**	**43**	**10.5**	**24**	**6.3**	**5**	**1.8**	**643**	**141.2**

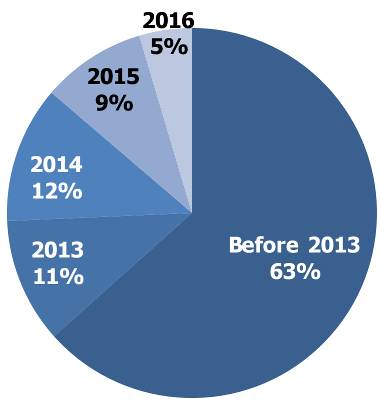
87%

96%

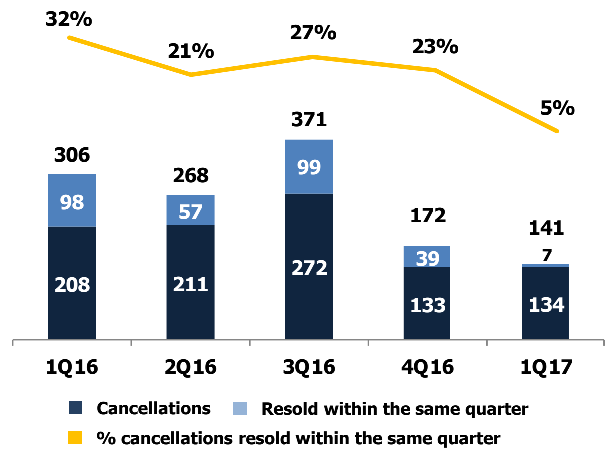
Operating Performance – Cancellations and Resale

- Looking at the breakdown of cancellations by year of sale, we can see that 74% of cancellations in 1Q17 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$141 million cancelled in 1Q17, R$7 million (or 5%) were resold in the same quarter, 18 p.p. less than the 23% posted in the previous quarter. The reduction of units resold this quarter was due to the decrease in gross sales.

Cancellations by Year of Sale – %PSV – 1Q17

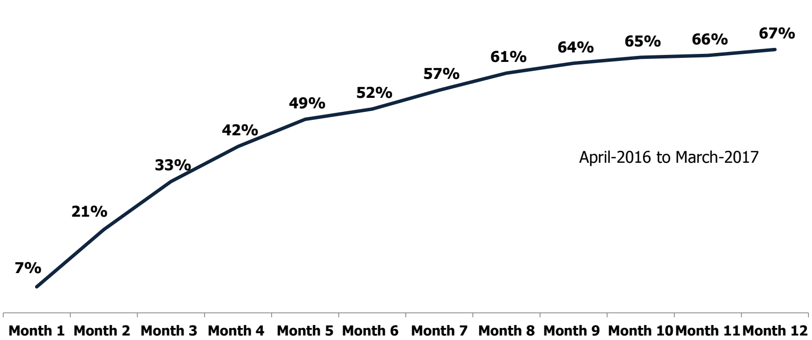


Cancellations and Resale Evolution – R$ million



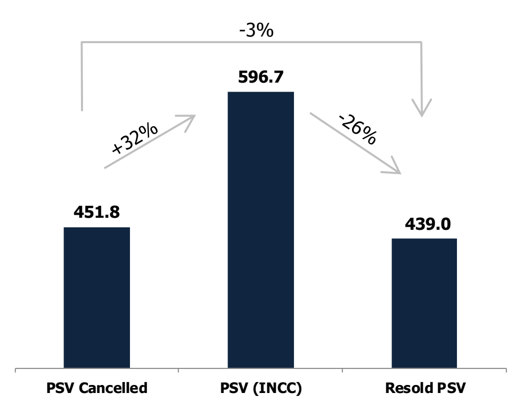
- The graph below shows that the average resale curve recorded an amount under 80%, reaching 67% when accounting for 12 months after the cancellation. This decrease is explained by the deceleration in cancellations as a result of cash restrictions, which prevent the implementation of cancellations to allow units to be resold.
- Another factor that impacted the resale evolution curve was the focus on the sale of completed and free of encumbrance units.
- 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 in order to speed up inventory sales, including discounts on cash sales. In the last 12 months, resale PSV has been 3% 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 4% in 1Q17, 8 p.p. down on 4Q16. This reduction can be explained by the decrease in gross sales in the period.
- PDG's sales team continues to record a healthy inventory sales performance, being responsible for 56% of gross sales in 1Q17.

Sales Speed (VSO) – R$ million

R$ million

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

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

(2) The negative adjustment of R$61 million in 1Q17 is mainly due to the reduction of R$38.5 million in inventory from the sale of Dom Offices e Dom Condominium.

Operating Performance – Sales Speed (VSO) by Region

- The sales speed by region showed an atypical dynamics due to gross sales retraction this quarter. As a consequence, the South and Central-West regions presented the best sales speed in 1Q17. 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

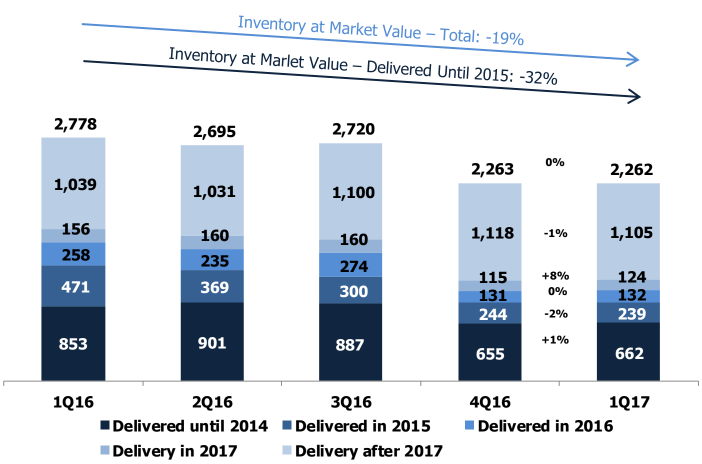
Region (ex-Commercial)	VSO - Gross Sales					
	1Q16	2Q16	3Q16	4Q16	1Q17	
SÃO PAULO	15%	16%	14%	10%	6%	**VSO SP and RJ 5%**
RIO DE JANEIRO	16%	14%	13%	6%	2%	
MG/ES	22%	17%	21%	50%	5%	**VSO (ex-SP and RJ) 6%**
NORTH	18%	17%	21%	26%	5%	
NORTHEAST	21%	18%	30%	27%	3%	
SOUTH	33%	25%	32%	28%	13%	
MIDWEST	24%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

- Total inventory at market value closed 1Q17 in R$2,262 million, aligned with the 2016´s fourth quarter reported numbers. In comparison with 1Q16, inventory at market value fell by 19%.

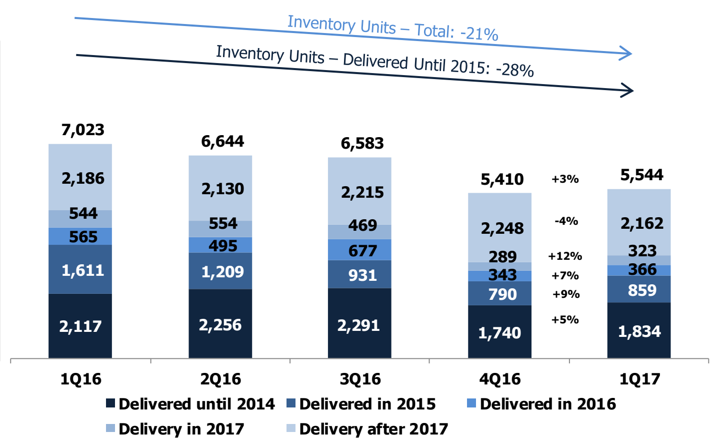
- Due to the negative net sales this quarter, total inventory units increased by 3% from 5,410 in 4Q16 to 5,544 in 1Q17. In the last 12 months, total inventory units recorded a decline of 21%.

- If we consider only those units delivered until the end of 2015, inventory PSV fell by 32% between 1Q16 and 1Q17 and the number of units by 28%, reflecting the Company's successful efforts to monetize its immediate cash generation, which has a direct impact on the acceleration of the Company's deleveraging.

Inventory at Market Value – R$ million



Inventory Units



- Inventory in the states of São Paulo and Rio de Janeiro currently corresponds to 56% of the Company's total inventory, excluding commercial units. Approximately 63% of inventory, excluding commercial units, is concentrated in projects that present excellent liquidity, with sales of more than 60%, which may help accelerate the Company's sales when the industry and the economic environment improve.

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	272	210.8	340	69.5	848	274.7	**1,460**	**555.0**	**36%**	**56%**
RIO DE JANEIRO	243	189.4	52	23.4	251	87.1	**546**	**299.9**	**20%**	
MG/ES	-	-	-	-	47	8.1	**47**	**8.1**	**1%**	
NORTH	105	40.0	409	162.1	236	85.5	**750**	**287.6**	**19%**	
NORTHEAST	426	119.6	-	-	196	116.0	**622**	**235.6**	**15%**	
SOUTH	-	-	43	16.1	103	40.4	**146**	**56.5**	**4%**	
MIDWEST	-	-	127	26.5	260	49.6	**387**	**76.1**	**5%**	
% Total (Ex- Commercial)		**37%**		**20%**		**43%**			**100%**	
TOTAL (Ex-Commercial)	**1,046**	**559.8**	**971**	**297.6**	**1,941**	**661.4**	**3,958**	**1,518.8**	**67%**	
COMMERCIAL	1,206	582.0	92	35.8	288	125.6	**1,586**	**743.4**	**33%**	**99% SP and RJ**
TOTAL	**2,252**	**1,141.8**	**1,063**	**333.4**	**2,229**	**787.0**	**5,544**	**2,262.2**	**100%**	
% Total		**50%**		**15%**		**35%**			**100%**	

63%

Inventory by Percentage of Sales and Year of Delivery

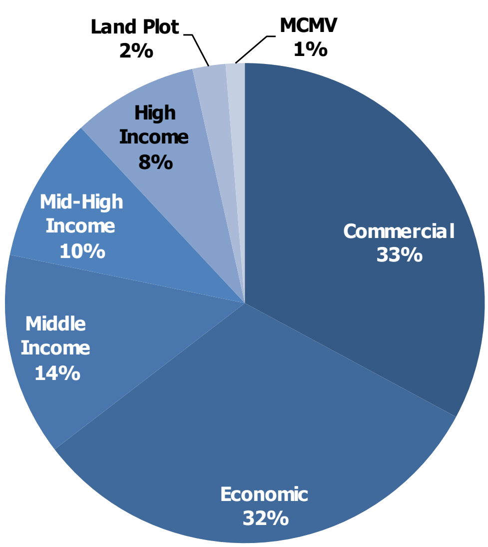
Percentage Sold	Built		2017 Delivery		2018 Delivery		Post 2018 Delivery		Total		% Total
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV	
20% or less	256	136.3	-	-	426	119.6	-	-	682	255.9	11%
21% to 40%	2	2.7	-	-	-	-	528	330.9	530	333.6	15%
41% to 60%	13	3.7	-	-	738	396.6	289	152.2	1,040	552.3	24%
61% to 80%	705	161.8	196	68.5	52	23.4	110	79.6	1,063	333.4	15%
81% to 99%	2,156	756.9	54	27.5	19	2.6	-	-	2,229	787.0	35%
TOTAL	**3,132**	**1,061.4**	**250**	**96.0**	**1,235**	**542.2**	**927**	**562.7**	**5,544**	**2,262.2**	**100%**

86% **50%**

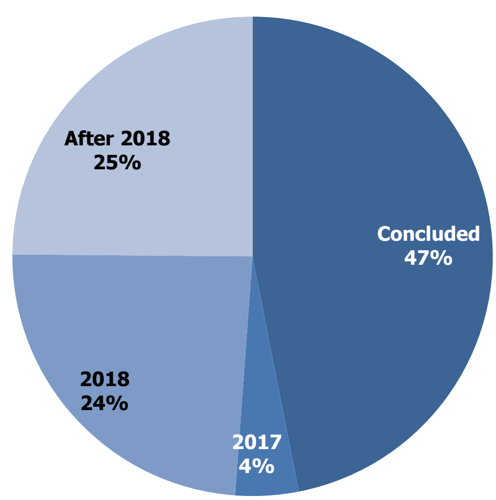
- Overall, the Company's inventory has good market liquidity, which may be confirmed by the following: (i) 50% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 64% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units); and (iii) 47% has already been concluded (thereby generating immediate cash inflow), 64% of which is located in São Paulo and Rio de Janeiro.

- Of the concluded inventory (47%), 86% is concentrated in projects that are more than 60% sold: (i) 15% between 61% and 80% sold and; (ii) 71% between 81% and 99% sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



Operating Performance – Landbank

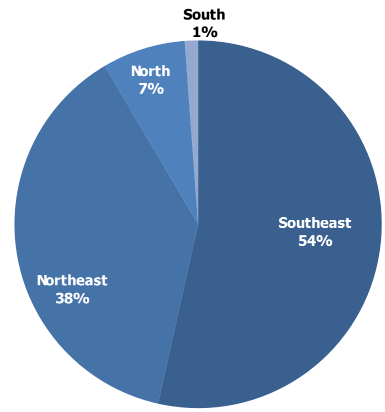
- The landbank closed 1Q17 with a potential PSV of R$4.6 billion (PDG's share), equivalent to 11,145 units.
- As a result of the sale of 1 land bank this quarter, PSV for total land bank fell by 2%, reflecting a reduction of R$73 million when compared to 4Q16.
- The landbank that is not compatible with 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.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R$ mn)	%	PSV (R$ mn)	%	Average Price (R$)
High Income	270	2.4%	333.7	7.2%	333.7	6.8%	1,235,822.2
Mid-High Income	1,466	13.2%	1,374.1	29.7%	1,374.1	28.0%	937,294.5
Middle Income	1,093	9.8%	542.0	11.7%	820.0	16.7%	495,882.9
Economic	4,898	43.9%	1,300.0	28.0%	1,300.0	26.4%	265,414.5
Residential	**7,727**	**69.3%**	**3,549.8**	**76.6%**	**3,827.7**	**77.9%**	**459,396.4**
Commercial	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**
Land Plot	**3,418**	**30.7%**	**1,083.3**	**23.4%**	**1,083.3**	**22.1%**	**316,925.7**
Total	**11,145**		**4,633.0**		**4,911.0**	**-**	**415,702.8**

Landbank by Region

PSV %PDG



Operating Performance – De-risking Panel

- In 1Q17, we obtained occupancy permits for 3 projects managed by PDG, representing 661 units and total PSV of R$168 million. We obtained no occupancy permit for projects managed by partners in 1Q17.

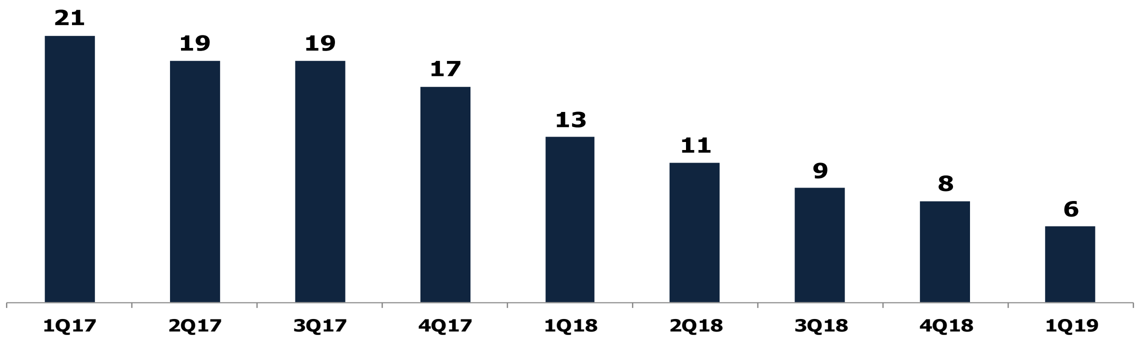
Occupancy Permits – 2017

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**	**-**
TOTAL PDG 2017	**3**			**168.0**	**168.0**	**661**	**-**
Projects Managed by Partners							
TOTAL PARTNERS 1Q17	**0**	**-**	**-**	**0.0**	**0.0**	**0**	**-**
TOTAL PARTNERS 2017	**0**			**0.0**	**0.0**	**0**	**-**
TOTAL 2017	**3**			**168.0**	**168.0**	**661**	**-**

Operating Performance – De-risking Panel

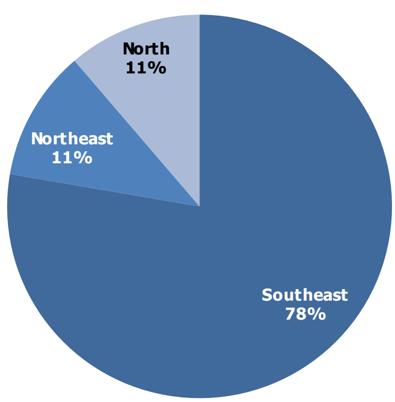
Projects in Progress – Occupancy Permit Schedule

- Taking into account the delivery of 3 projects and the sale of 3 projects related to Dom Offices and Dom Condominium in 1Q17, the Company closed the quarter with 21 ongoing projects. Considering the ongoing projects, 78% are located in the Southeast and 69% are residential projects (excluding MCMV, land development and commercial units).

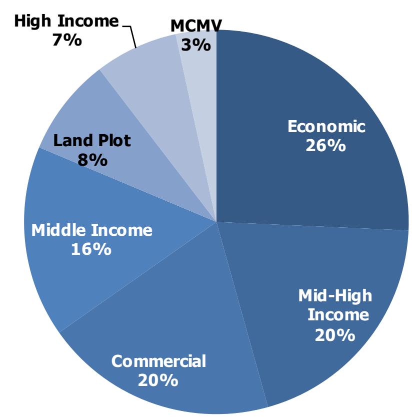


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV



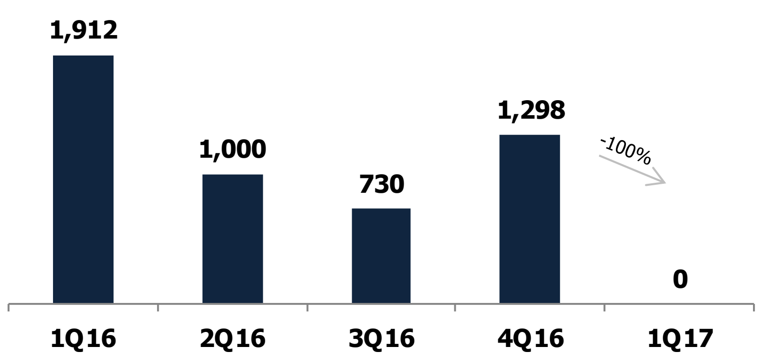
Breakdown by Product – % PSV



Operating Performance – Title Individualizations

- During 1Q17, no projects were individualized. The three occupancy permits obtained in this quarter, are in the process of individualization.

Title Individualizations – units



Operating Performance – Historical Data

- At the end of 1Q17, the Company had 21 projects in progress, equivalent to 5,671 units (PDG's share), 256 of which (5%) related to the Minha Casa Minha Vida program and 5,415 (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]	693	154,803	149,375
Ongoing[3]	21	5,723	5,671

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

Finished Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	422	95,117	93,762
MCMV	271	59,686	55,613
Total	693	154,803	149,375

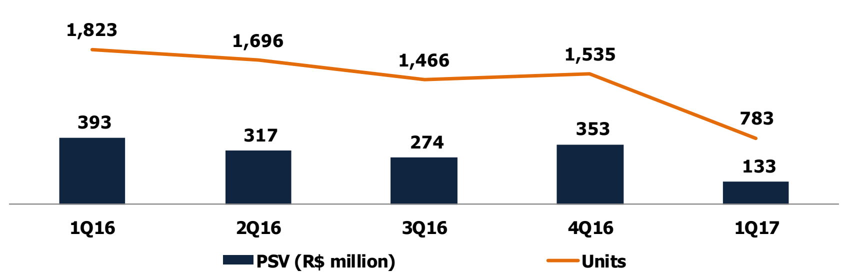
Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	20	5,467	5,415
MCMV	1	256	256
Total	21	5,723	5,671

Obs.: Only projects under PDG management.

Operating Performance – Mortgage Transfers

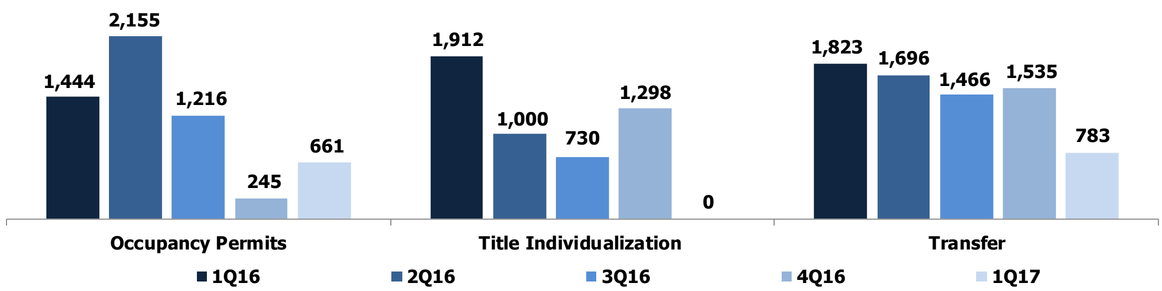
- In 1Q17, 783 units were transferred, equivalent to a PSV of R$133 million. Due to the funding restriction from banks, the deterioration of the economic scenario in Brazil and the diminishing of credit (decrease in the Brazilian Savings Deposit Fund (SBPE)), the smaller amount of deliveries posted over the last quarters, and the smaller sales volume, the number of units transferred felt by 57% when compared to the 1Q16.

Transfers by Quarter – PSV and units



Operating Performance – Mortgage Transfers

Mortgage Transfer Cycle – units



Financial Performance

Gross Margin

- In 1Q17, the gross margin continued to reflect the pressure from discounts, especially in regard to advanced payments and cash sales. Despite the revenue drop in the period, due to the slowdown in sales, the gross margin registered 1.7% and adjusted gross margin registered 5.1%.

R$ million in IFRS

Gross Margin	1Q17	1Q16	(%) Var.
Net Revenues	118	140	-16%
Cost	(116)	(156)	-26%
Gross Profit (Loss)	2	(16)	*n.a.*
(+) Capitalized Interest	4	21	-81%
Adjusted Profit	6	5	*20%*
Gross Margin	**1.7%**	***n.a.***	***n.a.***
Adjusted Gross Margin	**5.1%**	**3.6%**	***1.5 p.p***

Backlog Result (REF)

- The 1Q17 gross backlog margin registered a decrease when compared with the previous quarters. In 1Q17, the gross backlog margin was 20.4%, 4 p.p. lower than in 4Q16 and 11.2 p.p. down year-on-year. The decrease in the backlog margin reflects the reduction in gross sales and the sale of Dom Condominium and Dom Offices.

- The backlog recognition schedule is estimated at 55.1% in 2017, 23.9% in 2018 and 21,0% from 2019 on.

R$ million in IFRS

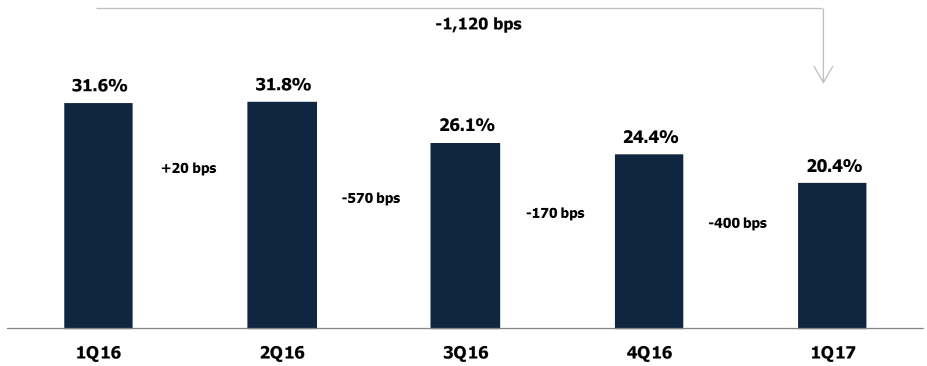
Backlog Results (REF)	1Q17	4Q16	4Q15
Gross Revenues	494	690	736
(-)Taxes *	(9)	(13)	(14)
Net Revenues - REF	485	677	722
(-) COGS	(386)	(512)	(497)
Gross Profit - REF	99	165	225
Gross Backlog Margin	***20.4%***	***24.4%***	***31.2%***
Capitalized Interest	62	48	115
Agre Goodwill	2	2	27
Adjusted Gross margin **	***7.2%***	***17.0%***	***11.5%***

* 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
	55.1%	**23.9%**	**21.0%**

Backlog Margin Trends (REF)



Backlog Result – Pre and Post 2012

- Projects launched after 2012, with an average gross margin of 22.7%, already represent 97% of total gross backlog profit and have been gradually accounting for an even larger share as projects launched before 2013 are delivered.

R$ million in IFRS

Backlog Results (REF) (Pre and Post 2012 Projects)	Pre 2012	After 2012	1Q17
Net Revenues - REF	62	423	485
(-) COGS	(59)	(327)	(386)
Gross Profit - REF	3	96	99
Gross Backlog Margin	***4.8%***	***22.7%***	***20.4%***
Capitalized Interest	62	-	62
Agre Goodwill	2	-	2
Adjusted Gross margin	***-98.4%***	***22.7%***	***7.2%***

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 3% higher than on 4Q16 and 16% down in relation to 1Q16.
- Selling expenses in the quarter was down 87% over 4Q16 and 68% when compared to the 1Q16.
- SG&A expenses closed the quarter 32% lower than 1Q16 and 48% lower when compared to 4Q16.

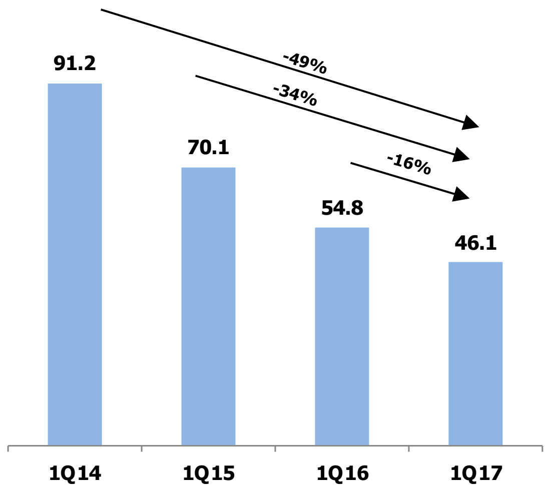
R$ million in IFRS

Commercial Expenses	QUARTER		
	1Q17	1Q16	Var. %
Total Commercial Expenses	**7.9**	**24.5**	**-68%**

G&A Expenses	1Q17	1Q16	Var. %
Salaries and Benefits	20.0	30.4	-34%
Profit Sharing	0.0	5.4	-100%
Third Party Services	22.0	10.7	106%
Other Admin. Expenses	4.1	8.3	-51%
Total G&A	**46.1**	**54.8**	**-16%**
Total SG&A	**54.0**	**79.3**	**-32%**

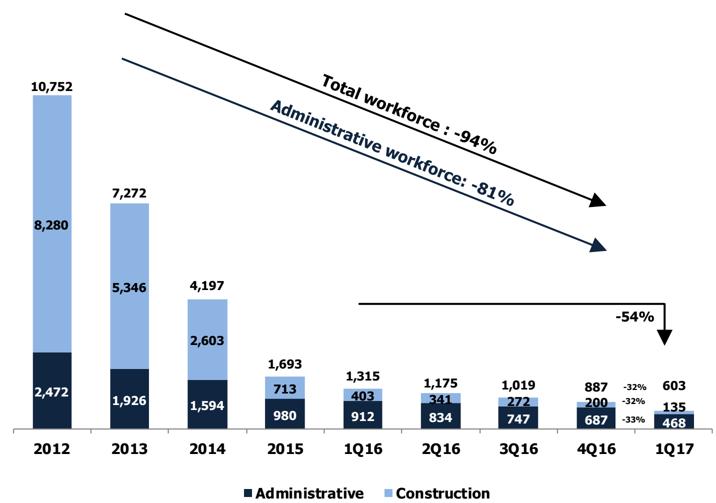
General and Administrative Expenses (G&A)

- G&A expenses maintained their downward trajectory, recording a 16% reduction over the 1Q16. When compared to 1Q15 and 1Q14, G&A expenses fell by 34% and 49%, respectively.



Headcount

- We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 1Q17, we reduced our total workforce by 32% over the previous quarter. When compared to the 1Q16, total workforce fell by 54%.



On and Off Balance Sheet Receivables and Cost to be Incurred

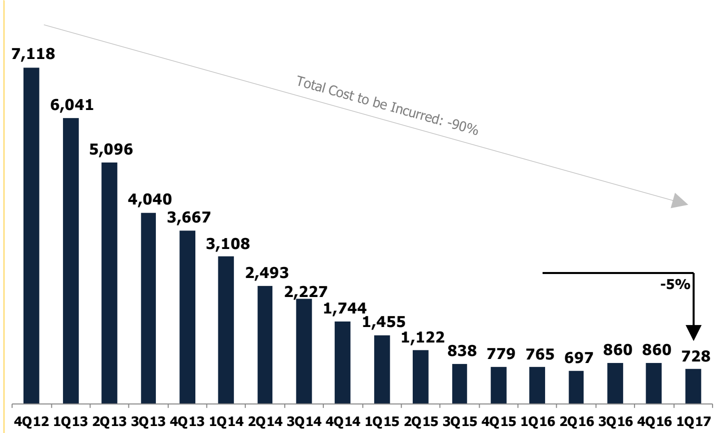
- We closed 1Q17 with total net receivables of R$2 billion, 18% down on the previous quarter.
- The reduction in accounts receivable was mainly due to the sale of Dom Condominium and Dom Offices projects, reducing receivables by R$204 million. Besides, the atypical negative net sales this quarter reverted sales and decreased accounts receivable.
- In 1Q17, the total cost to be incurred fell by R$132 million when compared to the previous quarter, reflecting the R$127 million decrease from the sale of Dom Condominium and Dom Offices. Since the end of 2012, the total cost to be incurred, R$7.1 billion at the time, has fallen by 90%, substantially reducing the Company's operational risk.

Accounts Receivable

R$ million in IFRS

On and Off Balance Receivables (R$ mn)	1Q17	4Q16	(%) Var.
Receivables *(on balance)*	1,717	2,023	-15%
Gross Backlog Revenues - REF	494	690	-28%
Advances from Clients - sales installments	(76)	(112)	-32%
Advances from Clients - physical barter from launches	(101)	(107)	-6%
Total Receivables (a)	**2,034**	**2,494**	**-18%**
Cost to be Incurred - Sold Units	(386)	(512)	-25%
Cost to be Incurred - Inventory Units	(342)	(348)	-2%
Total Costs to be Incurred (b)	**(728)**	**(860)**	**-15%**
Total Net Receivables (a+b)	**1,306**	**1,634**	**-20%**
ST	**1,215**	**1,250**	**-3%**
LT	**502**	**773**	**-35%**
Total *Receivables (on balance)*	**1,717**	**2,023**	**-15%**

Costs to be Incurred – R$ million



Financial Result

- Financial expenses totaled R$173 million in 1Q17, 25% lower than in 1Q16 and 40% lower than the 4Q16, reflecting the reduction of the interest payment account.

R$ million in IFRS

Financial Results (R$ mn)	QUARTER		
	1Q17	1Q16	Var. %
Investment Income	6.7	11.0	-39%
Debentures - fair value	-	-	0%
Interest and fines	(8.8)	26.7	n.m.
Other financial revenue	0.4	3.7	-89%
Total financial revenues	**(1.7)**	**41.4**	**n.m.**
Interest	(158.1)	(232.2)	-32%
Bank Expenses	(0.4)	(1.0)	-60%
Other	(23.9)	(11.4)	110%
Gross Financial Expenses	**(182.4)**	**(244.6)**	**-25%**
Capitalized Interest on Inventory	9.0	12.7	-29%
Total Financial Expenses	**(173.4)**	**(231.9)**	**-25%**
Total Financial Result	**(175.1)**	**(190.5)**	**-8%**

Indebtedness

In 1Q17, despite the exceptionally challenging environment for the Company, we recorded important progress with the debt restructuring:

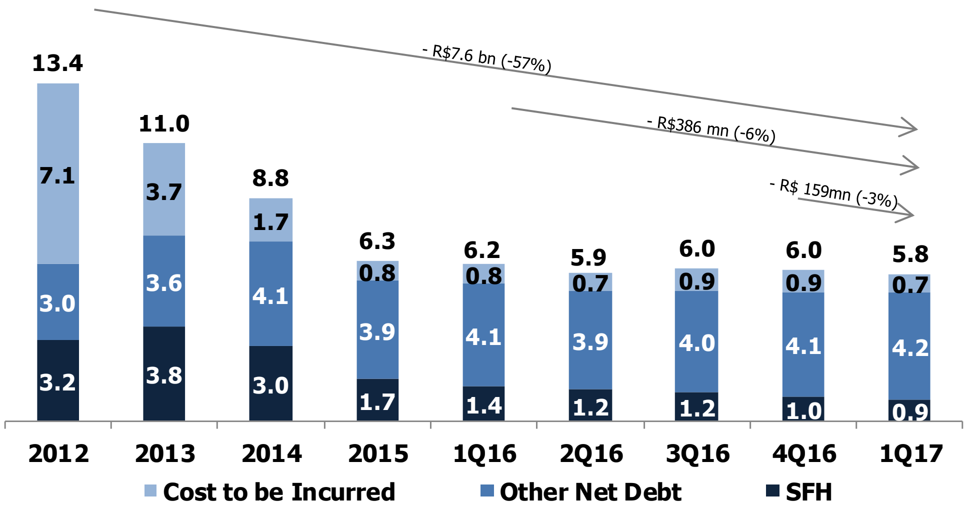
- For one more quarter we managed to reduce net debt and cost to be incurred, strengthening our deleveraging goal and adjusting our financial responsibilities to our operational structure. In this regard, the Company´s total leverage, including net financial debt and the cost to be incurred, fell by R$159 million between 4T16 and 1Q17, and by R$386 million in the last 12 months.

- In 1Q17, we concluded the sale of the projects Dom Condominium and Dom Offices, reducing costs to be incurred by R$127 million and SFH debt by R$53 million.

- The Company concluded, with Vinci Partners, a credit facility in the total amount of R$100 million, which was implemented through two unsecured debenture issues, each of which divided into two series. The first series of the 9th and 10th issue, totaling R$50 million, were paid in 2016. The second series, in turn, was paid in 1Q17, also in the amount of R$50 million.

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 a 57% change, or R$7.6 billion, also reducing operational complexity and the execution risk of our assets
- In 1Q17, extended leverage fell by R$159 million (3%), taking into account the deconsolidation of the cost to be incurred and SHF debt of the projects sold in the quarter.



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 financing debt (SFH) continues to fall due to the delivery of projects, the transfer of mortgages, and the sale of on-going projects. In 1Q17, the total balance of this line fell R$120 million (12%) in relation to 4Q16. Regarding the last 12 months, the SFH line fell by R$538 million (39%).

R$ million in IFRS

Indebtedness	1Q17	4Q16	(%) Var.
Cash	**217**	**201**	**8%**
SFH	850	970	-12%
Debentures	142	141	1%
CCB/CRI	599	532	13%
Construction Financing	**1,591**	**1,643**	**-3%**
Working Capital, SFI and Promissory Notes	337	330	2%
Finep/Finame	102	101	1%
Debentures	1,541	1,440	7%
CCB/CRI	1,715	1,781	-4%
Obligation for the issuance of CCB and CCI	22	24	-8%
Corporate Debt	**3,717**	**3,676**	**1%**
Gross Debt	**5,308**	**5,319**	**0%**
Net Debt	**5,091**	**5,118**	**-1%**
Net Debt (ex. SFH)	**3,500**	**3,475**	**1%**
Shareholders Equity *(1)*	**- 3,670**	**- 3,415**	**7%**
Net Debt (ex. SFH)/ Equity	***n.a.***	***n.a.***	***n.a.***

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

Net Debt Variation

- For one more quarter, the Company reduced its financial leverage. Considering the sale of Dom Condominium and Dom Office projects, the net debt fell by R$27 million in 1Q17.

  - The sale of Dom Condominium and Dom Offices reduced R$52.7 million in SFH debt.

- In total, since 2014, net debt was reduced by R$1.9 billion.

R$ million in IFRS

Net Debt Variation (R$ mn)	2013	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17
Cash and Cash Equivalents	**1,353**	**1,092**	**881**	**1,198**	**508**	**604**	**604**	**373**	**271**	**235**	**201**	**201**	**217**
Cash Variation	(468)	(261)	(211)	317	(690)	96	(488)	(231)	(102)	(36)	(34)	(403)	16
Gross Debt	**8,367**	**7,869**	**7,248**	**6,985**	**6,463**	**6,155**	**6,155**	**5,813**	**5,441**	**5,406**	**5,319**	**5,319**	**5,308**
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
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
Gross Debt Variation	602	(498)	(621)	(263)	(522)	(308)	(1,714)	(342)	(372)	(35)	(87)	(836)	(11)
Net Debt Variation	**(1,070)**	**237**	**410**	**580**	**(168)**	**404**	**1,226**	**111**	**270**	**(1)**	**53**	**433**	**27**
Adjustments	**(86)**	**-**	**-**	**(502)**	**300**	**-**	**(202)**	**-**	**(214)**	**-**	**(11)**	**(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)**	**42**	**208**	**(26)**

Income Statements

Quarters ended on March 31th 2017 and 2016

Income Statements (R$ '000) - IFRS	1Q17	1Q16	(%) Var.
Operating Gross Revenue			
Real Estate Sales	127,414	139,799	-9%
Other Operating Revenues	2,312	29,902	-92%
(-) Revenues Deduction	(11,710)	(29,915)	-61%
Operating Net Revenue	**118,016**	**139,786**	**-16%**
Cost of Sold Units	(111,961)	(134,398)	-17%
Interest Expenses	(3,995)	(21,386)	-81%
Cost of sold properties	**(115,956)**	**(155,784)**	**-26%**
Gross Income (loss)	**2,060**	**(15,998)**	***n.m.***
Gross margin	***1.7%***	***n.a.***	***n.m.***
***Adjusted gross margin* (1)**	***5.1%***	***3.9%***	***1,2 p.p***
Operating Revenues (expenses):			
Equity Income	20	186	-89%
General and Administrative	(46,078)	(54,784)	-16%
Commercial	(7,918)	(24,471)	-68%
Taxes	(8,497)	(1,830)	n.m.
Depreciation & Amortization	(6,646)	(21,910)	-70%
Other	(31,005)	(86,007)	-64%
Financial Result	(175,137)	(190,476)	-8%
Total operating revenues (expenses)	**(275,261)**	**(379,292)**	**-27%**
Income before taxes	**(273,201)**	**(395,290)**	**-31%**
Income Taxes and Social Contribution	1,432	(15,250)	n.m.
Income before minority stake	**(271,769)**	**(410,540)**	**-34%**
Minority interest	(3,951)	63	n.m.
Net Income (loss)	**(275,720)**	**(410,477)**	**-33%**
Net margin	***n.a.***	***n.a.***	***n.m.***

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

EBITDA	1Q17	1Q16	(%) Var.
Income (loss) before taxes	(273,201)	(395,290)	-31%
(-/+) Financial Result	175,137	190,476	-8%
(+) Depreciation and Amortization	6,646	21,910	-70%
(+) Stock Option Plan	12	5,380	-100%
(+) Interest Expenses - Cost of Sold Units	3,995	21,386	-81%
(-/+) Equity Income result	(20)	(186)	-89%
EBITDA	**(87,431)**	**(156,324)**	**-44%**
EBITDA Margin	***n.a.***	***n.a.***	***n.m.***

Consolidated Balance Sheet - ASSETS

On March 31st 2017, and December 31st 2016

ASSET (R$ '000)	1Q17	4Q16	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	217,063	200,973	8%
Accounts receivable	1,215,128	1,249,963	-3%
Properties held for sale	1,217,988	1,166,612	4%
Prepaid expenses	10,812	7,763	39%
Accounts with related parties	25,061	24,564	2%
Taxes to recover	43,722	44,117	-1%
Deferred income and social contribuition taxes	13,945	10,214	37%
Others	-	-	0%
Total Current Assets	**2,743,719**	**2,704,206**	**1%**
Noncurrent Assets			
Long-Term			
Accounts receivable	501,740	772,702	-35%
Properties held for sale	702,795	706,102	0%
Deferred Taxes	-	-	0%
Accounts with related parties	77,216	60,165	28%
Others	244,129	223,503	9%
Total Long-Term Assets	**1,525,880**	**1,762,472**	**-13%**
Permanent Assets			
Investments	48,872	49,012	0%
Investment Properties	-	-	0%
Property and Equipament	26,104	27,640	-6%
Intangible	103,017	107,684	-4%
Total Permanent Assets	**177,993**	**184,336**	**-3%**
Total Noncurrent Assets	**1,703,873**	**1,946,808**	**-12%**
Total Assets	**4,447,592**	**4,651,014**	**-4%**

Consolidated Balance Sheet - LIABILITIES

On March 31st 2017, and December 31st 2016

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	1Q17	4Q16	(%) Var.
Current			
Loans and financings	1,288,769	1,013,591	27%
Debentures	1,682,861	1,546,357	9%
Obligation for the issuance of CCB & CCI	2,314,405	1,811,544	28%
Co-obligation for the issuance of CRI	21,927	24,411	-10%
Suppliers	294,726	251,319	17%
Property acquisition obligations	68,852	85,825	-20%
Advances from clients	145,192	188,928	-23%
Taxes and contributions payable	194,086	185,557	5%
Deferred taxes	39,452	45,483	-13%
Income and social contribution taxes	100,562	97,562	3%
Accounts with related parties	10,592	5,798	83%
Other Provisions	389,478	388,585	0%
Other Obligations	154,630	162,472	-5%
Total Current	**6,705,532**	**5,807,432**	**15%**
Long-Term			
Loans and financings	-	387,571	-100%
Debentures	-	34,609	-100%
Obligation for the issuance of CCB & CCI	-	501,040	-100%
Property acquisition obligations	59,557	34,701	72%
Advances from clients	90,554	72,368	25%
Taxes and contributions payable	27,368	24,667	11%
Deferred taxes	70,940	44,919	58%
Other Provision	771,385	771,313	0%
Other	391,857	386,896	1%
Total Long-Term	**1,411,661**	**2,258,084**	**-37%**
Shareholders' equity			
Subscribed capital	4,917,843	4,917,843	0%
Capital reserve	1,236,718	1,236,706	0%
Accumulated losses	(9,802,470)	(9,526,750)	3%
Minority interest	**(21,692)**	**(42,301)**	**-49%**
Total Shareholders' equity	**(3,669,601)**	**(3,414,502)**	**7%**
Total liabilities and shareholders' equity	**4,447,592**	**4,651,014**	**-4%**