



April 02nd,
2018

4Q17 and 2017
Results

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❖ Court-supervised Reorganization (CSR)

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4Q17 and 2017 Operational Highlights

- ❖ On 11.30.2017, PDG approved its Court-supervised Reorganization Plan at the Creditors' Meeting and **restructured R\$4.6 billion in debts.**
- ❖ As a result of the approval of the Reorganization Plan, **the Company's gross debt decreased by approximately R\$818 million, in addition to the debt rescheduling for up to 25 years.** Considering the Adjustment to Fair Value, the Company's debt went down by R\$3.1 billion.
- ❖ By joining the Tax Regularization Programs (PRT and PERT), the Company **reduced its taxes payable by R\$323 million.**
- ❖ **General and administrative expenses** maintained their downward trajectory, closing the quarter 35% down year-on-year. While the 2017 figure **fell by 34% over 2016.**
- ❖ Selling expenses fell by 72% over 4Q16. **The 2017 selling expenses recorded a 79% decline over 2016.**

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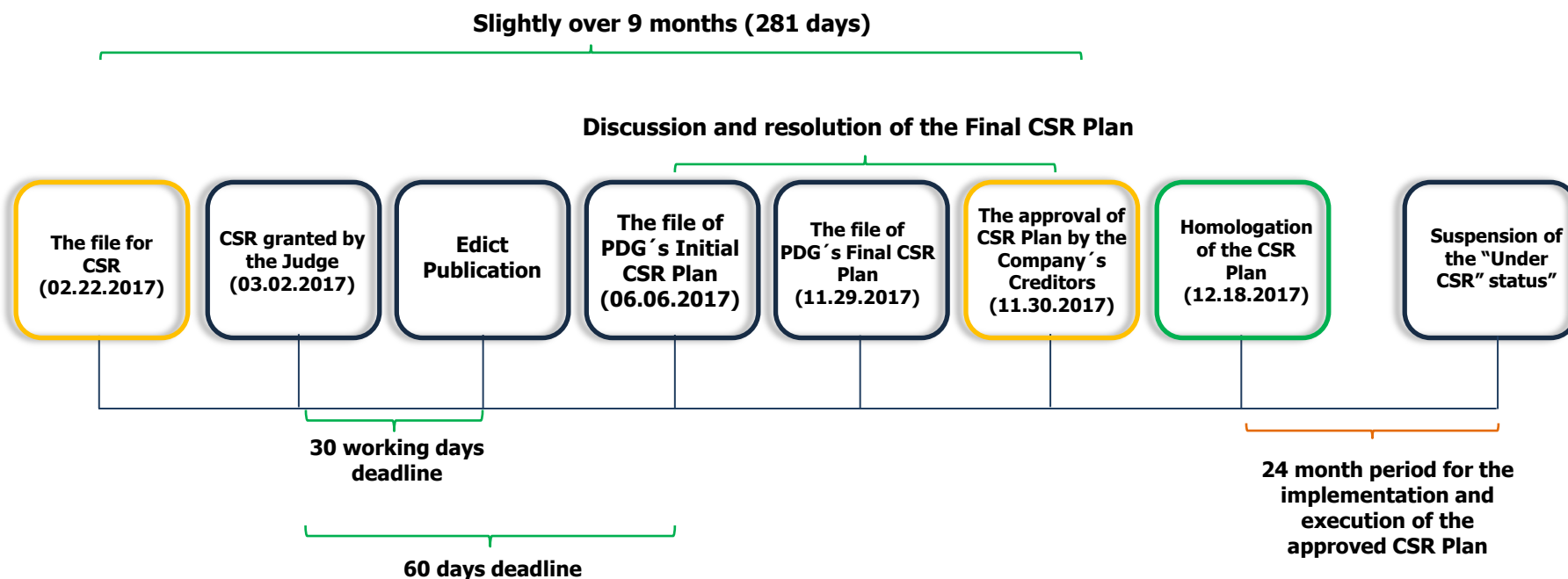
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Court-supervised Reorganization (CSR)

Schedule



Court-supervised Reorganization Schedule



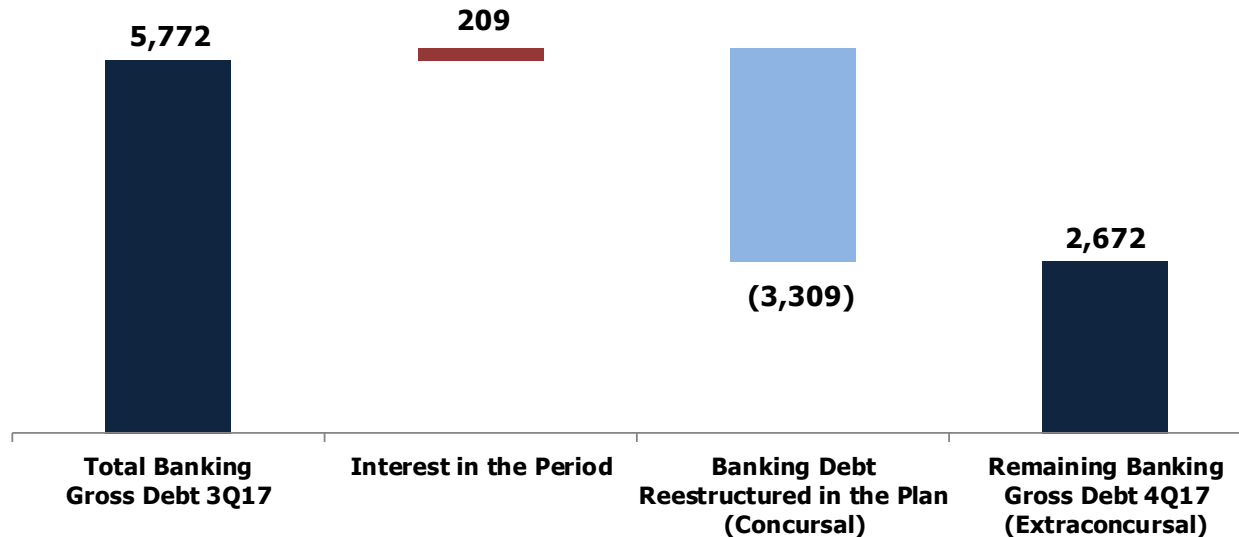
- ❖ The whole process of PDG's Judicial Reorganization was conducted in a structured and agile manner:
 - Since the filing for the CSR Plan, it took slightly over 9 months to manage the approval of the Plan at the Creditors Meeting,

Court-supervised Reorganization (CSR)

The New Debt Structure



Debt Fluctuation Between the 3Q17 and 4Q17 – R\$ million



❖ The Company's Bank Debt was reduced by R\$3.1 billion in 4Q17 over 3Q17:

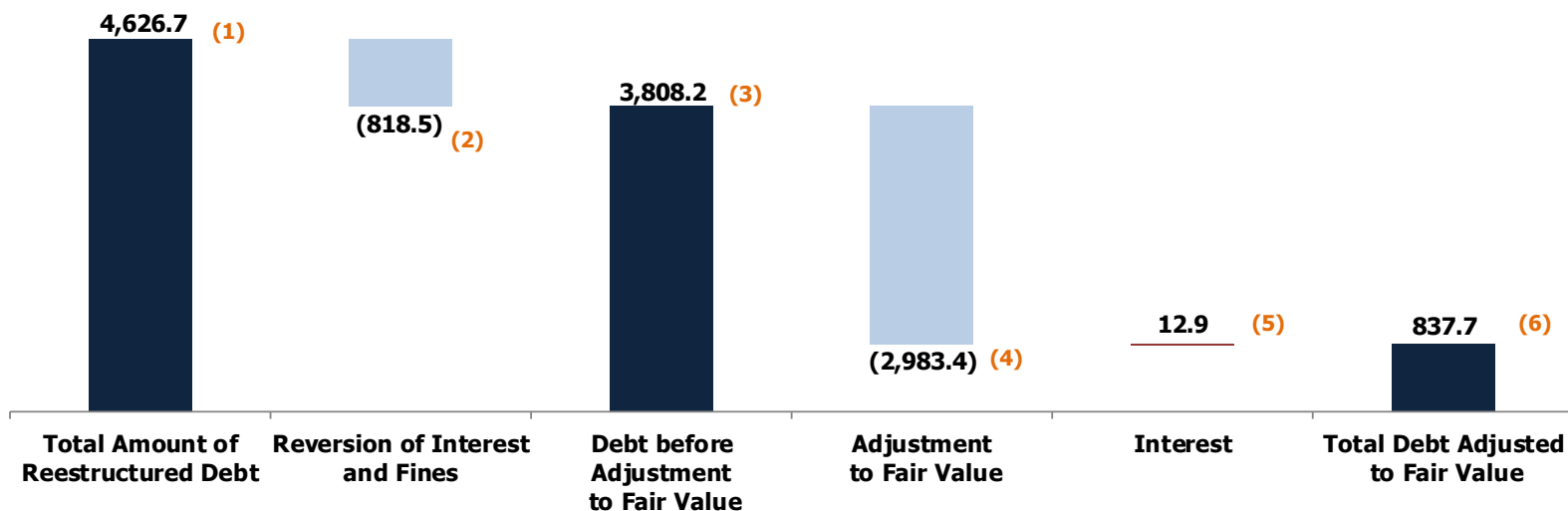
- Of the total of **R\$4.6 billion** in debts restructured subject to the Reorganization Plan, **R\$3.3 billion** referred to bank debts;
- Therefore, not considering labor debts, suppliers and other non-banking debts, the Company's gross debt went down from **R\$5.8 billion** in 3Q17 to **R\$2.7 billion** in 4Q17;
- The remaining debt, that is, the portion that was not restructured subject to the Plan, amounting to **R\$2.7 billion**, is being individually renegotiated with each creditor.

Court-supervised Reorganization (CSR)

The New Debt Structure



Debt Subjected to the Reorganization Plan— R\$ million



- ❖ The total debts restructured according to the Company's Court-supervised Reorganization Plan reached **R\$4.6 billion**⁽¹⁾. This sum comprises bank debts in the amount of **R\$3.3 billion** and the other debts amounting to **R\$1.3 billion** (ex: labor debts, suppliers, etc.).
- ❖ Following negotiation with its creditors, the Company recovered fines and interest of previous periods in the amount of **R\$818.5 million**⁽²⁾, so that its total restructured debt stood at **R\$3.8 billion**⁽³⁾.
- ❖ After calculating the fair value of the debt to present value, the Company recorded in its result a **reduction of R\$2.9 billion**⁽⁴⁾ in the value of its debt subject to the reorganization plan.
- ❖ During the calculation period of the debts subject to the reorganization plan, interest was levied in the amount of **R\$12.9 million**⁽⁵⁾.
- ❖ Taking into consideration all the effects mentioned above, the fair value of the debts subject to the reorganization plan, to present value, was **R\$837.7 million**⁽⁶⁾ at the end of December 2017.

Court-supervised Reorganization (CSR)

Debts not subjected to the Reorganization Plan



Debts not subjected to the Reorganization Plan – R\$ million

R\$ million in IFRS

Indebtedness	4Q17	3Q17	(%) Var.
Cash	213	225	-5%
SFH	732	831	-12%
Debentures	171	163	5%
CCB/CRI	147	653	-77%
Construction Financing	1,050	1,647	-36%
Working Capital, SFI and Promissory Notes	352	357	-1%
Finep/Finame	5	136	-96%
Debentures	283	1,772	-84%
CCB/CRI	968	1,844	-48%
Obligation for the issuance of CCB and CCI	14	16	-13%
Corporate Debt	1,622	4,125	-61%
Gross Debt	2,672	5,772	-54%
Net Debt	2,459	5,547	-56%
Net Debt (ex. Construction Financing)	1,409	3,900	-64%
Shareholders Equity (1)	(3,228)	(4,486)	-28%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

(1) Includes non-controlling equity

Debt Instruments	Creditory Rights	Equipments	Cession of Fiduciary Rights	Mortgages	No Guarantees	Total
Construction Debt (SFH)	692,879	-	-	38,952	-	731,831
Debentures	171,303	-	282,814	-	-	454,117
CCB / CRI	132,058	-	965,897	2,632	14,484	1,115,071
Co-obligations	-	-	-	-	14,331	14,331
Working Capital, Construction Debt (SFI) and NP	-	-	351,723	-	1	351,724
Finep /Finame	-	5,250	-	-	-	5,250
TOTAL	996,240	5,250	1,600,434	41,584	28,816	2,672,324
%	37%	0%	60%	2%	1%	100%

- ❖ Taking into consideration all the effects arising from the approval of the Company's Reorganization Plan, the Company's debts not subject to the reorganization plan closed the year at **R\$2,672 million**.
- ❖ It is important to emphasize that the debts not subject to the Reorganization Plan (**R\$2,672 million**) have collateralized gross Debt tied to them, as for example fiduciary rights and mortgages, and that this type of debt will be amortized as the assets collateralized as guaranties monetize.

Court-supervised Reorganization (CSR)

Contingencies Provision



Contingencies Provision – R\$ million

	Probable		Possible	
	2017	2016	2017	2016
Nature				
Labor	90,628	98,867	240,501	179,558
Tributary	103,652	27,010	297,519	104,257
Civil	381,051	931,303	171,907	235,014
Total	575,331	1,057,180	709,927	518,829
Current	47,058	336,757	-	-
Long Term -Post Reorganization	97,165	-	22,068	-
Long Term -Pre Reorganization	327,646	693,413	390,340	414,572
Long Term -Tributary	103,462	27,010	297,519	104,257
Total	575,331	1,057,180	709,927	518,829

- ❖ After accounting for the adjustments due the approval of the Plan, **R\$735 million** in probable contingencies provisions were reclassified to the “Payable obligations subject to the Reorganization Plan” item.
- ❖ The remaining amount totaled **R\$575 million** by the end of 2017, which **R\$328 million** will be subject to the conditions stated in the Plan, which encompasses payments up to 20 years in the future. The same logic also applies to possible contingencies, which **R\$390 million** are subjected to the terms of the Plan.



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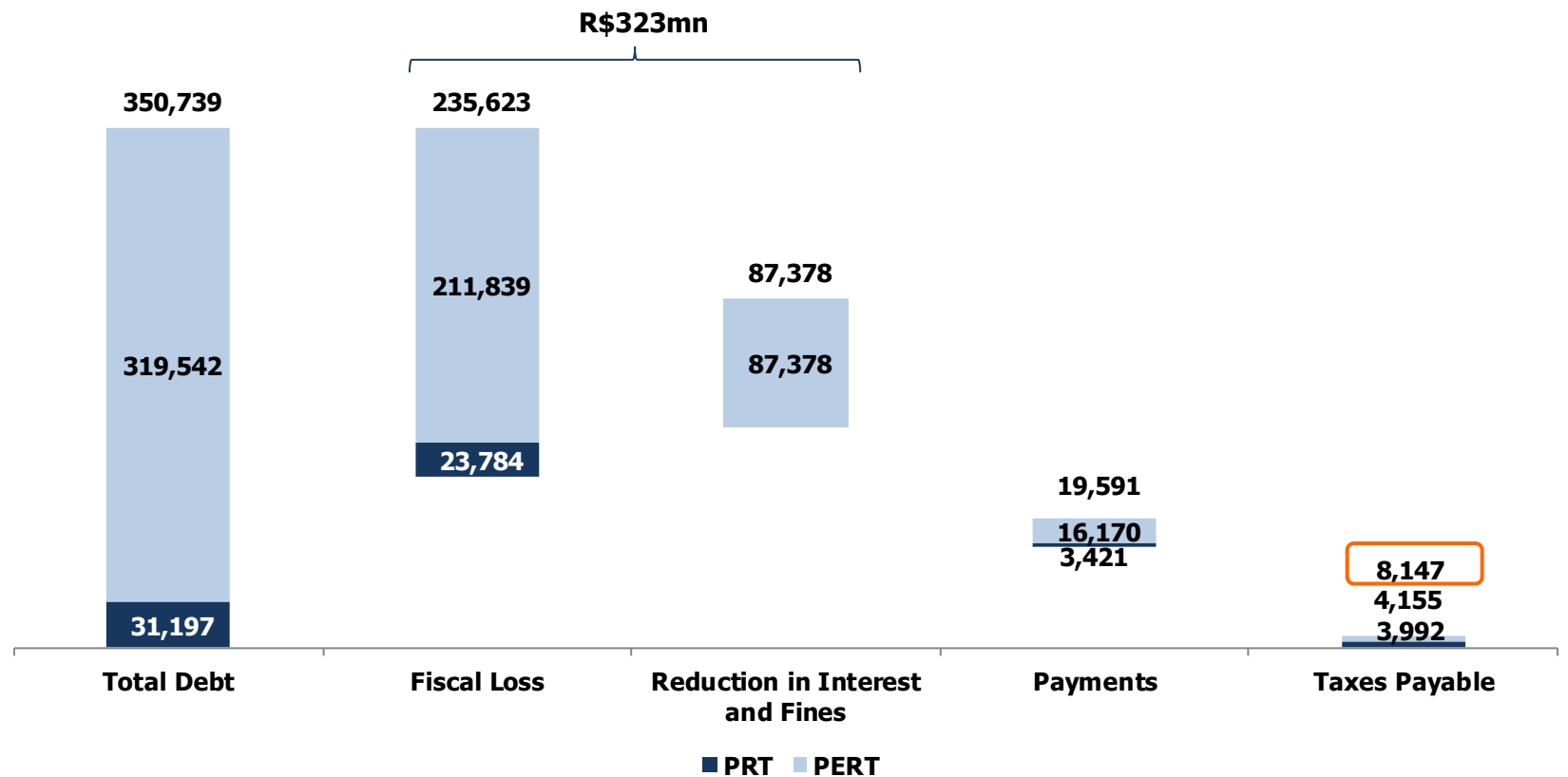
Tax Regularization Programs

PERT/PRT



- ❖ By joining the Tax Regularization Programs (PRT and PERT), the Company reduced its taxes payable by **R\$323 million**.

Taxes Payable on December/17 – R\$ thousand



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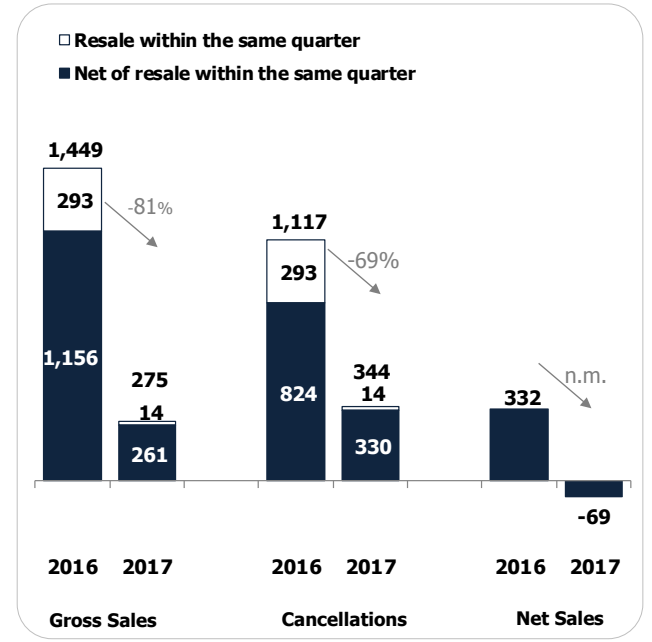
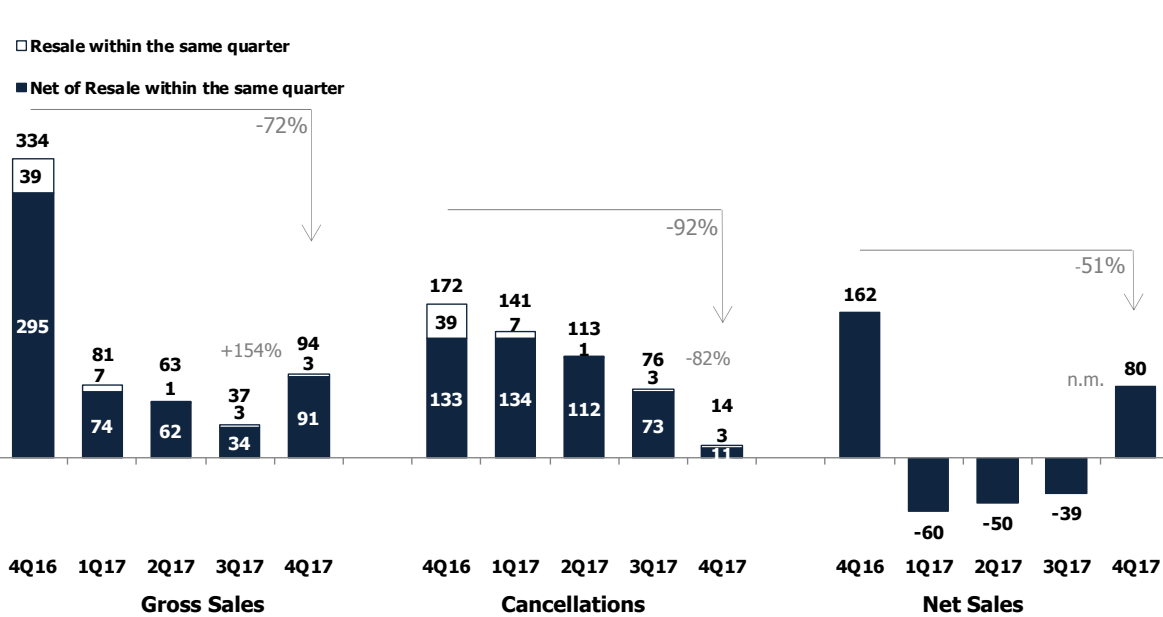


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Financial and Operational Results

Sales Performance

Sales – R\$ million

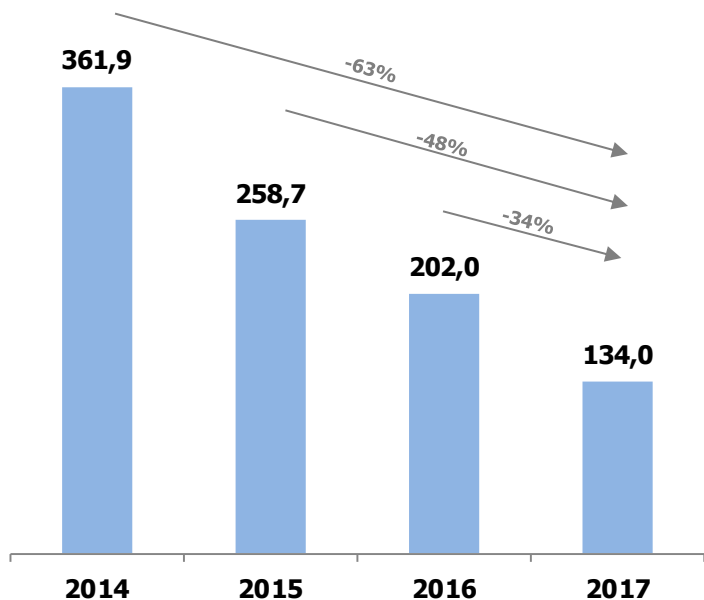


- ❖ Gross sales reached R\$94 million, a 154% increase when compared to 3Q17 and a 72% drop when compared to the 4Q16. Accounting for 2017, gross sales came to R\$275 million, an 81% reduction over 2016.
- ❖ Total cancellations came to R\$14 million in 4Q17, 82% down on 3Q17, and 92% down on 4Q16. During 2017, cancellations amounted to R\$344 million, 69% down on 2016.
- ❖ Net sales amounted to R\$80 million in the 4Q17, reverting the tendency of negative results from the 9M17. In 2017, net sales totaled negative R\$69 million.

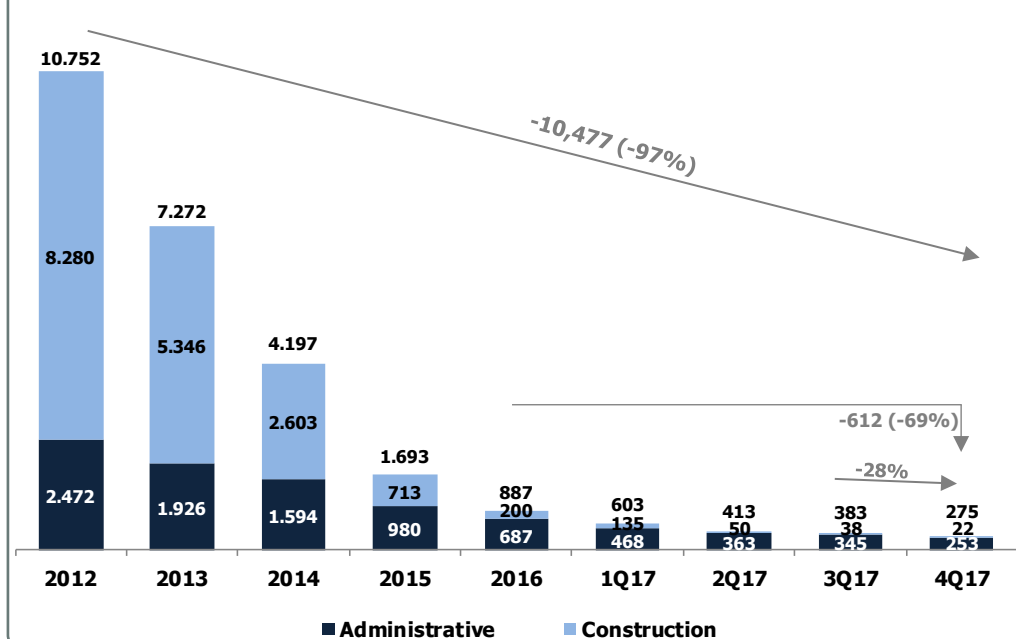
Financial and Operational Results

G&A Expenses

G&A Evolution – R\$ million



Headcount



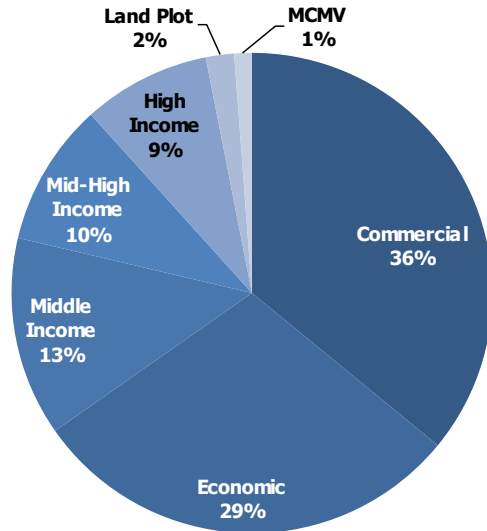
- ❖ Reduction of 35% in G&A expenses between 4Q16 and 4Q17, and 34% between 2016 and 2017.
- ❖ In 4Q17, we reduced our total headcount by 28% over the previous quarter. When compared to the 4Q16, headcount fell by 69%.
- ❖ Selling, General and Administrative (SG&A) expenses fell by 56% over 4Q16. Taking into consideration the 2017, SG&A expenses fell by 52% over 2016.

Financial and Operational Results

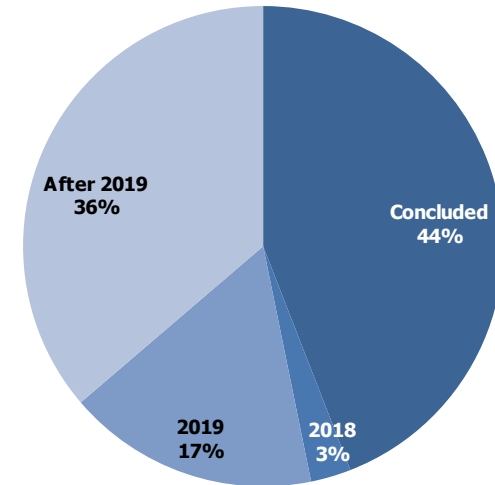
Inventory Quality



Inventory by Product – % of PSV



Inventory by Delivery Schedule – % of PSV



❖ Total inventory at market value was **R\$2,214.5 million** by the end of 4Q17;

❖ Quality of available inventory:

- 61% in residential products (excluding MCMV, Land Plots, and Commercial);
- 44% is concluded inventory, immediate cash generator. Considering the concluded inventory, 60% are in São Paulo and Rio de Janeiro, and 90% corresponded to projects with more than 60% of units sold.

Income Statement

Income Statements (R\$ '000) - IFRS	QUARTER			YTD		
	4Q17	4Q16	(%) Var.	2017	2016	(%) Var.
Operating Gross Revenue						
Real Estate Sales	166,671	64,863	n.m.	450,957	270,826	67%
Other Operating Revenues	2,917	6,432	-55%	13,948	57,804	-76%
(-) Revenues Deduction	(2,773)	569	n.m.	(6,652)	(81,401)	-92%
Operating Net Revenue	166,815	71,864	n.m.	458,253	247,229	85%
Cost of Sold Units	(177,944)	(284,416)	0%	(404,844)	(885,788)	-100%
Interest Expenses	(7,139)	(29,864)	-100%	(27,508)	(87,193)	-100%
Cost of sold properties	(185,083)	(314,280)	0%	(432,352)	(972,981)	-100%
Gross Income (loss)	(18,268)	(242,416)	-92%	25,901	(725,752)	n.m.
Gross margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	5.7%	<i>n.a.</i>	n.m.
Adjusted gross margin ⁽¹⁾	<i>n.a.</i>	<i>n.a.</i>	n.m.	11.7%	<i>n.a.</i>	n.m.
Operating Revenues (expenses):						
Equity Income	3,472	764	n.m.	2,679	578	n.m.
General and Administrative	(28,901)	(44,775)	-35%	(134,115)	(202,013)	-34%
Commercial	(16,662)	(59,347)	-72%	(29,881)	(142,685)	-79%
Taxes	(13,633)	(7,526)	81%	(29,533)	(15,050)	96%
Depreciation & Amortization	(7,554)	(30,589)	-75%	(31,777)	(88,302)	-64%
Other	(1,092,569)	(1,933,105)	-43%	(1,577,564)	(3,448,078)	-54%
Financial Result	3,437,377	(261,956)	n.m.	2,727,129	(810,991)	n.m.
Total operating revenues (expenses)	2,281,530	(2,336,534)	n.m.	926,938	(4,706,541)	n.m.
Income before taxes	2,263,262	(2,578,950)	n.m.	952,839	(5,432,293)	n.m.
Income Taxes and Social Contribution	(1,004,837)	38,310	n.m.	(792,276)	1,351	n.m.
Income before minority stake	1,258,425	(2,540,640)	n.m.	160,563	(5,430,942)	n.m.
Minority interest	22,090	100,849	-78%	12,658	123,125	-90%
Net Income (loss)	1,280,515	(2,439,791)	n.m.	173,221	(5,307,817)	n.m.
Net margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	37.8%	<i>n.a.</i>	n.m.

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

Not taking into consideration the impacts of the approval of the Reorganization Plan, the Net Loss in the 4Q17 would have been R\$1.5 billion, and accounting for 2017, the net loss would have been R\$2.6 billion



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