

São Paulo, May 15th, 2019: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the first quarter of 2019. 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.

Highlights:

- ❖ **In total, the amortization of debts subjected to the Recovery Plan amounted to R\$256 million in 1Q19.** (page 18)
- ❖ **Reduction of R\$20 million (8%) in Net Loss**, from R\$260 million in 1Q18 to R\$240 million in 1Q19. (page 19)
- ❖ **Gross sales increased by 76%** when compared to 1Q18, amounting to R\$86 million in 1Q19. (page 06)
- ❖ **Cancellations fell by 44%**, from R\$52 million in 1Q18 to R\$29 million in 1Q19. (page 06)
- ❖ **Significant improvement in net sales, which totaled R\$57 million in 1Q19**, compared to a R\$3 million negative net sales in 1Q18. (page 06)
- ❖ **Increase of 50% in the number of units transferred and 8% in PSV QoQ.** (page 13)
- ❖ In March 2019 we obtained the **occupancy permit for the 'Mais Viver Campinas' project**, with 444 units and a PSV of R\$63.3 million. (page 12)

Conference Call

Thursday, May 16th, 2019

➤ **Portuguese**

11:00 a.m. (Brasília)
10:00 a.m. (NY)

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➤ **English (Simultaneous translation)**

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❖	Message from Management	3
❖	Operating and Financial Indicators	5
❖	Operating Performance – Sales	6
❖	Operating Performance – Cancellations and Resale	7
❖	Operating Performance – Sales Speed (SoS)	8
❖	Operating Performance – Inventory	9
❖	Operating Performance – Landbank	11
❖	Operating Performance – Historical Data	11
❖	Operating Performance – Occupancy Permits	12
❖	Operating Performance – Occupancy Permit Schedule	12
❖	Operating Performance – Mortgage Transfers	13
❖	Financial Performance	14
❖	Income Statement and Balance Sheet	19

Initial Message

After fully complying with its short-term obligations within the Reorganization Plan, we initiate this year focusing on the resumption of PDG's operations.

After reviewing all processes, controls and structures of the Company, we're finalizing the Strategic Planning for the short and medium term. In addition to planning the launches return, we are seeking to identify new opportunities that allow PDG to diversify its products and services, generating additional recurring revenues to strengthen its cash flow.

Operational Results

In this quarter gross sales registered a significant improvement over the same period of 2018. During 1Q19 gross sales reached R\$86 million, 76% up from 1Q18. This increase is due to the sales policy adopted throughout 2018, with the resumption of sales of encumbered units. In 1Q19 cancellations totaled R\$29 million, 44% down on 1Q18. We will continue with our strategy to prioritize the cancellation of unencumbered units with good liquidity that generate free cash at the moment of resale. Due to the higher gross sales and lower cancellations during 1Q19, net sales amounted to R\$57 million in comparison to a negative net sales of R\$3 million in 1Q18.

General and Administrative Expenses (G&A) increased by 17% when comparing 1Q18 to 1Q19. This increase was mainly due to higher expenses with Third Party Expenses and lower recovery of tax credits in this quarter. Although there was a slight rise in G&A, it should continue the downward trend observed in last quarters. Selling expenses decreased by 52% from 1Q18 to 1Q19. This reduction is explained by the recognition of commissions fees related to cancellations carried out in 1Q18, which increased Selling expenses in that period.

Message from Management

During the 1Q19, 303 units were transferred, a 50% increase over 1Q18. The PSV transferred amounted R\$43 million, 8% higher than the PSV registered in 1Q18. The Company's market value inventory closed 1Q19 at R\$1.8 billion, 13% down on 1Q18.

The Company's debts not subjected to the Reorganization Plan increased by R\$43 million during 1Q19, due to the R\$119 million of interests and fines accrued in the period, while amortizations and payments in assets totaled R\$76 million.

About the Debts subjected to the Reorganization Plan, as foreseen in the Reorganization Plan, the Company made payments in assets amounting to R\$6 million. Payments in assets will continue to occur over the year, aiming to keep amortizing the Company's debts.

At the end of this quarter, considering the Capital Increase, the payments made to creditors of classes I, II and IV and the payments in assets, the Company already paid R\$256 million in debts subjected to the Reorganization Plan.

In March 2019 we obtained the occupancy permit for the 'Mais Viver Campinas' project, with 444 units and a PSV of R\$63.3 million.

Reflecting the measures adopted by PDG's Management during the first quarter, PDG's net loss fell by 8%, from R\$260 million in 1Q18 to R\$240 million in 1Q19.

Management.

Operating and Financial Indicators

❖ The Company's main results and indicators regarding 1Q19 are the following:

Sales and Inventory	1Q19	1Q18	1Q19 vs. 1Q18	1Q19 (IFRS)
Gross Sales %PDG - R\$ million	86	49	75.5%	86
Net Sales %PDG - R\$ million	57	(3)	n.m.	57
# of Net Sold Units %PDG	260	13	n.m.	260
Inventory at Market Value %PDG - R\$ million	1,806	2,064	-12.5%	1,806
Operational Result ⁽¹⁾	1Q19	1Q18	1Q19 vs. 1Q18	
Net Operational Revenues - R\$ million	129	65	98.6%	
Gross Profits (Losses) - R\$ million	(17)	(5)	n.m.	
Gross Margin - %	n.a.	n.a.	n.m.	
Adjusted Gross Margin - %	1.5	5.3	n.m.	
General, Administrative and Commercial Expenses	22.8	24.9	-8.4%	
Net Earnings (Losses) - R\$ million	(240)	(260)	-7.6%	
Net Margin - %	n.a.	n.a.	n.m.	
Backlog Results (REF) ⁽¹⁾	1Q19	1Q18	1Q19 vs. 1Q18	
Gross Revenues (REF) - R\$ million	503	464	8.4%	
COGS - R\$ million	(409)	(369)	10.8%	
Gross Profit - R\$ million	94	95	-1.1%	
Gross Backlog Margin - %	18.7	20.5	-1.8 p.p	
Balance Sheet ⁽¹⁾	1Q19	1Q18	1Q19 vs. 1Q18	
Cash and Cash Equivalents - R\$ million	138	221	-37.6%	
Net Debt - R\$ million	2,682	2,532	5.9%	
Shareholders Equity - R\$ million	(4,249)	(3,493)	21.6%	
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	n.a.	n.m.	
Total Assets - R\$ million	2,330	2,827	-17.6%	

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

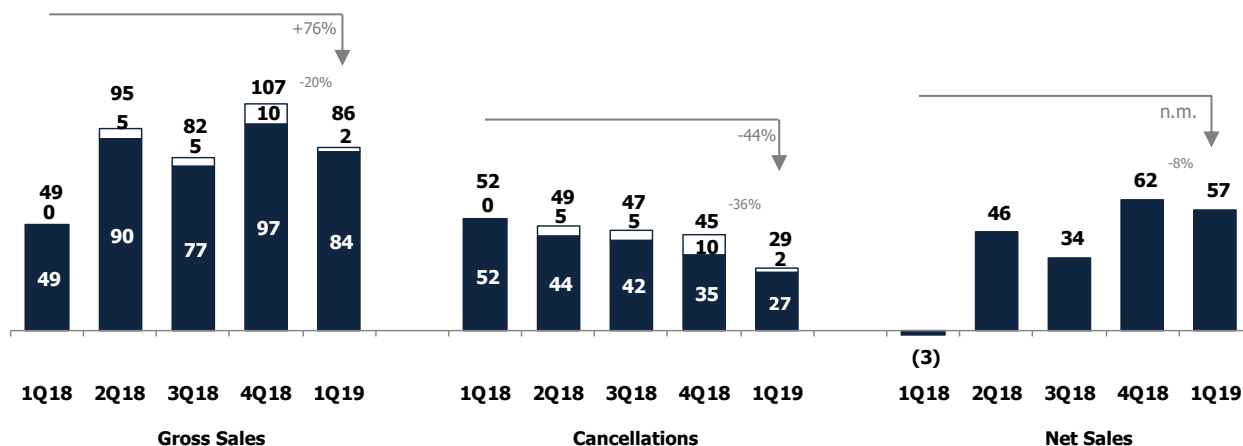
Operating Performance – Sales

- ❖ In 1Q19, gross sales reached R\$86 million, 76% over 1Q18 and 20% down on 4Q18. The improvement in gross sales compared to 1Q18 reflects the sales strategy adopted by the Company, in which we resumed the sales of the encumbered units.
- ❖ Of the R\$86 million in gross sales recorded in 1Q19, R\$12 million refer to the sale of units that generated free cash inflow to the Company.
- ❖ Cash sales totaled R\$5 million in 1Q19, accounting for 6% of the period gross sales.
- ❖ In 1Q19, cancellations totaled R\$29 million, a 44% lower than 1Q18 and 36% lower than 4Q18. We will continue with our strategy to prioritize the cancellation of unencumbered units with good liquidity that generate free cash inflow at the moment of resale.
- ❖ Net sales totaled R\$57 million in 1Q19, 8% below 4Q18, however a significant improvement when compared to the negative net sales of R\$3 million recorded in 1Q18.

Sales Performance – PSV %PDG in R\$ million

□ Resale within the same quarter

■ Net of Resale within the same quarter



Operating Performance – Cancellations and Resale

- ❖ Of total 1Q19 cancellations, 99% corresponded to projects with more than 60% of its units sold, reflecting the sales strategy adopted of prioritizing the cancellations of units with good market liquidity, which should represent a higher resale speed.
- ❖ In addition, 100% of first quarter cancellations corresponded to projects that had already been concluded, therefore, these units are available to be resold, generating immediate cash inflow.

Cancellations in 1Q19 by Percentage of Resale and Year of Delivery

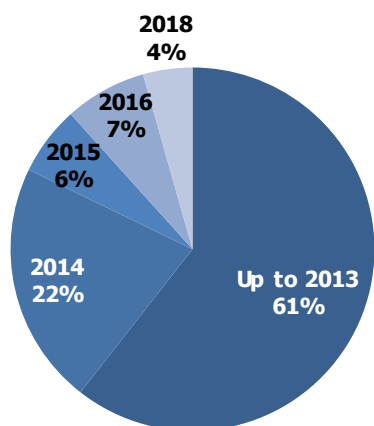
Percentage Sold	Concluded		2019 Delivery		Post 2019 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	1	0.1	-	-	-	-	1	0.1
21% to 40%	-	-	-	-	-	-	-	-
41% to 60%	-	-	-	-	-	-	-	-
61% to 80%	27	6.9	-	-	-	-	27	6.9
81% to 99%	89	22.1	-	-	-	-	89	22.1
TOTAL	117	29.1	-	-	-	-	117	29.1

PSV in R\$ million

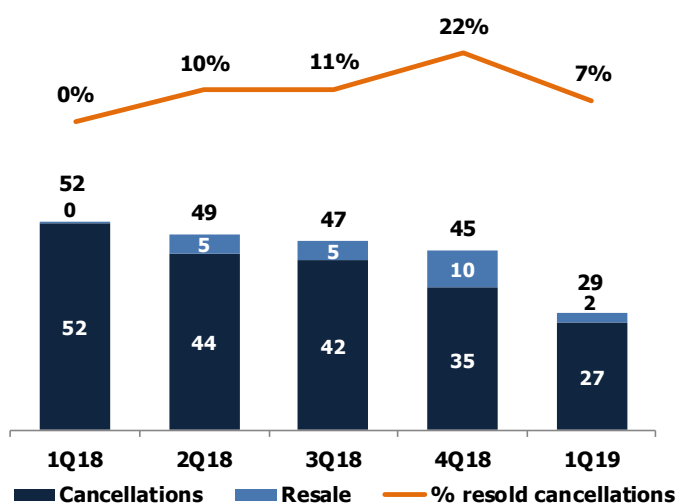
100%
99%

- ❖ Looking at the breakdown of cancellations by year of sale, we can see that 83% of cancellations in 1Q19 referred to units sold up to 2014, i.e., when credit analysis criteria were less rigorous, and which, therefore, are more likely to lead to cancellation.
- ❖ Of the R\$29 million canceled in 1Q19, R\$2 million (7%) were resold in the same quarter.

Cancellations by Year of Sale – %PSV – 1Q19



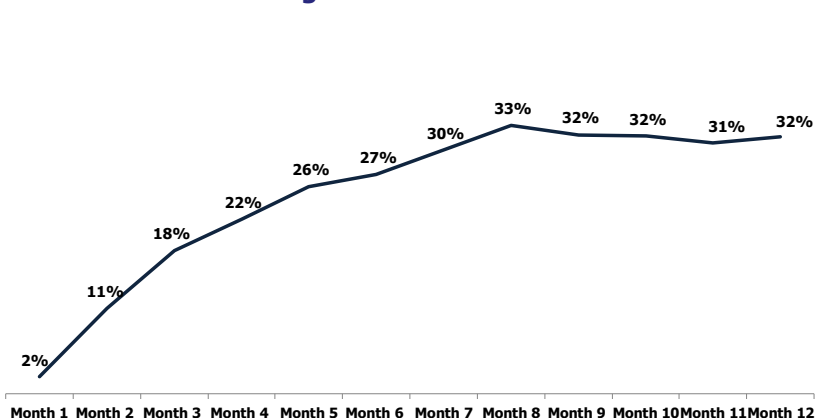
Cancellations and Resale Evolution – R\$ million



Operating Performance – Cancellations and Resale

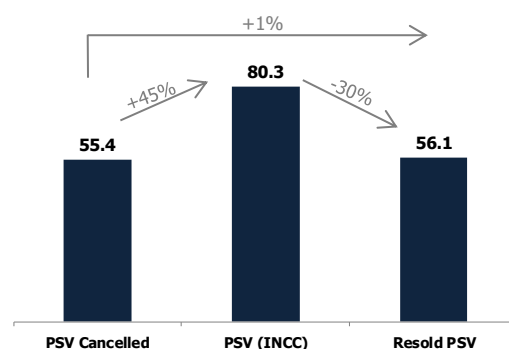
- ❖ The resale curve recorded an average of 32% when accounting for 12 months after the cancellation, that is on average 32% of cancelled units are resold in up to 12 months.
- ❖ In the last 12 months, resale PSV has been in average 1% higher than the PSV from the original sale.

Average Resale Curve – units



Resale Price – R\$ million

PSV cancelled and Resold in the last 12 months



Operating Performance – Sales Speed (SoS)

- ❖ Looking at the quarterly sales speed (SoS) in terms of inventory units effectively available, the ratio reached 5% in 1Q19, 3p.p above 1Q18.
- ❖ PDG's sales team was responsible for 40% of gross sales in 1Q19.

Sales Speed (SoS) – R\$ million

	1Q18	2Q18	3Q18	4Q18	1Q19
Initial Inventory	2,214	2,063	1,964	1,942	1,891
(-) Cancellations	-	-	-	-	-
= Effective Inventory	2,214	2,063	1,964	1,942	1,891
(+) Launches	-	-	-	-	-
(-) Net Sales	(3)	46	35	62	57
Gross Sales ⁽¹⁾	49	95	82	107	86
Cancellations ⁽¹⁾	52	49	47	45	29
(+) Adjustments ⁽²⁾	(153)	(53)	13	11	(28)
Final Inventory	2,064	1,964	1,942	1,891	1,806
Quarterly Sales Speed (SoS) (Gross Sales)	2%	5%	4%	6%	5%
Quarterly Sales Speed (SoS) (Net Sales)	n.a.	2%	2%	3%	3%

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

(2) The negative adjustment of R\$28 million in 1Q19 is mainly due to price adjustments in specific units.

Operating Performance – Sales Speed (SoS) by Region

- ❖ In this quarter, the sales speed by region (ex. Commercial) increased by 4 p.p over 1Q18. The improvement in this indicator is due to the good performance of sales in the Midwest region.
- ❖ The best SoS were recorded in the Midwest and North regions (58% and 12%, respectively).
- ❖ Due to the demand still weakened, the commercial product continues facing lower market liquidity.

Sales Speed (SoS) by Region

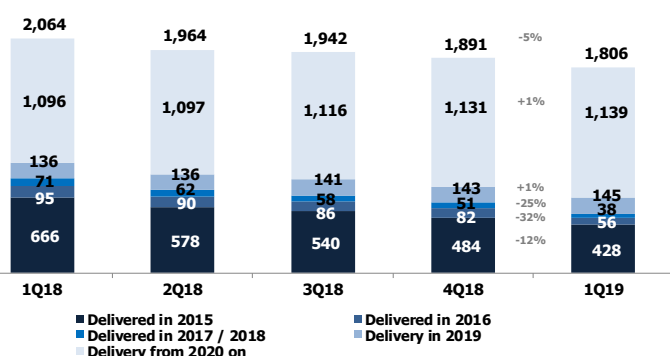
Region (ex-Commercial)	SoS - Gross Sales					
	1Q18	2Q18	3Q18	4Q18	1Q19	
SÃO PAULO	3%	5%	6%	5%	3%	SoS SP and RJ: 2%
RIO DE JANEIRO	1%	4%	3%	3%	1%	
MG/ES	3%	7%	6%	17%	7%	
NORTH	4%	9%	8%	18%	12%	SoS (ex-SP and RJ): 14%
NORTHEAST	3%	5%	5%	2%	8%	
SOUTH	18%	23%	22%	26%	7%	
MIDWEST	5%	23%	17%	20%	58%	
TOTAL (EX-COMMERCIAL)	3%	7%	6%	8%	7%	
COMMERCIAL	1%	1%	0%	2%	0%	
TOTAL	2%	5%	4%	6%	5%	

Operating Performance – Inventory

- ❖ Total inventory at market value closed 1Q19 in R\$1,806 million, 5% down on the previous quarter. When compared to 1Q18, inventory at market value fell by 13%.
- ❖ Total inventory units decreased by 6%, from 4,853 in 4Q18 to 4,570 in 1Q19. In the last 12 months, total inventory units recorded a decrease of 16%.
- ❖ If we consider only those units delivered until the end of 2016, inventory PSV fell by 36% between 1Q18 and 1Q19, and the number of units fell by 29%.

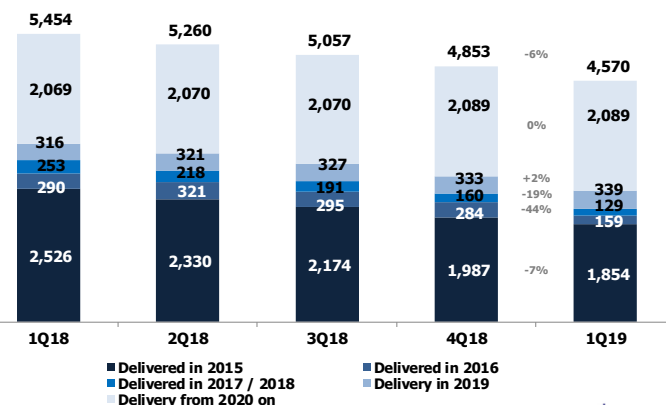
Inventory at Market Value – R\$ million

Inventory at Market Value – Total: -13%
 Inventory at Market Value – Delivered Until 2017: -36%



Inventory Units

Inventory Units – Total: -16%
 Inventory Units – Delivered Until 2017: -29%



Operating Performance – Inventory

- In this quarter the inventory located in São Paulo and Rio de Janeiro corresponds to 60% of the Company's total inventory, excluding commercial units. Considering the residential units available, 47% is concentrated in projects that have more than 60% of their units sold, therefore with a good market liquidity.

Inventory by Percentage of Sales and Region

PSV in R\$ million

Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total		
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	%
SÃO PAULO	222	168.1	465	77.4	547	129.7	1,234	375.1	36%
RIO DE JANEIRO	212	196.8	59	27.8	158	31.4	429	255.9	24%
MG/ES	-	-	-	-	26	4.1	26	4.1	0%
NORTH	134	53.0	113	87.1	227	58.8	474	198.9	19%
NORTHEAST	493	139.2	-	-	88	49.0	581	188.2	18%
SOUTH	-	-	-	-	35	9.6	35	9.6	1%
MIDWEST	-	-	-	-	110	16.7	110	16.7	2%
% Total (Ex- Commercial)		53%		18%		29%			100%
TOTAL (Ex-Commercial)	1,061	557.1	637	192.2	1,191	299.3	2,889	1,048.6	58%
COMMERCIAL	1,115	586.2	486	153.5	80	17.7	1,681	757.4	42%
TOTAL	2,176	1,143.3	1,123	345.7	1,271	317.0	4,570	1,805.9	100%
% Total		63%		19%		18%			100%

60%
47%
100% SP and RJ

Inventory by Percentage of Sales and Year of Delivery

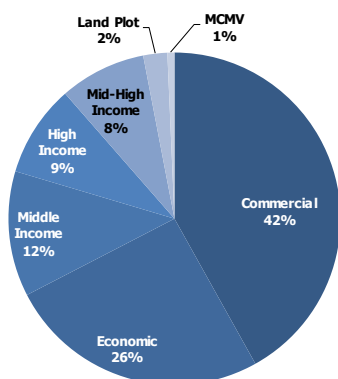
PSV in R\$ million

Percentage Sold	Built		2019 Delivery		2020 Delivery		Post 2020 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	23	7.4	-	-	478	138.3	-	-	501	145.6
21% to 40%	2	1.6	174	76.1	-	-	534	359.3	710	437.1
41% to 60%	1	6.5	-	-	773	429.7	191	124.4	965	560.6
61% to 80%	856	191.4	154	67.3	113	87.1	-	-	1,123	345.7
81% to 99%	1,271	317.0	-	-	-	-	-	-	1,271	317.0
TOTAL	2,153	523.8	328	143.4	1,364	655.0	725	483.7	4,570	1,805.9

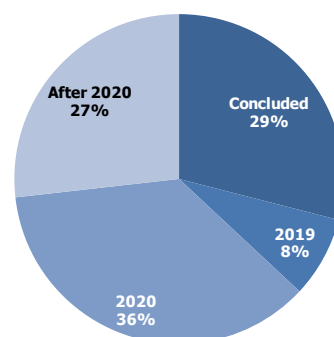
97%
37%

- Company's inventory presents the following characteristics: (i) 37% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 55% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units).
- About the concluded inventory (R\$523.8 million): (i) 73% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 97% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



Operating Performance – Landbank

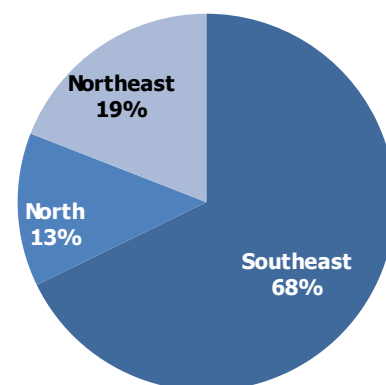
- ❖ The landbank closed 1Q19 with a potential PSV of R\$2,0 billion (PDG's share), equivalent to 6,313 units.
- ❖ The landbank that not match the Company's strategy is in the process of being canceled or sold, helping in the cost reduction, in the monetization of assets for the Company's deleveraging process.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mm)	%	PSV (R\$ mm)	%	Average Price (R\$)
High Income	270	4%	333.7	18%	333.7	15%	1,235,822
Mid-High Income	84	1%	58.8	3%	58.8	3%	700,514
Middle Income	657	10%	321.6	17%	599.6	28%	489,808
Economic	3,176	50%	484.9	26%	484.9	22%	152,666
Residential	4,187	66%	1,198.9	63%	1,477.0	68%	286,383
Commercial	-	0%	-	0%	-	0%	-
Land Plot	2,126	34%	697.7	37%	697.7	32%	328,155
Total	6,313		1,896.6		2,174.6		300,451

Landbank by Region

PSV %PDG



Operating Performance – Historical Data

- ❖ At the end of 1Q19 the Company had 17 projects in progress, equivalent to 4,096 units (PDG's share), 256 of which (6%) related to the Brazilian housing program '*Minha Casa Minha Vida*' and 3,840 (94%) related to residential (excluding MCMV), commercial and land development units.

	# Projects	# Total Units	# PDG Units
Launches⁽¹⁾	714	160,526	155,046
Finished⁽²⁾	697	156,378	150,950
Ongoing⁽³⁾	17	4,148	4,096

(1) Historical launches until March, 2019 - net of cancellations

(2) Projects with Occupancy Permit or Sold until March, 2019

(3) Ongoing projects until March, 2019

Finished Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	426	96,692	95,337
MCMV	271	59,686	55,613
Total	697	156,378	150,950

Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	16	3,892	3,840
MCMV	1	256	256
Total	17	4,148	4,096

Obs.: Only projects under PDG management.

Operating Performance – Occupancy Permits

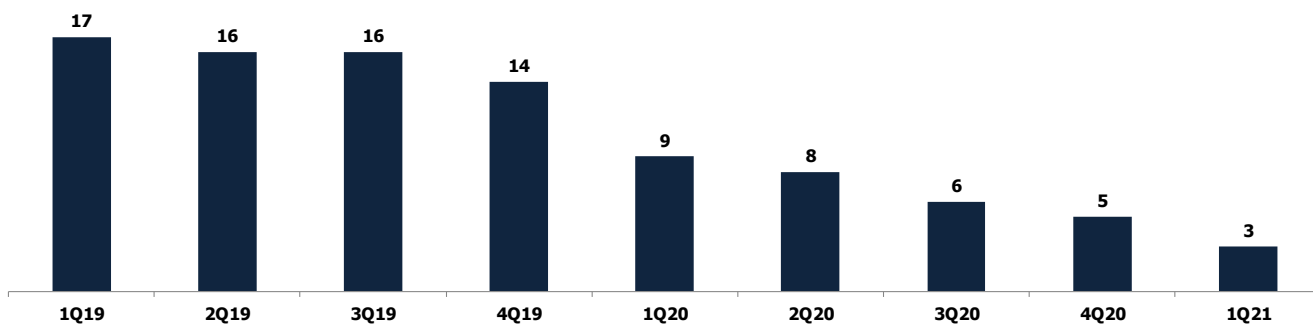
- During this quarter was obtained the occupancy permit for the project named 'Mais Viver Campinas', with a PSV of R\$63.3 million and 444 units, of which, more than 95% are already sold.

2019 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							
MAIS VIVER CAMPINAS	1Q19	São Paulo - Countryside	Land Plot	63.3	63.3	444	142.6
TOTAL	1			63.3	63.3	444	-

Operating Performance – Occupancy Permit Schedule

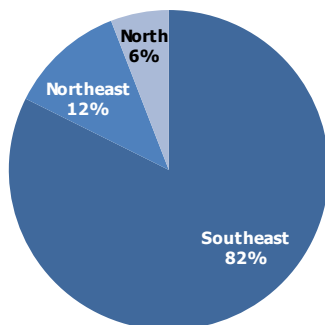
- The Company closed the quarter with 17 ongoing projects. Regarding to this projects, 82% are located in the Southeast region and 47% are residential projects (excluding MCMV, land development and commercial units).

Projects in Progress – Occupancy Permit Schedule

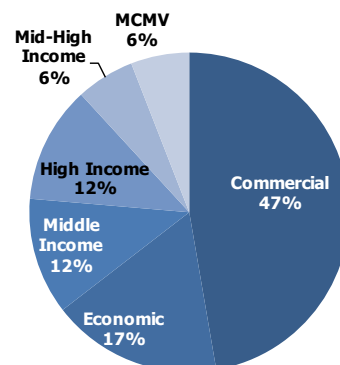


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV

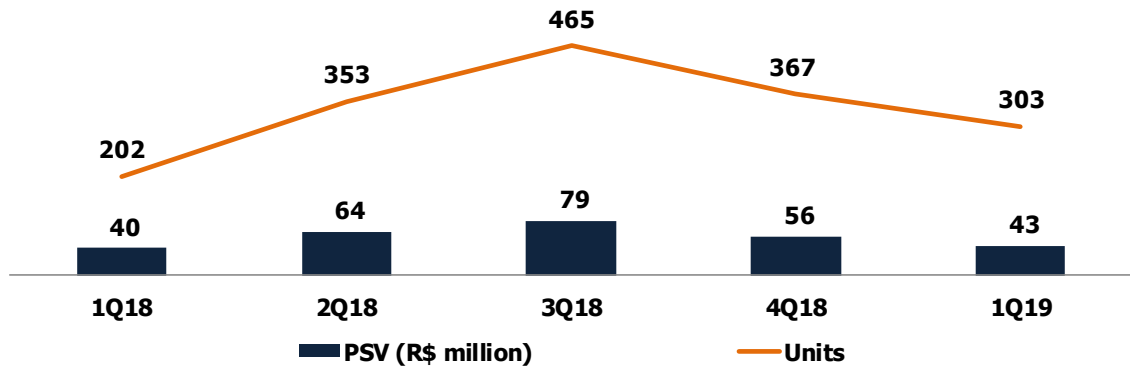


Breakdown by Product – % PSV

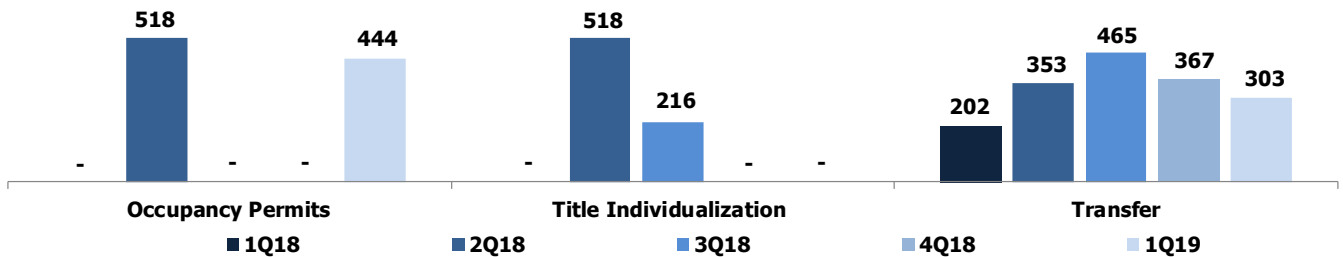


- During 1Q19 were transferred 303 units, equivalent to a PSV of R\$43 million, representing a 50% increase in the number of units and an 8% increase in PSV when compared to 1Q18.

Transfers by Quarter – PSV and units



Mortgage Transfer Cycle – units



Gross Margin

- Gross margin continues to be pressured mainly by the discounts granted to accelerate sales, aiming at immediate cash inflow.

R\$ milhões em IFRS

GROSS MARGIN	QUARTER		
	1Q19	1Q18	(%) Var.
Net Revenues	129	65	97%
Cost	(146)	(70)	n.m.
Gross Profit (Loss)	(17)	(5)	n.m.
Gross Margin	n.a.	n.a.	n.m.
(+) Capitalized Interest	19	8	n.m.
Adjusted Profit	2	3	-33%
Adjusted Gross Margin	1.5%	5.3%	-3.8 pp

Backlog Result (REF)

- By the end of the quarter, the backlog margin was 18.7%, a 0.4 p.p increase when compared to the 4Q18.
- The backlog recognition schedule is estimated at 3.1% in 2019, 55.2% in 2020 and 41.7% from 2021 on.

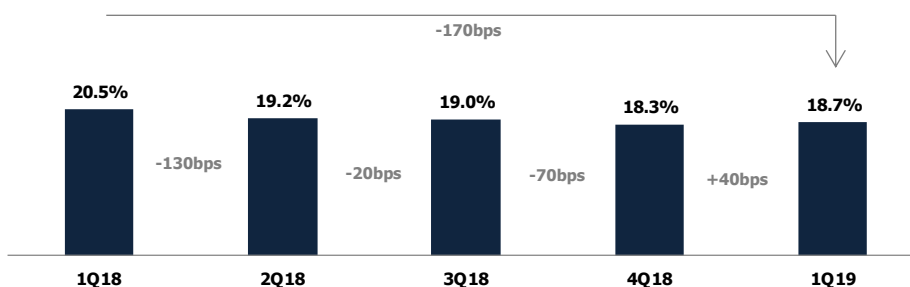
R\$ million in IFRS

BACKLOG RESULTS (REF)	1Q19	4Q18
Gross Revenues	512	429
(-) Taxes *	(9)	(9)
Net Revenues - REF	503	420
(-) COGS	(409)	(343)
Gross Profit - REF	94	77
Gross Backlog Margin	18.7%	18.3%
Capitalized Interest	10	10
Adjusted Gross margin **	16.7%	16.0%

* PIS and Cofins Estimate

BACKLOG RESULT RECOGNITION SCHEDULE	2019	2020	2021
	3.1%	55.2%	41.7%

Backlog Margin Trends (REF)



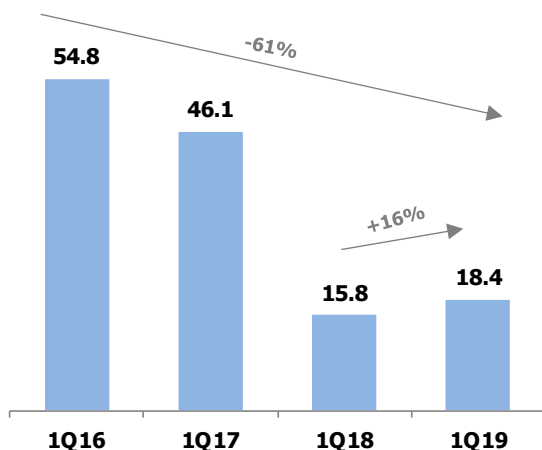
Selling, General and Administrative Expenses (SG&A)

- ❖ In the first quarter G&A expenses grow 17% over 1Q18 due to higher expenses with Third Party Expenses and lower recovery of tax credits.
- ❖ Selling expenses decreased by 52% from 1Q18 to 1Q19. This reduction is explained by the recognition of commissions fees related to cancellations carried out in 1Q18, which increased Selling expenses in that period.
- ❖ Consequently, the SG&A expenses recorded an 8% drop QoQ.
- ❖ The Company will remain to focus on the continuous reduction of costs and structure readjustment, seeking to increase the efficiency of its operation.

COMMERCIAL, GENERAL AND ADMINISTRATIVE EXPENSES	R\$ milhões em IFRS		
	QUARTER		
	1Q19	1Q18	(%) Var.
Total Commercial Expenses	4.4	9.2	-52%
Salaries and Benefits	10.1	12.0	-16%
Social Charges	-1.0	-3.4	-71%
Third Party Services	7.6	5.6	36%
Other Admin. Expenses	1.7	1.7	0%
Total G&A	18.4	15.7	17%
Total SG&A	22.8	24.9	-8%

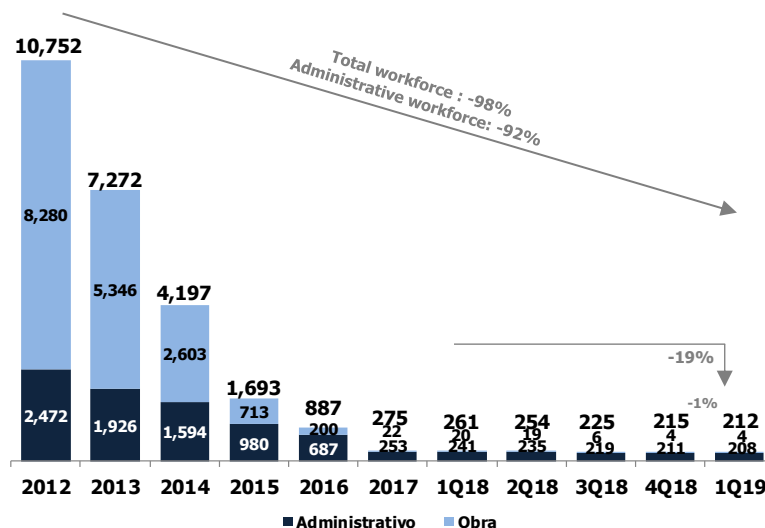
General and Administrative Expenses (G&A)

- ❖ G&A recorded an decrease of 61% and 53% over 1Q16 and 1Q17, respectively. G&A increased 16% QoQ. Although there was a slight rise in G&A, it should continue the downward trend observed in last quarters.



Headcount

- ❖ We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 1Q19 we reduced our total workforce by 19% over 1Q18.



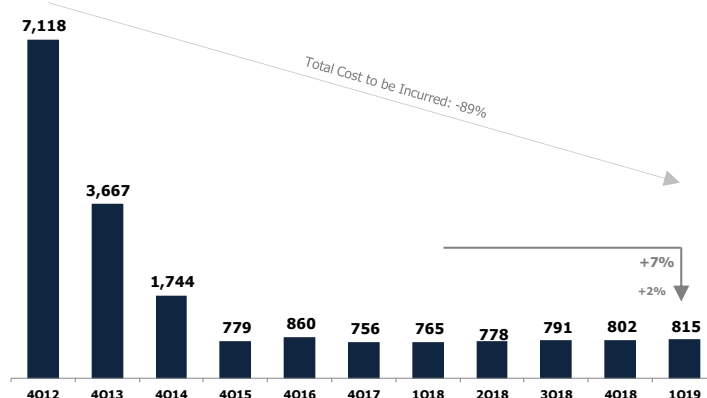
On and Off Balance Sheet Receivables and Cost to be Incurred

- ❖ We closed 1Q19 with total net receivables of R\$771 million, 7% higher than the previous quarter. This increase is mainly due to the positive net sales recorded in the period.
- ❖ Considering the reduced pace of construction work and the correction by the INCC, the cost to be incurred increased by 2% over 4Q18 and 7% over 1Q18. Since late 2012, the total cost to be incurred, which was R\$7.1 billion, registered an 89% drop.

Accounts Receivable

R\$ million in IFRS			
ON AND OFF BALANCE RECEIVABLES (R\$ mn)	1Q19	4Q18	(%) Var.
Receivables (<i>on balance</i>)	433	461	-6%
Gross Backlog Revenues - REF	512	429	19%
Advances from Clients - sales installments	(66)	(64)	3%
Advances from Clients - physical barter from launches	(108)	(104)	4%
Total Receivables (a)	771	722	7%
Cost to be Incurred - Sold Units	(409)	(397)	3%
Cost to be Incurred - Inventory Units	(406)	(405)	0%
Total Costs to be Incurred (b)	(815)	(802)	2%
Total Net Receivables (a+b)	(44)	(80)	-45%
Short Term	311	330	-6%
Long Term	122	131	-7%
Total Receivables (<i>on balance</i>)	433	461	-6%

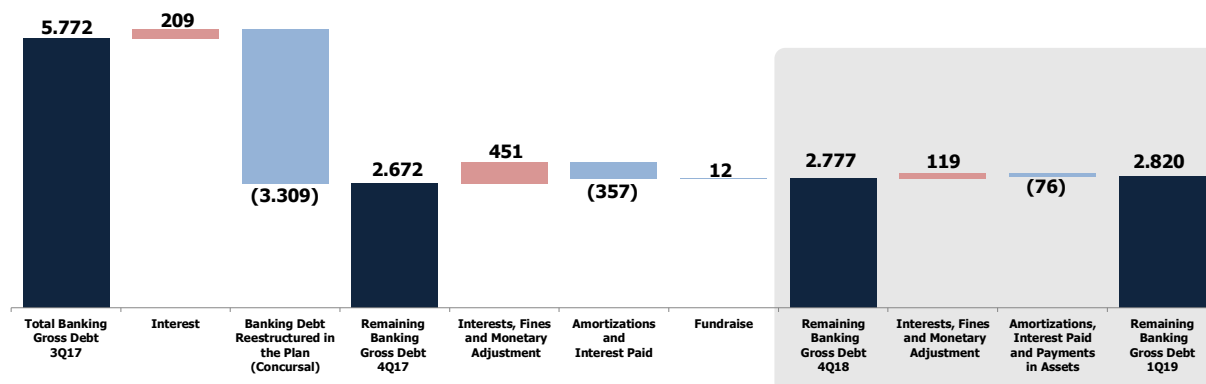
Costs to be Incurred – R\$ million



Indebtedness (Extraconcursal)

- ❖ The Company's gross debt increased by R\$43 million (2%) from 4Q18 to 1Q19, due to the interest accrued and monetary correction.

Indebtedness Variation – R\$ million



Indebtedness (Extraconcursal)

- ❖ Since there were no variations in Cash and Cash Equivalents, net debt also increased by R\$43 million (2%) between 1Q19 and 4Q18.

R\$ million in IFRS			
INDEBTEDNESS	1Q19	4Q18	(%) Var.
Cash and Cash Equivalents	138	138	0%
SFH	767	774	-1%
Debentures	139	132	5%
CCB/CRI	186	180	3%
Construction Financing	1,092	1,086	1%
Working Capital, SFI and Promissory Notes	352	359	-2%
Finep/Finame	6	6	0%
Debentures	353	336	5%
CCB/CRI	1,016	989	3%
Obligation for the issuance of CCB and CCI	1	1	0%
Corporate Debt	1,728	1,691	2%
Gross Debt	2,820	2,777	2%
Net Debt	2,682	2,639	2%
Net Debt (ex. Construction Financing)	1,590	1,553	2%
Shareholders Equity (1)	(4,249)	(3,999)	6%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

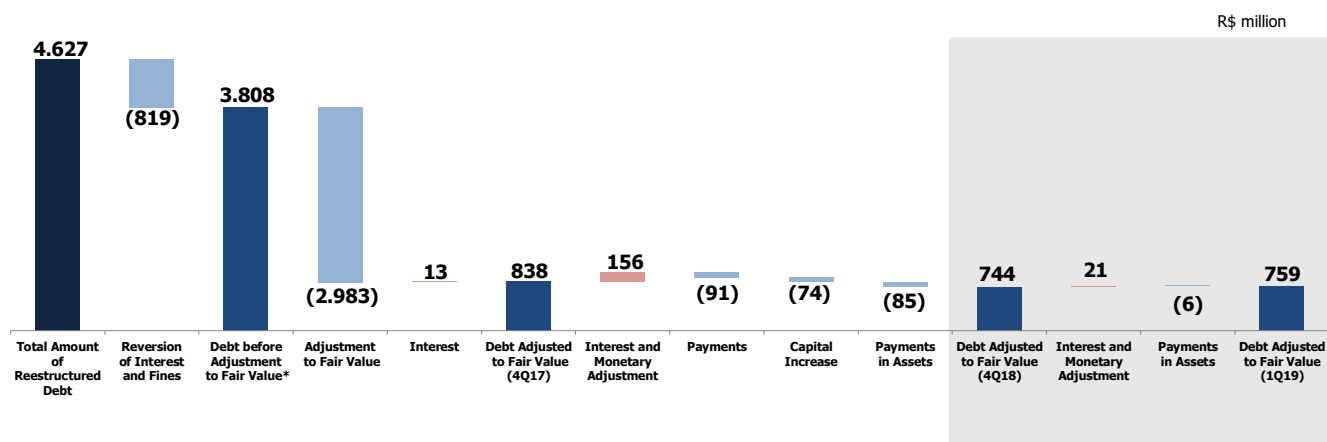
(1) Includes non-controlling equity

Net Debt Variation

R\$ million in IFRS							
NET DEBT VARIATION (R\$ mn)	2013	2014	2015	2016	2017	2018	1Q19
Cash and Cash Equivalents	1,353	1,092	604	201	213	138	138
Cash Variation	(468)	(261)	(488)	(403)	12	(75)	-
Gross Debt	8,367	7,869	6,155	5,319	2,672	2,777	2,820
Construction Financing	5,215	4,517	2,719	1,643	1,050	1,086	1,092
Corporate Debt	3,152	3,352	3,436	3,676	1,622	1,691	1,728
Gross Debt Variation	602	(498)	(1,714)	(836)	(2,647)	105	43
Net Debt Variation	(1,070)	237	1,226	433	2,659	(180)	(43)
Adjustments	(86)	-	(202)	(225)	(3,362)	-	-
Mark to market of PDGR D81 (warrant)	(86)	-	(2)	-	-	-	-
Sale of Equity Stake in REP	-	-	-	(214)	-	-	-
Capital Increase	-	-	(500)	-	-	-	-
Dismantling of partnership (Paddock)	-	-	-	(11)	-	-	-
Dismantling of partnership (VBI)	-	-	-	-	(53)	-	-
Debts subjected to the Reorganization Plan	-	-	-	-	(3,309)	-	-
Redemption of APRs and Promissory Notes issuance	-	-	300	-	-	-	-
Net Debt Variation (+adjustments)	(1,156)	237	1,024	208	(703)	(180)	(43)

Debt Subjected to the Recovery Plan (Concursal)

- ❖ Debts subjected to the Recovery Plan increased by R\$15 million (2%) mainly due to interest accrued and monetary correction.
- ❖ As foreseen in the Plan the Company made payments in assets amounting to R\$6 million during 1Q19. Payments in assets will continue to occur throughout the year, aiming to keep amortizing the debts.
- ❖ Considering the Capital Increase, the payments made to creditors of classes I, II and IV and the payments in assets, the Company already paid R\$256 million in debts subjected to the Recovery Plan.



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

Financial Results

- ❖ The Company's Financial Loss increased by 37% when comparing 1Q18 to 1Q19, due to the 32% increase in interests of debts.

R\$ milhões em IFRS

FINANCIAL RESULTS (R\$ mn)	QUARTER		
	1Q19	1Q18	(%) Var.
Investment Income	1.0	1.8	-44%
Interest and fines	(14.7)	27.0	n.m.
Other financial revenue	7.9	0.8	n.m.
Total financial revenues	(5.8)	29.6	n.m.
Interest	(141.6)	(107.2)	32%
Bank Expenses	(0.2)	(0.1)	100%
Other	1.5	(25.9)	n.m.
Gross Financial Expenses	(140.3)	(133.2)	5%
Capitalized Interest on Inventory	13.5	7.1	90%
Total Financial Expenses	(126.8)	(126.1)	1%
Total Financial Result	(132.6)	(96.5)	37%

Quarters ended on March 31st, 2019 and 2018

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER		
	1Q19	1Q18	(%) Var.
Operating Gross Revenue			
Real Estate Sales	141,714	70,582	n.m.
Other Operating Revenues	(920)	2,185	n.m.
(-) Revenues Deduction	(11,679)	(7,269)	61%
Operating Net Revenue	129,115	65,498	97%
Cost of Sold Units	(127,242)	(62,042)	n.m.
Interest Expenses	(18,658)	(8,244)	n.m.
Cost of sold properties	(145,900)	(70,286)	n.m.
Gross Income (loss)	(16,785)	(4,788)	n.m.
Gross margin	n.a.	n.a.	n.m.
Adjusted gross margin ⁽¹⁾	1.5%	5.3%	-3.8 pp
Operating Revenues (expenses):			
Equity Income	169	(3,538)	n.m.
General and Administrative	(18,459)	(15,799)	17%
Commercial	(4,438)	(9,238)	-52%
Taxes	(1,647)	(179)	n.m.
Depreciation & Amortization	(973)	(41,858)	-98%
Other	(63,132)	(90,804)	-30%
Financial Result	(132,536)	(96,506)	37%
Total operating revenues (expenses)	(221,016)	(257,922)	-14%
Income before taxes	(237,801)	(262,710)	-9%
Income Taxes and Social Contribution	(6,856)	(3,922)	75%
Income before minority stake	(244,657)	(266,632)	-8%
Minority interest	4,402	6,320	-30%
Net Income (loss)	(240,255)	(260,312)	-8%
Net margin	n.a.	n.a.	n.m.

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

EBITDA	QUARTER		
	1Q19	1Q18	(%) Var.
Income (loss) before taxes	(237,801)	(262,710)	-9%
(-/+) Financial Result	132,536	96,506	37%
(+) Depreciation and Amortization	973	41,858	-98%
(+) Stock Option Plan	-	-	n.m.
(+) Interest Expenses - Cost of Sold Units	18,658	8,244	n.m.
(-/+) Equity Income result	(169)	3,538	n.m.
EBITDA	(85,803)	(112,564)	-24%
EBITDA Margin	n.a.	n.a.	n.m.

Consolidated Balance Sheet - ASSETS



On March 31st 2019, and December 31st 2018

ASSET (R\$ '000)	1T19	4T18	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	137,593	138,241	0%
Accounts receivable	311,282	330,526	-6%
Properties held for sale	1,317,343	1,422,421	-7%
Prepaid expenses	-	-	n.m.
Accounts with related parties	6,701	7,523	-11%
Taxes to recover	16,600	18,287	-9%
Deferred income and social contribution taxes	4,071	4,806	-15%
Total Current Assets	1,793,590	1,921,804	-7%
Noncurrent Assets			
Long-Term			
Accounts receivable	122,246	130,807	-7%
Properties held for sale	219,224	224,652	-2%
Deferred Taxes	18,913	14,403	31%
Accounts with related parties	38,370	46,978	-18%
Other Credits	80,797	78,064	4%
Total Long-Term Assets	479,550	494,904	-3%
Permanent Assets			
Investments	52,679	53,320	-1%
Property and Equipment	160	259	-38%
Intangible	4,478	5,341	-16%
Total Permanent Assets	57,317	58,920	-3%
Total Noncurrent Assets	536,867	553,824	-3%
Total Assets	2,330,457	2,475,628	-6%

Consolidated Balance Sheet - LIABILITIES



On March 31st 2019, and December 31st 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)			
	1T19	4T18	(%) Var.
Current			
Loans and financings	1,125,584	1,139,486	-1%
Debentures	492,193	467,820	5%
Obligation for the issuance of CCB & CCI	1,200,849	1,169,407	3%
Co-obligation for the issuance of CRI	1,304	1,304	0%
Suppliers	138,150	147,620	-6%
Payable obligations subject to the Reorganization Plan	19,861	19,941	0%
Property acquisition obligations	11,843	11,482	3%
Advances from clients	326,079	145,002	n.m.
Taxes and contributions payable	38,129	37,519	2%
Deferred taxes	11,091	8,166	36%
Income and social contribution taxes	11,203	8,502	32%
Accounts with related parties	7,488	7,013	7%
Other Provisions	150,981	142,193	6%
Other Obligations	95,737	277,806	-66%
Total Current	3,630,492	3,583,261	1%
Long-Term			
Payable obligations subject to the Reorganization Plan	739,615	724,831	2%
Property acquisition obligations	11,160	11,329	-1%
Advances from clients	30,873	31,530	-2%
Taxes and contributions payable	6,605	6,401	3%
Current accounts with partners	61,972	66,964	-7%
Deferred taxes	1,016,454	1,011,939	0%
Other Provision	736,528	708,299	4%
Other	345,768	330,554	5%
Total Long-Term	2,948,975	2,891,847	2%
Shareholders' equity			
Subscribed capital	4,992,033	4,992,033	0%
Capital reserve	1,236,743	1,236,743	0%
Accumulated losses	(10,432,693)	(10,192,438)	2%
Minority interest	(45,093)	(35,818)	26%
Total Shareholders' equity	(4,249,010)	(3,999,480)	6%
Total liabilities and shareholders' equity	2,330,457	2,475,628	-6%