

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Cyrela Brazil Realty S.A. Empreendimentos e Participações

Individual and Consolidated Interim Financial
Information for the Three- and Nine-month
Periods Ended September 30, 2016 and Report on
Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

MESSAGE FROM MANAGEMENT

In 3Q16, the global cenario was marked by uncertainty regarding the increase in U.S. interest rates, which caused great volatility in the worldwide economy.

In Brazil, the change of government was ratified, which led to great changes in the market outlook. In this regard, some concrete measures have been introduced, and both confidence and prospects have shown signs of improvement. In the political arena, the Temer administration started seeking approval for the first of a series of measures, a constitutional amendment introducing a ceiling for government spending. In the economic sphere, interest rates fell for the first time—by 0.25%—after rising for 4 years. The Ibovespa Index hit 60,000 points and interest rate futures for January 2019 stood at 11.50% in response to prospects of improvement. Nevertheless, the real economy still shows no signs of recovery.

The Company's sales performance reflects this situation. Net sales remained stable in relation to the first two quarters of the year. It is worth noting sales of finidhed units, which hit a record high of R\$176 million for the year.

Regarding launches, the Company launched R\$452 million and sold 61% of those units by quarter-close.

The quarter was also marked by a still significant volume of deliveries—R\$1.4 billion—and the delivery of our last two projects in the Northeast Regions. There are only four projects to be delivered in the North Region. In addition, we continued achieving savings in construction works, with a total impact of R\$31 million in the revenues of 3Q16.

Since net sales have been affected by very high number of cancellations, revenues remain very low, with an impact on net income. This is the main reason for the cash

consumption of R\$225 million during the quarter. There is no doubt we are managing to withstand this difficult time due to our sound financial health.

We thank all our stakeholders, from customers to shareholders, once more for supporting and believing in our efforts to make Cyrela an increasingly solid, profitable and sustainable company.

MAIN INDICATORS

	3Q16	3Q15	3Q16 x 3Q15	2Q16	3Q16 x 2Q16	9M16	9M15	9M16 x 9M15
Launches ⁽¹⁾								
Number of Launches	5	6	-16.7%	6	-16.7%	17	30	-43.3%
Launched PSV - R\$ Million (100%)	452	610	-25.9%	598	-24.4%	1,663	2,139	-22.2%
Launched PSV - R\$ Million (%CBR)	259	505	-48.8%	494	-47.6%	1,163	1,700	-31.6%
Cyrela's Share	57.3%	82.8%	-25.6 p.p.	82.6%	-25.3 p.p.	69.9%	79.5%	-9.6 p.p.
PSV Swapped - R\$ Million (100%)	16	59	-73.0%	59	-73.0%	96	104	-8.0%
Average Price per sq. m. (R\$) (ex-lots)	5,499	7,866	-30.1%	6,376	-13.8%	6,274	5,790	8.4%
Usable Area Launched (sq. m.)	82,187	77,563	6.0%	93,804	-12.4%	266,900	687,477	-61.2%
Units Launched	1,630	1,127	44.6%	1,840	-11.4%	5,000	7,066	-29.2%
Sales ⁽²⁾								
Pre-Sales Contracts - R\$ Million (100%)	573	1,009	-43.2%	558	2.7%	1,675	2,546	-34.2%
Pre-Sales Contracts - R\$ Million (%CBR)	417	790	-47.2%	442	-5.5%	1,274	1,987	-35.9%
Cyrela's Share	72.8%	78.3%	-5.5 p.p.	79.1%	-6.3 p.p.	76.0%	78.1%	-2.0 p.p.
Average Price per sq. m. (R\$) (ex-lots)	8,645	6,023	43.5%	7,700	12.3%	6,890	6,138	12.3%
Units Sold	1,850	2,594	-28.7%	1,503	23.1%	4,935	7,022	-29.7%
Sales from Launches ⁽²⁾								
Pre-Sales Contracts from Launches of the year - R\$ Million (100%)	382	535	-28.6%	355	7.6%	972	1,103	-11.9%
Pre-Sales Contracts from Launches of the year - R\$ Million (%CBR)	231	410	-43.8%	252	-8.3%	643	828	-22.3%
Cyrela's Share	60.4%	76.7%	-16.3 p.p.	70.9%	-10.5 p.p.	66.2%	75.1%	-8.9 p.p.
Average Price per sq. m. (R\$) (ex-lots)	8,645	6,023	43.5%	8,638	0.1%	8,187	6,865	19.3%
Units Sold	1,451	1,491	-2.7%	1,066	36.1%	3,298	3,500	-5.8%
Deliveries								
Delivered PSV (100%)	1,381	1,379	0.2%	2,132	-35.2%	5,498	5,741	-4.2%
Delivered Units	3,751	6,755	-44.5%	5,764	-34.9%	13,948	19,578	-28.8%
Landbank								
PSV with exchange - R\$ Million (100%)	52,257	52,930	-1.3%	51,836	0.8%	52,257	52,930	-1.3%
PSV without exchange - R\$ Million (100%)	44,326	46,887	-5.5%	44,015	0.7%	44,326	46,887	-5.5%
Landbank (thd sq. m.)	19,522	17,997	8.5%	19,457	0.3%	19,522	17,997	8.5%
% Swap over land value	76.2%	71.1%	5.1 p.p.	76.5%	-0.3 p.p.	76.2%	71.1%	5.1 p.p.
% CBR	86.8%	85.7%	1.1 p.p.	86.5%	0.4 p.p.	86.8%	85.7%	1.1 p.p.
Financial Indicators								
Net Revenue (R\$ Million)	825	1,138	-27.5%	641	28.7%	2,277	3,311	-31.2%
Gross Profit (R\$ Million)	261	395	-33.7%	254	3.0%	798	1,154	-30.9%
EBITDA (R\$ Million)	69	214	-67.9%	63	9.3%	249	605	-58.9%
Net Income (R\$ Million)	14	131	-89.0%	45	-67.7%	120	350	-65.6%
Gross Margin	31.7%	34.7%	-3.0 p.p.	39.6%	-8.0 p.p.	35.0%	34.9%	0.2 p.p.
EBITDA Margin	8.3%	18.8%	-10.5 p.p.	9.8%	-1.5 p.p.	10.9%	18.3%	-7.3 p.p.
Net Margin	1.8%	11.5%	-9.7 p.p.	7.0%	-5.1 p.p.	5.3%	10.6%	-5.3 p.p.
Earnings per Share (R\$) ⁽³⁾	0.04	0.35	-89.1%	0.12	-68.0%	0.32	0.92	-65.9%
Cash Generation / Burn ⁽⁴⁾	(225)	219	n.a.	(29)	690%	(267)	841	-131.7%
Backlog								
Revenues to be Recognized (R\$ Million)	2,259			2,697	-16.3%	2,259	3,836	-41.1%
Gross Profit to be Recognized (R\$ Million)	847			1,008	-16.0%	847	1,448	-41.5%
Margin to be Recognized	37.5%			37.4%	0.1 p.p.	37.5%	37.7%	-0.2 p.p.

(1) Including swapped units

(2) net of cancellations and including swaps

(2') net of cancellations: sales during the quarter of launches in the year

(2'') net of cancellations: sales during the year of launches in the year

(3) Earnings per share are net of Treasury shares.

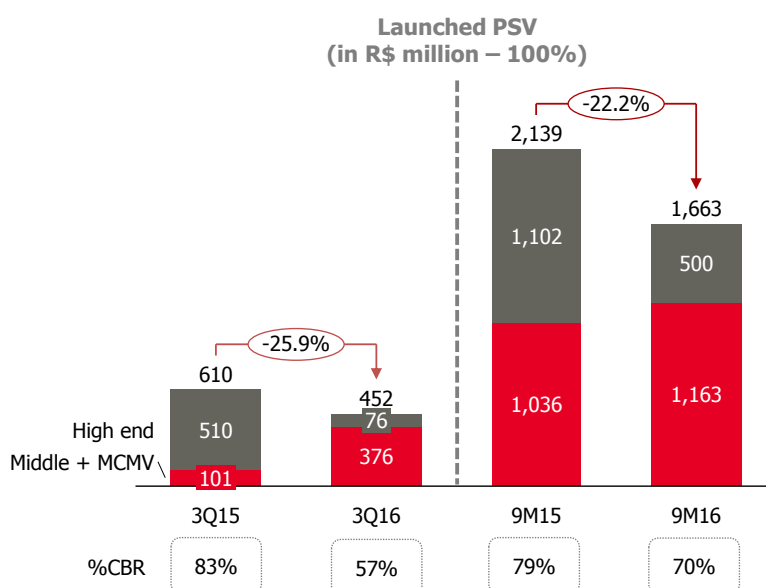
(4) Cash generation does not include dividends, funds allocated to the share buyback program and acquisitions of equity interests.

OPERATING PERFORMANCE

Note: detailed information on launches can be found at the end of this report in the appendix tables.

LAUNCHES

In 3Q16, launches amounted to a total Pre-Sales Value (PSV) of R\$452 million, down 26% year-over-year. In 9M16, they amounted to R\$1,663 million, down 22% from 9M15.

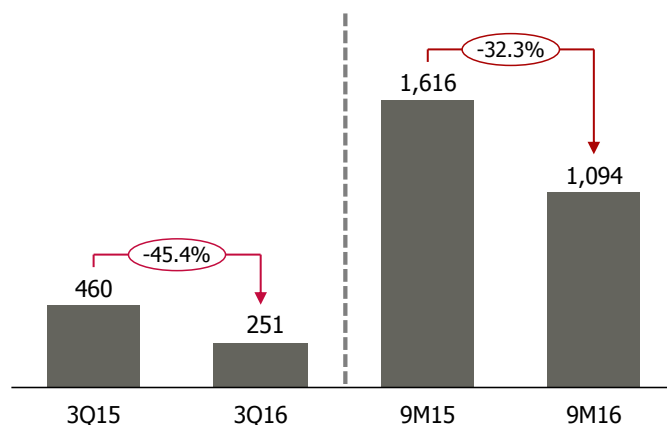


Of the 5 products launched in 3Q16, 3 are in São Paulo State, 1 in Rio de Janeiro State and 1 in Minas Gerais State.

Cyrela's share (%CBR) in the 3Q16 launches stood at 57%, down from the 83% in 3Q15. In 9M16, %CBR stood at 70%, down from 79% in 9M15. This drop is a one-off event and reflects the type of products launched during the quarter by Cury and Plano & Plano.

Swaps accounted for R\$16 million of the 3Q16 launches, vs. R\$59 million in 3Q15. Excluding swaps from launches and Faixa 1 MCMV, the volume launched by Cyrela in 3Q16 fell by 45% year-over-year, from R\$460 million to R\$251 million. In 9M16, launches came to R\$1,094 million, vs. R\$1,616 million in 9M15.

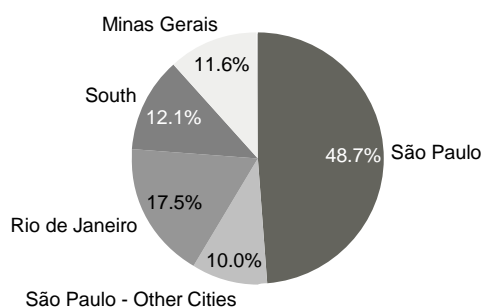
Launched PSV Ex-Swap and MCMV "Faixa 1" (in R\$ million - %CBR)



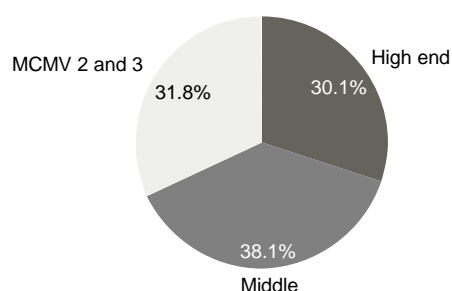
In 3Q16, it is worth noting the launch of the "Living Wish" project, in São Paulo, which has been selling very well.

The breakdown of launches year-to-date by geographical region and segment can be seen below.

Launches per Region



Launches per Product



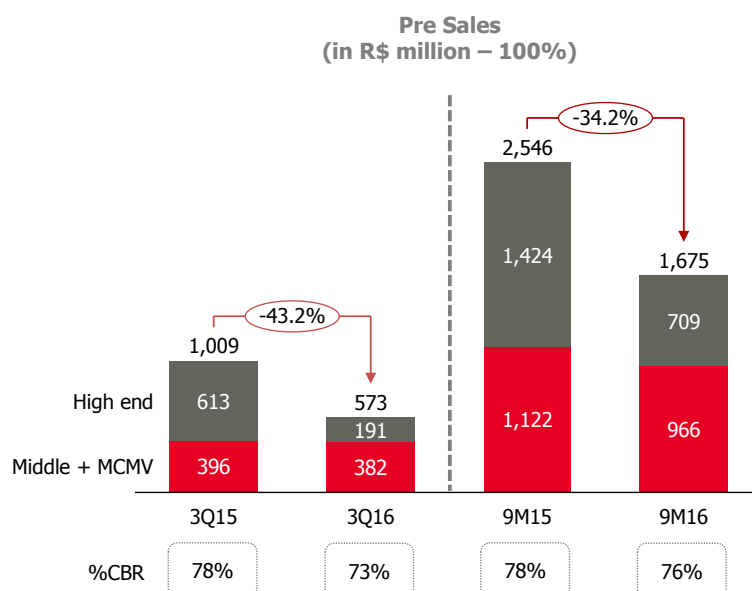
Of the PSV launched in the year, 68% is recognized through full consolidation and 32% through the equity method.

SALES

Note: detailed information on pre-sales can be found at the end of this report in the appendix tables.

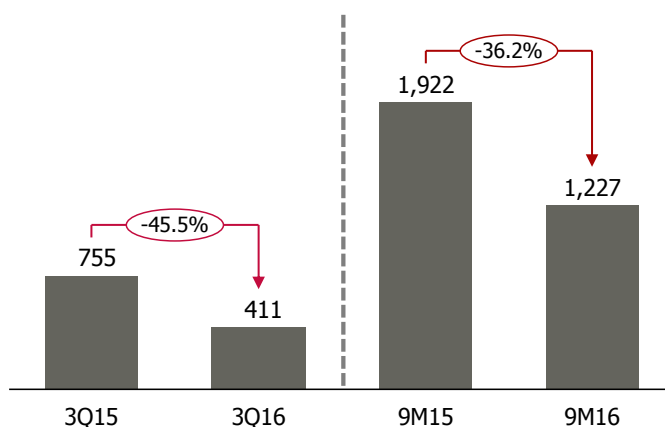
Pre-sales totaled R\$573 million in 3Q16, down 43% year-over-year. In 9M16, pre-sales amounted to R\$1,675 million, down 34% year-over-year. Sales of launches accounted for R\$277 million of total sales in 3Q16 (vs. R\$285 million in 3Q15). In turn, inventory sales came to R\$296 million (vs. R\$724 million in 3Q15), R\$176 million of which came from sales of finished units (vs. R\$199 million in 3Q15).

The Company's share stood at 73% in 3Q16, versus 78% in 3Q15.



Excluding swaps and Faixa 1 MCMV contracts from the 3Q16 sales, %CBR sales fell from R\$755 million in 3Q15 to R\$411 million in 3Q16, a year-over-year drop of 46%. In 9M16, %CBR sales amounted to R\$1,227 million vs. R\$1,922 million in 9M15.

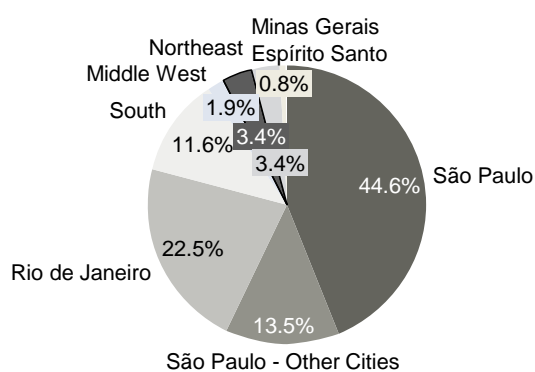
Sales
Ex-Swap and MCMV "Faixa 1"
(in R\$ million – %CBR)



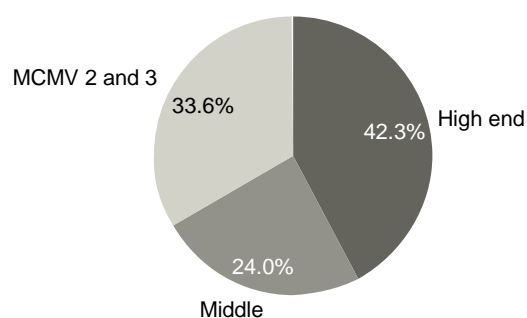
The breakdown of 3Q16 sales by geographic region shows São Paulo accounted for 48% of total sales, followed by Rio de Janeiro at 22% and the Northeast Region at 12%.

The breakdown of sales by geographical region and segment can be seen below.

Sales per Region



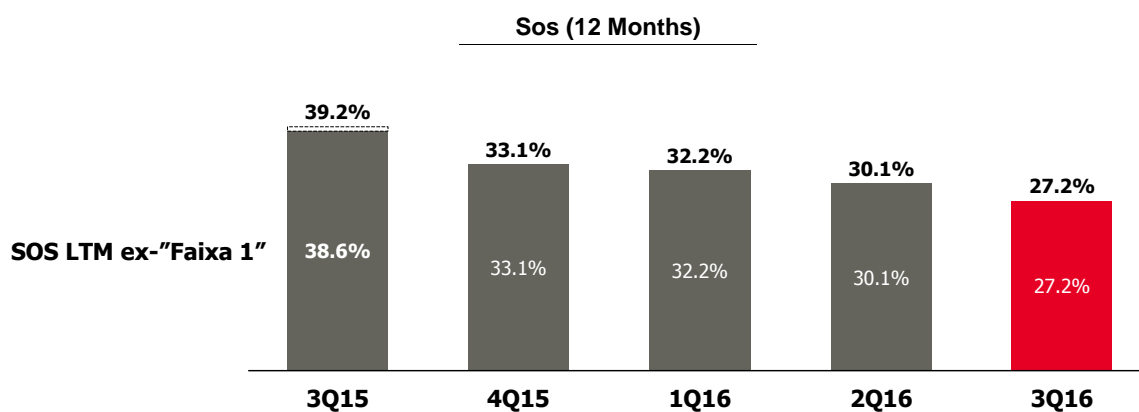
Sales per Product



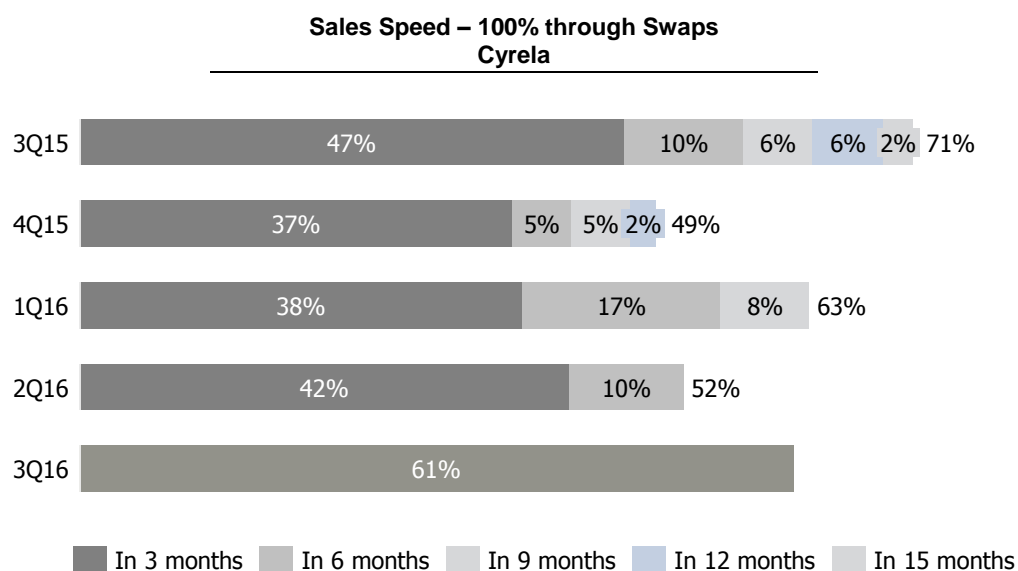
Of the 9M16 sales, 66% are recognized through full consolidation and 34% through the equity method.

SALES SPEED (SOS)

The last 12-month SoS (Sales over Supply) stood at 27.2% (vs. 30.1% in 2Q16 and 39.2% in 3Q15).



Concerning sales speed by vintage, 61% of the 3Q16 vintage has been sold. The average speed of sales of 2016 launches exceeds 50%.

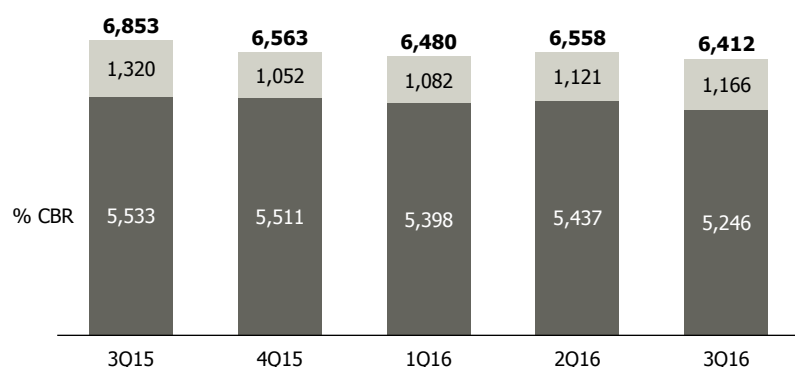


INVENTORIES

The inventory (all units available for sale, including those launched in the period) at market value amounted to R\$6,412 million (100%) and R\$5,246 million (%CBR Cyrela) at the close of 3Q16. There was a 2.3% drop in the total inventory at market value quarter-over-quarter.

The share of total inventory to be consolidated into the Company's revenue is R\$5,529 million (%CBR: R\$4,788 million) whereas R\$883 million (%CBR: R\$458 million) will be accounted for under "Equity Result and Other Appreciations".

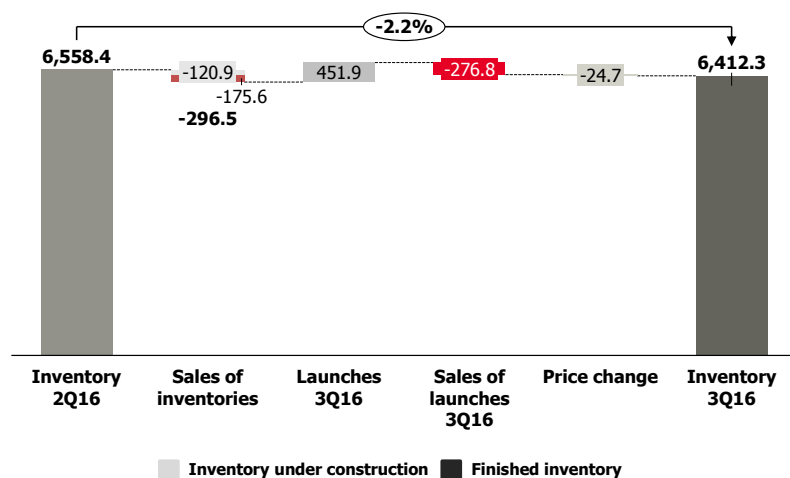
Inventory at Market Value (R\$MM)



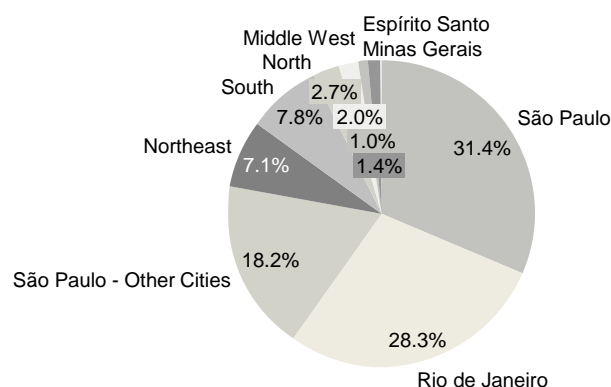
Inventory by Delivery Schedule

Inventory to be delivered	Total	Consolidation	Equity Method
Finished Units	2,142	1,775	364
12 Months	1,784	1,599	187
24 Months	1,541	1,382	158
36 Months	932	772	160
48 Months	14	-	14
Total	6,412	5,529	883

Changes in Inventory (R\$million)

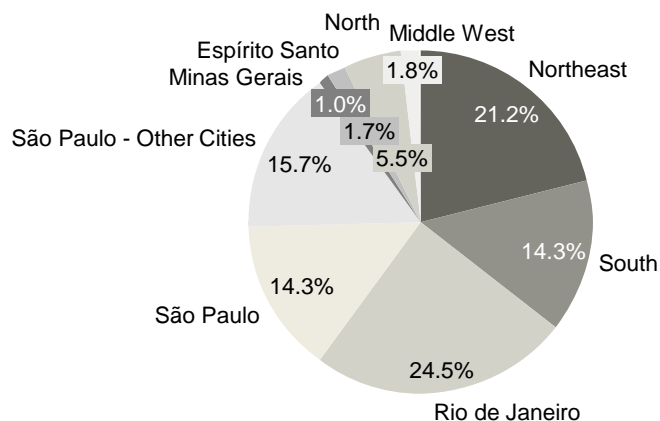


Inventory Breakdown 3Q16



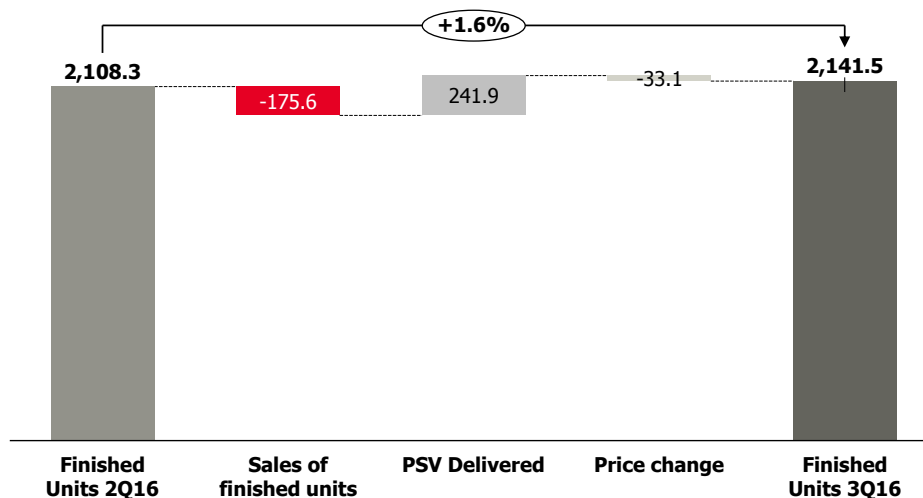
The Company sold 8.3% of its inventory of finished units in 3Q16. However, due to the high level of deliveries, the Company's inventory of finished units increased in value from R\$2,108 million in 2Q16 to R\$2,142 million in 3Q16. The Northeast Region and Rio de Janeiro State account for 46% of the Company's total inventory of finished units.

**Finished Inventory Breakdown
3Q16**



The Company's inventory of finished units increased from 4.6 thousand units in 2Q15 to 4.9 thousand units at the close of 3Q16.

**Finished Inventory Changes
(R\$million)**



The share of total inventory to be consolidated into the Company's revenue is R\$1,775 million (%CBR: R\$1,462 million) whereas R\$364 million (%CBR: R\$166 million) will be accounted for under "Equity Result and Other Appreciations".

LANDBANK

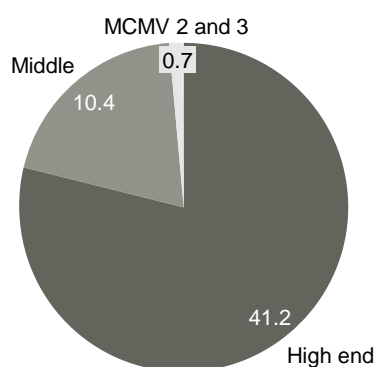
Note: detailed information on landbank can be found at the end of this report in the appendix tables.

At the close of 3Q16, the Company's landbank amounted to 19.4 million sq. m. of marketable area with total potential sales of R\$52.3 billion. Cyrela's share in the landbank is 87%, or R\$45.3 billion.

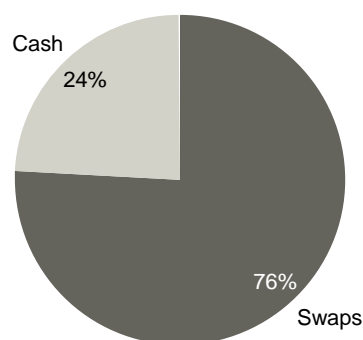
Cyrela acquired 6 plots of land, all of which in São Paulo, in 3Q16. From acquisition's total value, 90% was acquired through swaps. In addition, the Company canceled/sold 4 plots of land with a net positive impact of R\$1.5 million on the 3Q16 income statement.

Landbank on 09.30.2016*

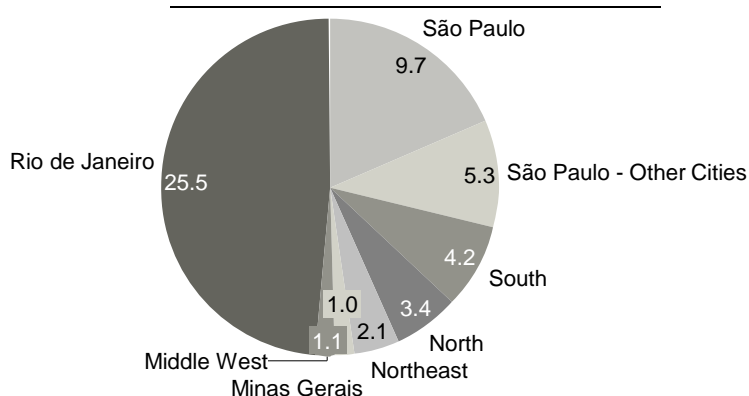
Breakdown by Product (PSV in R\$bi)



Way of Acquisition (in %)



Breakdown by Region (PSV in R\$bi)



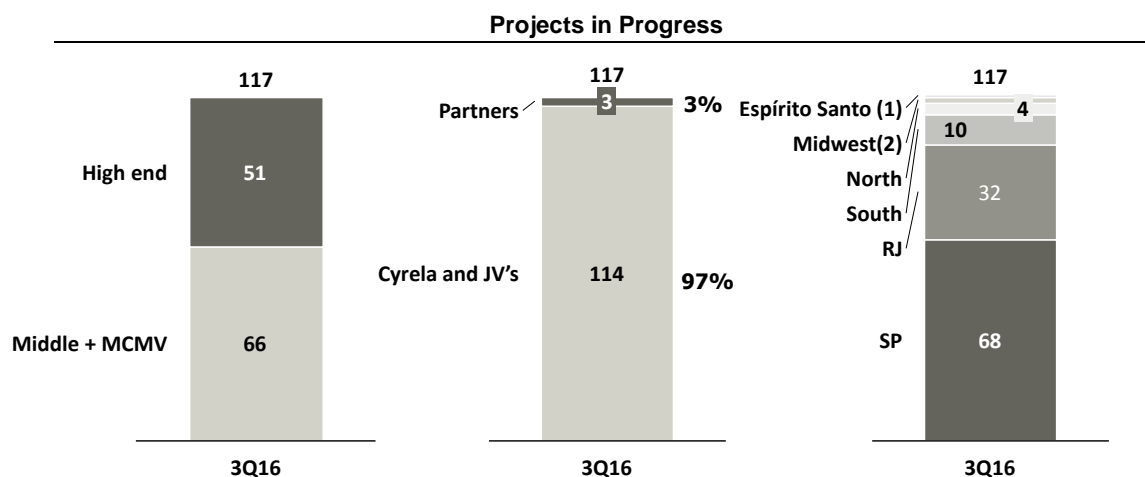
* The landbank PSV is based on the latest feasibility assessment of the land plot, adjusted by the INCC year-to-date.

CONSTRUCTION SITES

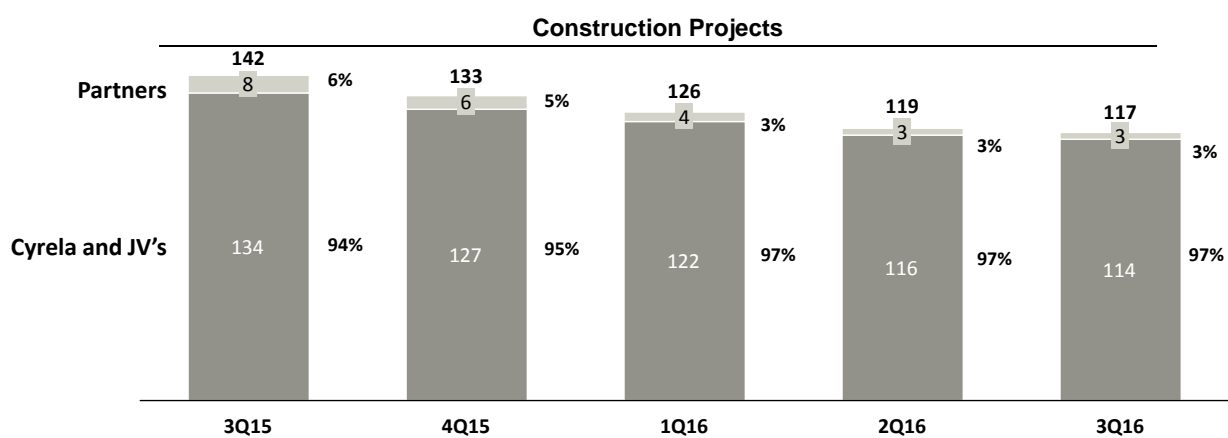
Note: detailed information on units delivered can be found at the end of this report in the appendix tables.

Cyrela delivered 15 projects, with 3.8 thousand units totaling a PSV of R\$1.4 billion on the dates of their respective launches, in 3Q16. In 9M16, Cyrela delivered 51 projects, with a launch PSV of R\$5.5 billion and 13.9 thousand units.

At the close of 3Q16, there were 117 projects in progress—broken down as follows by segment, execution and geographical location—according to the active construction site criterion. Faixa 1 MCMV accounts for 18 of all projects in progress.

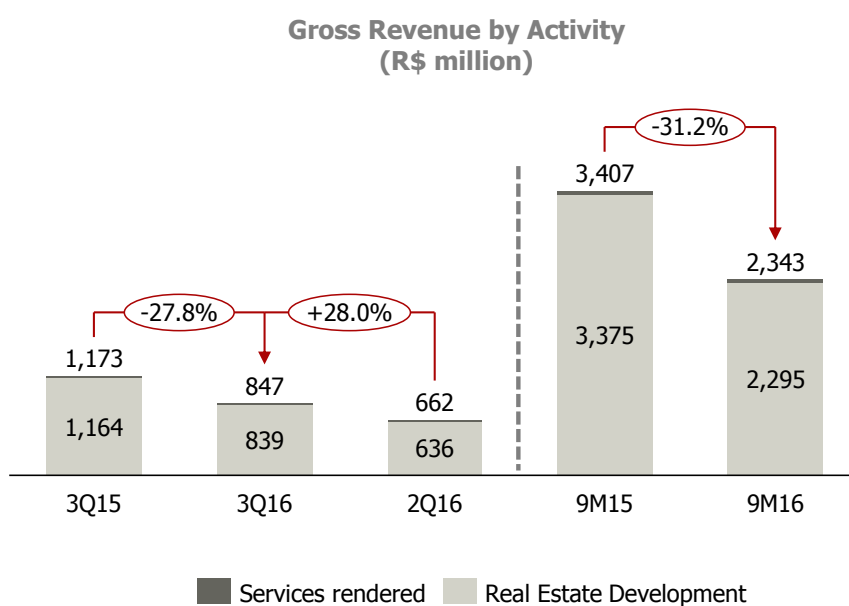


In line with its strategy of seeking a more organic operation, the Company has been lowering the number of sites under third-party control since 2012. At the close of 3Q16, 97% of the construction sites were managed by the Company's own teams or joint ventures. This clearly shows Cyrela's commitment to managing costs and ensuring product quality. Of all the 3Q16 launches, no projects will be constructed by third parties.



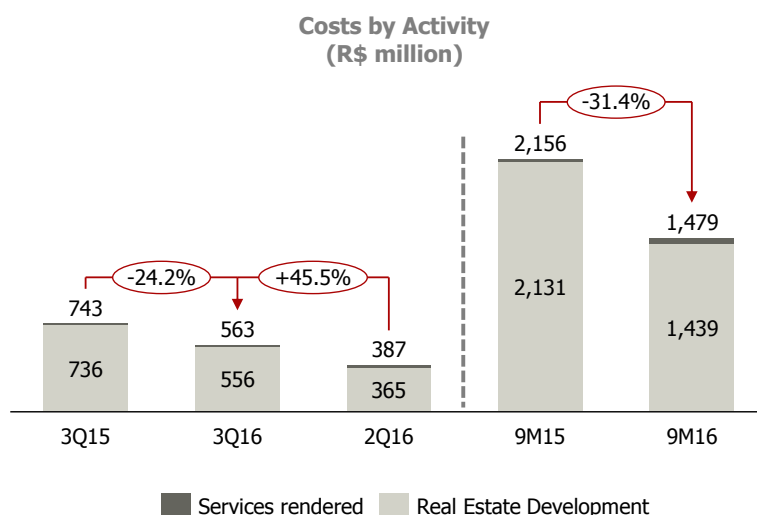
Economic and Financial Performance**REVENUE**

The Company's total gross revenues amounted to R\$847 million in 3Q16, down 27.8% from R\$1,173 million in 3Q15 and up 28.0% from R\$662 in 2Q16. In 9M16, gross revenue came to R\$2,343 million, a fall of 31.2% against R\$3,407 million in 9M15.



GOODS SOLD AND/OR SERVICES RENDERED

Total costs came to R\$563 million, falling by 24.2% against 3Q15 and rising by 45.5% against 2Q16. In 9M16, total costs amounted to R\$1,479 million, a 31.4% drop from R\$2,156 million in 9M15.



The cost of development activities accounted for 98.7% of total costs and came to R\$556 million in 3Q16, up 52.4% quarter-over-quarter and down 24.4% year-over-year. In 9M16, the cost of development activities came to R\$1,439 million, vs. R\$2,131 million in 9M15.

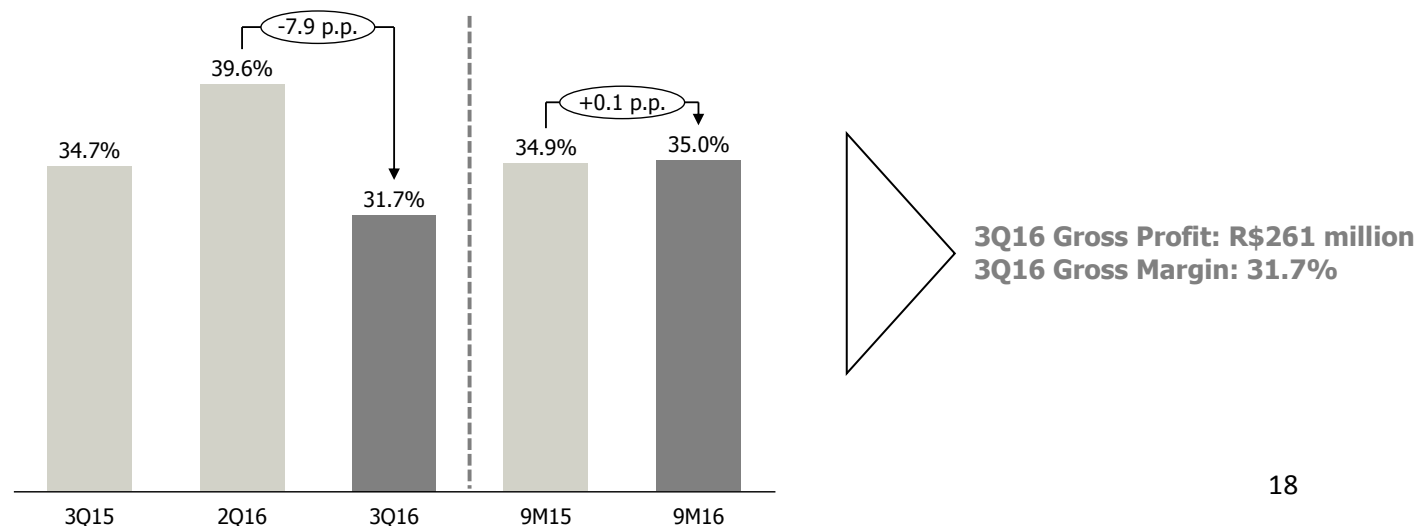
GROSS MARGIN

The Company's total gross margin stood at 31.7% in 3Q16, down 7.9 p.p. from 2Q16, when gross margin came to 39.6% (1.3 p.p. down from 2Q16 not including the Reserva Golf operation) and 3.0 p.p. down from 3Q15. In 9M16, gross margin stood at 35.0% and increased by 0.1 p.p. year-over-year. It is worth mentioning the Company recorded a R\$ 31 million positive impact on revenue due to net construction savings in 3Q16.

Adjusted gross margin stood at 38.4% in 3Q16, down 8.7 p.p. from the 2Q16 adjusted gross margin (1.1 p.p. down from 2Q16 not including the Reserva Golf operation) and 0.1 p.p. down on the 3Q15 margin of 38.5%. In 9M16, adjusted gross margin stood at 39.6%, 0.8 p.p. up on 38.7% in 9M15.

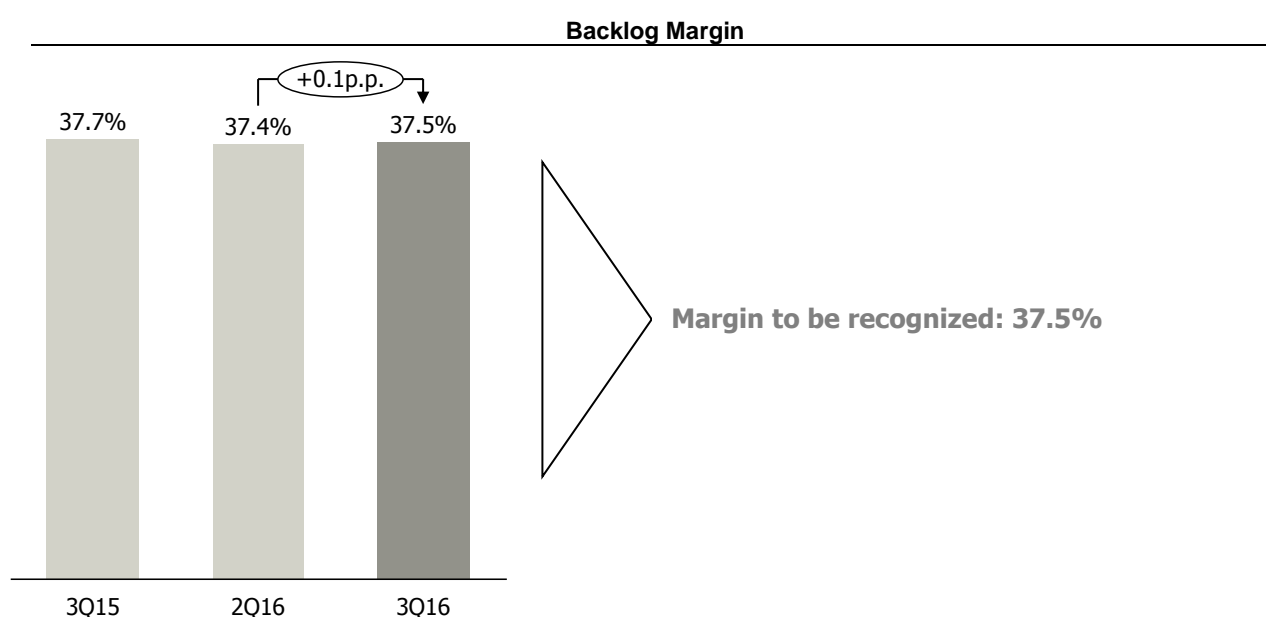
Adjusted Gross Margin	3Q16 R\$ MM	3Q15 R\$ MM	3Q16 x 3Q15	2Q16 R\$ MM	3Q16 x 2Q16	9M16 R\$ MM	9M15 R\$ MM	9M16 x 9M15
Net Revenue	825	1,138	-27.5%	641	28.7%	2,277	3,311	-31.2%
Gross Profit	261	395	-33.7%	254	3.0%	798	1,154	-30.9%
Gross Margin	31.7%	34.7%	-3.0 p.p.	39.6%	-7.9 p.p.	35.0%	34.9%	0.1 p.p.
Capitalized Interest from COGS	55	43	28.0%	48	14.8%	103	128	-19.4%
Adjusted Gross Margin	38.4%	38.5%	-0.1 p.p.	47.1%	-8.7 p.p.	39.6%	38.7%	0.8 p.p.

Gross Margin



SALES TO BE RECOGNIZED

At the close of 3Q16, net revenues from sales to be recognized totaled R\$2,259 million. Gross margin from sales to be recognized stood at 37.5% in 3Q16, 0.1 p.p. up on 2Q16 and 0.2 p.p. down on 3Q15. It is worth noting gross backlog margin (backlog margin) does not take into account the PVA effect and SFH-related financing costs. These effects usually have an impact between 5 and 7 p.p.



Sales to be Recognized (R\$ thd)	3Q16	2Q16	3Q16 x 2Q16	3Q15	3Q16 x 3Q15
Sales to be Recognized	2,306	2,754	-16.3%	3,896	-40.8%
Taxes to be Recognized	(47)	(57)	-16.7%	(60)	-21.6%
Net Income to be Recognized	2,259	2,697	-16.3%	3,836	-41.1%
Costs of Units Sold to be Recognized	(1,412)	(1,689)	-16.4%	(2,388)	-40.9%
Gross Profit to be Recognized	847	1,008	-16.0%	1,448	-41.5%
Gross Margin to be Recognized	37.5%	37.4%	0.1 p.p.	37.7%	-0.2 p.p.

SELLING EXPENSES

Selling expenses totaled R\$102 million in 3Q16, up R\$7 million quarter-over-quarter and down R\$18 million year-over-year. In 9M16, selling expenses amounted to R\$299 million, down 12.6% against 9M15.

The ratio of selling expenses to pre-sales was 18% in 3Q16, up from 17% in 2Q16 and 12% in 3Q15.

Commercial expenses	3Q16 R\$ MM	2Q16 R\$ MM	3Q16 x 2Q16	3Q15 R\$ MM	3Q16 x 3Q15	9M16 R\$ MM	9M15 R\$ MM	9M16 x 9M15
Show-rooms	32	20	57.7%	31	3.0%	80	70	14.03%
Media	15	18	-13.9%	26	-40.3%	51	74	-31.23%
Third-party Services	26	28	-7.1%	31	-16.4%	83	99	-15.72%
Idleness*	15	15	3.4%	13	18.2%	43	37	17.20%
Others	13	14	-3.5%	19	-29.9%	41	62	-33.14%
Total	102	95	7.53%	120	-14.96%	299	342	-12.57%

* maintenance cost of finished units such as condominium and property tax

The quarter-over-quarter rise in selling expenses in absolute amounts was mainly observed in the “Sales Showrooms” account due to the depreciation write off of closed showrooms.

GENERAL & ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R\$113 million in 3Q16, down R\$3 million both quarter-over-quarter and year-over-year. In 9M16, they amounted to R\$324 million, up 4.1% against 9M15.

This amount corresponds to 14% of net revenue recognized in 3Q16, down from 18% in 2Q16.

General & Administrative Expenses	3Q16 R\$ MM	2Q16 R\$ MM	3Q16 x 2Q16	3Q15 R\$ MM	3Q16 x 3Q15	9M16 R\$ MM	9M15 R\$ MM	9M16 x 9M15
Salaries and Social Charges	35	35	-0.2%	38	-8.4%	105	118	-11.6%
Board Members/Management Remuneration	2	2	11.4%	2	2.3%	5	5	-3.0%
Employees'	2	2	10.0%	4	-45.9%	4	23	-81.3%
Stock Options	2	2	-31.7%	1	44.7%	8	-13	-163.2%
Third-Party Services	27	24	12.1%	23	17.4%	71	61	16.9%
Rent, travelling and representation	9	10	-14.8%	13	-29.9%	30	39	-22.6%
Indemnities	27	30	-10.4%	23	16.9%	73	38	91.3%
Others	11	10	0.9%	12	-12.5%	27	40	-31.4%
Total	113	116	-1.8%	116	-1.8%	324	311	4.1%

Quarter-over-quarter, the main changes in general and administrative expenses were:

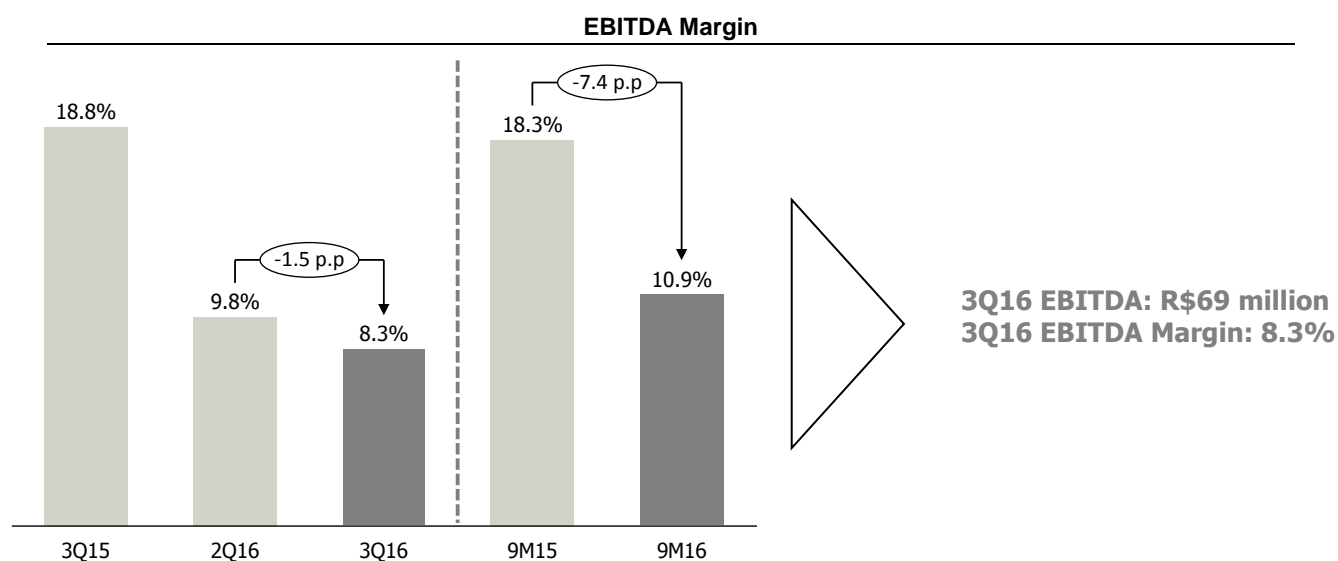
- (i) A R\$3 million fall in severance pay;
- (ii) A R\$3 million increase in Third Party Services due to higher expenses connected with the institutional campaign for the Cyrela and Living brands.

EBITDA

EBITDA margin stood at 8.3% in 3Q16, falling by 10.4 p.p. against 3Q15 and 1.5 p.p. against 2Q16. In 9M16, adjusted EBITDA stood at 10.9%, falling by 7.4 p.p. year-over-year.

EBITDA	3Q16 R\$ MM	3Q15 R\$ MM	3Q16 x 3Q15	2Q16 R\$ MM	3Q16 x 2Q16	9M16 R\$ MM	9M15 R\$ MM	9M16 x 9M15
Net Income from Continuous Operations	43	169	-74.6%	57	-23.9%	188	472	-60.1%
(-) Financial Result	(18)	(5)	251.0%	(26)	-29.8%	(64)	(1)	4627.2%
(+) Depreciation and Amortization ¹	26	21	21.1%	18	45.3%	73	57	27.2%
(+) Taxes over Profit	18	29	-37.0%	15	24.7%	52	77	-32.7%
EBITDA	69	214	-67.9%	63	9.3%	249	605	-58.9%
EBITDA Margin (%)	8.3%	18.8%	-10.5 p.p.	9.8%	-1.5 p.p.	10.9%	18.3%	-7.4 p.p.

¹ Depreciation and amortization expenses include showroom amortization, recorded under selling expenses in the Income Statement.



FINANCIAL RESULT

The Company recorded net financial income of R\$18 million, vs. R\$26 million in 2Q16 and R\$5 million in 3Q15. In 9M16, it recorded net financial income of R\$64 million, against R\$1 million in 9M15.

R\$ million	3Q16	2Q16	3Q15	9M16	9M15
Financial Expenses					
SFH Interest	(65)	(65)	(63)	(195)	(171)
Interest on Corporate Loans	(39)	(43)	(57)	(125)	(174)
Capitalized Interest	60	62	48	180	163
Sub Total	(44)	(47)	(72)	(139)	(183)
Monetary Adjustment on Loans	(3)	(4)	(5)	(11)	(32)
Bank Expenses	(3)	(3)	(3)	(9)	(9)
Other financial expenses	(4)	(4)	(7)	(11)	(17)
Total Financial Expenses	(54)	(57)	(87)	(170)	(240)
Financial Revenues					
Income on Investments	55	65	77	188	188
Income on Receivables	-	(0)	2	-	8
Income on Loans to Partners	6	5	7	15	25
Other financial income	12	13	6	32	20
Total Financial Revenues	72	83	92	235	241
Financial Result	18	26	5	64	1

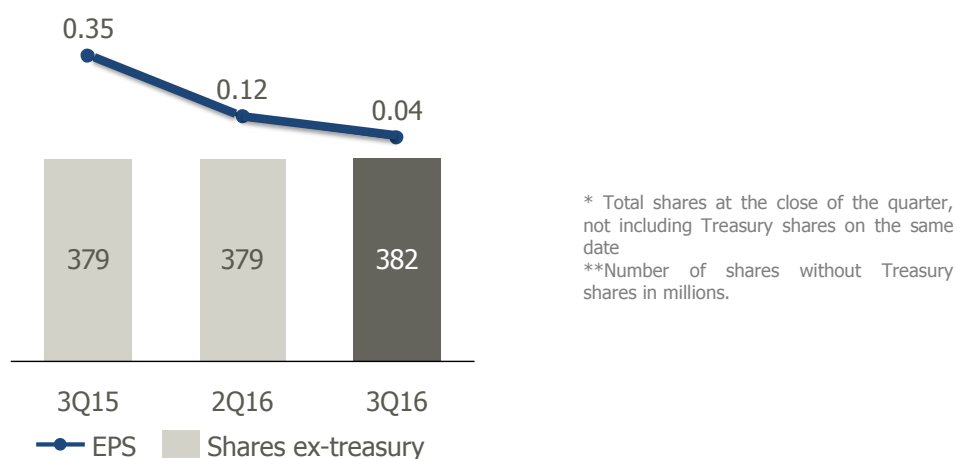
NET INCOME AND NET MARGIN

In addition to the lines presented above, it is worth noting the following items:

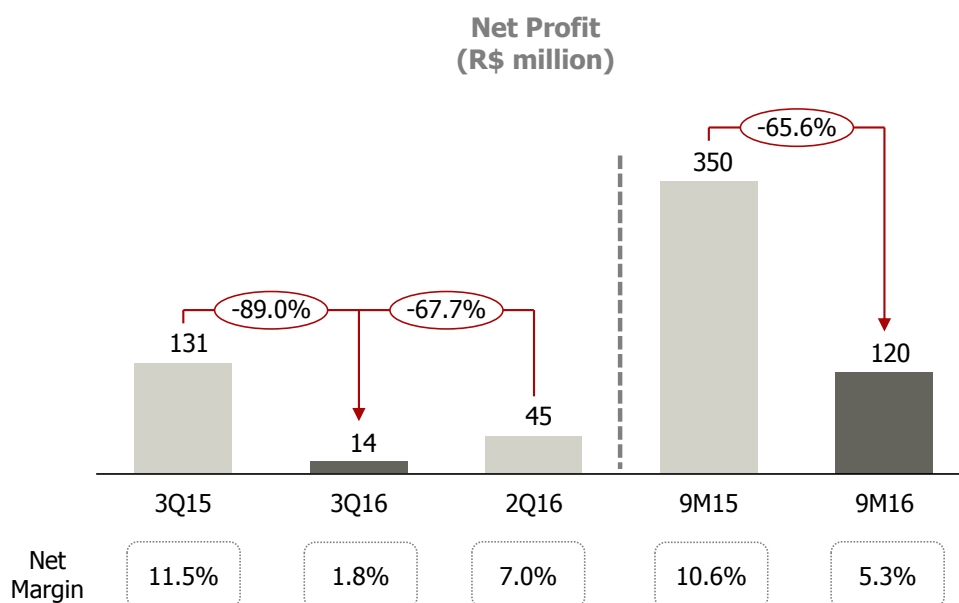
- (i) Equity Result and Other Appreciations: impact from contingencies and cancelations in some construction projects with partners and losses related to the stake acquired in Tecnisa
- (ii) “Other Results in Investments”: positive impact from the sale of SPEs and
- (iii) Impact of R\$27.5 million from contingencies on the 1Q16 net income.

As a result of the Company’s performance described above, net income amounted to R\$14 million in 3Q16, down 67.7% from R\$45 million in 2Q16 and 89.0% from 3Q15. In 9M16, net income totaled R\$120 million, falling from R\$350 million in 9M15.

In 3Q16, the Company's earnings per share fell to R\$0.04, vs. R\$0.12 in 2Q16 and R\$0.35 in 3Q15.

EPS

Net margin stood at 1.8% in 3Q16, down 5.2 p.p. quarter-over-quarter and 9.7 p.p. from 11.5% in 3Q15. In 9M16, net margin stood at 5.3%, down 5.3 p.p. from 9M15.



This led to a 3.7% last 12-month ROE.

ARBITRATION CHAMBER

The Company is subject to the Market Arbitration Chamber, in accordance with the Arbitration Clause included in the Company's Bylaws.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, we hereby inform you that we engaged Deloitte Touche Tohmatsu Auditores Independentes to provide the following services in 3Q16: audit of the financial statements prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards ("IFRS"s); review of internal controls; and review of the quarterly interim financial information in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 - "Revisao de Informações Intermediárias Executadas pelo Auditor da Entidade" and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). The Company did not engage the independent auditors to perform any other work, other than the audit of the financial statements.

The engagement of independent auditors is based on principles that protect the auditor's independence, which consist of the following: (a) the auditor should not audit his/her own work; (b) the auditor should not exercise managerial duties; and (c) the auditor should not provide any services that can be considered prohibited under prevailing standards. Additionally, Management obtains from the independent auditors a statement in the sense that the special services provided do not affect their professional independence.

The information in the performance report is not clearly identified as copy of the information included in the financial statements, nor has it been subjected to audit or review.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

BALANCE SHEET AS AT SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$)

ASSETS	Notes	Parent		Consolidated		LIABILITIES AND EQUITY	Notes	Parent		Consolidated	
		09/30/2016	2015	09/30/2016	2015			09/30/2016	2015	09/30/2016	2015
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	219,502	286,585	508,248	828,512	Borrowings and financing	10	11,934	149,131	1,026,801	1,057,440
Securities	4	491,530	890,507	997,755	1,325,893	Debentures	11	103,093	6,016	103,093	6,016
Trade receivables	5	24,165	6,723	2,749,152	2,887,646	Real Estate Certificates (CRIs)	12	160,096	154,991	159,512	170,014
Properties for sale	6	15,127	11,238	3,772,196	3,169,305	Trade payables and accrued warranties	17	7,101	4,232	277,686	254,170
Recoverable taxes		19,986	9,568	42,524	71,779	Taxes and contributions payable		318	328	26,227	32,137
Deferred taxes	20	-	-	298	2,576	Deferred taxes and contributions	20	72	241	112,585	127,025
Accrued selling expenses		-	-	14,358	17,298	Payroll, related taxes and profit sharing		19,498	25,460	62,142	66,333
Prepaid expenses		2,426	3,174	10,114	9,362	Payables due to property acquisitions	18	-	-	157,433	188,705
Other assets		17,336	39,597	107,513	126,338	Dividends payable	21 (D)	-	106,657	-	106,657
Total current assets		<u>790,072</u>	<u>1,247,392</u>	<u>8,202,158</u>	<u>8,438,709</u>	Related parties	13	132,782	218,629	120,427	132,812
						Current accounts with venture partners	14	-	-	49,606	83,588
NONCURRENT ASSETS						Advances from customers	16	-	767	426,982	724,169
Trade receivables	5	17,878	820	817,350	958,646	Other liabilities		114,843	93,365	125,443	88,474
Securities	4	73,521	78,826	76,071	79,180	Total current liabilities		<u>549,737</u>	<u>759,817</u>	<u>2,647,937</u>	<u>3,037,540</u>
Receivables from expropriations		-	-	-	-						
Current accounts with venture partners	14	7,378	9,316	17,990	37,403	NONCURRENT LIABILITIES					
Related parties	13	444,059	339,275	307,731	216,893	Borrowings and financing	10	601,090	555,177	2,097,621	2,172,311
Recoverable taxes		13,327	20,816	75,189	47,145	Debentures	11	42,630	142,630	42,630	142,630
Deferred taxes	20	-	-	11	-	Real Estate Certificates (CRIs)	12	43,200	193,200	42,755	193,200
Properties for sale	6	28,725	27,061	1,561,478	1,924,309	Trade payables and accrued warranties	17	-	-	77,146	81,818
Other assets		36,147	26,190	89,716	56,701	Payables due to property acquisitions	18	-	-	19,445	21,767
Investments in subsidiaries and associates	7.a) and 7.e)	5,759,075	5,702,882	764,350	745,841	Deferred taxes and contributions		-	-	-	546
Property, plant and equipment	8	10,386	6,115	96,531	139,671	Provisions for tax, labor and civil risks	19	12,039	12,073	209,333	201,657
Intangible assets	9	86,178	92,537	70,843	85,090	Deferred taxes and contributions	20	1,373	1,290	36,963	39,720
Total noncurrent assets		<u>6,476,674</u>	<u>6,303,838</u>	<u>3,877,260</u>	<u>4,290,879</u>	Advances from customers	16	-	-	149,057	159,512
						Other liabilities		-	-	-	-
						Total noncurrent liabilities		<u>700,332</u>	<u>904,370</u>	<u>2,674,950</u>	<u>3,013,161</u>
						EQUITY					
						Capital	21.a)	3,395,744	3,095,744	3,395,744	3,095,744
						Other reserves		(103,967)	(102,251)	(103,967)	(102,251)
						Capital reserves:					
						Stock option reserve	24 (c)	66,624	90,329	66,624	90,329
						Earnings reserves:					
						Legal reserve	21 (d)	283,537	283,537	283,537	283,537
						Expansion reserve	21 (c)	2,538,609	2,838,609	2,538,609	2,838,609
						Treasury shares and other reserves	21 (b)	(228,655)	(260,627)	(228,655)	(260,627)
						Retained earnings		120,419	-	120,419	-
						Other comprehensive income		(55,634)	(58,298)	(55,634)	(58,298)
						Equity attributable to:					
						Company's owners		6,016,677	5,887,043	6,016,677	5,887,043
						Noncontrolling shareholders		-	-	739,854	791,844
						Total equity		<u>6,016,677</u>	<u>5,887,043</u>	<u>6,756,531</u>	<u>6,678,887</u>
TOTAL ASSETS		<u>7,266,746</u>	<u>7,551,230</u>	<u>12,079,418</u>	<u>12,729,588</u>	TOTAL LIABILITIES AND EQUITY		<u>7,266,746</u>	<u>7,551,230</u>	<u>12,079,418</u>	<u>12,729,588</u>

"The accompanying notes are an integral part of this interim financial information"

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

INTERIM INCOME STATEMENT

FOR THE QUARTER AND THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$, except earnings per share)

		Parent				Consolidated			
		07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Notes									
NET REVENUE	25	972	6,110	8,010	15,854	824,807	2,276,546	1,137,733	3,310,630
COST OF SALES AND SERVICES	25	474	(1,039)	(1,791)	(6,035)	(563,386)	(1,478,934)	(743,219)	(2,156,449)
GROSS PROFIT		<u>1,446</u>	<u>5,071</u>	<u>6,219</u>	<u>9,819</u>	<u>261,421</u>	<u>797,612</u>	<u>394,514</u>	<u>1,154,181</u>
OPERATING INCOME (EXPENSES)									
Selling expenses	26	(2,977)	(7,439)	(4,670)	(11,491)	(101,971)	(299,175)	(119,917)	(342,193)
General and administrative expenses	27	(35,152)	(91,561)	(36,940)	(67,517)	(111,709)	(319,042)	(113,883)	(306,089)
Management fees	13.c)	(1,411)	(3,992)	(1,338)	(4,108)	(1,684)	(4,969)	(1,702)	(5,181)
Profit (loss) on equity interests:									
Share of profit of subsidiaries	7.a) and 7.e)	54,760	222,061	184,354	489,992	(1,606)	19,208	28,608	59,488
Other operating income on investments		(926)	2,180	(9,895)	(18,342)	7,401	6,205	2,422	(1,056)
Other operating income (expenses), net		(3,788)	(14,522)	(2,251)	(5,876)	(8,575)	(24,296)	3,183	(11,872)
PROFIT BEFORE FINANCE INCOME (COSTS)		<u>11,952</u>	<u>111,798</u>	<u>135,479</u>	<u>392,477</u>	<u>43,277</u>	<u>175,543</u>	<u>193,225</u>	<u>547,278</u>
FINANCE INCOME (COSTS)									
Finance costs	28	(33,995)	(115,591)	(45,279)	(143,216)	(54,208)	(170,409)	(87,174)	(239,718)
Finance income	28	<u>36,341</u>	<u>124,152</u>	<u>41,447</u>	<u>101,126</u>	<u>72,404</u>	<u>234,793</u>	<u>92,358</u>	<u>241,080</u>
		<u>2,346</u>	<u>8,561</u>	<u>(3,832)</u>	<u>(42,090)</u>	<u>18,196</u>	<u>64,384</u>	<u>5,184</u>	<u>1,362</u>
PROFIT BEFORE TAXES ON INCOME AND NONCONTROLLING INTERESTS		<u>14,298</u>	<u>120,359</u>	<u>131,647</u>	<u>350,387</u>	<u>61,473</u>	<u>239,927</u>	<u>198,409</u>	<u>548,640</u>
INCOME TAX AND SOCIAL CONTRIBUTION									
Current	20.d)	-	-	-	-	(17,757)	(59,089)	(29,243)	(93,266)
Deferred	20.d)	<u>146</u>	<u>60</u>	<u>(415)</u>	<u>(608)</u>	<u>(741)</u>	<u>7,507</u>	<u>(140)</u>	<u>16,643</u>
		<u>146</u>	<u>60</u>	<u>(415)</u>	<u>(608)</u>	<u>(18,498)</u>	<u>(51,582)</u>	<u>(29,383)</u>	<u>(76,623)</u>
PROFIT FOR THE PERIOD		<u>14,444</u>	<u>120,419</u>	<u>131,232</u>	<u>349,779</u>	<u>42,975</u>	<u>188,345</u>	<u>169,026</u>	<u>472,017</u>
PORTION OF PROFIT ATTRIBUTABLE TO NONCONTROLLING INTERESTS						(28,531)	(67,926)	(37,794)	(122,238)
PROFIT ATTRIBUTABLE TO COMPANY'S OWNERS						<u>14,444</u>	<u>120,419</u>	<u>131,232</u>	<u>349,779</u>
BASIC EARNINGS PER SHARE	29		<u>0.31936</u>		<u>0.92308</u>				
DILUTED EARNINGS PER SHARE	29		<u>0.31654</u>		<u>0.90801</u>				

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$)

	Parent				Consolidated			
	<u>07/01/2016</u> to <u>09/30/2016</u>	<u>01/01/2016</u> to <u>09/30/2016</u>	<u>07/01/2015 to</u> <u>09/30/2015</u>	<u>01/01/2015</u> to <u>09/30/2015</u>	<u>07/01/2016 to</u> <u>09/30/2016</u>	<u>01/01/2016</u> to <u>09/30/2016</u>	<u>07/01/2015</u> to <u>09/30/2015</u>	<u>01/01/2015 to</u> <u>09/30/2015</u>
PROFIT FOR THE QUARTER	14,444	120,419	131,232	349,779	42,975	188,345	169,026	472,017
Other comprehensive income								
Items that will not be subsequently reclassified to the statement of profit or loss - by translation of investments and appreciation of financial assets	(311)	2,664	418	8,581	(311)	2,664	418	8,581
	-	-		-				
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>14,133</u>	<u>123,083</u>	<u>131,650</u>	<u>358,360</u>	<u>42,664</u>	<u>191,009</u>	<u>169,444</u>	<u>480,598</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Company's owners					14,133	123,083	131,650	358,360
Noncontrolling interests					28,531	67,926	37,794	122,238
	<u>42,664</u>	<u>191,009</u>	<u>169,444</u>	<u>480,598</u>	<u>42,664</u>	<u>191,009</u>	<u>169,444</u>	<u>480,598</u>

“The accompanying notes are an integral part of this interim financial information”

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax and social contribution	120,359	350,387	239,927	548,640
Adjusted by:				
Depreciation and amortization of property, plant and equipment and intangible assets	11,253	9,890	69,344	53,231
Amortization of appreciation of assets	409	361	3,700	4,026
Disposals of property, plant and equipment and intangible assets	-	-	20,520	-
Share of losses of investees	(222,061)	(489,992)	(19,208)	(59,488)
Interest and inflation adjustment on borrowings, financing and CRIs	103,401	123,661	303,207	272,322
Deferred taxes	(26)	(608)	(7,423)	16,643
Adjustments to present value	-	-	3,508	6,447
Provisions for warranty	-	-	54,876	68,293
Income from securities	(110,647)	-	(187,777)	-
Provisions for tax, labor and civil risks	(34)	5,543	7,676	12,034
Adjustments from conversion of investments	2,664	-	2,664	-
Accrued share-based payment	8,267	(13,062)	8,267	(13,062)
	(86,415)	(13,820)	499,281	909,086
Changes in current and noncurrent assets and liabilities:				
Trade and other receivables	(34,500)	(4,115)	276,282	897,657
Properties for sale	(5,553)	(4,731)	(220,471)	(105,391)
Current accounts with venture partners	1,938	4,720	(14,569)	29,053
Related parties	(190,631)	205,324	(103,223)	(37,729)
Recoverable taxes	(2,929)	-	1,211	-
Accrued selling expenses	-	-	2,940	-
Prepaid expenses	748	-	(752)	-
Other assets	12,304	(22,011)	(14,190)	(106,248)
Payables due to acquisition of properties	-	-	(33,594)	(143,710)
Taxes payable	-	-	-	-
Taxes and contributions payable	(10)	(76)	(6,392)	(15,261)
Trade payables and provision for warranty	2,869	-	(36,032)	-
Payroll, related taxes and profit sharing	(5,962)	-	(4,191)	-
Advances from customers	(767)	-	(327,231)	-
Other liabilities	21,478	(17,441)	36,969	(228,373)
Cash and cash equivalents provided by (used in) operating activities:	(287,430)	147,850	56,038	1,199,084
Taxes and contribution paid	-	-	(59,153)	(94,853)
Interest paid	(94,125)	(102,452)	(260,034)	(231,097)
Net cash and cash equivalents provided by (used in) operating activities	(381,555)	45,398	(263,149)	873,134
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(6,494)	(148)	(32,580)	(18,787)
Dividends received	441,931	761,860	14,022	44,973
Increase (decrease) in investment	(276,063)	119,823	(13,323)	(74,319)
Securities	514,929	(604,731)	519,024	(848,165)
Purchase of intangible assets	(3,080)	(21,138)	(3,597)	(9,762)
Cash and cash equivalents provided by (used in) investing activities	671,223	255,666	483,546	(906,060)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from new borrowings, financing and CRIs	145,440	200,000	1,163,610	1,531,574
Repayment of borrowings, financing and CRIs	(393,818)	(190,578)	(1,475,982)	(1,417,266)
Distribution of dividends	(106,657)	(157,284)	(106,657)	(157,284)
Increase (decrease) of noncontrolling interests	-	-	(119,916)	44,059
Treasury shares	-	(46,430)	-	(46,430)
Capital transactions	(1,716)	-	(1,716)	-
Cash and cash equivalents used in financing activities	(356,751)	(194,292)	(540,661)	(45,347)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(67,083)	106,772	(320,264)	(78,273)
Opening balance	286,585	228,255	828,512	919,160
Closing balance	219,502	335,027	508,248	840,887
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(67,083)	106,772	(320,264)	(78,273)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

STATEMENT OF CHANGES IN EQUITY (PARENT AND CONSOLIDATED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$)

	Notes	Capital	Other reserves	Capital reserves		Earnings reserves		Retained earnings	Other comprehensive income	Total Parent	Noncontrolling interests	Total consolidated
				Stock option reserve	Treasury shares	Legal reserve	Earnings retention					
AS AT DECEMBER 31, 2014		3,095,744	(34,881)	104,825	(220,416)	261,147	2,519,551	-	(66,879)	5,659,091	708,754	6,367,845
Capital transactions:												
Capital increase (decrease)		-	-	-	-	-	-	-	-	-	205,747	205,747
Increase (decrease) of treasury shares		-	-	-	(46,430)	-	-	-	-	(46,430)	-	(46,430)
Capital transactions		-	(30,243)	-	-	-	-	-	-	(30,243)	-	(30,243)
Expenses on public issuance of shares		-	-	-	-	-	-	-	-	-	-	-
Options granted recognized/exercised	21 (d)	-	-	(2,606)	2,606	-	-	-	-	-	-	-
Share-based payment program	21 (b)	-	-	(13,062)	-	-	-	-	-	(13,062)	-	(13,062)
Profit for the nine-month period:	23 (c)	-	-	-	-	-	-	-	-	-	-	-
Profit for the nine-month period:	23 (c)	-	-	-	-	-	-	349,779	-	349,779	122,238	472,017
Allocation of profit:												
Adjustments due to translation of investments and appreciation of financial assets		-	-	-	-	-	-	-	8,581	8,581	-	8,581
Dividends paid	21 (c)	-	-	-	-	-	-	-	-	-	(161,688)	(161,688)
AS AT SEPTEMBER 30, 2015		3,095,744	(65,124)	89,157	(264,240)	261,147	2,519,551	349,779	(58,298)	5,927,716	875,051	6,802,767
AS AT DECEMBER 31, 2015		3,095,744	(102,251)	90,329	(260,627)	283,537	2,838,609	-	(58,298)	5,887,043	791,844	6,678,887
Capital transactions:												
Capital increase (decrease)	21 (d)	300,000	-	-	-	-	(300,000)	-	-	-	159,956	159,956
Increase (decrease) of treasury shares	21 (b)	-	-	-	-	-	-	-	-	-	-	-
Capital transactions		-	(1,716)	-	-	-	-	-	-	(1,716)	-	(1,716)
Options granted recognized/exercised	23 (c)	-	-	(31,972)	31,972	-	-	-	-	-	-	-
Share-based payment program	23 (c)	-	-	8,267	-	-	-	-	-	8,267	-	8,267
Profit for the nine-month period:		-	-	-	-	-	-	120,419	-	120,419	67,926	188,345
Profit for the nine-month period:		-	-	-	-	-	-	-	-	-	-	-
Allocation of profit:												
Adjustments due to translation of investments		-	-	-	-	-	-	-	2,664	2,664	-	2,664
Dividends paid	21 (c)	-	-	-	-	-	-	-	-	-	(279,872)	(279,872)
AS AT SEPTEMBER 30, 2016		3,395,744	(103,967)	66,624	(228,655)	283,537	2,538,609	120,419	(55,634)	6,016,677	739,854	6,756,531

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

INTERIM STATEMENT OF VALUE ADDED

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
REVENUE				
Sale of goods, products and services	6,509	17,018	2,342,800	3,406,748
Other revenues (expenses)	<u>(14,522)</u>	<u>(331)</u>	<u>(24,296)</u>	<u>2,869</u>
	(8,013)	16,687	2,318,504	3,409,617
INPUTS ACQUIRED FROM THIRD PARTIES				
Cost of sales and services	(1,039)	(6,036)	(1,478,934)	(2,156,448)
Materials, energy, outside services and other	<u>(51,682)</u>	<u>(60,860)</u>	<u>(329,396)</u>	<u>(388,370)</u>
	(52,721)	(66,896)	(1,808,330)	(2,544,818)
GROSS VALUE ADDED	<u>(60,734)</u>	<u>(50,209)</u>	<u>510,174</u>	<u>864,799</u>
RETENTIONS				
Depreciation and amortization	(11,253)	(9,890)	(69,344)	(53,231)
Amortization of appreciation of assets	<u>(409)</u>	<u>(361)</u>	<u>(3,700)</u>	<u>(4,026)</u>
	(11,662)	(10,251)	(73,044)	(57,257)
WEALTH PRODUCED (USED) BY THE ENTITY	<u>(72,396)</u>	<u>(60,459)</u>	<u>437,130</u>	<u>807,542</u>
WEALTH RECEIVED IN TRANSFERS				
Share of profits of subsidiaries	222,061	489,992	19,208	59,488
Other profits on investments, less amortization of appreciation	2,589	(17,981)	9,905	2,970
Finance income	124,152	101,126	234,793	241,080
TOTAL WEALTH RECEIVED IN TRANSFERS	348,802	573,137	263,906	303,538
TOTAL WEALTH FOR DISTRIBUTION	<u>276,406</u>	<u>512,678</u>	<u>701,036</u>	<u>1,111,080</u>
WEALTH DISTRIBUTED				
Personnel and payroll taxes				
Salaries and related taxes	30,023	36,943	172,023	175,819
Sales commissions	5	-	34,910	35,741
Management fees	3,992	4,108	4,969	5,181
Profit sharing	<u>6,037</u>	<u>(23,139)</u>	<u>12,544</u>	<u>9,862</u>
	40,057	17,912	224,446	226,603
Taxes, fees and contributions	339	1,771	117,836	172,741
Interest	<u>115,591</u>	<u>143,216</u>	<u>170,409</u>	<u>239,719</u>
	155,987	162,899	512,691	639,063
SHAREHOLDERS				
Profit for the nine-month period	120,419	349,779	120,419	349,779
Portion of profit attributable to noncontrolling interests	<u>-</u>	<u>-</u>	<u>67,926</u>	<u>122,238</u>
	120,419	349,779	188,345	472,017
TOTAL WEALTH DISTRIBUTED	<u>276,406</u>	<u>512,678</u>	<u>701,036</u>	<u>1,111,080</u>

“The accompanying notes are an integral part of this interim financial information”

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

**NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE THREE- AND NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2016**

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Cyrela Brazil Realty S.A. Empreendimentos e Participações (“Company”) is a publicly-held corporation headquartered in the city of São Paulo, State of São Paulo, which shares are traded on BM&FBOVESPA S.A. - São Paulo Mercantile and Stock Exchange - “Novo Mercado” - under the ticker symbol CYRE3.

The Company’s registered head office is located at Avenida Engenheiro Roberto Zuccolo, 555, 1º andar, sala 1001, City of São Paulo, State of São Paulo.

The Company is engaged mainly in the development and construction of residential units, individually or together with other business partners. The subsidiaries, joint ventures and associates share the corporate, managerial and operating costs and structures of the Company or of the business partner, as the case may be, with the Parent.

**2. PRESENTATION OF INTERIM FINANCIAL INFORMATION AND
SIGNIFICANT ACCOUNTING POLICIES**

2.1. Statement of compliance

The Company’s interim financial information comprises:

- a) The Company’s individual interim financial information, prepared in accordance with accounting practices adopted in Brazil, as prescribed by CPC 26 (R1) – Presentation of Financial Statements, identified as “Parent”.
- b) The consolidated interim financial information prepared in accordance with the accounting practices adopted in Brazil, pursuant to CPC 26 (R1) and IAS 1 – Presentation of Financial Statements, issued by the International Accounting Standards Board (IASB), which includes technical instruction OCPC 04 on the application of technical interpretation ICPC 02 to Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), identified as “Consolidated”.

The individual interim financial information has been prepared in accordance with accounting practices adopted in Brazil and comprise the policies set out in the Brazilian Corporate Law and the technical pronouncements, instructions, and interpretations issued by the CPC and approved by the CVM and the CFC. In the case of the Company, these accounting practices differ from the IFRSs applicable to real estate development entities in Brazil, in relation to separate interim financial information, only with respect to the capitalization of interest incurred by the Parent, in relation to the assets under construction of its subsidiaries. For purposes of IFRSs, such capitalization is only permitted in the consolidated interim financial information and not in the separate interim financial information.

Management asserts that relevant information included in the interim financial information is being disclosed and corresponds to the information used by it in its management.

Except for the application of the accounting practices described in note 2, the information related to the basis for preparation and presentation of the interim financial information, the summary of the significant accounting policies and the use of estimates and judgment did not change as compared to the information disclosed in note 2 to the Annual Financial Statements for the year ended December 31, 2015, published on March 23, 2016 in the newspapers *O Estado de São Paulo* and *Diário Oficial do Estado de São Paulo* (the São Paulo State Official Gazette), and made available on the following websites: www.cvm.gov.br, www.bmfbovespa.com.br and <http://ri.brazilrealty.com.br>

2.2. New and revised standards and interpretations

- a) The following new and revised International Financial Reporting Standards (IFRSs), effective for annual periods beginning on or after January 1, 2016, have been adopted in the interim financial information. The adoption of these new and revised IFRSs did not have any significant impacts on the amounts reported and/or disclosed for the current and prior annual periods.
- Amendments to IAS 1/CPC 26 (R1) - Presentation of Financial Statements.
 - Amendments to IFRS 11/CPC 19 (R2) - Joint Arrangements.
 - Amendments to IAS 16/CPC 27 and IAS 38/CPC 04 (1) - Clarification of Acceptable Methods of Depreciation and Amortization.
 - Amendments to the IFRSs – Annual improvements to the IFRSs: 2012-2014 Cycle.
- b) New standards and interpretations not yet adopted

IFRS 15	Revenue from Contracts with Customers (1)
IFRS 9	Financial Instruments (1)

(1) Effective for annual periods beginning on or after January 1, 2018.

- c) On May 28, 2014, the International Accounting Standards Board (IASB) issued IFRS 15 - Revenue from Contracts with Customers, which significantly changed revenue recognition criteria. In the real estate sector, the main impact refers to the application of these criteria on the different effective contracts, which may require changing the date in which a given revenue is recorded for some of these contracts. In other words, IFRS 15 may establish that certain sales must be recorded on a specific date, rather than continuously during construction, as currently adopted. For IFRS purposes, the standard will become effective on or after January 1, 2018. The Company's management awaits the issuance of the corresponding technical pronouncements by CPC and CFC, as part of the accounting practices standardization process.

3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Cash and banks				
Local currency	6,922	12,504	110,683	330,012
	6,922	12,504	110,683	330,012
Bank certificates of deposit and repurchase agreements	(i) 212,580	274,081	397,565	498,500
	219,502	286,585	508,248	828,512

- (i) Short-term investments that are readily convertible into a known cash amount and that are not subject to a significant risk of change in value, and the Company has the right to redeem them at any time, yield average interest of 97.22% of the Interbank Deposit (CDI) rate.

4. SECURITIES

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Bank certificates of deposit (i)	16,506	16,269	293,740	439,390
Exclusive investment funds (ii)	451,771	880,459	646,628	893,078
Federal government bonds - NTNB (iii)	73,521	71,571	110,205	71,571
Sundry investment funds (iv)	23,253	-	23,253	-
Other	-	1,034	-	1,034
	565,051	969,333	1,073,826	1,405,073
Current	491,530	890,507	997,755	1,325,893
Noncurrent	73,521	78,826	76,071	79,180

- (i) Short-term investments yielding average interest of 97.22% of the CDI rate and not highly liquid.
- (ii) The Company invests in Fundo de Investimento Exclusivo, managed by Banco Safra S.A., which is responsible for holding the assets comprising the Fund's portfolio in custody and financial settlement of its operations. The Fund is comprised of fixed-income securities and yield average interest of 103.51% of the CDI.
- (iii) Investment in national treasury bonds, indexed to inflation rate + average interest of 6.99% p.a.
- (iv) The Company holds an investment in the balanced investment fund Safra Galileo, managed by Banco Safra S.A., which is responsible for the custody of the assets included in the Fund's portfolio and the financial settlement of its transactions. This Fund is open-ended and is used to invest the Company's fund. The Fund is comprised of variable income securities and yield average interest of 118.53% of the CDI.

The exclusive investment fund, proportionally to the units held by the Company, is broken down as follows:

		Consolidated	
		09/2016	2015
Time deposits and other securities			
Repurchase agreements		92,164	78,942
Financial bills	(i)	308,415	430,527
Federal government bonds	(ii)	144,516	372,642
CDBs/Other securities		101,533	10,967
		646,628	893,078

- (i) Financial bills yielding average interest of 104.35% of CDI.
- (ii) Federal government bonds yielding average interest of 100.13% of SELIC (Central Bank's policy rate).

5. TRADE RECEIVABLES

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Real estate projects completed	42,043	7,543	1,098,911	1,157,511
Real estate projects in construction				
Recognized revenue	-	-	7,753,361	10,636,532
Installments received	-	-	(5,250,149)	(7,897,446)
	-	-	2,503,212	2,739,086
Adjustment to present value (APV)	-	-	(55,056)	(58,565)
	-	-	2,448,156	2,680,521
Receivables from sale recognized	42,043	7,543	3,547,067	3,838,032
Services rendered	-	-	19,435	8,260
Total trade receivables	42,043	7,543	3,566,502	3,846,292
Current	24,165	6,723	2,749,152	2,887,646
Noncurrent	17,878	820	817,350	958,646

Receivables from uncompleted property sales are adjusted using the National Construction Cost Index (INCC) until the real estate units are delivered. Receivables in the period subsequent to the delivery of the key are subject to interest of 12% per year plus inflation adjustment based on the General Market Price Index (IGP-M).

The Company and its subsidiaries adopt the procedures and standards established in CFC Resolution 1266/09 and CPC 17 (R1), OCPCs 1 (R1) and 4 and ICPC 2 for the recognition of revenues from real estate operations. Consequently, receivables from units sold but not yet completed are not fully reflected in the consolidated interim financial information, since recording them is limited to the portion of revenue recorded under the percentage-of-completion method, net of the installments already received.

The balances of trade receivables from uncompleted units were calculated based on the estimated period up to the delivery of properties sold, using the highest rate between the average yield rate of government securities (NTN-B) and the average funding rate charged on the Company's borrowings, free from inflation adjustment. The average rate used for the nine-month period ended September 30, 2016 was 6.09% per year (7.16% as at September 30, 2015 and 6.64% as at December 31, 2015).

The net present value adjustment accounted for in profit or loss, in line items 'Revenue from property development' and 'Resale of properties', totaled R\$3,508 in the nine-month period ended September 30, 2016 (R\$6,447 as at September 30, 2015).

The allowance for doubtful debts is recognized when there is objective evidence that the Company and its subsidiaries will not be able to collect all the amounts due at their original due dates. If there are any indications that the amount recorded is lower than the recoverable amount of trade receivables, an allowance will be recognized. (See allowance for contract terminations, note 19.)

As supplemental information, the balance of 'Trade receivables', taking into consideration the balance not yet reflected in the interim financial information relating to the real estate development and resale activity, is as follows:

Real estate development and resale:	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Total in current assets	24,165	6,723	2,729,717	2,879,386
Total in noncurrent assets	17,878	820	817,350	958,646
	42,043	7,543	3,547,067	3,838,032
Total sales contracted - Unrecognized	-	-	2,305,948	3,522,506
Portion classified as advances from customers	-	-	(66,344)	(64,368)
	42,043	7,543	5,786,671	7,296,170
Current	24,165	6,723	3,336,086	4,082,573
Noncurrent	17,878	820	2,450,585	3,213,597

The noncurrent portion of assets is determined by the amounts expected to be received 12 months after the interim financial information reporting date.

Aging list of the portfolio of receivables from property development and resale

The portfolio below is based on expected collections, taking into account recognized and unrecognized revenue, as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
12 months	24,165	6,723	3,336,086	4,082,573
24 months	6,560	600	1,701,199	1,824,071
36 months	4,989	152	521,572	988,289
48 months	2,835	57	105,972	234,939
Above 48 months	3,494	11	121,842	166,298
Total	42,043	7,543	5,786,671	7,296,170

As at September 30, 2016, the receivables past due over 360 days in the consolidated receivables portfolio amounted to 54,100 (R\$66,962 as at December 31, 2015).

6. PROPERTIES FOR SALE

Refers to costs of real estate units available for sale (both completed and under construction), land for future developments and advances for acquisition of land, as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Properties under construction	11,961	10,870	1,994,143	1,906,313
Completed properties	3,166	367	907,489	750,773
Land for future developments (a)	28,725	27,062	2,067,676	2,124,589
Advances for the acquisition of land	-	-	148,632	110,284
Interest capitalized in inventories (b)	-	-	215,734	201,655
	43,852	38,299	5,333,674	5,093,614
Current	15,127	11,238	3,772,196	3,169,305
Noncurrent	28,725	27,061	1,561,478	1,924,309

(a) Land for future development is classified in current assets or noncurrent assets based on the expected launch period of the real estate Projects, which is periodically revised by Management. Properties under construction and completed units are classified in current assets taking into account their availability for sale.

(b) The balance of charges capitalized, on a consolidated basis, totaled R\$123,789 relating to charges of the Financial Housing System (SFH) and R\$91,945 relating to charges on other debts, totaling R\$215,734 as at September 30, 2016 (SFH charges of R\$88,061, charges on other debts of R\$113,594, totaling R\$201,655 as at December 31, 2015).

The recognition of charges capitalized in the consolidated statement of profit and loss, in line item ‘Cost of properties sold’, totaled R\$139,154 relating to charges of the Financial Housing System (SFH) and R\$14,406 relating to charges of other debts, totaling R\$153,560 as at September 30, 2016 (SFH charges of R\$109,770, charges of other debts of R\$18,231, totaling R\$128,001 as at September 30, 2015), recognized in profit or loss according to OCPC 01 (R1).

7. INVESTMENTS

a) The main information on direct equity interests held is summarized below:

Companies:	Equity interest - %											
					Equity		Profit (loss) for the period		Investment		Share of profits (losses) of subsidiaries	
	09/2016		2015		09/2016	2015	09/2016	09/2015	09/2016	2015	09/2016	09/2015
	Total	Direct	Total	Direct								
Cyrela Comercial Properties S/A Empreendimentos e Participações	1.56	1.47	1.57	1.47	1,173,233	1,200,630	(23,701)	(3,386)	17,296	17,667	(314)	(43)
Austria Incorporadora Ltda	50.00	50.00	50.00	50.00	20,350	18,847	(3,664)	(169)	10,175	9,424	(1,832)	(85)
Cabo Frio Incorporadora Ltda	50.00	50.00	50.00	50.00	34,297	34,375	(489)	(211)	17,149	17,188	(245)	(105)
Canagó Correa Cyrela Enmr ImSPE Ltda	50.00	50.00	50.00	50.00	11,864	9,189	17	(57)	5,932	4,594	8	(29)
Canoa Quebrada Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	27,204	26,590	(114)	(59)	27,204	26,587	(114)	(59)
Carapa Empreendimentos Imobiliários Ltda	60.00	60.00	60.00	60.00	29,353	40,683	19,302	2,798	17,612	24,410	11,581	1,679
CBR 011 Empreendimentos Imobiliários Ltda	32.50	32.50	32.50	32.50	189,578	148,936	(40,642)	-	48,404	61,613	(13,209)	-
CBR 014 Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	12,699	957	8,746	1,208	12,698	957	8,745	1,208
CBR 024 Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	98,025	94,962	(8,333)	(7,202)	49,013	47,481	(4,167)	(3,601)
CBR 025 Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	125,946	125,898	47	1	62,973	62,949	23	1
CBR 030 Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	106,725	72,946	(7)	(7,386)	53,363	36,473	(3)	(3,693)
CBR 031 Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	112,935	101,301	17,948	(1,122)	112,935	101,292	17,948	(1,122)
CHL Lxxviii Incorporações Ltda	(ii) 50.00	50.00	50.00	50.00	18,734	19,281	(308)	2,104	9,367	9,641	(154)	1,052
Cipasa Santa Maria Empreendimentos Imobiliários S/A	50.00	50.00	50.00	50.00	26,994	25,571	933	5,218	13,497	12,786	466	2,609
Country de Investimento Imobiliária Ltda	97.25	72.25	97.25	72.25	13,431	11,393	2,253	133	9,704	8,235	1,628	96
Cury Construtora E Incorp S/A	50.00	50.00	50.00	50.00	328,782	383,546	42,425	108,524	164,391	191,773	21,213	54,262
Cyrela Aconagua Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	52,187	53,002	(1,764)	1,808	52,187	53,002	(1,764)	1,808
Cyrela Anis Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	44,109	30,718	6,939	5,749	44,109	30,714	6,939	5,748
Cyrela Asteca Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	38,569	27,313	(551)	(7)	38,569	27,312	(551)	(7)
Cyrela Bahia Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	11,451	12,002	1,684	850	11,451	12,001	1,684	850
Cyrela Brazil Realty Rjz Empreendimentos Imobiliária Ltda	100.00	99.99	100.00	99.99	91,303	53,437	42,358	(27,085)	91,303	53,437	42,358	(27,085)
Cyrela Conquista Empreendimentos Imobiliários Ltda	80.00	80.00	80.00	80.00	16,639	25,233	9,947	1,607	13,312	20,186	7,957	1,286
Cyrela Cristal Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	28,180	15,717	13,663	1,809	28,180	15,718	13,663	1,809
Cyrela Empreendimentos Imobiliários Comercial Importadora e Exportadora Ltda	100.00	99.99	99.99	99.99	33,895	30,465	1,582	(5,455)	33,895	30,465	1,582	(5,455)
Cyrela Esmeralda Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	16,714	5,147	(394)	9,085	16,714	5,147	(394)	9,085
Cyrela Estreia Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	60,008	61,449	(1,666)	6,849	60,008	61,449	(1,666)	6,849
Cyrela Extrema Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	15,550	32,282	(16,732)	(10,258)	15,550	32,282	(16,732)	(10,258)
Cyrela Greenwood de Investimento Imobiliária Ltda	95.75	55.00	95.74	54.99	30,405	24,188	(768)	309	16,723	13,303	(423)	170
Cyrela Imobiliária Ltda	100.00	99.99	100.00	99.99	48,103	62,674	(941)	4,371	48,103	62,674	(941)	4,371
Cyrela Índico Empreendimentos Imobiliários Ltda	72.00	72.00	72.00	72.00	45,373	43,475	1,897	10,065	32,668	31,303	1,366	7,247
Cyrela Indonesia Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	41,984	30,788	22,489	17,294	41,984	30,789	22,489	17,294
Cyrela Magik Monaco Empreendimentos Imobiliários Ltda	80.00	80.00	80.00	80.00	42,732	47,771	4,951	14,004	34,186	38,215	3,961	11,203
Cyrela Malásia Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	24,445	33,621	(2,252)	(3,170)	24,445	33,620	(2,252)	(3,170)
Cyrela Malibu Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	10,355	10,355	10	(2)	10,365	10,355	10	(2)
Cyrela Manaus Empreendimentos Imobiliários Ltda	100.00	97.55	99.99	97.55	43,826	38,042	(1,839)	4,333	42,752	37,113	(1,794)	4,227
Cyrela Montblanc Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	139,415	186,550	(29,237)	92,962	139,415	186,532	(29,237)	92,953
Cyrela Monza Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	191,825	176,228	15,597	14,230	191,825	176,228	15,597	14,230
Cyrela Niss Empreendimentos Imobiliários Ltda	75.00	75.00	74.99	74.99	15,367	21,850	(1,425)	5,541	11,525	16,388	(1,068)	4,156
Cyrela Nordeste Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	124,255	143,782	(19,542)	10,585	124,255	143,781	(19,542)	10,585
Cyrela Pacifico Empreendimentos Imobiliários S/A	80.00	80.00	80.00	80.00	30,143	30,011	132	134	30,115	24,008	10	107
Cyrela Paris Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	71,618	47,599	17,865	6,951	71,618	47,599	17,865	6,951
Cyrela Piracema Empreendimentos Imobiliários Ltda	(iii) 100.00	99.99	-	-	25,428	-	20	-	25,428	-	20	-
Cyrela Porto Velho Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	13,608	16,721	(6,684)	(3,555)	13,608	16,721	(6,684)	(3,555)
Cyrela Portugal Empreendimentos Imobiliários Ltda	(ii) 100.00	99.99	75.99	75.99	52,301	55,105	(1,981)	(866)	52,301	41,879	(1,981)	(658)
Cyrela Recife Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	161,133	107,412	30,263	(8,101)	161,133	107,401	30,263	(8,100)
Cyrela Rjz Construtora e Empreendimentos Imobiliários Ltda	100.00	84.17	100.00	84.16	94,190	87,163	(1,096)	(23,678)	79,275	73,362	(923)	(19,029)
Cyrela Rjz Empreendimentos Imobiliários Ltda	97.45	59.90	97.44	59.90	99,905	111,679	834	8,300	99,903	66,995	320	4,971
Cyrela Rjz Jagonite Empreendimentos Imobiliária Ltda	43.00	25.00	42.99	24.99	180,355	172,765	7,590	40,261	45,089	43,192	1,898	10,065
Cyrela Suecia Empreendimentos Imobiliários Ltda	100.00	50.00	100.00	50.00	110,296	122,301	(12,005)	37,864	55,148	61,322	(6,003)	18,912
Cyrela Toletea Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	12,609	8,871	6,077	7,152	12,608	8,871	6,076	7,152
Cyrela Vermont de Investimento Imobiliária Ltda	97.90	50.00	97.89	50.00	13,136	13,476	(460)	(45)	6,568	6,738	(230)	(22)
Cyrela Violeta Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	17,688	17,431	(1)	(10)	17,688	17,430	(1)	(10)
Donna Margarida II Empreendimentos Imobiliários Ltda	100.00	99.99	100.00	99.99	18,112	12,862	(9)	(330)	18,112	12,860	(9)	(330)
Ebrus Empreendimento Imobiliária Ltda	59.41	30.00	59.41	30.00	26,003	16,935	5,036	3,562	7,801	5,081	1,511	1,068
Fazenda São João Empreendimentos Imobiliários SPE Ltda	85.00	85.00	84.99	84.99	23,380	23,240	(42)	(29)	19,873	19,753	(35)	(29)
Flamingo Investimento Imobiliária Ltda	100.00	99.99	100.00	99.99	11,875	9,735	(76)	(71)	11,875	9,734	(76)	(71)
Gliese Incorporadora Ltda	57.54	57.54	57.53	57.53	48,554	48,156	398	809	27,937	27,708	229	466
Goldstein Cyrela Empreendimentos Imobiliários S/A	100.00	99.99	100.00	100.00	688,733	699,183	23,549	46,224	688,733	699,183	23,549	47,163
Iracema Incorporadora Ltda	50.00	50.00	50.00	50.00	55,898	54,457	1	(239)	27,949	27,228	-	(120)
Jacira Reis Empreendimentos Imobiliários Ltda	(iii) 50.00	50.00	50.00	-	34,318	45,499	(7,959)	-	17,159	-	(3,980)	-
Lider Cyrela Di Oi Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	34,142	35,602	(1,460)	(5,352)	34,142	35,999	(1,460)	(5,352)
Living Cedro Empreendimentos Imobiliários Ltda	100.00	50.00	99.99	50.00	45,571	21,574	22,524	21,057	22,636	10,687	11,262	10,528
Living Empreendimentos Imobiliários S/A	100.00	99.99	99.99	99.99	736,162	684,992	58,908	142,568	736,162	684,992	58,908	142,568
Lombok Incorporadora Ltda	100.00	99.99	100.00	99.99	13,486	14,257	(900)	2,488	13,486	14,257	(900)	2,488
Luanda Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	103,435	85,317	7,164	1,725	103,435	85,311	7,164	1,725
Lucio Brazil Real Estate S/A	50.00	50.00	50.00	50.00	36,269	35,515	754	(538)	18,135	17,758	377	(269)
Mac Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	588,321	723,507	51,794	86,710	294,161	361,752	25,897	43,214
Mac Veneza Empreendimentos Imobiliária Ltda	74.51	50.00	74.51	50.00	43,600	27,534	6	(3)	21,800	13,768	3	(1)
Marques de Iju SPE Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	21,297	19,065	1,622	2,498	10,649	9,533	811	1,249
Moinho Velho Empreendimentos Imobiliários SPE Ltda	50.00	50.00	50.00	50.00	11,728	6,169	9	(1)	5,864	3,085	2,685	-
Nova Iguaçu Empreendimentos Imobiliários Ltda	100.00	99.99	99.99	99.99	10,101	13,391	2,356	5,921	10,101	13,388	2,356	5,920
Plano & Plano Construções e Participações Ltda	100.00	99.99	100.00	99.99	315,288	322,477	13,181	63,694	315,288	322,552	13,181	50,290
Plano Amoreira Empreendimentos Imobiliários SPE Ltda	100.00	60.00	100.00	60.00	94,451	85,238	32,681	63,911	56,670	51,142	19,609	38,347
Platcon Cyrela Empreendimentos Imobiliários SPE Ltda	50.00	50.00	50.00	50.00	11,901	14,000	(2,098)	(2,526)	5,951	7,000	(1,049)	(1,263)
Queiroz Galvão Mac Cyrela Veneza Empreendimentos Imobiliários S/A	45.00	15.00	45.00	15.00	18,738	22,391	2,347	(4,815)	2,811	3,339	352	(1,44

- (i) The Parent's investments include capitalized interest on borrowings, financing and debentures that are directly related to the real estate projects of its investees. In consolidated, these amounts are capitalized in inventories, as explained in note 6.
- (ii) Change due to the increase (decrease) in equity interests.
- (iii) Refers to the merger/corporate restructuring whereby the company, previously an indirect subsidiary, became a direct subsidiary.
- (iv) Refers to the establishment of a new company.

Variations in the Company's investments are as follows:

	Parent	Consolidated
Balance as at December 31, 2014	6,185,689	694,614
Capital subscription / (decrease)	(139,567)	44,076
Dividends	(761,860)	(44,973)
Share of profits (losses) of subsidiaries	489,992	59,488
Interest capitalization	(10,499)	-
Balance as at September 30, 2015	5,763,755	753,205
Balance as at December 31, 2015	5,702,882	745,841
Capital subscription / (decrease)	270,632	13,323
Dividends	(441,931)	(14,022)
Share of profits (losses) of subsidiaries	222,061	19,208
Interest capitalization	5,431	-
Balance as at September 30, 2016	5,759,075	764,350

b) The main information on the Company's indirect investments is summarized as follows:

		Total equity interest - %		Equity		Profit (loss) for the period	
		09/2016	2015	09/2016	2015	09/2016	09/2015
Abdo Empreendimentos Imobiliários Ltda		100.00	100.00	26,339	20,947	(11)	(5)
Ak 19 - Empreendimentos E Participações Ltda	(i)	26.00	26.00	41,785	30,832	4,827	-
Alabama Empreendimentos Imobiliários Ltda		49.02	49.02	23,952	13,929	2,724	615
Alphaville Nova Eplanada 3 Empreendimentos Ltda	(ii)	25.00	-	51,985	-	2,556	-
Andorra Empreendimentos Imobiliários Ltda		80.00	80.00	56,765	46,265	27,830	6,425
Australia Empreendimentos Imobiliários Ltda		100.00	100.00	19,876	36,432	(1,828)	8,634
Batel Empreendimentos Imobiliários Ltda	(i)	80.00	95.00	32,696	33,942	6,254	6,706
Bello Villarrino Empreendimentos Imobiliários Ltda		50.00	50.00	13,662	12,220	-	148
Campos Sales Empreendimentos Imobiliários Ltda		40.00	40.00	40,149	31,657	8,492	6,535
CBR 008 Empreendimentos Imobiliários Ltda		100.00	100.00	64,699	44,328	(2,363)	15,881
CCISA 01 Incorporadora Ltda		49.95	49.95	16,649	12,993	3,566	12,164
CCISA 02 Incorporadora Ltda		49.95	49.95	16,649	17,238	3,566	9,815
CCISA 03 Incorporadora Ltda		25.00	25.00	80,839	77,167	3,671	3,371
CCISA 04 Incorporadora Ltda		49.95	49.95	29,057	19,542	9,464	9,226
CCISA 05 Incorporadora Ltda		25.00	25.00	59,693	75,664	1,419	7,881
CCISA21 Incorporadora Ltda		49.95	49.95	10,317	10,570	5,192	9,587
Chillan Investimentos Imobiliários Ltda		25.00	25.00	31,721	30,099	5,621	3,899
Cyrela Andrade Mendonca Jcpm Empreendimentos Imobiliários SPES/A		-	85.00	49,781	44,235	(4,626)	8,756
Cyrela Ccp Canela Empreendimentos Imobiliários Ltda	(i)	50.78	50.00	32,355	32,123	-	(190)
Cyrela Diamante Empreendimentos Imobiliários Ltda	(i)	51.02	51.02	14,802	18,992	593	6,970
Cyrela Parana Empreendimentos Imobiliários Ltda		100.00	100.00	52,907	51,324	(10,495)	35,003
Cyrela Polimesia Empreendimentos Imobiliários Ltda		100.00	100.00	80,116	235,460	(4,959)	183,324
Cyrela Somerset de Investimentos Imobiliários Ltda		83.00	83.00	23,741	29,215	(411)	2,727
Cyrela Sul001 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	50,050	66,290	34,013	33,493
Cyrela Sul002 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	13,345	23,097	3,823	13,923
Cyrela Sul003 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	15,461	12,250	(164)	4
Cyrela Sul004 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	16,243	15,110	(167)	-
Cyrela Sul006 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	14,716	8,283	2,400	-
Cyrela Sul008 Empreendimentos Imobiliários SPE Ltda	(i)	90.00	92.50	24,151	7,338	(928)	1
Cyrela Tupiza Empreendimentos Imobiliários Ltda		100.00	100.00	14,593	25,351	(2,291)	4,576
Dalaveca Incorporadora Ltda		50.00	50.00	13,829	18,962	2,867	5,518
DGC Agua Verde Ltda		95.00	95.00	20,512	33,743	(304)	15,565
DGC Ecoville Dois Ltda		80.00	80.00	11,027	20,510	(693)	8,290
DGC João Gualberto Ltda		95.00	95.00	45,875	41,883	5,744	12,680
DGC Living Parana Empreendimentos Imobiliários Ltda		95.00	95.00	13,433	11,543	(305)	821
DGC Map Parana Empreendimentos Imobiliários Ltda	(i)	88.25	95.00	22,666	7,940	9,391	10
DGC Paulo Gorski Ltda		95.00	95.00	14,658	25,267	(3,435)	10,313
DGC Pinheirinho Empreendimentos Imobiliários Ltda		95.00	95.00	20,883	39,140	1,287	11,498
Dover Empreendimentos Imobiliários Ltda		49.02	49.02	31,104	30,917	3,215	23,387
Galeria Boulevard Negocios Imobiliários S/A		48.62	48.62	11,873	11,902	3	13
Garibaldi Empreendimentos Imobiliários Ltda		100.00	100.00	25,596	57,865	14,457	32,344
Gcln Incorporações E Empreendimentos Ltda		80.00	80.00	44,040	77,941	(4,580)	10,375
GCW Capao Da Canoa Empreendimentos Imobiliários Ltda		60.00	60.00	15,450	15,330	(14)	2
Imperio do Ocidente Incorporações Ltda		50.00	50.00	17,647	15,248	2,399	-
Jacira Reis Empreendimentos Imobiliários Ltda		50.00	50.00	34,318	45,499	(7,959)	-
Jardim Leao Empreendimentos Imobiliários Ltda		100.00	100.00	25,984	43,960	(3,620)	13,205
Jardim Loureiro da Silva Empreendimentos Imobiliários Ltda		65.00	65.00	31,319	39,058	12,691	24,194
Lanballe Incorporadora Ltda		40.00	40.00	24,596	25,709	15,888	20,358
Living 006 Empreendimentos Imobiliários Ltda		100.00	100.00	11,004	25,284	2,204	20,178
Living Abaete Empreendimentos Imobiliários Ltda		100.00	100.00	11,622	38,666	2,494	46,956
Living Amparo Empreendimentos Imobiliários Ltda		100.00	100.00	43,946	80,349	(450)	34,780
Living Apiati Empreendimentos Imobiliários Ltda		100.00	100.00	62,459	98,449	13,069	55,841
Living Batatais Empreendimentos Imobiliários Ltda		100.00	100.00	29,925	22,558	3,966	14,232
Living Batbacena Empreendimentos Imobiliários Ltda		100.00	100.00	18,163	35,459	8,700	27,871
Living Carita Empreendimentos Imobiliários Ltda		100.00	100.00	11,195	7,976	(259)	123
Living Jacaranda Empreendimentos Imobiliários Ltda		100.00	100.00	17,196	22,888	10,635	17,106
Living Martini Empreendimentos Imobiliários Ltda		100.00	100.00	14,048	16,140	6,750	13,692
Living Panama Empreendimentos Imobiliários Ltda		100.00	100.00	143,351	199,857	(29,273)	104,675
Living Pitangui Empreendimentos Imobiliários Ltda		100.00	100.00	25,931	21,519	11,187	6,189
Living Provance Empreendimentos Imobiliários Ltda		100.00	100.00	28,024	31,164	7,757	19,597
Living Ribeirao Empreendimentos Imobiliários Ltda		100.00	100.00	13,300	17,740	442	5,455
Living Sul Empreendimentos Imobiliários Ltda		100.00	100.00	126,117	197,021	(21,389)	28,300
Mac Australia Empreendimentos Imobiliários Ltda		49.45	49.45	35,192	50,254	(1,802)	38,023
Mac Barcelona Empreendimentos Imobiliários Ltda		49.45	49.45	16,690	9,550	13,028	8,391
Mac Massachusetts Emreed Imobiliários Ltda		50.00	49.99	12,959	31,660	3,894	15,969
Mac Milao Empreendimentos Imobiliários Ltda		49.45	49.45	21,408	15,989	2,902	5,813
Mac Otacilio Empreendimentos Imobiliários Ltda	(i)	50.00	49.99	35,258	52,494	4,009	39,102
Mac Pionner-4 Emreed Imobiliários Ltda		50.00	49.99	14,454	13,909	(6)	-
Mac Roma Empreendimentos Imobiliários Ltda		50.00	50.00	25,802	23,833	(3)	-
Mac Texas Empreendimentos Imobiliários Ltda		49.02	49.02	22,305	20,127	(13)	-
Madison Propriedades Imobiliarias Ltda		100.00	100.00	10,084	14,529	(2,821)	8,293
Mnr6 Empreendimentos Imobiliários S/A		35.00	35.00	35,769	53,786	5,001	20,491
Oaxaca Incorporadora Ltda		100.00	100.00	86,538	164,110	(11,862)	53,632
Prapitingui Empreendimentos Imobiliários Ltda	(i)	50.00	49.50	13,243	18,142	8,811	21,407
Plano Angelim Empreendimentos Imobiliários Ltda		50.00	100.00	12,935	344	(2,034)	-
Plano Cedro Empreendimentos Imobiliários Ltda		100.00	100.00	23,382	45,779	6,076	34,533
Plano Eucalipto Empreendimentos Imobiliários Ltda		100.00	100.00	11,547	11,198	(329)	(99)
Plano Flamboyant Empreendimentos Imobiliários Ltda		100.00	100.00	15,356	38,506	4,011	27,489
Plano Jacaranda Empreendimentos Imobiliários Ltda		100.00	100.00	16,611	37,572	4,436	18,596
Plano Limoeiro Empreendimentos Imobiliários Ltda		100.00	100.00	20,670	20,812	2,394	12,105
Plano Macieira Empreendimentos Imobiliários Ltda		100.00	100.00	36,869	31,343	1,357	2,338
Plano Mangueira Empreendimentos Imobiliários Ltda		100.00	100.00	13,783	16,572	272	3,836
Plano Mogno Empreendimentos Imobiliários Ltda		100.00	100.00	25,290	46,699	(2,194)	22,286
Plano Palmeiras Empreendimentos Imobiliários Ltda		100.00	100.00	10,770	15,714	3,714	13,064
Plano Peroba Empreendimentos Imobiliários Ltda		50.00	100.00	13,424	2,628	3,747	19
Plano Pitangueiras Empreendimentos Imobiliários Ltda		100.00	100.00	23,282	30,479	1,176	4,881
Rgc Urbanismo Ltda		50.00	50.00	14,899	14,893	5	10
SCP - Balneario Costa Do Sol		20.00	20.00	14,728	14,729	(278)	1,042
SCP Empreendimentos 2012		49.45	49.45	93,851	132,406	28,176	55,314
SCP Empreendimentos 2013		49.03	49.02	206,677	213,353	7,596	12,416
Seattle Empreendimentos Imobiliários Ltda		49.02	49.02	91,836	85,889	(3)	-
SK Antonio Macedo Empreendimentos Imobiliários SPE Ltda		50.00	50.00	16,008	10,269	5,661	2,342
SK Ipojuca Empreendimentos Imobiliários Ltda		50.00	50.00	13,891	13,592	(43)	-
SK Jurucê Empreendimentos Imobiliários SPE Ltda		50.00	50.00	18,983	17,870	(228)	-
SK Mourato Coelho Empreendimentos Imobiliários SPE Ltda		50.00	50.00	13,219	12,781	(31)	-
SPE Brasil Incorporações 55 Ltda		50.00	50.00	18,481	19,666	(634)	6,159
Ssb Empreendimentos Imobiliários SPES/A		84.25	84.25	11,539	12,951	(3,024)	1,346
Teresopolis Empreendimentos Imobiliários Ltda		80.00	80.00	12,538	12,815	508	141
Topazio Brasil Empreendimentos Imobiliários SPE Ltda	(i)	49.90	50.00	32,861	25,075	1,315	655
Torres Vedras Empreendimentos Imobiliários SPE Ltda		80.00	80.00	26,824	56,604	3,311	33,516
Venancio Aires Empreendimentos Imobiliários SPE Ltda		50.00	50.00	10,377	10,351	7	(523)
Vero Sta Isabel Empreendimentos Imobiliários SPE Ltda		100.00	100.00	10,796	33,087	778	-
Vnss Empreendimentos Imobiliários SPES/A		82.00	81.99	60,676	77,089	(4,122)	11,417
Other 245 SPEs				341,914	1,091,033	10,891	903,030
(i)	Change due to the increase (decrease) in equity interests.						
(ii)	Refers to the establishment of a new company.						
(iii)	Refers to the merger/corporate restructuring whereby the company, previously an indirect subsidiary, became a direct subsidiary.						

- c) The total balances of the balance sheet and statement of profit or loss accounts of the consolidated companies, joint ventures or associates, either direct and indirect, considered in the consolidated interim financial information as at September 30, 2016 and December 31, 2015, may be summarized as follows:

	Equity interests - %		09/2016				2015				09/2015	
	09/2016	2015	Assets	Liabilities	Equity	Profit (loss) for the period	Assets	Liabilities	Equity	Profit (loss) for the period		
Abdo Empreendimentos Imobiliários Ltda	100.00	99.99	28,686	2,347	26,339	(11)	21,223	277	20,947	(5)		
Ak 19 - Empreendimentos E Participações Ltda	26.00	-	124,950	83,165	41,785	4,827	92,111	54,203	37,000	-		
Alabama Empreendimentos Imobiliários Ltda	49.02	49.02	33,349	9,397	23,952	2,724	21,154	7,225	13,929	615		
Alphaville Nova Esplanada 3 Empreendimentos Ltda	(ii)	25.00	-	61,710	9,725	51,985	2,556	-	-	-		
Andorra Empreendimentos Imobiliários Ltda		80.00	79.99	94,583	37,818	56,765	27,830	49,955	3,690	46,265	6,425	
Australia Empreendimentos Imobiliários Ltda		100.00	100.00	36,839	16,963	19,876	(1,828)	59,017	22,584	36,432	8,634	
Austria Incorporadora Ltda	(i)	50.00	50.00	32,108	11,758	20,350	(3,664)	19,864	1,017	18,847	(1847)	
Batel Empreendimentos Imobiliários Ltda		80.00	95.00	62,532	29,836	32,696	6,254	46,721	12,779	33,942	6,706	
Cabo Frio Incorporadora Ltda		50.00	50.00	34,372	74	34,297	(489)	34,393	18	34,375	(211)	
Campos Sales Empreendimentos Imobiliários Ltda		40.00	40.00	60,970	20,821	40,149	8,492	57,890	26,233	31,657	6,535	
Canoa Quebrada Empreendimentos Imobiliários Ltda		100.00	99.99	27,312	108	27,204	(114)	26,656	66	26,589	(59)	
Carapa Empreendimentos Imobiliários Ltda		60.00	60.00	78,110	48,757	29,353	19,302	45,635	4,952	40,683	2,798	
CBR 008 Empreendimentos Imobiliários Ltda		100.00	99.99	202,877	138,178	64,699	(2,363)	190,977	146,649	44,328	15,881	
CBR 011 Empreendimentos Imobiliários Ltda		32.50	32.50	212,503	63,567	148,936	(40,642)	295,779	106,202	189,578	-	
CBR 024 Empreendimentos Imobiliários Ltda		50.00	50.00	205,498	107,472	98,025	(8,333)	203,207	108,245	94,962	(7,202)	
CBR 025 Empreendimentos Imobiliários Ltda		50.00	50.00	126,135	190	125,946	47	125,901	2	125,899	1	
CBR 030 Empreendimentos Imobiliários Ltda		50.00	50.00	223,442	116,717	106,725	(7)	195,657	122,711	72,946	(7,386)	
CBR 031 Empreendimentos Imobiliários Ltda		100.00	99.99	130,793	17,858	112,935	17,948	111,191	9,890	101,302	(1,122)	
CCISA 03 Incorporadora Ltda		25.00	25.00	90,801	9,962	80,839	3,671	87,021	9,854	77,167	3,371	
CCISA 04 Incorporadora Ltda		49.95	49.95	61,616	32,559	29,057	9,464	68,057	48,464	19,542	9,226	
CCISA 05 Incorporadora Ltda		25.00	25.00	85,082	25,389	59,693	1,419	97,829	22,165	75,664	7,881	
Chilhan Investimentos Imobiliários Ltda		25.00	25.00	33,417	1,697	31,721	5,621	32,963	2,864	30,099	3,899	
Cipasa Santa Maria Empreendimentos Imobiliários S/A		50.00	50.00	27,435	441	26,994	933	28,962	291	25,571	5,218	
Cury Construtora E Incorp S/A		50.00	50.00	625,622	296,839	328,782	42,425	586,248	202,701	383,547	108,524	
Cyrela Aconagua Empreendimentos Imobiliários Ltda		100.00	100.00	53,392	1,205	52,187	(1,764)	55,990	2,988	53,002	1,808	
Cyrela Andrade Mendonca Jcpm Empreendimentos Imobiliários SPE S/A		85.00	85.00	87,847	38,066	49,781	(4,626)	127,196	82,961	44,235	8,756	
Cyrela Anis Empreendimentos Imobiliários Ltda		100.00	99.99	62,780	18,671	44,109	6,939	51,234	20,516	30,719	5,749	
Cyrela Asteca Empreendimentos Imobiliários Ltda		100.00	99.99	38,632	62	38,569	(551)	38,795	481	37,313	(7)	
Cyrela Brazil Realty Rjz Empreendimentos Imobiliária Ltda		100.00	100.00	112,850	21,547	91,303	42,358	89,226	35,789	53,437	(27,085)	
Cyrela Ccp Canela Empreendimentos Imobiliários Ltda		(i)	50.78	50.00	32,367	12	32,355	-	32,132	9	32,123	
Cyrela Commercial Properties S/A Empreendimentos e Participações		1.57	1.57	3,037,431	1,864,197	1,173,260	(23,701)	3,177,033	1,976,403	1,200,630	(3,386)	
Cyrela Cristal Empreendimentos Imobiliários Ltda		100.00	100.00	101,669	73,489	28,180	13,663	67,765	52,048	15,717	1,809	
Cyrela Empreendimentos Imobiliários Comercial Importadora e Exportadora Ltda		100.00	99.99	35,370	1,475	33,895	1,582	32,906	2,442	30,464	(5,455)	
Cyrela Europa Empreendimentos Imobiliários Ltda		100.00	100.00	124,575	64,567	60,008	(1,666)	120,062	55,913	64,149	6,849	
Cyrela Genwood de Investimento Imobiliária Ltda		95.75	95.74	34,959	4,554	30,405	(768)	29,450	5,263	24,187	309	
Cyrela Imobiliária Ltda		100.00	100.00	63,699	15,595	48,103	(941)	72,723	10,049	62,674	4,371	
Cyrela Indeco Empreendimentos Imobiliários Ltda		72.00	72.00	45,373	-	45,373	1,897	43,475	-	43,475	10,065	
Cyrela Indonesia Empreendimentos Imobiliários Ltda		100.00	99.99	111,365	69,381	41,984	22,489	85,376	54,588	30,788	17,294	
Cyrela Magik Monaco Empreendimentos Imobiliários Ltda		80.00	80.00	82,427	39,695	42,732	4,951	94,701	46,930	47,771	14,064	
Cyrela Malasia Empreendimentos Imobiliários Ltda		100.00	100.00	30,597	6,151	24,445	(2,252)	41,302	7,681	33,620	(3,170)	
Cyrela Manaus Empreendimentos Imobiliários Ltda		100.00	99.99	48,651	4,826	43,826	(1,839)	42,830	4,788	38,042	4,333	
Cyrela Monthlanc Empreendimentos Imobiliários Ltda		100.00	99.99	226,190	86,775	139,415	(29,237)	285,484	98,934	186,550	92,962	
Cyrela Monza Empreendimentos Imobiliários Ltda		100.00	100.00	269,410	77,585	191,825	15,597	310,047	133,820	176,228	14,230	
Cyrela Nordeste Empreendimentos Imobiliários Ltda		100.00	100.00	132,090	7,835	124,255	(19,542)	180,568	36,786	143,782	10,585	
Cyrela Pacifico Empreendimentos Imobiliários S/A		80.00	80.00	30,183	39	30,143	132	30,012	-	30,011	134	
Cyrela Parana Empreendimentos Imobiliários Ltda		100.00	99.99	104,982	52,075	52,907	(10,495)	148,844	97,519	51,324	35,003	
Cyrela Paris Empreendimentos Imobiliários Ltda		100.00	100.00	194,459	122,841	71,618	17,865	153,217	105,618	47,599	6,951	
Cyrela Piracema Empreendimentos Imobiliários Ltda		100.00	-	31,819	6,392	25,428	20	-	-	-	-	
Cyrela Polinesia Empreendimentos Imobiliários Ltda		100.00	99.99	146,015	65,899	80,116	(4,959)	245,863	147,073	98,790	56,886	
Cyrela Portugal Empreendimentos Imobiliários Ltda	(i)	100.00	75.99	52,384	83	52,301	(1,981)	65,743	10,639	55,104	(866)	
Cyrela Recife Empreendimentos Imobiliários Ltda		100.00	99.99	401,862	240,730	161,133	30,263	346,659	239,248	107,411	(8,101)	
Cyrela Rjz Construtora e Empreendimentos Imobiliários Ltda		100.00	100.00	125,576	31,386	94,190	(1,096)	99,386	12,223	87,163	(23,678)	
Cyrela Rjz Empreendimentos Imobiliários Ltda		97.45	97.44	63,510	(35,995)	99,505	534	111,931	252	111,679	8,300	
Cyrela Rjz Jcgentijo Empreendimentos Imobiliária Ltda		43.00	42.99	290,179	109,823	180,355	7,590	319,899	147,134	172,765	40,261	
Cyrela Somerset de Investimentos Imobiliários Ltda		83.00	82.99	25,706	1,964	23,741	(411)	27,859	470	27,389	2,717	
Cyrela Suecia Empreendimentos Imobiliários Ltda		100.00	100.00	298,911	188,615	110,296	(12,005)	392,829	270,527	122,302	37,864	
Cyrela Sul 001 Empreendimentos Imobiliários SPE Ltda		92.50	92.50	90,939	40,899	50,040	34,013	80,463	11,056	69,407	33,548	
Cyrela Sul 008 Empreendimentos Imobiliários SPE Ltda	(i)	90.00	92.50	24,218	67	24,151	(928)	8,386	2	8,384	(26)	
DOC Agua Verde Ltda		95.00	95.00	23,226	2,713	20,512	(304)	22,600	1,243	20,817	3,723	
DOC Joao Quaberto Ltda		95.00	95.00	63,621	17,746	45,875	5,744	54,031	19,066	34,965	2,300	
DOC Map Parana Empreendimentos Imobiliários Ltda		88.25	95.00	39,281	16,615	22,666	9,391	7,694	-	7,694	(1545)	
DOC Paineirinho Empreendimentos Imobiliários Ltda		95.00	94.99	22,361	1,478	20,883	1,287	24,996	591	24,405	(1,731)	
Dover Empreendimentos Imobiliários Ltda		49.02	49.02	47,247	16,143	31,104	3,215	52,412	28,561	23,851	10,627	
Ebrus Empreendimento Imobiliária Ltda		59.41	59.41	47,225	21,221	26,003	5,036	48,566	31,631	16,935	3,562	
Fazenda Sao Joao Empreendimentos Imobiliários SPE Ltda		85.00	84.99	23,395	16	23,380	(42)	23,251	12	23,239	(24)	
Garibaldi Empreendimentos Imobiliários Ltda		100.00	99.99	46,904	21,878	25,026	14,457	39,878	5,668	34,209	9,224	
Gcl Incorporações E Empreendimentos Ltda		80.00	80.00	64,265	20,225	44,040	(4,580)	78,386	29,766	48,620	(19,456)	
Giese Incorporadora Ltda		57.54	57.53	138,854	90,300	48,554	398	138,716	90,560	48,157	809	
Goldstein Cyrela Empreendimentos Imobiliários S/A		100.00	100.00	893,077	204,344	688,733	23,549	855,606	156,423	699,183	37,510	
Itacema Incorporadora Ltda		50.00	50.00	56,010	112	55,898	1	54,469	13	54,456	(239)	
Jaris Reis Empreendimentos Imobiliários Ltda		100.00	100.00	134,371	100,854	33,517	(7,959)	149,850	104,352	45,499	-	
Jardim Leao Empreendimentos Imobiliários Ltda		100.00	99.99	27,417	1,433	25,984	(3,620)	35,843	6,344	29,499	4,268	
Jardim Loureiro da Silva Empreendimentos Imobiliários Ltda		65.00	65.00	51,265	19,946	31,319	12,691	41,629	13,001	28,628	7,147	
Lamballe Incorporadora Ltda		40.00	40.00	56,140	31,544	24,596	15,888	56,698	30,900	25,799	-	
Lider Cyrela Di Oi Empreendimentos Imobiliários Ltda		100.00	99.99	36,933	2,791	34,142	(1,460)	37,892	2,289	35,602	(5,352)	
Living Angra Empreendimentos Imobiliários Ltda		100.00	99.99	136,980	92,648	44,332	(459)	122,648	85,713	36,932	7,453	
Living Apiai Empreendimentos Imobiliários Ltda		100.00	99.99	122,053	59,595	62,459	13,069	117,590	68,029	49,561	18,163	
Living Batatas Empreendimentos Imobiliários Ltda		100.00	99.99	91,784	61,859	29,925	3,966	66,466	52,735	13,731	1,993	
Living Cedro Empreendimentos Imobiliários Ltda		100.00	99.99	169,911	124,639	45,271	22,524	106,009	84,635	21,374	21,057	
Living Empreendimentos Imobiliários S/A		100.00	99.99	775,322	39,360	736,162	58,508	714,757	29,765	684,99		

d) Foreign investment

The balance sheet accounts of subsidiary Brazil Realty Serviços e Investimentos Ltd. (based in Bahamas), whose functional currency corresponds to the US dollar, were translated into Brazilian reais using the exchange rate prevailing as at September 30, 2016, which corresponded to R\$3.2462 (September 30, 2015: R\$3.9729 and December 31, 2015: R\$3.9048).

The interim financial information of joint venture Cyrsa S.A. (based in Argentina), whose functional currency corresponds to the Argentinean pesos, were translated into Brazilian reais using the exchange rate prevailing as at September 30, 2016 - R\$0.2131 (September 30, 2015: R\$0.4220 and December 31, 2015: R\$0.3017).

e) Breakdown of the investments presented in consolidated

Sociedades:	Equity interest - %				Equity		Profit (loss) for the period		Investment		Share of profits (losses) of subsidiaries	
	09/2016		12/2015		09/2016	12/2015	09/2016	09/2015	09/2016	12/2015	09/2016	09/2015
	Total	Direct	Total	Direct								
Ak 19 - Empreendimentos E Participações Ltda	26.00	-	26.00	-	41,785	30,832	4,827	-	10,864	9,856	1,255	-
Austria Incorporadora Ltda	50.00	50.00	50.00	50.00	20,350	18,847	(3,664)	(169)	10,175	9,424	(1,832)	(85)
Bello Villinho Empreendimentos Imobiliários Ltda	50.00	-	50.00	-	13,662	12,220	-	148	6,831	6,110	-	89
Cabo Frio Incorporadora Ltda	50.00	50.00	50.00	50.00	34,297	34,375	(489)	(211)	17,149	17,188	(245)	(105)
Camargo Correa Cyrela Empr Im SPE Ltda	50.00	50.00	50.00	50.00	11,864	9,189	17	(57)	5,932	4,595	8	(29)
CBR 011 Empreendimentos Imobiliários Ltda	32.50	32.50	32.50	32.50	148,936	189,578	(40,642)	-	48,404	61,613	(13,209)	-
CHL Lxxviii Incorporações Ltda	50.00	50.00	50.00	50.00	18,734	19,281	(308)	2,104	9,367	9,641	(154)	1,052
Cipasa Santa Maria Empreendimentos Imobiliários S/A	50.00	50.00	50.00	50.00	26,994	25,571	933	5,218	13,497	12,786	466	2,609
Cury Construtora E Incorpor S/A	50.00	50.00	50.00	50.00	328,782	383,547	42,425	108,524	164,391	191,773	21,213	54,262
Cyrela Commercial Properties S/A Empreendimentos e Participações	1.56	1.47	1.57	1.47	1,175,360	1,200,630	(23,701)	(3,386)	18,503	18,850	(314)	-
Dalaveca Incorporadora Ltda	(i) 50.00	-	50.00	-	13,829	18,962	2,867	-	6,914	9,481	1,434	-
Fazenda Sao Joao Empreendimentos Imobiliários SPE Ltda	(ii) 85.00	85.00	85.00	84.99	23,380	23,239	(42)	(24)	19,873	19,753	(35)	(20)
Galeria Boulevard Negocios Imobiliários S/A	48.62	-	48.62	-	11,873	11,902	3	-	5,937	5,951	2	-
Gliese Incorporadora Ltda	(iii) 57.54	57.54	57.54	57.53	48,554	48,157	398	809	27,937	27,708	229	466
Imperio do Ocidente Incorporações Ltda	(i) 50.00	-	50.00	-	17,647	15,248	2,399	-	8,824	7,624	1,199	-
Jacira Reis Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	-	34,318	45,499	(7,959)	-	17,159	22,750	(3,980)	-
Lamballe Incorporadora Ltda	(i) 40.00	-	40.00	-	24,596	25,709	15,888	-	9,839	10,284	6,355	-
Lucio Brazil Real Estate S/A	50.00	50.00	50.00	50.00	36,269	35,515	754	(538)	18,135	17,758	377	-
Marques de Itu SPE Empreendimentos Imobiliários Ltda	50.00	50.00	50.00	50.00	21,297	19,065	1,622	2,498	10,649	9,533	811	(269)
Moinho Velho Empreendimentos Imobiliários SPE Ltda	50.00	50.00	50.00	50.00	11,728	6,169	9	(1)	5,864	3,085	4	-
Placon Cyrela Empreendimentos Imobiliários SPE Ltda	50.00	50.00	50.00	50.00	11,901	13,999	(2,098)	(2,526)	5,951	7,000	(1,049)	(1,263)
Queiroz Galvao Mac Cyrela Veneza Empreendimentos Imobiliários S/A	45.00	15.00	45.00	15.00	18,738	22,391	2,347	(4,815)	8,432	10,076	352	(1,445)
Rgc Urbanismo Ltda	50.00	-	50.00	-	14,899	14,893	5	10	7,449	7,447	3	-
SCP - Balneario Costa Do Sol	20.00	-	20.00	-	14,728	14,729	(278)	1,042	2,946	2,946	(56)	-
SCP Veredas Buritis Fase II	(iii) 6.00	6.00	6.00	6.00	18,579	18,958	(380)	1,838	1,115	1,137	(23)	-
SPE Barbacena Empreendimentos Imobiliários Ltda	50.00	50.00	-	-	46,333	-	11,266	-	23,166	-	5,633	-
SPE Brasil Incorp 20 Ltda	50.00	50.00	50.00	50.00	24,988	24,747	(8)	(12)	12,494	12,374	(4)	(6)
SPE Brasil Incorp 28 Ltda	50.00	50.00	50.00	50.00	21,082	19,111	1,648	4,351	10,541	9,556	824	2,175
SPE Brasil Incorporações 55 Ltda	50.00	-	50.00	-	18,481	19,666	(634)	-	9,241	9,833	(317)	-
SPE Brasil Incorporação 83 Ltda	50.00	50.00	50.00	50.00	18,852	12,704	1,845	1,792	9,426	6,352	923	896
SPE CHL Cv Incorporacoes Ltda	50.00	50.00	50.00	50.00	30,698	28,611	(4,526)	9,503	15,349	14,306	(2,263)	4,751
SPE Faicalville Incorp 1 Ltda	50.00	50.00	50.00	50.00	26,768	33,012	(3,258)	(398)	13,384	16,506	(1,629)	(199)
Tamoios Empreendimentos Imobiliários SPE Ltda	(iii) 60.00	60.00	60.00	59.99	29,140	29,562	(583)	796	17,484	17,737	(350)	477
Tapira Empreendimentos Imobiliários Ltda	24.75	24.75	33.00	33.00	159,987	117,928	3,059	86	39,597	38,916	757	29
Teresopolis Empreendimentos Imobiliários Ltda	(ii) 80.00	-	80.00	-	12,538	12,815	508	141	10,031	10,253	407	112
Tecnisa S/A	13.48	13.48	-	-	1,669,702	-	(197,445)	-	67,592	-	(5,759)	-
Other 73 SPEs					200,547	192,853	9,964	12,510	74,072	105,639	8,174	(4,009)
									764,350	745,841	19,208	59,488

(i) Subsidiary of Cury Construtora e Incorporadora S/A.

(ii) Company classified as a joint venture.

(iii) Subsidiary of an external partner.

On August 24, 2016, the Company completed, through a public offering of Tecnisa S/A shares, the subscription of 36,675,752 registered, book-entry common shares, without par value, totaling R\$73,352, representing a 13.48% stake as at September 30, 2016. Taking into consideration the significant influence on the investee (CPC 18), the Company classified the investment as interest in an associate. For purposes of disclosure of this interim financial information, the Company has not yet completed the required study to allocate the fair value of the investee's assets and liabilities, considering that the measurement period cannot exceed 12 months as from the date of acquisition (CPC 15).

8. PROPERTY, PLANT AND EQUIPMENT

The variations are as follows:

Cost:	Parent						Total
	Machinery and equipments	Furniture and fixtures	Computers	Facilities	Company cars	Leasehold improvements (i)	
Balance at Dec 31, 2014	1,392	5,908	10,757	362	92	16,683	35,194
Additions	14	7	47	-	-	80	148
Balance at Sep 30, 2015	1,406	5,915	10,804	362	92	16,763	35,342
Balance at Dec 31, 2015	1,406	5,915	11,097	374	92	16,761	35,645
Additions	73	2	7	-	-	6,412	6,494
Balance at Sep 30, 2016	1,479	5,917	11,104	374	92	23,173	42,139

Depreciation	Parent						Total
	10% p.a. - Machinery and equipments	10% p.a. - Furniture and fixtures	20% p.a. - Computers	10% p.a. - Facilities	20% p.a. - Company cars	Leasehold improvements (i)	
Balance at Dec 31, 2014	(772)	(3,126)	(8,157)	(173)	(92)	(13,928)	(26,248)
Depreciation	(91)	(443)	(890)	(27)	-	(1,056)	(2,507)
Balance at Sep 30, 2015	(863)	(3,569)	(9,047)	(200)	(92)	(14,984)	(28,755)
Balance at Dec 31, 2015	(893)	(3,716)	(9,312)	(209)	(92)	(15,308)	(29,530)
Depreciation	(94)	(443)	(674)	(29)	-	(983)	(2,223)
Balance at Sep 30, 2016	(987)	(4,159)	(9,986)	(238)	(92)	(16,291)	(31,753)
Residual balance at Dec 31, 2014	620	2,782	2,600	189	-	2,755	8,946
Residual balance at Sep 30, 2015	543	2,346	1,757	162	-	1,779	6,587
Residual balance at Dec 31, 2015	513	2,199	1,785	165	-	1,453	6,115
Residual balance at Sep 30, 2016	492	1,758	1,118	136	-	6,882	10,386

Cost:	Consolidated							Total
	Machinery and equipments	Furniture and fixtures	Computers	Facilities	Company cars	Leasehold improvements (i)	Sales stand (ii)	
Balance at Dec 31, 2014	7,592	13,929	16,992	1,087	243	25,466	522,953	588,262
Additions	940	314	5,693	7	29	748	19,726	27,457
Write-offs	-	(36)	(968)	-	(29)	(452)	-	(1,485)
Balance at Sep 30, 2015	8,532	14,207	21,717	1,094	243	25,762	542,679	614,234
Balance at Dec 31, 2015	8,664	14,234	17,747	1,083	243	25,802	547,238	615,011
Additions	23	-	137	1	-	7,528	24,891	32,580
Write-offs	(2,948)	(260)	-	-	(81)	-	(16,243)	(19,532)
Balance at Sep 30, 2016	5,739	13,974	17,884	1,084	162	33,330	555,886	628,059

Depreciation	Consolidated							Total
	10% p.a. - Machinery and equipments	10% p.a. - Furniture and fixtures	20% p.a. - Computers	10% p.a. - Facilities	20% p.a. - Company cars	Leasehold improvements (i)	Sales stand (ii)	
Balance at Dec 31, 2014	(4,331)	(6,508)	(12,923)	(519)	(184)	(19,655)	(372,700)	(416,820)
Depreciation	(1,379)	(1,340)	(3,440)	(82)	(31)	(1,359)	(38,399)	(46,030)
Balance at Sep 30, 2015	(5,710)	(7,848)	(16,363)	(601)	(215)	(21,014)	(411,099)	(462,850)
Balance at Dec 31, 2015	(5,849)	(8,178)	(14,909)	(628)	(218)	(21,443)	(424,115)	(475,340)
Depreciation	(260)	(742)	(740)	(82)	-	(1,930)	(54,781)	(58,535)
Write-offs	2,276	-	-	-	71	-	-	2,347
Balance at Sep 30, 2016	(3,833)	(8,920)	(15,649)	(710)	(147)	(23,373)	(478,896)	(531,528)
Residual balance at Dec 31, 2014	3,261	7,421	4,069	568	59	5,811	150,253	171,442
Residual balance at Sep 30, 2015	2,822	6,359	5,354	493	28	4,748	131,580	151,384
Residual balance at Dec 31, 2015	2,815	6,056	2,837	455	25	4,359	123,123	139,671
Residual balance at Sep 30, 2016	1,906	5,054	2,235	374	15	9,957	76,990	96,531

(i) Costs are charged to profit or loss over the property lease periods, which can range from three to five years.

(ii) Depreciation is based on the useful life of the assets of 26 months on average, used during the project sales period, and it is allocated to profit or loss, in line item 'Selling expenses'.

9. INTANGIBLE ASSETS

The variations are as follows:

Cost:	Parent					
	Trademarks and patents	Implementation costs	Software licenses	Subtotal	Goodwill	Total
Balance at Dec 31, 2014	37	66,767	22,199	89,003	124,302	213,305
Additions	-	4,382	2,833	7,215	13,923	21,138
Balance at Sep 30, 2015	37	71,149	25,032	96,218	138,225	234,443
Balance at Dec 31, 2015	37	72,620	25,032	97,689	138,217	235,906
Additions	-	1,491	182	1,673	1,407	3,080
Balance at Sep 30, 2016	37	74,111	25,214	99,362	139,624	238,986

Amortization:	Parent					
	Trademarks and patents	14% p.a. - Implementation costs	20% p.a. - Software licenses	Subtotal	Goodwill	Total
Balance at Dec 31, 2014	-	(20,683)	(11,293)	(31,976)	(101,036)	(133,012)
Amortization	-	(5,102)	(2,282)	(7,384)	(361)	(7,745)
Balance at Sep 30, 2015	-	(25,785)	(13,575)	(39,360)	(101,397)	(140,757)
Balance at Dec 31, 2015	-	(27,533)	(14,345)	(41,878)	(101,491)	(143,369)
Depreciation	-	(6,760)	(2,269)	(9,029)	(410)	(9,439)
Balance at Sep 30, 2016	-	(34,293)	(16,614)	(50,907)	(101,901)	(152,808)
Residual balance at Dec 31, 2014	37	46,084	10,906	57,027	23,266	80,293
Residual balance at Sep 30, 2015	37	45,364	11,457	56,858	36,828	93,686
Residual balance at Dec 31, 2015	37	45,087	10,687	55,811	36,726	92,537
Residual balance at Sep 30, 2016	37	39,818	8,600	48,455	37,723	86,178

Cost:	Consolidated					
	Trademarks and patents	Implementation costs	Software licenses	Subtotal	Goodwill	Total
Balance at Dec 31, 2014	108	77,940	42,498	120,546	128,950	249,496
Additions	-	6,595	2,835	9,430	12,689	22,119
Write-offs	-	-	(7,185)	(7,185)	-	(7,185)
Reclassifications (i)	-	-	-	-	(12,357)	(12,357)
Balance at Sep 30, 2015	108	84,535	38,148	122,791	129,282	252,073
Balance at Dec 31, 2015	72	88,744	44,035	132,851	127,165	260,016
Additions	-	2,190	-	2,190	1,407	3,597
Write-offs	-	-	(972)	(972)	(2,363)	(3,335)
Balance at Sep 30, 2016	72	90,934	43,063	134,069	126,209	260,278

Amortization:	Consolidated					
	Trademarks and patents	14% p.a. - Implementation costs	20% p.a. - Software licenses	Sub-total	Goodwill	Total
Balance at Dec 31, 2014	-	(27,290)	(21,211)	(48,501)	(100,227)	(148,728)
Amortization	-	(5,148)	(2,053)	(7,201)	(4,026)	(11,227)
Balance at Sep 30, 2015	-	(32,438)	(23,264)	(55,702)	(104,253)	(159,955)
Balance at Dec 31, 2015	-	(38,224)	(27,711)	(65,935)	(108,991)	(174,926)
Amortization	-	(8,307)	(2,502)	(10,809)	(3,700)	(14,509)
Balance at Sep 30, 2016	-	(46,531)	(30,213)	(76,744)	(112,691)	(189,435)
Residual balance at Dec 31, 2014	108	50,650	21,287	72,045	28,723	100,768
Residual balance at Sep 30, 2015	108	52,097	14,884	67,089	25,029	92,118
Residual balance at Dec 31, 2015	72	50,520	16,324	66,916	18,174	85,090
Residual balance at Sep 30, 2016	72	44,403	12,850	57,325	13,518	70,843

(i) Reclassification of intangible assets to properties for sale.

Asset appreciation balances have a finite useful life based on the real estate project construction and are allocated to the line items 'Properties for sale' in the consolidated financial statements and 'Intangible assets' in the Parent.

Management periodically reviews the useful lives of the Company's other intangible assets.

Variations in goodwill arising on the appreciation of assets with finite useful lives.

	Parent						
	Balance at			Balance at			Balance at
	12/31/2014	Goodwill	Amortization	12/31/2015	Goodwill	Amortization	09/30/2016
Goodwill in the Company							
Belgica Empreendimento Imobiliario Ltda.	-	104	(52)	52	80	(132)	-
Office Shopping 2 Empreendimentos Ltda.	68	-	-	68	-	(68)	-
Rouxinol Salvador Alende Empr Imob Ltda.	3	-	(2)	1	-	(1)	-
Cyrela Malasia Empreendimentos imobiliários Ltda.	-	13,811	-	13,811	-	-	13,811
Mac Empreendimentos Imobiliários Ltda	10,000	-	-	10,000	-	-	10,000
Global Park Residencial Empreendimentos Imobiliários Ltda.	9	-	1	10	-	(10)	-
Mac Cyrela Mafra Empreendimentos Imobiliários Ltda	2	-	-	2	-	(2)	-
Calafete Investimento Imobiliária Ltda	16	-	(15)	1	-	(1)	-
Maiastra 1 Empreendimentos Imobiliários Ltda.	142	-	(110)	32	-	(32)	-
Maiastra 2 Empreendimentos Imobiliários Ltda.	74	-	(57)	17	-	(17)	-
Saracura - Investimento Imobiliária Ltda	25	-	(24)	1	-	(1)	-
Lombok Incorporadora Ltda	8	-	(2)	6	-	(6)	-
Oaxaca Empreendimentos Imobiliários Ltda.	562	-	(194)	368	-	(140)	228
Spe Mg 02 Empreendimentos Imobiliários Ltda	4,410	-	-	4,410	-	-	4,410
Spe Mg 01 Empreendimentos Imobiliários Ltda	4,658	-	-	4,658	-	-	4,658
Spe Mg 03 Empreendimentos Imobiliários Ltda	3,289	-	-	3,289	-	-	3,289
Spe Barbacena Emp Imob S.A	-	-	-	-	1,327	-	1,327
Total	23,266	13,915	(455)	36,726	1,407	(410)	37,723
Consolidated							
	Balance at	Transfer to		Balance at			Balance at
	12/31/2014	inventory	Goodwill	12/31/2015	Goodwill	Amortization	09/30/2016
Belgica Empreendimento Imobiliario Ltda.	-	-	104	52	80	(132)	-
Office Shopping 2 Empreendimentos Ltda.	68	-	-	68	-	(68)	-
Rouxinol Salvador Alende Empr Imob Ltda.	3	-	(2)	1	-	(1)	-
Mac Empreendimentos Imobiliários Ltda	10,000	-	-	10,000	-	-	10,000
Global Park Residencial Empreendimentos Imobiliários Ltda.	9	-	1	10	-	(10)	-
Mac Cyrela Mafra Empreendimentos Imobiliários Ltda	2	-	-	2	-	(2)	-
Calafete Investimento Imobiliária Ltda	16	-	(15)	1	-	(1)	-
Maiastra 1 Empreendimentos Imobiliários Ltda.	142	-	(110)	32	-	(32)	-
Maiastra 2 Empreendimentos Imobiliários Ltda.	74	-	(57)	17	-	(17)	-
Saracura - Investimento Imobiliária Ltda	25	-	(24)	1	-	(1)	-
Lombok Incorporadora Ltda	8	-	(2)	6	-	(6)	-
Oaxaca Empreendimentos Imobiliários Ltda.	562	-	(194)	368	-	(140)	228
Spe Mg 02 Empreendimentos Imobiliários Ltda	4,410	(4,410)	-	-	-	-	-
Spe Mg 01 Empreendimentos Imobiliários Ltda	4,658	(4,658)	-	-	-	-	-
Spe Mg 03 Empreendimentos Imobiliários Ltda	3,289	(3,289)	-	-	-	-	-
Spe Barbacena Emp Imob S.A	-	-	-	-	1,327	-	1,327
Subtotal	23,266	(12,357)	104	10,558	1,407	(410)	11,555
Goodwill in investees							
Plano & Plano Construções E Participações Ltda	4,214	-	(1,076)	3,138	(2,365)	(773)	-
Living Empreendimentos Imobiliários Ltda	-	-	1	1	-	(1)	-
Living Sul Empreendimentos Imobiliários Ltda.	1,243	-	(14)	1,229	2	(55)	1,176
Cyrela Indonesia Empreendimentos Imobiliarios Ltda.	-	-	11,544	3,248	-	(2,461)	787
Subtotal	5,457	-	10,468	7,616	(2,363)	(3,290)	1,963
Total	28,723	(12,357)	10,572	18,174	(956)	(3,700)	13,511

As at September 30, 2016, the appreciation balance substantially derives from trade receivables and is recognized in profit or loss as such assets are realized, based on the stage of completion of the works.

10. BORROWINGS AND FINANCING

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Borrowings - local currency	603,886	695,323	822,204	895,446
Financing - local currency	-	-	2,277,448	2,315,645
Interest payable - financing	-	-	9,617	7,039
Interest payable - local currency	12,912	11,024	18,927	13,661
Interest payable (receivable) - swap	957	375	957	375
Transaction costs - local currency	(4,731)	(2,414)	(4,731)	(2,415)
	613,024	704,308	3,124,422	3,229,751
Current	11,934	149,131	1,026,801	1,057,440
Noncurrent	601,090	555,177	2,097,621	2,172,311

Borrowings and financing in local currency are represented by:

As at September 30, 2016, short- and long-term credit facilities total R\$822,204, of which R\$100,420 is subject to the Reference Rate (TR) plus spread of 8.75% p.a., R\$150,000 is subject to 112% of the CDI, R\$206,027 is subject to the Reference Rate (TR) plus spread of 9.72% p.a., R\$147,438 is subject to the Reference Rate (TR) plus 10.59% p.a., R\$787 is subject to 3.5% p.a., R\$301 is subject to 6% p.a., R\$80,000 is subject to 100% of the CDI plus 0.7030% p.a., R\$99,728 is subject to TJLP plus 3.78% p.a.; R\$6,935 is subject to the Extended Consumer Price Index (IPCA) plus 12% p.a.; R\$59 is subject to 100% of the CDI plus 5.41% p.a., and R\$510 is subject to 9.5% p.a., R\$30,000 subject to 113.5% of CDI (as at December 31, 2015, short- and long-term credit facilities total R\$895,446, of which R\$200,000 is subject to 111.5% of the CDI, R\$40,147 is subject to the Reference Rate (TR) plus spread of 10.50% p.a., R\$102,415 is subject to the Reference Rate (TR) plus spread of 8.75% p.a., R\$150,000 is subject to 112% of the CDI, R\$202,762 is subject to the Reference Rate (TR) plus spread of 9.72% p.a., R\$1,049 is subject to 3.5% p.a., R\$368 is subject to 6% p.a., R\$90,000 is subject to 100% of the CDI plus 0.7030% p.a., R\$99,514 is subject to TJLP plus 3.78% p.a., R\$6,681 is subject to the Extended Consumer Price Index (IPCA) plus 12% p.a., R\$2,000 is subject to 100% of the CDI plus 1.5% p.a. and R\$510 is subject to 9.5% p.a.). These borrowings are collateralized by the controlling shareholder's collateral signature, receivables from properties sold and letter of guarantee. For credit facilities in the amount of R\$150,000 and R\$100,403, there are restrictive covenants determining maximum debt and leverage ratios, as well as minimum coverage ratios of falling due installments, which will be discussed below.

As at September 30, 2016, financing amounting to R\$2,277,448 (R\$2,315,645 as at December 31, 2015) consist of real estate credit transactions, subject to interest ranging from 8.30% and 10.75% p.a. plus TR. The related financing agreements provide for maturity acceleration in case of nonperformance of obligations assumed, such as, but not limited to, use of the funds for the purpose established in the contract, registration of mortgage on the project, and meeting the construction schedule. Financing agreements are collateralized by 120% to 130% of receivables, mortgage of land, future units and also the Company's collateral signature.

On June 8, 2015, the Company contracted a "prefixed swap x DI" transaction under which it assumed a long position at a fixed rate of 10.52% p.a. and a short position at a rate of 85.03% of the CDI. This transaction is related to the debt of R\$206,027,792, as mentioned in item (i) above, and has the same maturity dates.

On February 1, 2016, the Company contracted a "prefixed swap x DI" transaction under which it assumed a long position at a fixed rate of 10.59% p.a. and a short position at a rate of 71.86% of the CDI. This transaction is related to the debt of R\$147,438, as mentioned in item (i) above, and has the same maturity dates.

In the nine-month period ended September 30, 2016, interest on real estate borrowings eligible for capitalization in inventories totaled R\$174,882 (R\$142,962 as at September 30, 2015).

The maturity of the noncurrent liabilities portion per year is as follows:

Year	Parent		Consolidated	
	09/2016	2015	09/2016	2015
2017	-	100,000	275,289	958,305
2018	247,996	252,415	991,155	762,592
2019	353,094	202,762	542,851	305,291
2020	-	-	170,149	59,461
2021	-	-	54,030	23,198
2022	-	-	10,426	10,315
2023-2027	-	-	53,721	53,149
Total	601,090	555,177	2,097,621	2,172,311

The changes in 'Borrowings and financing' are as follows:

	Parent			Consolidated		
	09/2016	2015	09/2015	09/2016	2015	09/2015
Opening balance	704,308	597,330	597,330	3,229,751	3,093,575	3,093,575
Additions	145,440	200,000	200,000	1,163,610	2,046,566	1,531,574
Principal repayment	(243,818)	(100,578)	(60,578)	(1,309,315)	(1,934,220)	(1,270,599)
Interest paid	(50,521)	(77,464)	(43,171)	(215,293)	(269,832)	(168,804)
Interest and charges	57,615	85,020	60,506	255,669	293,662	204,325
Closing balance	613,024	704,308	754,087	3,124,422	3,229,751	3,390,071

Restrictive covenants

Some abovementioned loan agreements contain restrictive covenants providing for maximum debt and leverage ratios as well as a minimum debt service coverage ratio for current installments, which must be met on a quarterly basis. The required ratios are as follows:

	Contractually required ratio
Net debt (plus properties payable less SFH debt) / Equity	Equal or lower than 0.8
Receivables (plus properties for sale) / net debt (less properties payable and unrecognized costs and expenses)	Equal or higher than 1.5 or lower than 0
EBIT / finance costs, net	Equal or higher than 1.5 or lower than 0

As at September 30, 2016, the Company was compliant with all covenants.

11. DEBENTURES (PARENT AND CONSOLIDATED)

a) Below are the features and balances of the debentures:

	CYRE 12	CYRE 22	CYRE 16
Series issued	Second	Second	Única
Type of issuance	Simple	Simple	Simple
Nature of issuance	Public	Public	Public
Issuance date	01/05/2008	01/05/2008	8/21/2012
Maturity date	01/05/2018	01/05/2018	8/21/2017
Type of debenture	Unsecured	Unsecured	Unsecured
Yield	100% DI + 0.65% p.a.	100% DI + 0.65% p.a.	100% DI + 1.20% p.a.
Par value (unit)	10	10	500
Securities issued (unit)	24975	24975	400
Securities outstanding (unit)	10	4253	200
Securities redeemed (unit)	-24965	-20722	-200
Type of interest payment	Semiannual	Semiannual	Semiannual
Amortization installments	1	1	1

	CYRE 12	CYRE 22	CYRE 16	09/2016	2015
Debentures payable	100	42,530	100,000	142,630	142,630
Interest on debentures payable	3	1,476	1,614	3,093	6,016
	103	44,006	101,614	145,723	148,646

Current	3	1,476	101,614	103,093	6,016
Noncurrent	100	42,530	-	42,630	142,630

Debentures may be early redeemed at the Company's discretion. The Company can also acquire debentures outstanding in the market, as permitted by the prevailing legislation.

In May 2014, the Company partially early redeemed the 6th Issue of Debentures called CYRE 16 in the amount of R\$200,000.

In October 2015, the Company early repaid the 6th Issue of Debentures called CYRE 16 in the amount of R\$100,000.

Interest on debentures eligible for capitalization in inventories totaled R\$2,307 in the year ended September 30, 2016 (R\$1,007 as at September 30, 2015).

Among the debentures issued by the Company with outstanding balances as at September 30, 2016, only CYRE 12 and CYRE 22 are subject to a rescheduling clause, which took place in 2010 and 2011, and are no longer eligible for restructuring.

Noncurrent liabilities mature as follows:

Year	09/2016	2015
24 months	42,630	100,000
36 months	-	42,630
Total	42,630	142,630

Variations in the balances of debentures were as follows:

	Parent and Consolidated		
	09/2016	2015	09/2015
Opening balance	148,646	253,515	253,515
Principal repayment	-	(100,000)	-
Interest payment	(18,657)	(35,941)	(31,548)
Interest and charges	15,734	31,072	25,216
Closing balance	145,723	148,646	247,183

b) Restrictive covenants

The indenture supporting the issuance of debentures contains restrictive covenants providing for maximum debt and leverage ratios as well as a minimum debt service coverage ratio for current installments, which must be met on a quarterly basis. The required ratios are as follows:

	<u>Contractually required ratio</u>
Net debt (plus properties payable less SFH debt) / Equity	Equal or lower than 0.7 (i)
Receivables (plus properties for sale) / net debt (less properties payable and unrecognized costs and expenses)	Equal or higher than 1.5 or lower than 0
EBIT / finance costs, net	Equal or higher than 1.5 or lower than 0

(i) For the CYRE 16 debentures, the calculation made must be 0.8 or lower.

As at September 30, 2016, the Company was compliant with all covenants.

12. CERTIFICATES OF REAL ESTATE RECEIVABLES (CRIs)
(PARENT AND CONSOLIDATED)

On June 14, 2011, subsidiary Brazil Realty Companhia Securitizadora de Créditos Imobiliários (“Securitizadora”) conducted its first series of the first issue of CRI transactions, as approved by the Board of Directors’ meeting held on February 23, 2011. On May 21, 2012, Securitizadora conducted the second issue of CRI transactions, as approved by the Board of Directors’ meeting held on May 17, 2012. On June 24, 2014, Securitizadora conducted the fourth issue of CRI transactions, as approved by the Board of Directors’ meeting held on June 6, 2014.

The first series of the first issue of CRIs was placed in the market through a public offering of 900 registered, book-entry CRIs with the unit face value of R\$300, totaling R\$270,000, second issue certificates with the unit face value of R\$334, totaling R\$300,000 and the fourth issue with the unit face value of R\$312, totaling R\$50,000. Under the mortgage-back security terms, the first and second issues of CRIs are collateralized by:

Receivables from sales of real estate units held by the respective assignors (the Company’s investees) and the Company, rights and amounts deposited by acquirers of real estate units, by the assignors and by the Parent in bank accounts specifically designated for receiving such amounts, under the related assignment contract.

The first and second issues of CRIs are backed by real estate credits arising from one bank credit note (“CCB”), issued by the Company, represented by one real estate credit note (“CCI”) issued by financial institutions, as the lenders of the CCB, which were subsequently acquired by Securitizadora under Law 10931/04 (“Mortgage Loans”) and assignment agreement. Securitizadora established a fiduciary relationship on Mortgage Loans, as set forth in the Securitization Instrument, under article 9 of Law 9514/97, with the appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as fiduciary agent. The Mortgage loans and the Collateral under the Fiduciary Relationship will be stated separately in the subsidiary’s equity and will be treated as a separate equity, intended specifically for the payment of CRIs and other obligations related to the Fiduciary Relationship, under the terms of article 11 of Law 9514/97. The CRIs will be accepted for trading in CETIP 21 system of CETIP S.A. - Balcão Organizado de Ativos e Derivativos and in Bovespafix system of BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros, respectively.

The proceeds from the subscription of CRIs were used, exclusively, by Securitizadora to pay the assignment of the CCI. The proceeds raised will be ultimately used to finance, directly or by means of the Company’s interests in special purpose entities (SPEs), expenditures incurred on works in progress or future works relating to residential development projects. The risks and rewards of the mortgage loans remain with the Group; accordingly, the consolidated balance recorded in liabilities presented in the interim financial information, is as shown below:

Issue	Parent					
	09/2016			2015		
	Balance	Interest payable	Total	Balance	Interest payable	Total
1st series of 1st issue - code 12E0019753	43,200	2,161	45,361	43,200	537	43,737
1st series of the 2nd issue - code 11F0013690	150,000	7,935	157,935	300,000	4,454	304,454
	193,200	10,096	203,296	343,200	4,991	348,191
Current	150,000	10,096	160,096	150,000	4,991	154,991
Noncurrent	43,200	-	43,200	193,200	-	193,200

Issue	Consolidated					
	09/2016			2015		
	Balance	Interest payable	Total	Balance	Interest payable	Total
1st series of 1st issue - code 12E0019753	43,200	2,161	45,361	43,200	537	43,737
less:						
CRI issuance costs	(524)	-	(524)	(583)	-	(583)
1st series of the 2nd issue - code 11F0013690	150,000	7,935	157,935	300,000	4,454	304,454
less:						
CRI issuance costs	(505)	-	(505)	(1,096)	-	(1,096)
1st series of the 4th issue - code 14F0626699	-	-	-	16,667	35	16,702
	192,171	10,096	202,267	358,188	5,026	363,214
Current	149,416	10,096	159,512	164,988	5,026	170,014
Noncurrent	42,755	-	42,755	193,200	-	193,200

Noncurrent liabilities mature as follows:

Year	Parent		Consolidado	
	09/2016	2015	09/2016	2015
2017	-	-	-	150,000
2023-2027	43,200	43,200	42,755	43,200
Total	43,200	43,200	42,755	193,200

The balance disclosed by the Company does not include issuance costs since these are payable by Securitizadora.

The main features of the first series, taking into account the first, second and fourth issues, are as follows:

Features	1st series of the 1st issue (i)	1st series of the 2nd issue (ii)	1st series of the 4th issue (i)
Issue date	14/06/2011	21/05/2012	24/06/2014
Repayment date	Semiannual interest and principal payable on June 1, 2023.	Semiannual interest and principal payable in two installments: the 1st one in the 4th year and the 2nd in the 5th year as of the issuance date.	Semiannual interest and principal payable on June 24, 2016.
Unit par value on issuance	300	334	312
Number of certificates issued	900	900	160
Yield	Certificates are not subject to inflation adjustment; interest will be payable on the unit face value as from the issuance date, corresponding to a rate of 107% of DI, as calculated and disclosed by CETIP.	Certificates are not subject to inflation adjustment; interest will be payable on the unit face value as from the issuance date, corresponding to a rate of 108% of DI, as calculated and disclosed by CETIP.	Certificates are not subject to inflation adjustment; interest will be payable on the unit face value as from the issuance date, corresponding to a rate of 101,50% of DI, as calculated and disclosed by CETIP.
Retrocession	None	None	None
Restrictive covenants	The minimum coverage ratio is calculated by dividing: (a) the balance of restricted accounts multiplied by the weighting factor of 1.1, plus an amount equivalent to the outstanding balance of real estate receivables multiplied by a weighting factor equivalent to 1, and (b) the outstanding balance of the collateralized payables as of the calculation date. The result of such division shall be equal or higher than 110%.	The minimum coverage ratio is calculated by dividing: (a) the balance of restricted accounts multiplied by the weighting factor of 1.1, plus an amount equivalent to the outstanding balance of real estate receivables multiplied by a weighting factor equivalent to 1, and (b) the outstanding balance of the collateralized payables as of the calculation date. The result of such division shall be equal or higher than 110%.	Failure to meet any of the following financial ratios, which will be calculated on a quarterly basis by the Guarantor based on its audited consolidated financial information and verified by the Lender ("Financial Ratios") based on the quarterly balance sheet as of June 2014: (i) the ratio between (A) Net Debt + Properties Payable and (B) Equity shall always be equal or lower than 0.80; (ii) the ratio between (A) Total Receivables + Properties for Sale, and (B) Net Debt + Properties Payable + Unrecognized Costs and Expenses shall always be equal or higher than 1.5 or lower than 0; and (iii) the ratio between (A) EBIT and (B) Net Finance Costs shall always be equal or higher than 1.5 or lower than 0. In any of the situations, the EBIT shall always be positive.

(i) Default on receivables linked to the issue of CRI has no impact on the transaction since the receivables are only guarantee of future payments.

(ii) Risk rating: on October 1, 2016, the Company was rated by a risk-rating agency as Ba2 (global rating scale) and Aa3.br (domestic rating scale). In accordance with CVM Instruction 414/04, the Company updates the rating reports (risk assessment) of the securitization transactions on a quarterly basis, considering that such Instruction requires such adjustment for transactions having a notional unit value equal to or higher than R\$300.

Interest on CRIs eligible for capitalization in inventories totaled R\$3,125 in the nine-month period ended September 30, 2016 (R\$1,425 as at September 30, 2015).

- June 14, 2011: these certificates were placed in the market through a public offering of 900 registered, book-entry CRIs of the 1st series of the 1st issuance, at the unit value of R\$300, totaling R\$270,000. On June 2, 2014, the Company redeemed R\$226,800 and R\$43,200 continues to mature in 2023, with an outstanding balance of 144 registered, book-entry CRIs.
- May 21, 2012: these certificates were placed in the market through a public offering of 900 registered, book-entry CRIs of the 1st series of the 2nd issuance, at the unit value of R\$333, totaling R\$300,000. On May 25, 2016, the Company repaid R\$150,000, according to the transaction's repayment schedule, and R\$150,000 continues to mature in 2017, corresponding to an outstanding balance of 900 registered, book-entry CRIs.
- June 24, 2014: these certificates were placed in the market through a public offering of 160 registered, book-entry CRIs of the 1st series of the 4th issuance, at the unit value of R\$312, totaling R\$50,000. The repayments were made according to the transaction's repayment schedule, on June 25, 2015, December 25, 2015, and June 25, 2016.

The table below shows the variations in the balances:

	Parent			Consolidated		
	09/2016	2015	09/2015	09/2016	2015	09/2015
Opening balance	348,191	480,626	480,626	363,214	528,130	528,130
Principal repayment	(150,000)	(130,000)	(130,000)	(166,667)	(163,333)	(146,667)
Interest payment	(24,947)	(53,105)	(27,733)	(26,084)	(58,450)	(30,745)
Interest and charges	30,052	50,670	37,939	31,804	56,867	42,781
Closing balance	203,296	348,191	360,832	202,267	363,214	393,499

13. RELATED PARTIES

a) Intragroup loans for construction financing

Intragroup loans do not have determinate maturity date and are not subject to finance charges, except for agreements entered into with joint ventures, when indicated.

The balances in the interim financial information, Parent and consolidated, are as follows:

Cyrela Brazil Realty S.A. Empreendimentos e Participações

	Parent				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	09/2016	2015	09/2016	2015	09/2016	2015	09/2016	2015
Agin Vergueiro Empreendimentos Imobiliários Spe Ltda	522	782	2,201	2,201	522	782	2,201	2,201
Aldeia Da Colina Empreendimentos Imobiliários Spe Ltda	465	672	-	-	465	672	-	-
Angra Dos Reis Empreendimentos Imobiliários Ltda	2,075	14,706	2,232	8,719	-	-	2,107	3,525
Arizona Investimento Imobiliária Ltda	5,870	-	11,804	11,804	5,870	-	11,804	11,804
Australia Empreendimentos Imobiliários Ltda	-	1,836	-	-	943	-	771	-
Austria Incorporadora Ltda	-	2,127	-	-	-	2,127	-	-
Banco De Miracema Empreendimentos Imobiliários Spe Ltda	1,446	2,119	-	-	-	-	-	-
Chr 030 Empreendimentos Imobiliários Ltda	5,126	16,588	-	-	2,107	11,470	-	-
Ccp Propiedades Imobiliarias Ltda	-	-	-	3,132	-	-	-	3,132
Chl Lxxviii Incorporações Ltda	6,146	6,353	5,400	2,750	6,146	6,353	5,400	2,750
Cipasa Santa Maria Empreendimentos Imobiliários S/A	76	7	3,535	3,184	76	7	3,535	3,184
Construtora Santa Isabel Ltda	950	996	-	-	950	996	-	-
Conx Empreendimentos Imobiliários Ltda	300	2,544	300	10,218	-	2,544	-	10,218
Consega Empreendimentos Imobiliários Ltda	706	-	-	-	-	-	42	-
Costa Maggione Empreendimentos Imobiliários Ltda	975	-	-	-	975	-	-	-
Cotia Empreendimentos Imobiliários Ltda	3,000	580	-	-	-	-	-	-
Country De Investimento Imobiliária Ltda	221	279	-	-	512	574	9	11
Cury Construtora e Incorporadora S/A	52,715	28,470	1	1,454	52,715	28,470	1	1,454
Cybra De Investimento Imobiliária Ltda	27	268	-	364	4,327	4,328	2,675	2,678
Cyrela Andrade Mendonça Jcpm Empreendimentos Imobiliários Spe S/A	-	1	-	-	1	-	-	7,138
Cyrela Bahia Empreendimentos Imobiliários Ltda	1,541	615	-	-	-	72	-	-
Cyrela Braga Empreendimentos Imobiliários Ltda	4,877	7,073	-	-	-	-	-	-
Cyrela Brazil Realty S.A Empreendimentos Participações	-	805	13	310	-	486	15	-
Cyrela Comercial Imobiliária Ltda	3,573	3,745	-	-	136	69	1,083	1,344
Cyrela Construtora Ltda	1,601	1,588	11	49	12	4	-	10
Cyrela Costa Rica Empreendimentos Imobiliários Ltda	-	42	-	-	4	-	-	-
Cyrela Cristal Empreendimentos Imobiliários Ltda	6,616	5,883	-	-	-	-	685	-
Cyrela Cuzco Empreendimentos Imobiliários Ltda	-	806	-	-	-	-	-	-
Cyrela Dinamarca Empreendimentos Imobiliários Ltda	1,093	1,837	-	-	-	-	35	-
Cyrela Empreendimentos Imobiliários Comercial Importadora E Exportadora Ltda	1,271	1,271	-	-	-	-	-	-
Cyrela Estrema Empreendimentos Imobiliários Ltda	60,772	37,815	-	-	-	-	-	-
Cyrela Iberia Empreendimentos Imobiliários Ltda	1,924	2,147	-	-	-	-	-	-
Cyrela Investimentos E Participações Ltda	-	-	-	-	388	-	2,564	2,564
Cyrela Magik Monaco Empreendimentos Imobiliários Ltda	1	4,403	-	-	1	-	-	1,100
Cyrela Magikz Oticaica Empreendimentos Imobiliários Ltda	3,360	1	-	-	-	-	840	-
Cyrela Maguari Empreendimentos Imobiliários Ltda	-	1,602	-	-	-	-	-	-
Cyrela Manaus Empreendimentos Imobiliários Ltda	4,644	4,644	39,144	-	1,475	11,415	-	-
Cyrela Maresias Empreendimentos Imobiliários Ltda	3,815	242	-	-	-	-	-	-
Cyrela Moimho Empreendimentos Imobiliários Ltda	24,854	16	-	-	-	-	-	-
Cyrela Montblanc Empreendimentos Imobiliários Ltda	3,314	8,335	1,290	-	615	-	1,290	-
Cyrela Monza Empreendimentos Imobiliários Ltda	45,890	45,521	100	-	925	822	105	-
Cyrela Nordeste Empreendimentos Imobiliários Ltda	3,700	21,301	500	-	448	82	918	-
Cyrela Pamplona Empreendimentos Imobiliários Ltda	1,756	1	-	-	-	-	-	-
Cyrela Paris Empreendimentos Imobiliários Ltda	2,317	-	-	-	-	-	-	-
Cyrela Particip E Empreendimentos Imobiliários Ltda	-	158	3,612	-	640	523	-	28
Cyrela Pompeia Empreendimentos Imobiliários Ltda	600	198	-	-	-	-	-	-
Cyrela Portugal Empreendimentos Imobiliários Ltda	42	7,426	170	-	40	12	80	2,726
Cyrela Puglia Empreendimentos Imobiliários Ltda	-	12,384	-	-	-	-	-	-
Cyrela Recife Empreendimentos Imobiliários Ltda	12,788	-	-	-	2	-	-	-
Cyrela Rjr Construtora E Empreendimentos Imobiliários Ltda	11	65	-	-	70,709	62,147	652	151
Cyrela Rjr Empreendimentos Imobiliários Ltda	1,590	-	-	-	1,960	684	3,850	601
Cyrela Rjr Jogoantjo Empreendimentos Imobiliária Ltda	1,583	1,582	-	-	-	-	1,210	1,210
Cyrela Roraima Empreendimentos Imobiliários Ltda	1,526	1,301	-	-	-	-	-	-
Cyrela Somerset De Investimentos Imobiliários Ltda	-	-	-	-	411	66	632	15
Cyrela Sul 001 Empreendimentos Imobiliários SPE Ltda	-	-	801	-	-	-	-	801
Cyrela Villa Lobos Office Park Empreendimentos Imobiliários Ltda	-	785	-	-	-	-	-	-
Cyrela Volpago Participações Societárias Ltda	-	-	111,671	-	-	-	-	-
Cyrela White River Investimento Imobiliária Spe Ltda	500	55	580	580	-	580	-	-
Cysra S/A	-	1,833	1,958	9,599	-	1,833	1,958	9,599
Cytec Empreendimentos Imobiliários Ltda	-	-	-	-	-	232	1,590	1,965
Dgc João Gualberto Ltda	-	-	-	-	595	-	-	-
Elbrus Empreendimentos Imobiliários Ltda	650	-	-	-	650	-	-	-
Estrada Rodrigues Caldas Empreendimentos Imobiliários Spe Ltda	-	-	-	4,985	-	-	-	-
Forest Hill De Investimento Imobiliária Ltda	-	-	2,720	3,205	-	-	2,720	3,205
GCW Xangri-la Urbanismo Ltda	-	-	-	-	-	344	1,001	-
Gliese Incorporadora Ltda	2,280	-	22,117	17,578	2,280	-	22,117	17,578
Global Park Residencial Empreendimentos Imobiliários Ltda	860	-	-	-	-	-	-	-
Goldstein Cyrela Empreendimentos Imobiliários S/A	11,235	11,236	2	-	21,626	16,836	14	-
Jacira Reis Empreendimentos Imobiliários Ltda	18,438	-	-	-	18,438	-	-	-
Joao Fortes Engenharia S/A	-	3,580	-	-	-	3,580	-	-
Jose Celso Contijo Engenharia S/A	33,489	-	-	-	33,489	-	-	-
Kalahari Empreendimentos Imobiliários Ltda	4,100	-	-	-	-	-	-	-
Lider Cyrela Df 01 Empreendimentos Imobiliários Ltda	807	1,874	-	-	-	-	110	-
Living Afenas Empreendimentos Imobiliários Ltda	17,006	23	-	-	-	-	-	-
Living Amparo Empreendimentos Imobiliários Ltda	1,046	-	-	-	63	-	-	-
Living Baratais Empreendimentos Imobiliários Ltda	2,230	3	-	-	-	-	-	-
Living Botucatu Empreendimentos Imobiliários Ltda	8,951	2,984	-	-	8,951	2,984	-	-
Living Empreendimentos Imobiliários S/A	18,070	18,070	1,043	-	6,742	5,745	13,422	11,694
Living Pitangui Empreendimentos Imobiliários Ltda	1	1	-	-	800	-	800	-
Living Ribeirao Empreendimentos Imobiliários Ltda	596	-	-	-	-	-	-	1
Living Sul Empreendimentos Imobiliários Ltda	-	-	-	-	3,858	760	-	-
Living Talara Empreendimentos Imobiliários Ltda	3,428	671	-	-	3,428	671	-	-
Lombok Incorporadora Ltda	1,116	2,473	-	-	-	-	-	-
Mac Empreendimentos Imobiliários Ltda	1,664	-	3,180	252	340	-	1,471	-
Magnum Investimento Imobiliária Ltda	-	-	4,195	4,195	-	-	4,195	4,195
Nova Zelandia Empreendimentos Imobiliários Ltda	344	-	-	3,021	344	-	-	1,496
Pdg Realty S/A Empreendimentos E Participações	-	-	3,500	3,500	-	-	3,500	3,500
Peru Empreendimentos Imobiliários Ltda	-	1,784	-	-	-	-	-	-
Plano & Plano Construções E Participações Ltda	107	197	197	78	78	78	167	1,457
Plano Amoreira Empreendimentos Imobiliários Spe Ltda	1,917	-	1,917	-	402	-	402	-
Plarcon Cyrela Empreendimentos Imobiliários Spe Ltda	620	620	-	-	620	620	-	-
Pre 27 Empreendimentos Imobiliários SPE	1,023	-	-	-	1,023	-	-	-
Prologis Ccp Logística Ltda	547	1	-	-	547	1	-	-
Queiroz Galvão Cy Oklahoma Empreendimentos Imobiliários Spe Ltda	121	96	-	720	121	96	-	720
Ravenna Empreendimentos Imobiliários Ltda	6,994	-	-	-	-	720	-	-
Reserva Casa Grande Empreendimentos Imobiliários Ltda	925	8	-	-	925	8	-	-
Rouxinol Salvador Alende Empr Imobiliária Ltda	175	-	2,175	-	175	-	2,175	-
Scp Brasil 20	-	49	897	31	-	49	897	31
Scp Isla	5,811	3,424	3,050	-	5,811	3,424	3,050	-
Seller Consultoria Imobiliária E Representações Ltda	29	2	2	11	19,890	19,871	-	-
Seven Incorporações Imobiliária S/A	-	3,170	-	-	-	3,170	-	226
Sintese Moradia E Construções Ltda	-	1,980	-	-	-	1,980	-	-
Sk Joaquim Ferreira Lobo Empreendimentos Imobiliários Spe Ltda	-	-	-	-	-	-	1,065	2,425
Sk Realty Empreendimentos Imobiliários S/A	804	-	701	396	804	-	701	396
Slk Empreendimentos Imobiliários Spe S/A	2,250	2,203	-	-	2,250	2,203	-	-
SPE Barbacena Empreendimentos Imobiliários S/A	-	7,000	-	-	-	7,000	-	-
Spe Brasil Incorporação 11 Ltda	525	525	575	575	525	525	575	575
Spe Brasil Incorporação 17 Ltda	800	1,798	-	-	800	1,798	-	-
Spe Brasil Incorporação 19 Ltda	-	150	-	950	-	150	-	950
Spe Brasil Incorporação 28 Ltda	700	-	-	-	700	-	-	-
Spe Brasil Incorporação 29 Ltda	650	-	1,300	-	650	-	1,300	-
Spe Brasil Incorporação 83 Ltda	1,281	-	-	-	1,281	-	-	-
Spe Brasil Incorporação 9 Ltda	750	750	750	750	750	750	750	750
Spe Brasil Incorporações 2 Ltda	-	-	-	583	-	-	583	-
Spe Chl Cv Incorporacoes Ltda	281	-	7,877	6,366	281	-	7,877	6,366
Spe Crua Empreendimentos S/A	5,380	-	-	-	5,380	-	-	-
Spe Faicalville Incorporação 1 Ltda	566	-	-	-	566	-	-	-
Viver Empreendimentos Imobiliários E Participações Ltda	-	-	1,712	1,712	-	-	1,712	1,712
Vms Empreendimentos Imobiliários Spe S/A	-	1	-	-	1,855	1,855	-	-
Other 208 SPEs with balance up to R\$500	9,268	8,197	2,021	2,766	6,598	5,625	4,354	4,743
Total	444,059	339,275	132,782	218,629	307,731	216,893	120,427	132,812

As at September 30, 2016, the Company has intragroup loans totaling R\$12,027 (R\$12,027 as at December 31, 2015). The guarantees provided to the Company are linked to the delivery of shares in the subsidiary or joint venture, or the assumption of the obligation by the companies related to the shareholder.

As at September 30, 2016, the balance of R\$48,002 (R\$43,472 as at December 31, 2015) corresponds to advances granted to the company that sold the land, as set forth in the underlying agreement. Advances are subject to the Interbank Certificate of Deposit (CDI) rate. Interest is payable monthly and the principal will be received through receivables corresponding to its interest in the venture.

As at September 30, 2016, the Company has dividends receivable from investee Cury Construtora e Incorporadora S/A totaling R\$50,950.

b) Transactions

Transactions with related parties refer mainly to technical services involving responsibility for projects and control of all contractors who provide knowledge for construction business, applied to the development of the Company and its investees.

These transactions are classified as costs incurred in units under construction and allocated to profit or loss according to the project units' sale stage.

c) Management compensation

- i) Fixed compensation: the overall compensation of the Company's management for 2016 was set at up to R\$12,381 by the Annual Shareholders' Meeting held on April 28, 2016 (R\$15,211 for 2015).

Compensation is recognized in the Company's profit or loss in line item 'Management compensation'.

The accrued expenses incurred in the periods are as follows:

	Parent		Consolidated		Total members	
	09/2016	09/2015	09/2016	09/2015	09/2016	09/2015
Board of Directors	784	872	1,598	1,766	6	7
Executive Committee	2,543	2,551	2,543	2,551	6	6
Charges	665	685	828	864	-	-
	3,992	4,108	4,969	5,181	12	13
Benefits - Board of Directors	1,984	1,618	2,043	1,685		
Benefits - Executive Committee	344	351	344	351		
	2,328	1,969	2,387	2,036		
Total	6,320	6,077	7,356	7,217		

Compensation in the period:

Board of Directors - higher compensat	192	191	684	606
Board of Directors - lower compensat	148	97	65	97
Executive Comitês - higher compensat	569	568	569	568
Executive Committee - lower compens	185	183	185	183

- ii) Variable compensation: pursuant to Article 190 of the Brazilian Corporate Law, the Annual General Meeting that approves the accounts for the fiscal year can decide on the distribution of up to ten percent of profit for the year, after the adjustments of the Article 189 thereof, to the Company's management and employees as profit sharing.

The allocation and profit sharing to management and employees can only take place in fiscal years in which shareholders are entitled to the payment of the mandatory minimum dividend provided for by Article 41 of the bylaws.

The Company maintains stock option plans. All managers and employees entitled to an annual bonus and whose compensation does not include any commissions directly or indirectly related to the sale or purchase of assets for the Company are eligible to the stock option plans. As at September 30, 2016, management-related expenses recorded in profit or loss totaled R\$8,256 (R\$13,062 as at September 30, 2015).

The variable compensation (stock option plan) is not included in the overall compensation approved at the Shareholders' Meeting.

No amounts were paid in the period relating to: (1) post-employment benefits (pension, other retirement benefits, post-employment life insurance and post-employment health care plan); (2) long-term benefits (leave of absence for length of service and long-term disability benefits); and (3) severance benefits.

14. CURRENT ACCOUNTS WITH VENTURE PARTNERS

The balances in net assets and liabilities are as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Abc Realty De Investimento Imobiliária Ltda	-	-	833	939
Calafete Investimento Imobiliária Ltda	-	-	681	-
Cbr 014 Empreendimentos Imobiliários Ltda	-	-	(1,923)	(1,869)
Cbr 031 Empreendimentos Imobiliários Ltda	-	-	-	255
Cbr 032 Empreendimentos Imobiliários Ltda	-	-	(3,432)	(3,489)
Century De Investimento Imobiliária Ltda	-	-	(869)	(448)
Consortio De Urbanizacao Jundiai	7,378.00	9,316	7,378	9,316
Corsega Empreendimentos Imobiliários Ltda	-	-	(29)	(155)
Country De Investimento Imobiliária Ltda	-	-	146	(17)
Cyrela Brazil Realty Rjz Empr Imobiliária Ltda	-	-	2,131	1,976
Cyrema Comercial Imobiliária Ltda	-	-	(192)	-
Cyrela Construtora Ltda	-	-	-	(107)
Cyrela Europa Empreendimentos Imobiliários Ltda	-	-	(3,544)	(5,985)
Cyrela Iberia Empreendimentos Imobiliários Ltda	-	-	615	584
Cyrela Imobiliária Ltda	-	-	1,092	893
Cyrela Jasmim Ltda	-	-	(369)	(161)
Cyrela Lambari Empreendimentos Imobiliários Ltda	-	-	(1,253)	(1,260)
Cyrela Mac Amazonas Empreendimentos Imobiliários Spe Ltda	-	-	(92)	(110)
Cyrela Polinesia Empreendimentos Imobiliários Ltda	-	-	487	486
Cyrela Rjz Construtora E Empreendimentos Imobiliários Ltda	-	-	638	(712)
Cyrela Roraima Empreendimentos Imobiliários Ltda	-	-	(2,139)	(8,937)
Cyrela Suecia Empreendimentos Imobiliários Ltda	-	-	(27,776)	(30,777)
CZ6 Empreendimentos Comerciais Ltda	-	-	(478)	(163)
Goldsztein Cyrela Empreendimentos Imobiliários S/A	-	-	244	77
Jardim Loureiro da Silva Empreendimentos Imobiliários Ltda	-	-	1,795	-
Kalahari Empreendimentos Imobiliários Ltda	-	-	(416)	(264)
Living Sabino Empreendimentos Imobiliários Ltda	-	-	(28)	(304)
Mac Investimentos E Participações Ltda	-	-	422	-
Miralda Empreendimento Imobiliário Ltda	-	-	-	149
Option de Investimentos Imobiliários Ltda	-	-	(779)	(122)
Pitombeira Empreendimentos Imobiliários Ltda	-	-	(289)	(114)
Plano Aroeira Empreendimentos Imobiliários Ltda	-	-	(501)	(501)
Plano Cambara Empreendimentos Imobiliários Ltda	-	-	(106)	(106)
Plano Guapira Empreendimentos Imobiliários Ltda	-	-	(656)	(1,066)
Saracura - Investimento Imobiliária Ltda	-	-	(681)	-
Vero Sta Isabel Empreendimentos Imobiliários Spe Ltda	-	-	(2,406)	(4,514)
Vinhedo Empreendimentos Imobiliários Ltda	-	-	-	480
Other 17 SPEs with balance up to R\$100	-	-	(120)	(159)
	7,378	9,316	(31,616)	(46,185)
Balance disclosed in Assets	7,378	9,316	17,990	37,403
Balance disclosed in Liabilities	-	-	49,606	83,588

15. WORKS IN PROGRESS

As a result of the procedure prescribed by CVM Instruction 561/08 (OCPC 1 (R1)), as amended by CVM Instruction 624/10, sales revenue and corresponding budgeted costs related to units sold and whose costs have not yet been incurred, are not recorded in the interim financial information of the Company and its subsidiaries. The main balances to be reflected as costs are incurred can be shown as follows:

- a) Contracted real estate transactions to be allocated from accumulated construction in progress

	09/2016	2015
(+) Total gross sales revenue	12,596,830	16,309,940
(-) Total unrecognized gross revenue	(10,290,882)	(12,787,434)
(=) Unrecognized sales revenue:	(i) 2,305,948	3,522,506
(+) Total cost of properties sold	7,197,758	9,763,909
(-) Total unrecognized cost	(5,786,028)	(7,604,816)
(=) Unrecognized cost	(ii) 1,411,730	2,159,093
Unrecognized profit	894,218	1,363,413
(i) Excluding taxes on sales		
(ii) Excluding unrecognized guarantee costs		

- b) Commitments on budgeted costs not yet incurred on units sold:

	09/2016	2015
Amounts not reflected in the financial statements		
Current	966,867	1,399,077
Noncurrent	444,863	760,016
	1,411,730	2,159,093

16. ADVANCES FROM CUSTOMERS

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Amounts received for property sales				
Amounts received for project sales:				
Other advances	-	-	6,491	110,324
	-	-	6,491	110,324
Units sold in projects under constructions				
Allocated revenue	(112,933)	(144,559)	(44,225,116)	(42,427,419)
Received revenue	112,933	145,326	44,291,460	42,491,788
	-	767	66,344	64,369
	-	767	72,835	174,693
Amounts received for physical barter				
Barter with land	-	-	503,204	708,988
Total advances from customers	-	767	576,039	883,681
Current	-	767	426,982	724,169
Noncurrent	-	-	149,057	159,512

Advances from customers originated from physical barter of land will be amortized in profit or loss using the same procedure applied in the recognition of revenues from sales (according to the cost percentage incurred on the project).

17. TRADE PAYABLES AND ACCRUED WARRANTIES

The Company and its subsidiaries provide warranties to their customers on the sale of their properties. Such warranties have specific features, according to certain items, and are offered for varying periods that range up to five years after the construction work has been completed and are partially shared with the suppliers of goods and services. The amounts recorded by the Company and its subsidiaries are recognized in 'Trade payables'.

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Accrued construction warranties	-	-	135,409	138,302
Other suppliers of goods and services	7,101	4,232	219,423	197,686
Total trade payables	7,101	4,232	354,832	335,988
Current	7,101	4,232	277,686	254,170
Noncurrent	-	-	77,146	81,818

18. PAYABLES DUE FOR PROPERTY ACQUISITIONS

Refers to land acquired, aiming at launching new developments, individually or in association with third parties, with the following aging list:

Year	Consolidated	
	09/2016	2015
2017	244	6,335
2018	19,165	15,424
2019	31	8
2020	5	-
Noncurrent	19,445	21,767
Current	157,433	188,705
Total	176,878	210,472

Payables are substantially adjusted for inflation based on the fluctuation of the National Civil Construction Index (INCC), the General Market Price Index (IGP-M), or the variance of the SELIC rate (Central Bank's policy rate).

As at September 30, 2016, the interest on land returned to sellers was reversed and inflation adjustment, totaling R\$5,958, was capitalized in inventories (as at September 30, 2015, R\$14,183 was eligible for capitalization in inventories.)

19. PROVISIONS FOR LABOR, TAX AND CIVIL RISKS

The provisions for tax, labor and civil risks have been recognized for lawsuits whose likelihood of loss was considered probable, based on the opinion of the Company's legal counsel.

Broken down as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Civil lawsuits	10,847	10,183	112,983	102,632
Tax lawsuits	603	-	3,993	2,633
Labor lawsuits	589	1,890	70,968	75,695
Contract terminations	-	-	21,389	20,697
	12,039	12,073	209,333	201,657

The Company and its subsidiaries are parties to tax, labor and civil lawsuits both at the administrative and the judicial levels.

Tax lawsuits

As at September 30, 2016, the Company and its subsidiaries are parties to lawsuits, totaling R\$149,453 (R\$82,955 as at December 31, 2015), of which, the amount of R\$3,993 (R\$2,633 as at December 31, 2015), is classified as probable losses, R\$106,048 (R\$48,863 as at December 31, 2015), is classified as possible losses, and R\$39,412 (R\$31,459 as at December 31, 2015) is classified as remote losses by the Company's legal counsel and Management.

Additional disclosures on the main provisions for tax risks, whose likelihood of loss is assessed by Management as possible, are as follows:

- The Company is a party to a tax administrative proceeding resulting from the tax assessment notice issued by the Federal Revenue Service relating to the collection of alleged IRRF and INSS credits related to the stock option plan. This proceeding is at administrative defense stage, but has not yet been analyzed by the tax authority.
- The Brazilian tax authorities filed a tax administrative proceeding against the Company in January 2005, claiming the payment of IRRF on interest earned on the Fixed Rate Notes issued abroad. As at September 30, 2016, this proceeding amounts to R\$6,342 (R\$6,101 as at December 31, 2015).
- The Company and its investees are parties to tax administrative proceedings resulting from Federal Revenue Service decisions that did not approve the offset of tax credits against taxes payable. The amounts of these credits arise mostly from the utilization of the balance of withholding income taxes calculated in the annual income tax returns. These proceedings are at administrative defense stage, but have not yet been analyzed by the tax authority. As at September 30, 2016, these proceedings total R\$11,808 (R\$10,852 as at December 31, 2015).
- Four of the Company's subsidiaries are parties to an administrative proceeding arising from the tax assessment notice relating to the collection of social security contribution on profit sharing for calendar 2008 as well as on contractors' social security contribution. The Companies filed an objection against this tax assessment notice and await a final decision by the tax authorities. As at September 30, 2016, this proceeding amounts to R\$5,820 (R\$5,616 as at December 31, 2015).

Labor lawsuits

As at September 30, 2016, the Company and its subsidiaries are parties to lawsuits, totaling R\$149,492 (R\$121,279 as at December 31, 2015), of which R\$70,968 (R\$75,695 as at December 31, 2015) is classified as probable losses, R\$55,234 (R\$25,269 as at December 31, 2015), is classified as possible losses, and R\$23,290 (R\$20,315 as at December 31, 2015) is classified as remote losses.

Most of the lawsuits are filed by employees of subcontractors, mainly claiming the paying of overtime and others. Under the Brazilian labor laws, the Company is jointly and severally liable for the compliance of labor obligations to the employees of the Company's service providers.

Civil lawsuits

As at September 30, 2016, the Company and its subsidiaries are parties to lawsuits, totaling \$260,335 (R\$229,384 as at December 31, 2015), of which, the amount of R\$112,983 (R\$102,632 as at December 31, 2015), is classified as probable losses, R\$125,567 (R\$102,584 as at December 31, 2015), is classified as possible losses, and R\$21,785 (R\$24,169 as at December 31, 2015) is classified as remote losses.

Most of the lawsuits refer to compensation claims for pain and suffering.

Additionally, Queiroz Galvão MAC Cyrela Veneza, where the Company holds a 30% stake, is a party to a civil class action challenging the validity of the Construction Permit granted to the Domínio Marajoara project, which, as at September 30, 2016, based on the Company's opinion, is classified as probable loss in the case of the claimed compensation for environmental damages. The Company's management recognized a provision amounting to R\$9,281 related to threatened civil lawsuits related to this project.

Contract terminations

The Company recognized an allowance for contract terminations amounting to R\$21,389 (R\$20,697 as at December 31, 2015), which is considered by the Company's management sufficient to cover possible losses on the collection of receivables.

Variations in the carrying amounts of provisions

The provisions for probable losses on these lawsuits are estimated and adjusted by Management, based on the opinion of its legal counsel. As at September 30, 2016, the provisions for legal and administrative proceedings are classified in line item 'Provision for tax, labor and civil risks':

	Parent			
	Civil	Tax	Labor	Total
Balance at Dec 31, 2014	4,246	2,878	1,399	8,523
Additions	9,657	-	2,166	11,823
Reversal/payment	(4,800)	(2,372)	(931)	(8,103)
Inflation adjustment	1,196	60	567	1,823
Balance at Sep 30, 2015	10,299	566	3,201	14,066
Balance at Dec 31, 2015	10,183	-	1,890	12,073
Additions	237	603	140	980
Reversal/payment	(4,574)	-	(2,162)	(6,736)
Inflation adjustment	5,002	-	720	5,722
Balance at Sep 30, 2016	10,848	603	588	12,039

	Consolidated				
	Civil	Tax	Labor	Contract termination s	Total
Balance at Dec 31, 2014	104,328	5,645	54,431	-	164,404
Additions	66,616	45	47,762	-	114,423
Reversal/payment	(83,694)	(2,429)	(41,722)	-	(127,845)
Inflation adjustment	17,919	188	7,349	-	25,456
Balance at Sep 30, 2015	105,169	3,449	67,820	-	176,438
Balance at Dec 31, 2015	102,632	2,633	75,695	20,697	201,657
Additions	27,784	2,321	21,430	692	52,227
Reversal/payment	(46,673)	(1,211)	(37,433)	-	(85,317)
Inflation adjustment	29,240	250	11,276	-	40,766
Balance at Sep 30, 2016	112,983	3,993	70,968	21,389	209,333

a) Breakdown of deferred income tax, social contribution, PIS, and COFINS

Deferred taxes are recorded to reflect tax effects arising from temporary differences between the tax base, which basically determines the time of collection, based on receivables from sales of properties (SRF Regulatory Instruction 84/79) and effective allocation of revenue from real estate development in accordance with CFC Resolution 1266/09 and CVM Resolution 561/08, as amended by CVM Instruction 624/10 (OCPC 01(R1)).

The table below shows the balances of deferred taxes and contributions:

	Consolidated	
	09/2016	2015
Current and noncurrent assets		
IRPJ	97	790
CSLL	51	419
Subtotal	148	1,209
PIS	29	243
COFINS	132	1,124
Subtotal	161	1,367
Total:	309	2,576
Current	298	2,576
Noncurrent	11	-

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Current and noncurrent liabilities				
IRPJ	744	788	48,740	54,343
CSLL	268	284	24,837	27,572
Subtotal	1,012	1,072	73,577	81,915
PIS	77	82	13,517	15,094
COFINS	356	377	62,454	69,736
Subtotal	433	459	75,971	84,830
Total	1,445	1,531	149,548	166,745
Current	72	241	112,585	127,025
Noncurrent	1,373	1,290	36,963	39,720
	1,445	1,531	149,548	166,745

Payment terms of such taxes are equivalent to those of installments received from sales.

Due to the tax credits and obligations referred to above, the Company accounted for the corresponding tax effects (deferred income tax and social contribution), as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
In current and noncurrent assets				
Difference of profit on real estate activities - deemed income	-	-	-	572
Difference of profit on real estate activities - RET	-	-	148	637
	<u>-</u>	<u>-</u>	<u>148</u>	<u>1,209</u>
In current and noncurrent liabilities				
Difference of profit on real estate activities - taxable income	(1,012)	(1,072)	(6,097)	(7,896)
Difference of profit on real estate activities - deemed income	-	-	(8,753)	(9,487)
Difference of profit on real estate activities - RET	-	-	(58,727)	(64,532)
	<u>(1,012)</u>	<u>(1,072)</u>	<u>(73,577)</u>	<u>(81,915)</u>

b) Income tax and social contribution

The Company and its subsidiaries recognize the following negative balances to be offset, deducted from or added to the future taxable income tax bases calculated based on taxable income. In addition, certain subsidiaries have tax differences in future years, arising from revenues from real estate development activities taxed on a cash basis and the amount recorded on the accrual basis, considering the deemed income tax regime, as follows:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Credits for offset - taxable income				
Tax losses for offset against future taxable income - IRPJ and tax loss carryforwards for offset against future taxable income - CSLL	<u>910,543</u>	<u>714,121</u>	<u>1,379,325</u>	<u>1,135,467</u>
Taxable obligations - taxable income				
Difference between profit from real estate activities taxed on a cash basis and the amount recorded on the accrual basis	<u>(2,976)</u>	<u>(3,153)</u>	<u>(17,932)</u>	<u>(23,222)</u>
Taxable obligations - deemed income				
Difference between the profit from taxable real estate activities on a cash basis and the amount recorded on the accrual basis	-	-	22,832	23,238
Income tax base	-	-	33,829	34,511
Social contribution base	<u>-</u>	<u>-</u>	<u>33,829</u>	<u>34,511</u>
Taxable obligations - special taxation regime				
Tax base - RET	<u>-</u>	<u>-</u>	<u>3,051,737</u>	<u>3,328,490</u>

In the current context of the Parent's operations, which substantially correspond to holding interests in other companies, no tax credits were recognized on the total accumulated balance of tax loss carryforwards or the balance of temporarily nondeductible expenses in determining taxable income. In addition, certain subsidiaries recognize tax loss carryforwards, whose realization or recovery depends on future events and, therefore, such possible tax benefits are not recorded in the interim financial information.

The tax loss carryforwards to be offset against future taxable income can be carried forward indefinitely and their offset is limited to 30% of taxable income calculated in each reporting period.

The tax difference between taxable income calculated on a cash basis and on accrual basis will be probably incurred through 2036, considering the term of receipt of sales and the completion of the related construction work.

c) Deferred PIS and COFINS balance

Deferred PIS and COFINS calculated on the difference between revenue taxed on a cash basis and the revenue recognized on an accrual basis are recorded in line item 'Deferred taxes and contributions', in current and noncurrent liabilities, based on expected settlement:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
Current	120	195	2,793	3,938
Deferred payment	433	459	75,971	84,830
	553	654	78,764	88,768

d) Deferred income tax and social contribution expense for the year

As allowed by prevailing tax legislation, Company's subsidiaries adopt the cash basis for calculating revenue from real estate development, and this revenue is used to determine taxable income.

The income tax and social contribution due on the Company's and its subsidiaries' taxable income were included in the interim financial information.

The income tax and social contribution expenses for the years ended September 30, 2016 and 2015 are reconciled to the accounting profit as follows:

	Parent				Consolidated			
	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Profit before income tax and social contribution	14,298	120,359	131,647	350,387	61,473	239,927	198,409	548,640
(x) Statutory tax rate:	-34%	-34%	-34%	-34%	-34%	-34%	-34%	-34%
(=) Expected income tax and social contribution expense	(4,861)	(40,922)	(44,760)	(119,132)	(20,901)	(81,575)	(67,459)	(186,538)
(+/-) Effect of the statutory rate on:								
Share of profit of subsidiaries	18,618	75,501	62,680	166,597	(546)	6,531	9,727	20,226
Temporary add-backs and deductions and other	(i) 130	(5,860)	(5,323)	(1,096)	130	(5,860)	(5,323)	(1,096)
Unrecognized tax credits	(ii) (13,741)	(28,659)	(13,012)	(46,977)	(13,742)	(28,659)	(13,013)	(46,977)
Effect of tax gain from adopting the deemed income or RET regime	-	-	-	-	16,561	57,981	46,685	137,762
(=) Income tax and social contribution expense	146	60	(415)	(608)	(18,498)	(51,582)	(29,383)	(76,623)
Deferred taxes	146	60	(415)	(608)	(741)	7,507	(140)	16,643
Current taxes	-	-	-	-	(17,757)	(59,089)	(29,243)	(93,266)
	146	60	(415)	(608)	(18,498)	(51,582)	(29,383)	(76,623)

(i) Refers mainly to provisions for tax, labor and civil risks, whose tax benefits were not recognized.

(ii) Refers to unrecorded tax losses

21. EQUITY

a) Capital

As at September 30, 2016, capital totals R\$3,395,744 (R\$3,095,744 as at December 31, 2015), represented by 399,742,799 registered common shares.

As at June 30, 2016, there was a R\$300,000 capital increase through the capitalization of earnings reserves, as approved in the minutes of the Extraordinary Shareholders' Meeting held on April 28, 2016.

The Company's Board of Directors is authorized to increase the capital, regardless of shareholders' meetings or amendments to the bylaws, up to the limit of 750,000,000 registered common shares, to be distributed in the country and/or abroad, publicly or privately.

b) Treasury shares

The Company may, as decided by the Boards of Directors, buy back own shares to be held in treasury and subsequently cancelled or sold.

On June 18, 2015, the Board of Directors authorized the buyback of up to 20,000,000 of the Company's common, registered, book-entry shares, with no par value, without capital reduction, limited to the balance of earnings and reserves available, as prescribed by CVM Instruction 10/80. The Executive Committee will determine the date and number of shares to be actually bought back, under the limits and effective term of this authorization. The decision to cancel or sell the treasury shares will be made and disclosed to the market on a timely basis.

Based on the provisions of CVM Instruction 10/80, Article 8, the following was specified:

- (i) The Company's purpose is to buy back its shares issued to be held in treasury for subsequent cancellation or disposal in order to invest the available funds to maximize shareholder value.
- (ii) The number of outstanding common shares issued by the Company is 243,485,894 common shares, according to share deposit account records informed by the depositary institution as at September 30, 2016 (242,064,674 as at December 31, 2015).

Share buyback/cancellation program

In 2015, the Company bought back 4,361,300 shares, totaling R\$46,590.

Under the share buyback program launched in December 2015, no shares were bought back.

As at September 30, 2016, these shares were quoted at R\$10.23 (R\$7.50 as at December 31, 2015) per share. The market value is benchmarked to the quotation of Company shares on BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros (São Paulo stock exchange).

The balance as at September 30, 2016 is as follows:

Position	Number	Buyback price	Average buyback price	Market price
Balance at Dec 31, 2014	16,807,244	220,416	13	220,223
Treasury shares bought back - 01/2015	2,854,400	30,550	-	30,856
Treasury shares bought back - 02/2015	1,506,900	16,054	-	17,450
SHARES ASSIGNED UNDER THE STOCK OPTION PLAN 2009 Retention (02/2015)	(3,000)	(38)	-	(40)
Shares exercised under the Stock Options Plan 2012_Mach 1(X)_3 Years (06/2015)	(23,250)	(293)	-	(230)
Shares exercised under the Stock Options Plan 2012_Mach 2(X)_3 Years (06/2015)	(52,120)	(657)	-	(516)
Shares exercised under the Stock Options Plan 2009_(Retention) (06/2015)	(13,500)	(170)	-	(134)
Shares exercised under the Stock Options Plan 2012_Mach 1(X)_3 Years (06/2015)	(26,200)	(330)	-	(259)
Shares exercised under the Stock Options Plan 2012_Mach 2(X)_3 Years (06/2015)	(1,466)	(20)	-	(15)
Shares exercised under the Stock Options Plan 2012_Mach 2(X)_3 Years (07/2015)	(24,800)	(313)	-	(231)
Shares exercised under the Stock Options Plan 2012_Mach 2(X)_3 Years (08/2015)	(73,000)	(922)	-	(613)
Shares exercised under the Stock Options Plan 2009_(Retention) (08/2015)	(3,000)	(37)	-	(25)
Shares exercised under the 2011 Plan (Retention) (12/2015)	(23,074)	(291)	-	(194)
Shares exercised under the 2013 Plan Vesting 2 Years (10/2015)	(138,000)	(1,740)	-	(1,159)
Shares exercised under the 2011 Plan (Retention) (11/2015)	(110,000)	(1,388)	-	(924)
Shares exercised under the 2011 Plan (Retention) (12/2015)	(15,407)	(194)	-	(129)
Balance at Dec 31, 2015	20,661,727	260,627	13	264,060
2011 Plan (Retention) 01/2016	(1,200,000)	(15,136)	-	(10,080)
2011 Plan (Retention) 02/2016	(555,811)	(7,010)	-	(4,669)
2011 Plan (Retention) 03/2016	(70,208)	(886)	-	(590)
2011 Plan (Retention) 03/2016	(46,148)	(582)	-	(388)
2011 Plan (Retention) 04/2016	(67,467)	(851)	-	(567)
2013 Plan 04/2016	(34,000)	(429)	-	(349)
Shares exercised under the 2011 Plan (Retention) 05/2016	(11,377)	(144)	-	(109)
2013 Plan exercised shares 05/2016	(51,061)	(644)	-	(490)
2013 Plan exercised shares 05/2016	(60,782)	(768)	-	(584)
2011 Plan exercised shares 08/2016	(153,447)	(1,936)	-	(1,473)
2011 Plan exercised shares 09/2016	(66,269)	(836)	-	(636)
2011 Plan exercised shares 09/2016	(21,870)	(276)	-	(210)
2011 Plan exercised shares 09/2016	(196,132)	(2,474)	-	(1,883)
Balance at Sep 30, 2016	18,127,155	228,655	13	242,032

c) Allocation of profit for the year

Profit for the year, after the statutory offsets and deductions and pursuant to the Company's bylaws, will be allocated as follows:

- 5% to the legal reserve, up to the limit of 20% of the paid-in capital.
- 25% of the balance, after allocation to legal reserve, will be allocated to the payment of minimum mandatory dividends to all shareholders.

d) Earnings (expansion) reserve

The remaining balance of profit for the year ended December 31, 2015, after recognition of legal reserve and proposed dividends, in the amount of R\$319,058 (R\$471,318 as at December 31, 2014), was transferred to line item 'Expansion reserve', pursuant to article 40 of the Bylaws, and will be used for investment in the Company, to finance its activities, in accordance with the growth plan projected by Management for 2016.

e) The variations in capital transactions mainly resulted from the acquisition of noncontrolling interests in investees already consolidated in the Company's interim financial information.

22. PROJECT-RELATED ASSETS WITH EQUITY SEGREGATION STRUCTURES

The equity segregation structures in the Company refer to the Special Tax Regime (RET - earmarked assets), which may or may not include Receivables Certificates (CRIs). The projects that made the permanent option for the RET and which may or may not have linked CRIs are as follows:

Project description	Consolidated RET-CRI	Total Consolidated	% of assets
925 Independência	74,324	12,079,418	0.62%
All Nations Vidamerica - Dom Heller	52,460	12,079,418	0.43%
Auguri Residence	70,761	12,079,418	0.59%
Boulevard Lapa	47,225	12,079,418	0.39%
Brisas Bosque Itirapina	28,600	12,079,418	0.24%
Carioca Residencial	162,340	12,079,418	1.34%
Carioca Shopping	50,457	12,079,418	0.42%
Ceo Corporate Executive Offices	37,867	12,079,418	0.31%
Certo Home Club	55,776	12,079,418	0.46%
Compasso	45,439	12,079,418	0.38%
Cond.Residencial Vita Belle	54,809	12,079,418	0.45%
Condominio Alegro Montenegro	47,719	12,079,418	0.40%
Condominio Batel	55,635	12,079,418	0.46%
Condomínio Ceo Salvador Shopping	41,413	12,079,418	0.34%
Condominio Edificio Artisan	36,056	12,079,418	0.30%
Condominio Emirado	21,059	12,079,418	0.17%
Condominio Encontro Ipiranga	26,128	12,079,418	0.22%
Condominio Ile Saint Louis	22,701	12,079,418	0.19%
Condomínio Jardins - Sub. Jardim De Veneto	45,655	12,079,418	0.38%
Condomínio Jardins - Sub. Pátio Jardins	20,570	12,079,418	0.17%
Condominio Le Parc Boa Viagem Residencial Resort	71,968	12,079,418	0.60%
Condomínio Le Parc Residencial Resort (Salvador)	43,455	12,079,418	0.36%
Condominio Lead Americas	170,617	12,079,418	1.41%
Condomínio Menai Tatuapé	46,560	12,079,418	0.39%
Condomínio Panamérica Brickell - Bento Branco I	73,994	12,079,418	0.61%
Condominio Personna (Exclusive)	28,397	12,079,418	0.24%
Condominio Pleno Residencial	96,514	12,079,418	0.80%
Condomínio Por Do Sol	106,773	12,079,418	0.88%
Condominio Reserva Morumbi	83,813	12,079,418	0.69%
Condominio Thera Faria Lima Pinheiros	67,806	12,079,418	0.56%
Condominio Vista Park Residencial	83,718	12,079,418	0.69%
Cosmopolitan High Garden	51,595	12,079,418	0.43%
Cosmopolitan Higienopolis	30,455	12,079,418	0.25%
Cosmopolitan Santa Cecília	28,100	12,079,418	0.23%
Cyrela Sul 001 - Medplex Norte	47,501	12,079,418	0.39%
Cyrela Sul 001 - Medplex Sul	41,816	12,079,418	0.35%
Cyrela Year Edition - Maracanã	24,307	12,079,418	0.20%
Dona Carolina	42,458	12,079,418	0.35%
Dona Margarida	21,187	12,079,418	0.18%
Duo Concept	49,285	12,079,418	0.41%
Edificio Gioia	43,260	12,079,418	0.36%
Edificio K By Cyrela	57,590	12,079,418	0.48%
Edificio Mandarin (Belém)	40,142	12,079,418	0.33%
Edificio Mirage Bay	24,007	12,079,418	0.20%
Edificio Vetrino	41,866	12,079,418	0.35%
Encontro Imigrantes - Bandeirantes	69,863	12,079,418	0.58%
Essenza Moema	84,838	12,079,418	0.70%
Fatto Momentos	29,288	12,079,418	0.24%
Fatto Move	46,035	12,079,418	0.38%
Fatto Novo Panamby	53,327	12,079,418	0.44%
Fatto Unique	23,296	12,079,418	0.19%
Grupamento 360 Graus On The Park	160,668	12,079,418	1.33%
Grupamento Empresarial Universe	20,250	12,079,418	0.17%
Grupamento Residencial Majestic	84,668	12,079,418	0.70%
Grupamento Residencial Reserva Jardim	26,563	12,079,418	0.22%
In Mare Bali Residencial Resort	50,485	12,079,418	0.42%
Inspire Flores	90,164	12,079,418	0.75%
Invite Taquaral	50,097	12,079,418	0.41%
Jardim De Provence (Fase 1)	72,100	12,079,418	0.60%
Jardim De Valencia	38,173	12,079,418	0.32%
Le France	59,376	12,079,418	0.49%
Living Dom Jayme - Suit São Bernado	62,374	12,079,418	0.52%
Living Itirapina	51,064	12,079,418	0.42%
Living Magic - Colgate	57,422	12,079,418	0.48%
Living Magic 2	37,103	12,079,418	0.31%
Living Resort -Alpes	26,952	12,079,418	0.22%
Maayan	33,569	12,079,418	0.28%
Misti Morumbi	100,009	12,079,418	0.83%
Neo Life Residencial	52,317	12,079,418	0.43%
New Residence Ipiranga	41,512	12,079,418	0.34%
Next Office Castanheira	29,908	12,079,418	0.25%
Nobre Norte Clube Residencial	71,571	12,079,418	0.59%
Now Studios Ipiranga	47,247	12,079,418	0.39%
Ocean Pontal Residence & Beach Place	190,448	12,079,418	1.58%
One Sixty	129,931	12,079,418	1.08%
Passeio Do Bosque-Bonfiglioli	75,043	12,079,418	0.62%
Pedra Bonita	43,462	12,079,418	0.36%
Península - Q. 9 Lote 7	35,861	12,079,418	0.30%
Praça Piratininga	28,554	12,079,418	0.24%
Praticidade by Plano&Plano	32,510	12,079,418	0.27%

Project description	Consolidated RET-CRI	Total Consolidated	% of assets
Quartier Lagoa Nova	28,914	12,079,418	0.24%
Reserva Ipanema	30,629	12,079,418	0.25%
Residencial Paulo Gorski (Opera Unique Home)	21,418	12,079,418	0.18%
Riserva Golf Vista Mare Residenzaie (Fase 1)	338,420	12,079,418	2.80%
Riserva Golf Vista Mare Residenzaie (Fase 2)	36,161	12,079,418	0.30%
Rjz Cyrela Like Residencial Club	95,422	12,079,418	0.79%
Saint Barth	28,514	12,079,418	0.24%
Storia Vila Clementino – By Cyrela	25,893	12,079,418	0.21%
Teodoro Da Silva	32,120	12,079,418	0.27%
Terrabela Planalto	33,891	12,079,418	0.28%
Time Center Campinas	22,402	12,079,418	0.19%
Tom1102	33,090	12,079,418	0.27%
Tree Morumbi	48,358	12,079,418	0.40%
Urban Office E Hotel	55,783	12,079,418	0.46%
Varanda Botanic.	33,349	12,079,418	0.28%
Vega Luxury Design Offices	34,967	12,079,418	0.29%
Verdant Valley Residence	94,068	12,079,418	0.78%
Verdant Village Residence	40,201	12,079,418	0.33%
Visionnaire Neoville Florianópolis	25,135	12,079,418	0.21%
Vitamare Neoville Florianópolis	23,198	12,079,418	0.19%
Way	20,686	12,079,418	0.17%
Way Orquidário	88,425	12,079,418	0.73%
Total	5,711,271	12,079,418	47.28%
Other 203 projects with assets of up to R\$5.000	248,239	12,079,418	2.06%
Other 42 projects with assets above R\$5.000 up to R\$10.000	322,253	12,079,418	2.67%
Other 20 projects with assets above R\$10.000 up to R\$15.000	258,516	12,079,418	2.14%
Other 15 projects with assets above R\$15.000 up to R\$20.000	249,245	12,079,418	2.06%
Total	6,789,523	12,079,418	56.21%

23. MANAGEMENT AND EMPLOYEE BENEFITS

Management and employee benefits are all offered as compensation paid, payable, or provided by the Company, or on behalf of the Company, in exchange for services that are rendered to the Company.

a) Post-employment benefits

The Company and its subsidiaries do not offer pension plans to their employees; however, they make monthly contributions based on payroll to official pension and social security funds, which are charged to expenses on the accrual basis.

b) Profit sharing plan

The Company and the other group companies have an employee profit-sharing plan in accordance with the collective bargaining agreement entered into with the Union of the São Paulo Construction Workers. As at September 30, 2016, the accrued profit sharing totaled R\$4,288 (R\$23,824 as at September 30, 2015), recorded in ‘General and administrative expenses’, and as ‘Payroll, related taxes, and profit sharing’ in liabilities, based on the indicators and parameters defined in the agreement and projected earnings.

c) Stock option plan

Plan description

To participate in the plan, officers or employees must acquire the Company’s shares within preset deadlines, using own funds or funds arising exclusively from the receipt of the annual bonus granted according to the compensation policy in force.

In exchange for the share acquisition, the Company will enter into a stock option agreement with each beneficiary, whereby the Company will grant, for each share acquired, stock options within previously defined limits and conditions.

Computation of amounts and recording of stock options are in compliance with the criteria established by CVM Resolution 650/10 - Share-based Payment (CPC 10 (R1)).

The number of stock options granted, vesting and exercise periods, as approved at the Company's Shareholders Meeting, are as follows:

Number, amounts and terms of the plans

	2007	2008	Plans granted on					2015
	05/17/2007 10/08/2007 10/01/2009 12/01/2010 02/01/2011 08/01/2012 09/02/2013	04/29/2008	08/11/2011	05/02/2012	03/28/2013 05/02/2013 10/01/2013 12/12/2013	02/05/2014	10/08/2015	
Grant dates								
Vesting period	Five (5) years 05/17/2012 10/08/2012 10/01/2014 12/01/2015 02/01/2016 08/01/2017 09/02/2018	Five (5) years	Five (5) years Three (3) years Two and a half (2.5) years	Three (3) years Five (5) years	Five (5) years Three (3) years Two (2) years	Five (5) years Three (3) years	Five (5) years	Five (5) years
Exercise period		04/28/2013	10/08/2016 10/08/2014 10/02/2014	04/27/2015 04/27/2017	03/30/2018 04/30/2016 05/30/2015	05/02/2019 05/02/2017	10/08/2020	
Average strike price	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01

	2007	2008	2011	2012	2013	2014	2015	Total
Number of shares at 12/31/2014	3,308,087	11,533	275,828	371,230	2,300,146	599,430	-	6,866,254
Granted shares	-	-	-	-	25,000	-	77,600	102,600
Exercised shares	(16,500)	-	-	(200,836)	-	-	-	(217,336)
Cancelled shares	(344,626)	-	-	(8,886)	(47,353)	(63,086)	-	(463,951)
Number of shares at 09/30/2015	2,946,961	11,533	275,828	161,508	2,277,793	536,344	77,600	6,287,567
Number of shares at 12/31/2015	2,798,480	11,533	275,828	161,508	2,139,793	525,244	77,600	5,989,986
Recovered shares	46,148	-	-	-	-	-	-	46,148
Exercised shares	(2,170,727)	-	(218,002)	-	(145,933)	-	-	(2,534,662)
Cancelled shares	(7,447)	-	(15,600)	(12,600)	(47,120)	(56,025)	-	(138,792)
Number of shares at 09/30/2016	666,454	11,533	42,226	148,908	1,946,740	469,219	77,600	3,362,680

The market value of each stock option is estimated on the grant date, using the Black-Scholes option pricing model, which uses the following basic assumptions: the price on the grant date, strike price, vesting period, stock price volatility, percentage of distributed dividends and risk-free rate.

The amounts of the amortizations recorded as expenses in the interim financial information, as a balancing item to the Company's equity, from the grant date through September 30, 2016, are as follows:

Plan	Average strike price	Grant date	Despesa Acumulada 09/2016	Despesa Acumulada 09/2015
2006	14.60	05/04/2006	2,744	2,744
2007	0.01	05/17/2007 10/08/2007 10/01/2009 12/01/2010 02/01/2011 08/01/2012 09/02/2013	78,141	73,269
2008	0.01	04/29/2008	22,451	22,451
2011	0.01	08/11/2011	4,151	3,694
2012	0.01	05/02/2012	4,879	4,574
2013	0.01	03/28/2013 05/02/2013 10/01/2013 12/12/2013	24,931	19,029
2014	0.01	05/02/2014	3,779	2,389
2015	0.01	08/10/2015	111	9
Total			141,187	128,159

24. FINANCIAL INSTRUMENTS

a) Analysis of financial instruments

The Company and its subsidiaries conduct transactions involving financial instruments, all recorded in balance sheet accounts, which are intended to meet their needs and reduce their exposure to credit, currency and interest rate risks. These risks are managed by defining strategies, setting control systems and determining position limits.

The Company and its subsidiaries valued their financial assets and financial liabilities in relation to market values, based on information available and appropriate valuation methodologies. However, both the interpretation of market inputs and the selection of appraisal methods require considerable judgment and reasonable estimates to calculate the most adequate realizable value. Consequently, estimates presented herein are not necessarily indicative of the amounts that could be realized in the current market. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated realizable values.

Transactions are not conducted with financial instruments for speculative purposes.

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
FINANCIAL ASSETS	1,278,033	1,612,052	5,474,297	6,334,173
Measured at amortized cost				
Cash and cash equivalents	219,502	286,585	508,248	828,512
Securities	491,530	897,762	963,621	1,333,502
Securities - NTN	73,521	71,571	110,205	71,571
Trade receivables	42,043	7,543	3,566,502	3,846,292
Related parties	444,059	339,275	307,731	216,893
Current accounts with venture partners	7,378	9,316	17,990	37,403
FINANCIAL LIABILITIES	1,101,926	1,424,006	4,174,155	4,504,471
Measured at amortized cost				
Borrowings and financing	613,024	704,308	3,124,422	3,229,751
Debentures	145,723	148,646	145,723	148,646
Certificates of Real Estate Receivables (CRIs)	203,296	348,191	202,267	363,214
Trade payables and provision for warranty	7,101	4,232	354,832	335,988
Payables for property acquisitions	-	-	176,878	210,472
Related parties	132,782	218,629	120,427	132,812
Current accounts with venture partners	-	-	49,606	83,588

b) Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities is the amount for which an instrument could be exchanged in a current transaction between willing parties other than in a forced liquidation or sale.

The following methods and assumptions were adopted in estimating fair value:

- Cash equivalents, trade payables and other current liabilities measured at amortized cost approximate their fair values.
- Trade receivables: receivables from completed units approximate their fair values on the sale date. Receivables from units under construction are recognized to the extent the work is performed, and the adjustment to present value is recorded, in order to determine such amounts at market value upon revenue recognition.
- The debentures issued by the Company are of a public nature and can be compared to other fair value instruments. The Company considers that the carrying amount of debentures approximates the fair value of these securities.

- Securities yield interest indexed to the CDI, as disclosed by the respective institutions; therefore, the carrying amount of these securities is not significantly different from their fair values.

c) Sensitivity analysis for financial assets and financial liabilities

Financial assets

Based on the probable scenario for the 12-month accumulated CDI, scenarios with stress of 25% and 50% were defined. The probable rate for accumulated CDI for the next 12 months of 12.5% p.a. was defined based on one-year fixed x DI benchmark swap rates disclosed by BM&FBOVESPA and alternative scenarios considering the CDI of 9.37% p.a. and 6.25% p.a. For each scenario, we calculated the "gross finance income", not taking into consideration the levy of taxes on the income from short-term investments. We calculated the sensitivity of securities to the scenarios for average monthly yields, based on the balance as at September 30, 2016. For those cases where the risk factor is the US dollar fluctuation, based on the scenario for the coming 12 months, of R\$3.68, the Company defined 25% and 50% stress scenarios, using the US dollar at R\$2.76 and R\$1.84, respectively.

These rates used for market projections were obtained from an external source.

Operation	Position 09/2016	Risk factor	Scenario I Probable	Scenario II	Scenario III
Investment fund - fixed-income Projected income	646,628	CDI	12.50% 80,829	9.37% 60,589	6.25% 40,414
Sundry investment funds	23,253	CDI	12.50% 2,907	9.37% 2,179	6.25% 1,453
Bank certificates of deposit Projected income	691,305	CDI	12.50% 86,413	9.37% 64,775	6.25% 43,206
Federal government bonds - NTN-B (iii) Projected income	110,205	IPCA	5.09% 5,609	3.82% 4,207	2.55% 2,805
	1,471,391		175,758	131,750	87,878

Financial liabilities

The Company's securities (debentures and CRIs), in the total amount of R\$349,019, net of issuance costs, yield interest equivalent to 100% of the CDI rate plus 0.65% to 1.20% p.a., 107% of the CDI and 108% of the CDI, respectively. In order to determine the debt sensibility subject to CDI rate, the interest rate risk to which the Company had a liability position as at September 30, 2016, three different scenarios were defined. The probable CDI rate accumulated for the next 12 months is 12.5% p.a., based on one-year fixed x DI benchmark swap rates disclosed by BM&FBOVESPA, equivalent to the probable scenarios listed below. Based on the probable CDI rate, stress scenarios were defined at the average rate of 15.63% p.a. and 18.75% p.a. for the next 12 months. The sensitivity of the finance costs to the scenarios for the CDI rate variance was determined based on the balances as at September 30, 2016, gross of issue costs, as highlighted below:

Operation	Position 09/2016	Risk factor	Scenario I Probable	Scenario II	Scenario III
CYRE 12 and 22 debentures Projected expense	44,109	CDI	13.23% 5,836	16.38% 7,225	19.52% 8,610
CYRE 16 debentures Projected expense	101,614	CDI	13.85% 14,074	17.02% 17,295	20.18% 20,506
CRIs - 1st issue Projected expense	45,361	CDI	13.43% 6,092	16.81% 7,625	20.19% 9,158
CRIs - 2nd issue Projected expense	157,935	CDI	13.56% 21,416	16.98% 26,817	20.39% 32,203
Total	349,019		47,418	58,962	70,477

Financing for the construction of properties is subject to the average interest rate of 9.14% p.a., indexed to the TR, a managed prime rate. Consequently, in order to demonstrate the sensibility of the finance costs to the TR rate, the interest rate risk to which the Company had a short position as at September 30, 2016, three different scenarios were defined. Future TR (12 months) was used based on the one-year fixed rate for TR, disclosed by BM&FBOVESPA, equivalent to the probable TR scenario of 0.75% p.a. Based on the probable TR scenario, stress scenarios of 25% and 50% were defined, and the annual rate applicable to work financing was recalculated. For each scenario, the finance costs were calculated, not considering the tax effects and payment flow estimated for 2016. The sensibility of the finance costs was determined based on the balances as at September 30, 2016.

The debt assumed with the BNDES is subject to 3.78% p.a. plus the TJLP (Long-term Interest Rate) and the Assumption of the Unpaid IPTU (Real Estate Tax) is subject to an interest of 12% p.a. indexed to the IPCA. In order to verify the sensitivity of the debt pegged to the TJLP and the IPCA, interest rate risk factors to which the Company was exposed as at September 30, 2016, three different scenarios were determined, using the TJLP of 7.50% p.a. and IPCA of 5.09% p.a. for a probable scenario. Based on the probable scenario, two stress scenarios of 25% and 50% were defined, and the annual rate applied to these borrowings was recalculated as follows:

Operation	Position 09/2016	Risk factor	Scenario I Probable	Scenario II	Scenario III
BNDES	101,768	TJLP	11.56%	13.51%	15.46%
Projected expense			11,764	13,749	15,733
IPTU debt assumption	6,935	IPCA	17.70%	19.12%	20.56%
Projected expense			1,227	1,326	1,426
Domestic borrowing	733,385	CDI e TR	11.33%	12.61%	13.88%
Projected expense			83,093	92,480	101,794
Construction financing	2,287,065	TR	9.93%	10.14%	10.34%
Projected expense			227,106	231,908	236,483
	3,129,153		323,190	339,463	355,436

d) Derivative transactions

Under CVM Resolution 550, of October 17, 2008, publicly-held companies are required to disclose in a separate note information on all derivative financial instruments. Derivatives are used by the Company to manage market risks related to interest rates, mainly fixed CCB borrowings.

(i) Cash flow swap

This type of swap provides for the payment of the interest difference over the term of the contract at periodic intervals (constant flow). The Company has two operations of this type:

- The Company assumes a long position at a fixed rate of 10.52% p.a., and a short position at a rate of 85.03% of the CDI, entered into on June 8, 2015, maturing on May 6, 2019, with the principal amount being repayable in the last four months of the contract.

Description	Original amount in R\$'000	Long position (Cyrela)	Short position (Banco Morgan Stanley)	Fair value Position (Cyrela) 09/30/2015
Cash flow swap linked to borrowing	200,000	10.52% p.a.	85.03% CDI	1,099

- The Company assumes a long position at a fixed rate of 10.59% p.a., and a short position at a rate of 71.86% of the CDI, entered into on February 1, 2016, maturing on February 5, 2019, with the principal amount being repayable on the maturity date of the contract.

Description	Original amount in R\$'000	Long position (Cyrela)	Short position (Banco Morgan Stanley)	Fair value Position (Cyrela) 09/30/2015
Cash flow swap linked to borrowing	145,439	10.59% p.a.	71.86% CDI	-142

e) Considerations on capital risks and management

The main market risks to which the Company and its subsidiaries are exposed in conducting their business are:

(i) Market risk

The market risk is the risk that the fair value of future cash flows from financial instruments fluctuates due to changes in market price. Market prices are impacted by two types of risks: interest rate and currency. The financial instruments affected by market risks include securities, trade receivables, trade payables, borrowings, available-for-sale instruments, and derivatives.

- Interest rate risk: the profit or loss of the Company and its subsidiaries is susceptible to changes in the interest rate levied on securities and debts at variable interest rates, mainly the CDI rate.
- Contract termination risk: The Company efficiently adopts its credit analysis policies in order to ensure the receipt of credits upon work completion and final transfer to the bank. Despite of this, the termination of purchase and sale agreements increased, which reflects the Brazilian downturn.
- Interest rates on borrowings and financing, debentures and CRIs are mentioned in notes 10, 11 and 12. The contractual interest rates on securities are mentioned in note 4. Twelve percent (12%) interest per year plus inflation adjustment based on the General Market Price Index (IGP-M), allocated on a pro rata temporis basis, is levied on receivables from completed properties, as described in note 5. Additionally, as mentioned in note 13, a significant portion of the balances held with related parties and balances held with venture partners is not subject to finance charges and are stated based on the amounts agreed upon among the parties.
- Currency risk: the Company has entered into transactions denominated in foreign currencies that are exposed to market risks deriving from changes in the quotations of the related foreign currencies. Any fluctuation in the exchange rate may increase or reduce these balances. As at September 30, 2016 and December 31, 2015, the Company had no foreign-currency denominated borrowings. As at September 30, 2016, there were no foreign-currency denominated securities (R\$1,034 as at December 31, 2015), and this exposure was hedged by future receivables, in US dollars, from real estate projects already delivered in Argentina.

(ii) Credit risk

Credit risk is the risk of a business counterparty not complying with an obligation set forth in a financial instrument or agreement with a customer, which would cause the Company to incur a financial loss. The Company is exposed to credit risk in its operating activities (particularly in relation to trade receivables).

The Company's credit risk on operating activities is managed based on specific customer acceptance standards, credit analysis and definition of exposure limits by customer, which are periodically reviewed.

Additionally, Management periodically determines if there is objective evidence that indicate that the economic benefits associated with the revenue recognized may not flow to the entity. Examples: (i) delay in the payment of installments; (ii) unfavorable local or national economic conditions, among others. If there is such evidence, the respective provision for contract termination is recorded. This provision considers that the Company will recover the real estate and that such amounts will be retained upon payment of the indemnities to the respective committed buyers, etc.

(iii) Liquidity risk

The liquidity risk consists of the possibility of the Company and its subsidiaries not having sufficient funds to meet their commitments, due to the different currencies and settlement terms of their rights and obligations.

The Company's and its subsidiaries' cash flows and liquidity control are monitored on a daily basis by the Company's management to ensure that the operating cash generation and early funding, when necessary, are sufficient to maintain their payment schedule, thus not posing liquidity risks for the Company and its subsidiaries.

(iv) Capital management

The Company's capital management aims to ensure that an appropriate credit rating is maintained by financial institutions and an optimum capital ratio, so as to support the Company's business and maximize shareholder value.

The Company controls its capital structure and adjusts it to current economic conditions. In order to keep this structure adjusted, the Company may pay dividends, capital return to shareholders, raise new borrowings, and issue debentures. The capital structure objectives, policies or processes have not been changed since December 31, 2008.

The Company's net debt structure (adjusted for inflation) includes: borrowings, financing, debentures, CRIs (net of issuance costs), less cash and cash equivalents, and securities:

	Parent		Consolidated	
	09/2016	2015	09/2016	2015
(+) Inflation adjusted debt (principal): (i)	939,716	1,181,527	3,435,482	3,713,587
(-) Cash and cash equivalents, and securities:	(784,553)	(1,255,918)	(1,582,074)	(2,233,585)
Net debt	155,163	(74,391)	1,853,408	1,480,002

(i) Comprised of borrowings and financing, debentures, and CRIs, net of issuance costs.

25. GROSS PROFIT

The table below shows the breakdown of net revenue and revenue-related costs, presented in the statement of profit and loss:

	Parent				Consolidated			
	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Gross operating revenue								
Real estate development and resale	563	2,198	2,270	2,270	829,837	2,243,419	1,126,583	3,299,958
Land subdivision	580	4,311	6,151	13,106	9,284	51,715	37,638	75,213
Service rendering and other	-	-	-	1,642	8,263	47,666	8,655	31,577
	1,143	6,509	8,421	17,018	847,384	2,342,800	1,172,876	3,406,748
Deductions from gross revenue	(171)	(399)	(411)	(1,164)	(22,577)	(66,254)	(35,143)	(96,118)
Net revenue	972	6,110	8,010	15,854	824,807	2,276,546	1,137,733	3,310,630
Cost of sales and services								
Real estate sold	451	298	289	289	(552,837)	(1,417,578)	(713,512)	(2,085,740)
Land subdivision	23	(1,337)	(2,080)	(6,324)	(3,372)	(21,520)	(22,650)	(45,232)
Service rendering	-	-	-	-	(7,177)	(39,836)	(7,057)	(25,477)
	474	(1,039)	(1,791)	(6,035)	(563,386)	(1,478,934)	(743,219)	(2,156,449)
Gross profit	1,446	5,071	6,219	9,819	261,421	797,612	394,514	1,154,181

26. SELLING EXPENSES

The main expenses incurred in the years are as follows:

	Parent				Consolidated			
	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Sales stands	-	-	-	-	(31,736)	(79,990)	(30,810)	(70,150)
Advertising and publicity (media)	-	-	-	-	(15,378)	(51,146)	(25,753)	(74,378)
Professional services	(2,909)	(7,201)	(2,441)	(4,481)	(26,150)	(83,263)	(31,288)	(98,794)
Not used	(49)	(171)	(42)	(87)	(15,295)	(43,466)	(12,942)	(37,088)
Other selling expenses	(i) (19)	(67)	(2,187)	(6,923)	(13,412)	(41,310)	(19,124)	(61,783)
	(2,977)	(7,439)	(4,670)	(11,491)	(101,971)	(299,175)	(119,917)	(342,193)

(i) The principal recorded under this caption refers to salaries and wages expenses incurred by the Group companies.

27. GENERAL AND ADMINISTRATIVE EXPENSES

The main expenses incurred in the years are as follows:

	Parent				Consolidated			
	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Payroll and related taxes	(9,709)	(30,283)	(10,692)	(32,602)	(34,625)	(104,757)	(37,806)	(118,438)
Profit sharing (PLR)	(3,567)	2,218	(5,289)	10,077	(2,423)	(4,288)	(4,482)	(22,924)
Share-based expense (stock options)	(1,651)	(8,256)	(1,141)	13,062	(1,651)	(8,256)	(1,141)	13,062
Professional services	(11,138)	(26,862)	(9,749)	(27,999)	(26,916)	(71,237)	(22,936)	(60,932)
Leases, travel and representations	(3,348)	(11,434)	(4,397)	(12,695)	(8,852)	(30,228)	(12,633)	(39,069)
Depreciation and amortization	(296)	(607)	(115)	(330)	(26,727)	(73,148)	(22,867)	(38,229)
Other administrative expenses	(5,443)	(16,337)	(5,557)	(17,030)	(10,515)	(27,128)	(12,018)	(39,559)
	(35,152)	(91,561)	(36,940)	(67,517)	(111,709)	(319,042)	(113,883)	(306,089)

28. FINANCE INCOME (COSTS)

The main costs incurred and income earned in the years are as follows:

	Parent				Consolidated			
	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
Finance costs:								
Interest - National Housing System (SFH)	-	-	-	-	(65,403)	(194,607)	(63,441)	(171,480)
Interest - domestic and foreign financing	(30,357)	(105,438)	(45,551)	(128,455)	(39,458)	(125,147)	(57,189)	(173,748)
Interest capitalization	1,389	5,432	4,053	12,732	60,476	180,314	48,156	162,569
Inflation adjustments	(2,709)	(8,754)	(2,627)	(25,222)	(3,211)	(10,789)	(5,042)	(31,816)
Banking fees	(1,213)	(4,283)	(510)	(1,090)	(2,807)	(9,251)	(2,872)	(8,611)
Discounts granted	(217)	(294)	(1)	(1)	(225)	(533)	(1,117)	(6,079)
Other finance costs	(888)	(2,254)	(643)	(1,180)	(3,580)	(10,396)	(5,669)	(10,553)
	(33,995)	(115,591)	(45,279)	(143,216)	(54,208)	(170,409)	(87,174)	(239,718)
Finance income:								
Income from short-term investments	30,869	110,647	39,822	92,796	54,583	187,777	76,922	188,255
Finance income on trade receivables	-	-	-	-	-	-	2,107	7,782
Inflation adjustments	464	1,573	1,458	6,048	5,832	15,345	7,199	24,965
Discounts obtained	2	9	(2)	19	169	254	567	2,340
Sundry interest gains	6,676	17,286	1,909	3,819	12,897	34,791	7,120	15,889
Other finance income	188	722	297	481	1,341	4,413	1,973	5,379
Cofins/Pis on finance income	(1,858)	(6,085)	(2,037)	(2,037)	(2,418)	(7,787)	(3,530)	(3,530)
	36,341	124,152	41,447	101,126	72,404	234,793	92,358	241,080
Finance income (costs), net	2,346	8,561	(3,832)	(42,090)	18,196	64,384	5,184	1,362

29. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year attributable to the holders of the Parent's common shares by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing profit for the year attributable to the holders of the Parent's common shares by the weighted average number of common shares outstanding in the year plus the weighted average number of common shares that would be issued if all potential diluted common shares were actually converted into common shares.

Earnings dilution - %**Basic and diluted earnings per share**

	09/2016	09/2015
Profit for the period	120,419	349,779
Number of outstanding shares (-) treasury	381,616	378,795
Earnings per share	0.31555	0.92340
Weighted average number of shares in the year	377,063	378,928
Basic earnings per share	0.31936	0.92308

Diluted earnings per share:

Weighted average number of shares in the year	377,063	378,928
Increase in the number of shares arising on the Stock Option Plans if all granted stock options were exercised	3,363	6,288
Average number of shares during the plans - Diluted	380,426	385,216
Diluted earnings per share	0.31654	0.90801

30. SEGMENT INFORMATION

a) Criteria for identification of operating segments

The Company segmented its operating structure taking into consideration the way Management manages the business. Operating segments in the interim financial information are as follows:

(i) Real estate development activities.

(ii) Service provisions.

The real estate development segment contemplates the sale and resale of properties and also the land subdivision activity and is subdivided and presented in accordance with the product developed to be sold, as follows:

(i) Cyrela Products: include real estate projects classified by the Launch Committee as “high end” and “luxury”, both of the Parent and joint ventures.

(ii) Living plus MCMV Products: real estate projects defined by the Launch Committee as Living or “Minha Casa, Minha Vida”, both of the Parent and joint ventures.

Information on the land subdivision and service rendering activities is being presented in this note under ‘Other’.

b) Consolidated information on operating segments

	Consolidated - 09/2016				
	Cyrela	Living + MCMV	Other	Corporate	Total
Net revenue	1,459,049	704,426	113,071	-	2,276,546
Cost of sales and services	(938,999)	(475,766)	(64,169)	-	(1,478,934)
Gross profit	520,050	228,660	48,902	-	797,612
Operating expenses	(145,108)	(98,114)	(55,953)	(322,894)	(622,069)
Operating income (expenses) before finance income (costs)	374,942	130,546	(7,051)	(322,894)	175,543
Total assets	5,929,680	3,497,160	105,617	2,546,961	12,079,418
Total liabilities	2,245,832	1,600,893	44,655	1,431,507	5,322,887
Equity	3,683,848	1,896,267	60,962	1,115,454	6,756,531

	Consolidated - 09/2015				
	Cyrela	Living + MCMV	Other	Corporate	Total
Net revenue	1,925,967	1,280,886	103,777	-	3,310,630
Cost of sales and services	(1,240,794)	(844,946)	(70,709)	-	(2,156,449)
Gross profit	685,173	435,940	33,068	-	1,154,181
Operating expenses	(188,711)	(97,255)	(56,227)	(264,710)	(606,903)
Operating income (expenses) before finance income (costs)	496,462	338,685	(23,159)	(264,710)	547,278
Total assets	7,949,684	3,153,682	335,585	1,977,742	13,416,693
Total liabilities	3,971,848	1,543,152	252,869	846,057	6,613,926
Equity	3,977,836	1,610,530	82,716	1,131,685	6,802,767

The balance in the ‘Corporate’ column refers basically to corporate unit expenses not apportioned among the other segments.

c) Information on net sales revenue

Most of the consolidated net revenue is derived from the Brazilian market.

d) Information on major customers

The Company and its investees do not have customers that account for significant market share (above 10%) in their projects affecting operating income or expenses.

31. INSURANCE

The Company and its investees have insurance coverage considered sufficient by Management to cover probable losses on their assets and/or liabilities, as follows:

a) Engineering risk:

- (i) Basic - R\$1,779,665: covers accidents (sudden and unpredictable causes) in the construction site, such as natural damage or acts of God, windstorms, storms, lightning, flood, earthquakes, losses resulting from construction work, use of defective or improper materials, construction faults and, structure collapse.
- (ii) Projects - R\$1,779,665: covers indirect damage caused by possible design flaws.
- (iii) Stationary - R\$470: covers incidents with movable and stationary equipment and small tools.
- (iv) Other - R\$288,604: refers to nonrecurring expenses, removal of debris, riots, strikes, joint construction liability, etc.

b) Sales stand: fire - R\$13,250, theft - R\$530, and other risks - R\$1,775.

c) Sundry risks: robbery - R\$150.

d) Contractual guarantees: R\$174,627.

e) Physical damages to mortgaged properties: R\$870,508.

f) Construction risks: Civil liability - R\$103,500.

32. INTERIM FINANCIAL INFORMATION AND SUPPLEMENTAL INFORMATION PURSUANT TO CVM INSTRUCTION 414/04

The fiduciary balances representing transactions intermediated by subsidiary Brazil Realty Securitizadora were shown separately from the respective subsidiary's interim financial information. The following tables show the carrying amount of fiduciary transactions for the reporting year:

32.1. Separate balance sheet

	<u>09/2016</u>	<u>2015</u>
Assets		
Current assets		
Related-party transactions - CCI/CCB	150,000	166,667
Interest on real estate receivables - CCI/CCB	10,096	5,026
	<u>160,096</u>	<u>171,693</u>
Total assets	<u>160,096</u>	<u>171,693</u>
Noncurrent assets		
Related-party transactions - CCI/CCB	43,200	193,200
	<u>43,200</u>	<u>193,200</u>
Total assets	<u>203,296</u>	<u>364,893</u>
Liabilities		
Current liabilities		
Certificates of Real Estate Receivables (CRIs)	150,000	166,667
Interest on Certificates of Real Estate Receivables (CRIs)	10,096	5,026
	<u>160,096</u>	<u>171,693</u>
Noncurrent liabilities		
Certificates of Real Estate Receivables (CRIs)	43,200	193,200
	<u>43,200</u>	<u>193,200</u>
Total liabilities	<u>203,296</u>	<u>364,893</u>

32.2. Receivables - CCI

Refer to the real estate receivables acquisition transactions, conducted pursuant to Law 9514/97 and Law 10931/04, which govern the issue of certificates of real estate receivables (CRIs) and Mortgage Notes (CCIs).

The fiduciary regime for receivables is established under Article 9 of Law 9514/97 and Article 23 of Law 10931/04, and these are allocated to separate equity for the sole purpose of backing said real estate securities, and, therefore, cannot be mistaken for the Company's equity.

32.3. CRIs

Represent the amounts payable to the investors that acquire the CRIs.

32.4. Supplementary information on the issue of CRIs

As set forth in article 3 of CVM Instruction 414, of December 30, 2004, data on the issuance date, amortization date, issuance unit face value, number of certificates issued, compensation, retrocession, repayment of principal and interest payments for the year, default of restricted receivables and risk rating are described in Note 12.

33. EVENTS AFTER THE REPORTING PERIOD

On September 30, 2016 the Company approved a new issue of Certificates of Real Estate Receivables ("CRIs"), to raise up to R\$150 million, maturing in December 2018 and yielding 98% of the CDI. This offering was initiated on October 26, 2016 and will be closed in April 2017 or until all CRIs are settled.

On October 11, 2016 the Company completed the auction of the remaining shares of Tecnisa S/A, resulting in the subscription of another 577,232 registered, book-entry common shares, without par value, totaling R\$1,154, representing a 0.14% increase in the interest held.

34. NONCASH TRANSACTIONS

- a) In the year ended September 30, 2016, the Company and its subsidiaries increased the balance of 'Properties for sale' through physical barter totaling R\$19,589 (R\$54,314 as at September 30, 2015).
- b) The R\$300,000 capital increase referred to in paragraph 21.a) was carried out through the reclassification of line item 'Earnings retention' to 'Capital'.

35. APPROVAL OF INTERIM FINANCIAL INFORMATION

The Company's individual and consolidated interim financial information was approved by the Board of Directors at the meeting held on November 4, 2016.

Under CVM Instruction 480/09, the Company's Executive Board declared that it has discussed, reviewed and agreed with the Company's individual and consolidated interim financial information and the conclusions included in the independent auditor's report on review of interim financial information for the period ended September 30, 2016.

SHAREHOLDING OF HOLDERS OF OVER 5% OF COMPANY'S SHARES OF ANY TYPE AND CLASS, UP TO INDIVIDUAL LEVEL				
Company: Cyrela Brazil Realty S.A. Empreendimentos e Participações			Shareholding on 09/30/2016 (Shares in Units)	
Shareholder	Common Shares		Total	
	Number	%	Number	%
Eirenor Sociedad Anônima (1)	21,900,008	5.5%	21,900,008	5.5%
Elie Horn	98,128,878	24.5%	98,128,878	24.5%
EH Capital Management (2)	7,502,400	1.9%	7,502,400	1.9%
Dynamo	30,494,221	7.6%	30,494,221	7.6%
Orbis Investment	28,897,929	7.2%	28,897,929	7.2%
Capital Group	22,756,800	5.7%	22,756,800	5.7%
Ações em tesouraria	18,127,065	4.5%	18,127,065	4.5%
Outros	171,935,498	43.0%	171,935,498	43.0%
Total	399,742,799	100.0%	399,742,799	100.0%

(1) Holding company incorporated pursuant to the laws of Uruguay, in which Elie Horn holds a 100,0% stake,

(2) Holding company incorporated pursuant to the laws of the British Virgin Islands, in which Elie Horn holds a 100,0% stake,

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS, Shareholding on 09/30/2016				
Shareholders	Number of Common Shares (In Units)	%	Number of Common Shares (In Units)	%
Controlling Shareholder	136,460,347	34.1%	136,460,347	34.1%
Managers				
Board of Directors	1,099,376	0.3%	1,099,376	0.3%
Board of Executive Officers	570,117	0.1%	570,117	0.1%
Fiscal Council	-	0.0%	-	0.0%
Treasury Shares	18,127,065	4.5%	18,127,065	4.5%
Others Shareholders	243,485,894	60.9%	243,485,894	60.9%
Total	399,742,799	100.0%	399,742,799	
Outstanding Shares	243,485,894	60.9%	243,485,894	60.9%

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS, Shareholding on 09/30/2015 (12 months ago)				
Shareholders	Number of Common Shares (In Units)	%	Number of Common Shares (In Units)	%
Controlling Shareholder	136,447,247	34.1%	136,447,247	34.1%
Managers				
Board of Directors	53,147	0.0%	53,147	0.0%
Board of Executive Officers	229,523	0.1%	229,523	0.1%
Fiscal Council	-	0.0%	-	0.0%
Treasury Shares	20,948,208	5.2%	20,948,208	5.2%
Others Shareholders	242,064,674	60.6%	242,064,674	60.6%
Total	399,742,799	100.0%	399,742,799	100.0%
Outstanding Shares	242,064,674	60.6%	242,064,674	60.6%

In accordance with the Bylaws, chapter X, article 51, the Company, its shareholders, managers and the Fiscal Council members undertake to resolve by means of arbitration every and all dispute or controversy which may arise among them, especially related to or derived from enforcement, validity, effectiveness, construal, violation and their effects of provisions contained in these Bylaws, in the possible shareholders' agreements filed at the Company's headquarters, in Law no, 6,404/76, in the rules issued by the Brazilian Monetary Council (CMN), by the Brazilian Central Bank and by the Brazilian Securities and Exchange Commission (CVM), as well as other rules applicable to the capital markets operation in general and those included in the "Novo Mercado" Listing Regulation, in the "Novo Mercado" Listing Agreement and in the Arbitration Regulation of the Market Arbitration Panel, in conformity with the Market Arbitration Panel Regulation established by BOVESPA,

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
Cyrela Brazil Realty S.A. Empreendimentos e Participações
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Cyrela Brazil Realty S.A. Empreendimentos e Participações ("Company"), included in the Quarterly Financial Information Form (ITR) for the quarter ended September 30, 2016, which comprises the balance sheet as at September 30, 2016, and the related income statement and statement of comprehensive income for the three- and nine-month periods then ended and statement of changes in equity and statement of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of this individual interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), which takes into consideration technical instruction OCPC 04 on the application of technical interpretation ICPC 02 to real estate development entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), as well as for the presentation of such information in accordance with the standards issued by CVM applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion on the individual and consolidated interim financial information prepared in accordance with CPC 21(R1)

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by CVM applicable to the preparation of Interim Financial Information (ITR).

Conclusion on the consolidated interim financial information prepared in accordance with IAS 34, which considers technical instruction OCPC 04 on the application of technical interpretation ICPC 02 to real estate development entities in Brazil, issued by the CPC and approved by the CVM and the CFC

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with IAS 34, which considers OCPC 04 on the application of ICPC 02 to real estate development entities in Brazil, issued by the CPC and approved by the CVM and the CFC, applicable to the preparation of the Interim Financial Information (ITR), and presented in accordance with the standards issued by CVM.

Emphasis of matter

As described in Note 2, the individual and consolidated interim financial information has been prepared in accordance with accounting practices adopted in Brazil (CPC 21 (R1)). The consolidated interim financial information, prepared in accordance with International Financial Reporting Standards ("IFRSs") applicable to real estate development entities in Brazil (IAS 34, for interim financial reporting), also considers technical instruction OCPC 04 issued by the CPC. This technical instruction addresses the recognition of revenue by the real estate industry and involves matters related to the meaning and application of the concept of continuous transfer of risks, rewards and control on the sale of real estate units. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2016, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered supplemental information by IFRSs, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the interim financial information taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 10, 2016



DELOITTE TOUCHE TOHMATSU
Auditores Independentes



Tarcisio Luiz dos Santos
Engagement Partner

DECLARATIONS FOR THE PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM VI, OF CVM RULE 480/09

We hereby declare, in the capacity of Executive Officers of Cyrela Brazil Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city and state of São Paulo, at Avenida Engenheiro Roberto Zuccolo, 555, 1st floor, room 1001, Vila Leopoldina, CEP 05307-190, Corporate Taxpayer's ID (CNPJ/MF) no. 73.178.600/0001-18 ("Company"), pursuant to item VI, Paragraph 1, of Article 25 of CVM Instruction 480 of December 7, 2009, that we have reviewed, discussed and approved the interim financial statements of the Company for the quarter ended September 30, 2016.

São Paulo, November 10, 2016.

The administration

DECLARATIONS FOR THE PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM V, OF CVM RULE 480/09

We hereby declare, in the capacity of Executive Officers of Cyrela Brazil Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city and state of São Paulo, at Avenida Engenheiro Roberto Zuccolo, 555, 1st floor, room 1001, Vila Leopoldina, CEP 05307-190, Corporate Taxpayer's ID (CNPJ/MF) no. 73.178.600/0001-18 ("Company"), pursuant to item V, Paragraph 1, of Article 25 of CVM Instruction 480 of December 7, 2009, that we have reviewed, discussed and agreed with the opinion stated in the report of the Company's independent auditors (Deloitte Touche Tohmatsu) related to the Company's financial statements for the interim financial statements of the Company for the quarter ended September 30, 2016.

São Paulo, November 10, 2016.

The administration