

Rio de Janeiro, November 14, 2016. **Brasil Brokers Participações S.A. (BM&FBovespa: BBRK3)**, a real estate brokerage and consulting firm with strong presence in Brazil's major real estate markets, announces today its results for the third quarter of 2016 (3Q16).

The Company's consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Brazil (BR GAAP), pursuant to Brazilian Corporation Law and the rules of the Securities and Exchange Commission of Brazil (CVM). **Since the beginning of 2015, Brasil Brokers has announced the sale of six of its subsidiaries and incurred several restructuring costs. In this report, such impacts were reclassified and demonstrated through the "Non-Recurring Effects and Discontinued Operations" group.**

## IR Team

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## Conference Call

### Portuguese

November 16, 2016

12:00 p.m. (Brasília time)

9:00 a.m. (NY time)

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## Operating Highlights

- ✓ **Contracted sales** totaled R\$1.5 billion in 3Q16, up 27% from 2Q16 and 4% below 3Q15.
- ✓ The **average gross commission** for the third quarter of 2016 was 2.55%, and **average ticket** of the properties sold by Brasil Brokers reached R\$584,000.
- ✓ Excluding contracted sales in the corporate segment, the Company's **average ticket** was R\$393,000 with **average gross commission** of 2.84%.
- ✓ The **number of employees** totaled 729 at the end of 3Q16, with a workforce reduction of 235 employees, or 24%, when compared to the end of 3Q15.
- ✓ Our **sales force** totaled 8,765 accredited Brokers at the end of 3Q16.

## Financial Highlights

- ✓ **Adjusted net revenue<sup>1</sup>** totaled **R\$33.3 million** in 3Q16, representing a 16% growth versus 2Q16 and down 15% when compared to 3Q15.
- ✓ In 3Q16, we approved 376 and billed 237 real estate financing contracts with HSBC, totaling **R\$66 million**, generating a gross revenue for the Company of **R\$2.3 million**, in line with the amount reported in 2Q16 and up 8% from 3Q15.
- ✓ We achieved an important nominal reduction of **R\$9.3 million**, or 21%, in the Company's total **adjusted operating costs and expenses<sup>1</sup>** when compared to 3Q15.
- ✓ **Adjusted EBITDA<sup>1</sup>** for 3Q16 was negative by **R\$2.7 million**, improving by approximately R\$5.1 million when compared to 2Q16 and by R\$3.7 million when compared to 3Q15.
- ✓ The Company recorded a loss of R\$12.4 million in 3Q16. Excluding impacts from non-recurring items and discontinued operations, the Company's **adjusted loss<sup>1</sup>** was **R\$6.9 million**.
- ✓ **Net cash from operations**, excluding working capital and taxes, was negative by **R\$8.9 million** in 3Q16.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

## Financial Statements

### Disclaimer:

In this report, we will demonstrate the results of our operations, highlighting the effects of non-recurring items and discontinued operations for better comparison with past operational results.

In the first quarter of 2015, the Company sold to its former partners three of its subsidiaries, MGarzon and Miranda, located in the Federal District, and Jairo Rocha in Pernambuco. In addition, in the fourth quarter of the same year, the Company sold the subsidiary Vera Bernardes, in Porto Alegre.

In the first quarter of 2016, the Company announced the sale of its subsidiary Redentora, located in São José do Rio Preto, to its former partner. And in the third quarter of 2016, we announced the sale of the total stake held by Brasil Brokers (70%) in Brasil Brokers Paraná, headquartered in the city of Curitiba.

All adjustments are explained below:

**Table 1 – Quarterly Financial Performance (R\$ '000)**

Financial Statement									
	3Q16 Adjusted	Non-recurring Effects and Discontinued Operations Effects	3Q16 Accounting	2Q16 Adjusted	Non-recurring Effects and Discontinued Operations Effects	2Q16 Accounting	3Q15 Adjusted	Non-recurring Effects and Discontinued Operations Effects	3Q15 Accounting
Contracted PSV	1,510,918	(79,705)	1,431,213	1,185,488	39,238	1,224,725	1,574,294	98,199	1,672,493
Average Commission	2.55%		2.55%	2.84%		2.83%	2.87%		2.85%
Service Revenue	38,523	(1,987)	36,536	33,696	1,017	34,713	45,178	2,408	47,586
Discounts and Rebates	(972)	118	(854)	(559)	(64)	(623)	(1,062)	(61)	(1,123)
Taxes on Revenue	(4,265)	282	(3,983)	(4,348)	(143)	(4,491)	(5,176)	(244)	(5,420)
Net Revenue	33,287	(1,588)	31,699	28,789	810	29,599	38,939	2,104	41,043
Cost of Services Rendered	(837)	113	(724)	(953)	(23)	(976)	(1,400)	(393)	(1,793)
Gross Profit	32,449	(1,474)	30,975	27,837	786	28,623	37,540	1,710	39,250
Operating Costs and Expenses	(35,147)	2,343 <sup>(2)</sup>	(32,804)	(35,636)	(3,997)	(39,633)	(43,935)	(4,360)	(48,295)
Administrative Expenses	(30,222)	1,225	(28,997)	(32,697)	(3,890) <sup>(2)</sup>	(36,587)	(36,660)	(3,727) <sup>(2)</sup>	(40,386)
Management Remuneration	(604)	5	(599)	(823)	(3)	(826)	(822)	(14)	(836)
Allowance for Doubtful Accounts	(2,740)	317	(2,423)	(1,417)	(182)	(1,599)	(2,554)	(121)	(2,675)
Other Operating Revenue (Expenses)	(1,580)	795 <sup>(1) (2)</sup>	(785)	(699)	78 <sup>(1) (2)</sup>	(621)	(3,899)	(499) <sup>(2)</sup>	(4,398)
EBITDA	(2,698)	869	(1,829)	(7,800)	(3,210)	(11,010)	(6,395)	(2,650)	(9,045)
Depreciation and Amortization	(2,615)	131 <sup>(1)</sup>	(2,484)	(2,769)	(910) <sup>(2)</sup>	(3,679)	(3,539)	(180)	(3,719)
Financial Expenses	(381)	(6,034) <sup>(2)</sup>	(6,415)	(192)	(139)	(331)	(316)	(3)	(319)
Financial Income	3,958	(72)	3,886	3,397	52	3,449	4,808	10	4,818
Income before Taxes	(1,735)	(5,107)	(6,842)	(7,364)	(4,207)	(11,571)	(5,441)	(2,824)	(8,265)
Provision for Income Tax	(1,307)	-	(1,307)	(486)	-	(486)	(1,443)	(75)	(1,518)
Provision for Social Contribution Tax	(490)	-	(490)	(187)	-	(187)	(553)	(30)	(583)
Minority Interest	(3,388)	(362)	(3,750)	(83)	161	78	(335)	274	(61)
Net Income (losses) from Operations	(6,920)	(5,468)	(12,389)	(8,120)	(4,046)	(12,166)	(7,772)	(2,655)	(10,427)

(1) Write-off of assets due to the closing of stores;

(2) Non-recurring expenses due to the Company's restructuring process, including the sale of companies

(3) In the other lines, the adjustments are related exclusively to the sale of companies.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

**Table 2 – Last 9 months Financial Performance (R\$ '000)**

Financial Statement						
	9M16 Adjusted	Non-recurring Effects and Discontinued Operations Effects	9M16 Accounting	9M15 Adjusted	Non-recurring Effects and Discontinued Operations Effects	9M15 Accounting
Contracted PSV	3,655,365	-	3,655,365	5,694,842	379,166	6,074,008
Average Commission	2.75%	-	2.75%	2.70%	-	2.69%
Service Revenue	100,464	-	100,464	153,591	9,526	163,117
Discounts and Rebates	(2,374)	-	(2,374)	(4,536)	(686)	(5,222)
Taxes on Revenue	(12,193)	-	(12,193)	(17,174)	(955)	(18,129)
Net Revenue	85,897	-	85,897	131,881	7,885	139,766
Cost of Services Rendered	(2,543)	-	(2,543)	(3,923)	(1,012)	(4,935)
Gross Profit	83,354	-	83,354	127,958	6,873	134,831
Operating Costs and Expenses	(107,669)	(1,929)	(109,598)	(135,032)	(1,609)	(136,641)
Administrative Expenses	(96,441)	(4,738) <sup>(2)</sup>	(101,179)	(117,487)	(10,962) <sup>(2)</sup>	(128,449)
Management Remuneration	(2,197)	-	(2,197)	(2,657)	(40)	(2,697)
Allowance for Doubtful Accounts	(5,373)	-	(5,373)	(8,367)	(180)	(8,547)
Other Operating Revenue (Expenses)	(3,658)	2,809 <sup>(1) (2)</sup>	(849)	(6,521)	9,573 <sup>(2)</sup>	3,052
EBITDA	(24,315)	(1,929)	(26,244)	(7,075)	5,265	(1,810)
Depreciation and Amortization	(8,277)	(1,461) <sup>(1)</sup>	(9,738)	(10,991)	(539)	(11,530)
Financial Expenses	(642)	(6,245) <sup>(2)</sup>	(6,887)	(793)	(11,349) <sup>(2)</sup>	(12,142)
Financial Income	11,332	-	11,332	13,849	74	13,923
Income before Taxes	(21,902)	(9,635)	(31,537)	(5,010)	(6,549)	(11,559)
Provision for Income Tax	(2,153)	-	(2,153)	(6,346)	(412)	(6,758)
Provision for Social Contribution Tax	(814)	-	(814)	(2,389)	(161)	(2,550)
Minority Interest	(3,310)	-	(3,310)	(3,034)	229	(2,805)
Net Income (losses) from Operations	(28,179)	(9,635)	(37,814)	(16,779)	(6,893)	(23,672)

(1) Write-off of assets due to the closing of stores;

(2) Non-recurring expenses due to the Company's restructuring process, including the sale of companies

(3) In 9M15, in the other lines, the adjustments are related exclusively to the sale of companies.

## Section 1: Operating Performance

Table 3 – Contracted Sales

Operating Highlights	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Contracted Sales (R\$ million)	1,511	1,574	-4%	1,185	27%	3,655	5,695	-36%
Units Sold	2,587	4,644	-44%	3,211	-19%	8,497	15,918	-47%
Average Ticket (R\$ thousand)	584	339	72%	369	58%	430	358	20%

As a result of the country's recent political changes, the downward trend observed on the last few years in confidence levels of key players in the real estate sector (builders, sellers and buyers) was interrupted. The prospects for inflation began to stabilize at lower levels, the Central Bank approved the first cut in interest rates after four years of consecutive increases and some banks are giving their first hints that they plan to flexibilize internal policies for credit granting with improved financing conditions.

Despite the perceived improvement, it is still early to speak of a trend for the upcoming periods. The speed of sales negotiations and conclusion in both markets is still low compared to historical levels, and the volumes of cancellations and inventory remain high, pressuring the performance of the key market players during this third quarter. Additionally, the hosting of the Olympic Games in Rio de Janeiro ended up dispersing the attention of potential buyers in the period.

It is essential to continue making key adjustments in the economy so that the sector resumes growth in a more consistent manner.

In 3Q16, total contracted sales for the segments in which we operate amounted to R\$1,511 million, up 27% from the levels reached in 2Q16, but 4% below when compared to 3Q15.

Table 4 – Real Estate Loans

Approved	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Invoiced Value (in R\$ Million)	106	84	26.2%	159	-33.5%	381	302	26.2%
Quantity of Contracts	376	293	28.3%	587	-35.9%	1,331	997	33.5%
Average Amount Invoiced (In R\$ Million)	282	287	-1.7%	271	3.8%	286	303	-5.4%
Signed	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Invoiced Value (in R\$ Million)	73	51	42.9%	63	17.1%	189	151	25.0%
Quantity of Contracts	265	188	41.0%	208	27.4%	636	487	30.6%
Average Amount Invoiced (In R\$ Million)	276	273	1.4%	301	-8.1%	297	310	-4.3%

Through our partnership with HSBC, we approved 376 real estate loan contracts, totaling R\$105.9 million in financing in 3Q16, down 34% when compared to 2Q16 but up 26% when compared to the same quarter of 2015. The number of contracts signed, in turn, increased by 17% and 43% in relation to 2Q16 and 3Q15, respectively.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report



## Section 2: Performance by Market (Real Estate Brokerage)

### 2.1 – Primary Market

Table 5 – Launches

Launches	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs 2Q16	9M16	9M15	9M16 vs. 9M15
PSV Launched (R\$ million) (1)	2,386	1,461	63%	3,304	-28%	6,710	9,039	-26%
Launched Units	6,330	4,259	49%	9,455	-33%	18,903	24,619	-23%
Average Ticket (R\$ thousand)	377	343	10%	349	8%	355	367	-3%

(1) Total PSV from developments launched by Brasil Brokers with or without exclusivity.

In 3Q16, Brasil Brokers' PSV totaled R\$2.4 billion, 28% lower than reported in 2Q16, but 63% higher than the amount reported in the same period of the previous year.

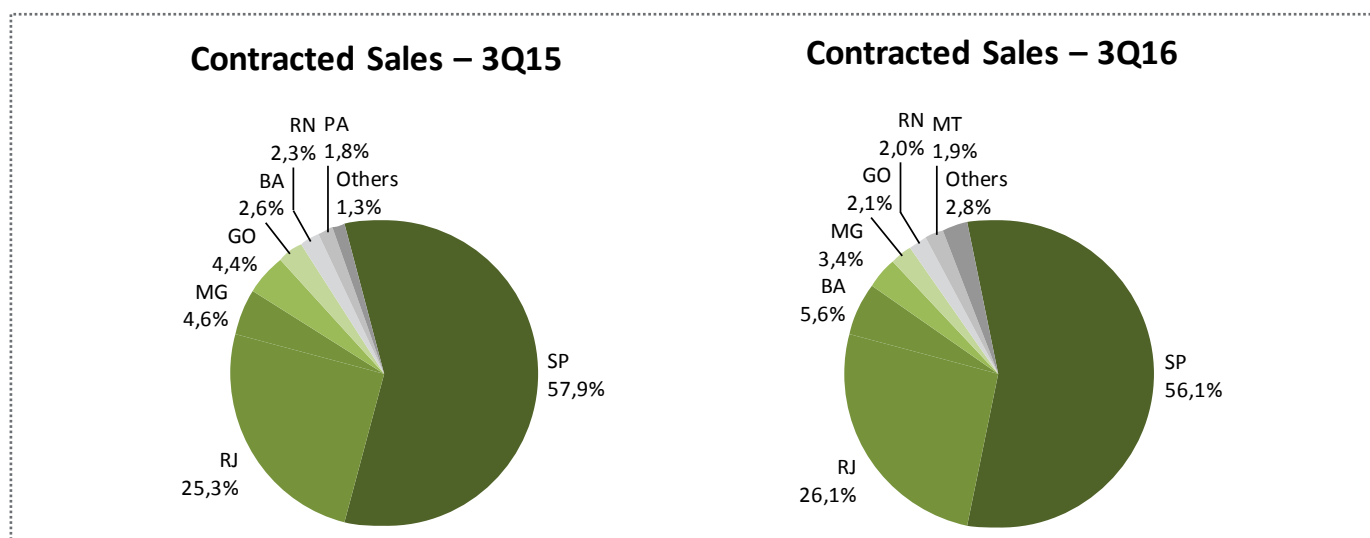
Table 6 – Contracted Sales

Operating Highlights	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs 2Q16	9M16	9M15	9M16 vs. 9M15
Contracted Sales (R\$ million)	763	1,221	-37%	838	-9%	2,337	4,350	-46%
Units Sold	2,158	4,033	-46%	2,637	-18%	7,082	13,738	-48%
Average Ticket (R\$ thousand)	354	303	17%	318	11%	330	317	4%

Contracted sales in the primary market reached R\$763 million in 3Q16, down 9% when compared to 2Q16 and down 37% versus 3Q15.

Sales of inventory units accounted for approximately 81% of the total sales in the primary market in 3Q16 total, versus 74% in 2Q16 and 70% in 3Q15.

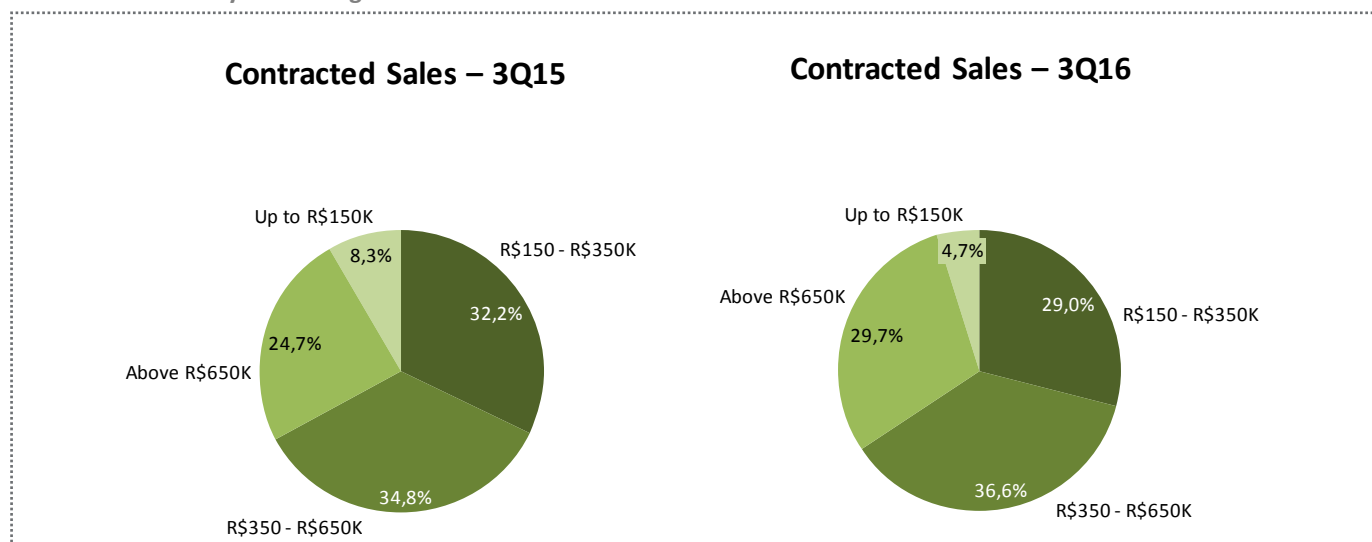
Chart 1 – Contracted PSV Mix by State



<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

In 3Q16, contracted sales in the primary market were broken down as follows: 85.5% in the Southeast, 7.6% in the Northeast, 4.3% in the Midwest, 1.9% in the South and 0.7% in the North.

**Chart 2 – PSV Mix by Price Range**



In 3Q16, of the total contracted sales of R\$763 million in the primary market, 30% came from properties priced as of R\$650,000, 37% from properties priced between R\$350,000 and R\$650,000, 29% from properties priced between R\$150,000 and R\$350,000 and 5% from properties up to R\$150,000.

## 2.2 – Secondary Market

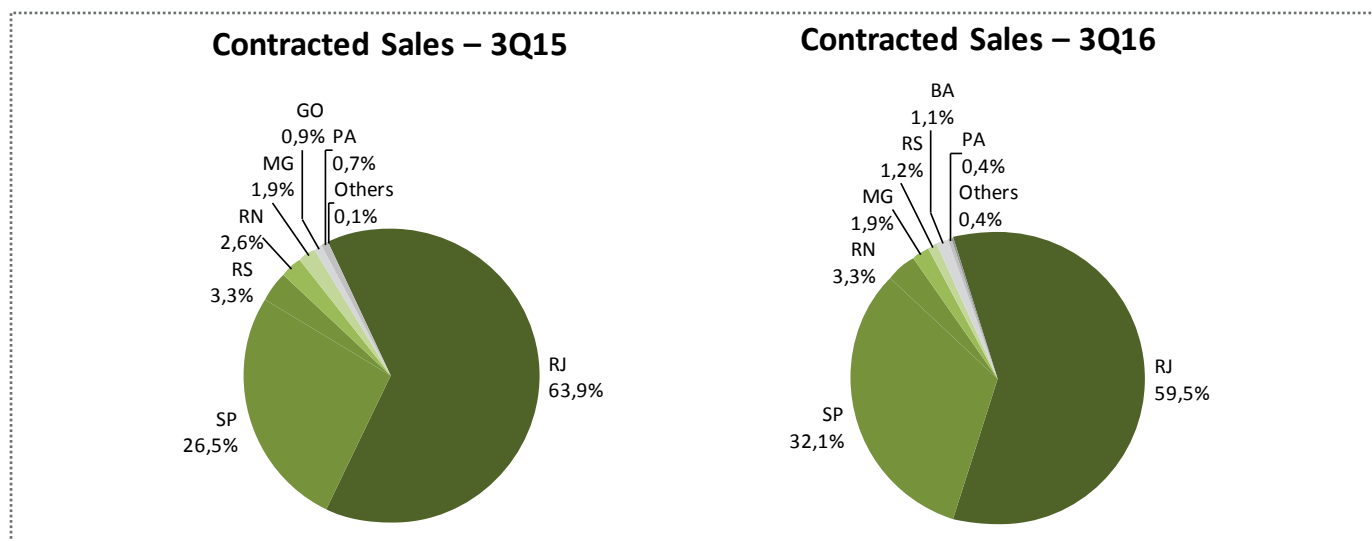
**Table 7 – Finished or Used Property Sales**

Operating Highlights	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Contracted Sales (R\$ million)	251	353	-29%	343	-27%	817	1,201	-32%
Units Sold	426	611	-30%	573	-26%	1,411	2,173	-35%
Average Ticket (R\$ thousand)	590	579	2%	599	-1%	579	553	5%

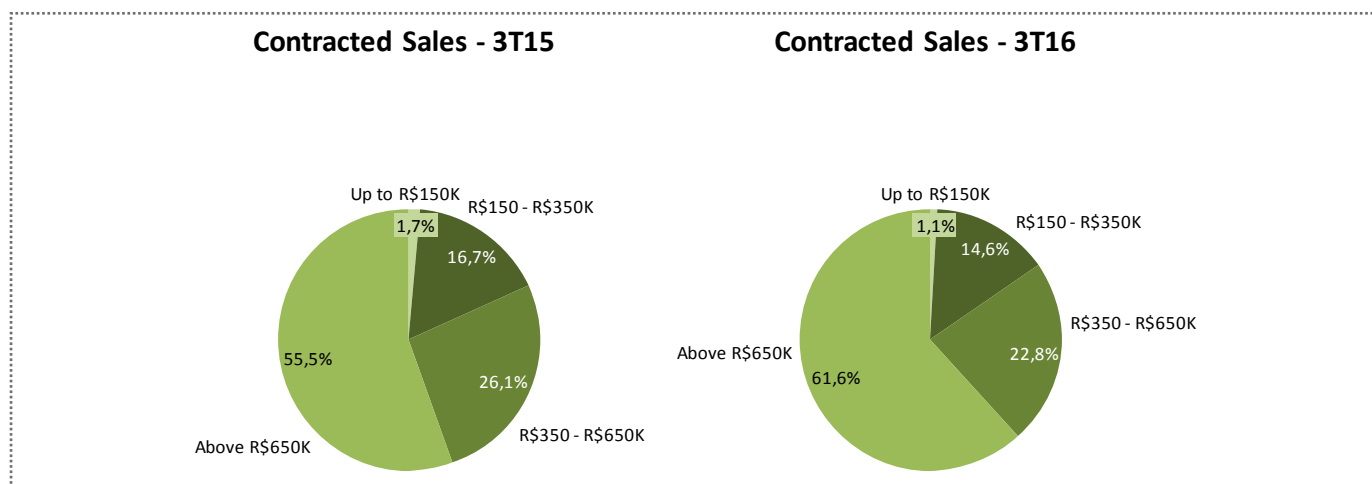
In 3Q16, contracted sales from finished properties totaled R\$251 million, down 27% versus 2Q16 and down 29% when compared to the same period of the previous year.

The abovementioned variations are directly associated with the greater participation of Rio de Janeiro in our sales mix for this segment. Over the past months there has been a deterioration of the macroeconomic conditions of the State. One third of the wealth generation of Rio de Janeiro come from the oil & gas sector, which has been suffering with the low barrel prices in the international market and by the overall lower activity levels of the sector. The Government of the State of Rio de Janeiro is going through a financial crisis caused by the reduction of taxes and excessive spending. In addition, the city of Rio de Janeiro hosted the Olympic Games in August, which ended up diverting people's attention to the event.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

**Chart 3 – Contracted PSV Mix by State**


In 3Q16, of finished or used units were broken down as follows: 93.5% in the Southeast, 4.5% in the Northeast, 1.2% in the South, 0.4% in the North e 0.4% in the Midwest.

**Chart 4 – PSV Mix by Price Range**


In 3Q16 2016, of the total contracted sales of R\$251 million in the secondary market, 62% came from properties priced as of R\$650,000, 23% from properties priced between R\$350,000 and R\$650,000, 15% from properties priced between R\$150,000 and R\$350,000 and 1% from properties up to R\$150,000.

## 2.3 – Corporate Segment

Sales for 3Q16 were positively impacted by R\$496 million PSV from the corporate segment. The Company has dedicated efforts in expanding of complementary businesses. At the beginning of this year, we invited Sergio Freire, founding partner of Brasil Brokers and former CEO of the Group to lead our Corporate Business operation, implementing a new management model and expanding the commercial focus in a niche market, that in our view, presents great opportunities.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

## 2.4 – Real Estate Loans

Table 8 – Real Estate Loans

Invoiced	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Invoiced Value (in R\$ Million)	66	61	7.9%	65	0.7%	163	192	-15.2%
Quantity of Contracts	237	199	19.1%	196	20.9%	552	568	-2.8%
Average Amount Invoiced (In R\$ Million)	277	305	-9.4%	332	-16.8%	295	339	-12.7%

A total of 237 financing contracts were billed in 3Q16, an increase of 19% versus same period last year and 21% when compared to the 2Q16. The average ticket of the properties whose contracts were billed in 3Q16 was R\$476,000, 22% lower than 2Q16 and 15% lower when compared to 3Q15. Thus, the loan-to-value ratio from 3Q16 was 58%, versus 54% in 2Q16 and 3Q15.

## Section 3: Financial Performance

### 3.1 – Operational Revenue and Commission (Adjusted <sup>1</sup>)

Table 9 – Revenue and Commission

Operating Revenue (R\$MM)	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16	9M16	9M15	9M16 vs. 9M15
Gross Operating Revenue	38,523	45,178	-14.7%	33,696	14.3%	100,464	153,591	-34.6%
Gross Commissions - %	2.55%	2.87%	-0.32 p.p.	2.84%	-0.29 p.p.	2.75%	2.70%	0.05 p.p.

(1) Adjusted due to the sale of companies in 1Q16, 2Q16 and 2015.

Gross service revenue from Brasil Brokers' continued operations, represented by the sum of commissions from the various segments in which the Group operates, totaled R\$38.5 million in 3Q16, generating an average commission of 2.55%, both influenced by the R\$496 million in sales from the corporate segment.

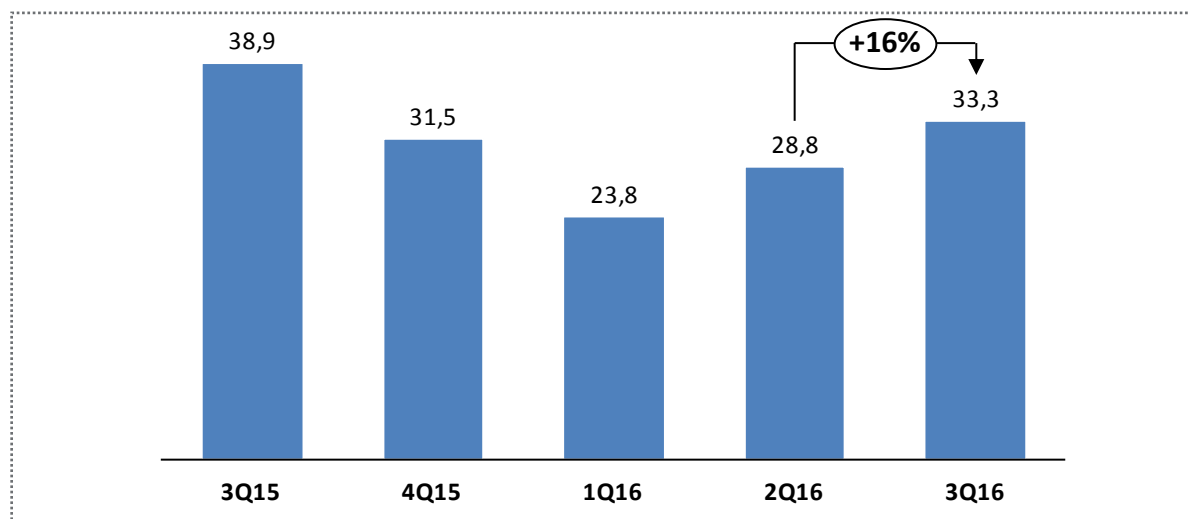
Of the total gross service revenue in 3Q16, 41% came from the primary market, 20% from the secondary market and the remaining 39% were originated from sales in other segments.

Gross revenue from the primary market fell by approximately 14% in 3Q16 when compared to 2Q16 and in the secondary market, revenue fell by 24%. When compared to the same period of 2015, revenue in the primary market declined by 47% and in the secondary market by 28%.

The Company and its subsidiaries recorded revenue of R\$66 million from financing with HSBC, in which we recorded R\$2.3 million in services revenue for 3Q16, up 1% from 2Q16 and up 8% from the same period in the previous year.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report



**Chart 5 – Net Revenue Evolution**


In 3Q16, adjusted net operating revenue reached R\$33.3 million, representing an increase of 16% versus 2Q16, and a decrease of 15% when compared to the R\$38.9 million, adjusted<sup>1</sup>, reported in 3Q15.

### 3.2 - Cost of Services and Operating Expenses (Adjusted <sup>1</sup>)

Of the total expenses incurred in the last twelve months, we highlight that R\$5.0 million (R\$0.9 million in 3Q16) refers to restructuring expenses. We also had a positive impact of R\$3.1 million related to the sale of companies on 2016. In this report, these results for the year of 2015 and for 2016 have been reclassified and demonstrated through the “Non-Recurring Effects and Discontinued Operations” group.

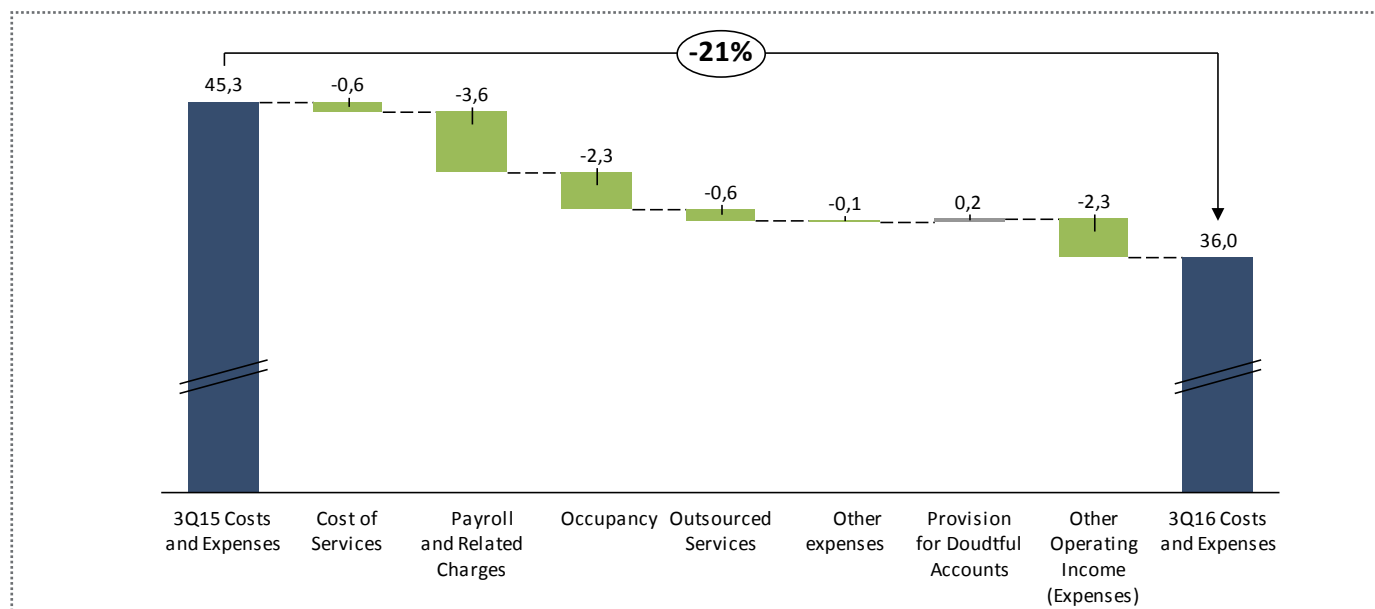
The following table, as well as the analysis on Costs, Expenses and Results, do not consider the non-recurring effects and discontinued operations for all periods for better comparison purposes.

**Table 10 – Adjusted<sup>1</sup> Operating Expenses and Cost of Services**

(R\$MM)	3Q16 <sup>(1)</sup>	3Q15 <sup>(1)</sup>	3Q16 vs. 3Q15	2Q16 <sup>(1)</sup>	3Q16 vs. 2Q16	9M16 <sup>(1)</sup>	9M15 <sup>(1)</sup>	9M16 vs. 9M15
Cost of Services	0.8	1.4	-40.2%	1.0	-12.1%	2.5	3.9	-35.2%
General and administrative expenses	30.8	37.5	-17.7%	33.5	-8.0%	98.6	120.1	-17.9%
Payroll and Related Charges	15.4	19.0	-19.1%	16.1	-4.3%	47.7	60.2	-20.8%
Occupancy	8.6	10.9	-20.9%	9.4	-7.9%	27.7	35.3	-21.3%
Outsourced Services	6.3	6.9	-9.1%	7.5	-16.5%	20.8	22.5	-7.6%
Other expenses	0.6	0.7	-16.7%	0.6	-2.8%	2.4	2.2	12.8%
Provision for Doubtful Accounts	2.7	2.6	7.3%	1.4	93.4%	5.4	8.4	-35.8%
Other Operating Income (Expenses)	1.6	3.9	-59.5%	0.7	126.1%	3.7	6.5	-43.9%
<b>Total Operating Costs and Expenses</b>	<b>36.0</b>	<b>45.3</b>	<b>-21%</b>	<b>36.6</b>	<b>-2%</b>	<b>110.2</b>	<b>139.0</b>	<b>-21%</b>

(1) Excludes the effects from non-cash accounting adjustments, non-recurring adjustments, and discontinued operations.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

**Chart 6 – Comparison of Total Adjusted<sup>1</sup> Costs and Expenses**
**3Q16 versus 3Q15 (R\$ million)**


Recurring operating costs and expenses for 3Q16 reported a nominal reduction of **R\$9.3 million, or 21%**, when compared to 3Q15. The analysis of the main variations is presented below.

**Payroll & Related Charges** – Reduced by **R\$3.6 million, or 19%**, when compared to 3Q15. The Company's workforce reduced by 235 employees, or 24%, versus 3Q15, due to the conclusion of the centralization of our sales support structure in Rio de Janeiro, Rio Grande do Sul and São Paulo, in addition to the reduction in the number of employees at the headquarters. It is worth highlighting that this cost reduction was achieved even with the approved 2016 salary adjustment of approximately 6%.

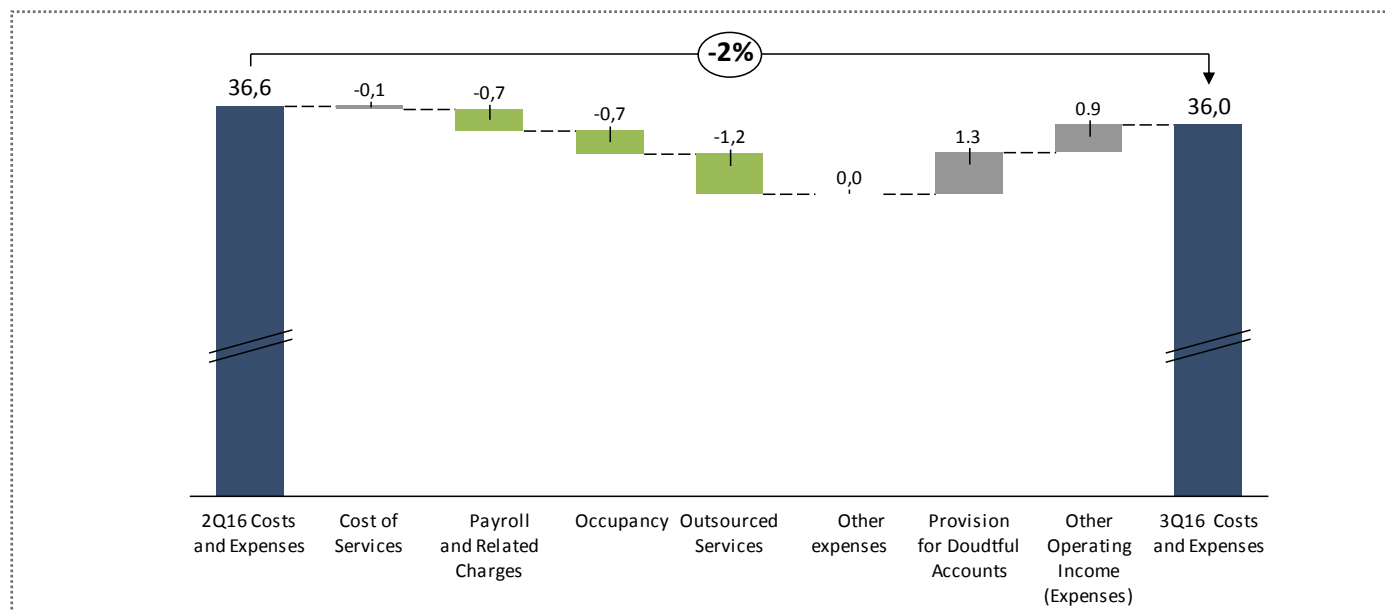
**Occupancy** – Reduced by **R\$2.3 million, or 21%**, when compared to 3Q15. As one of the initiatives to increase the group's existing synergies, in the last twelve months the Company closed 17 stores.

**Outsourced Services** – Reduced by **R\$0.6 million, or 9%**, when compared to 3Q15..

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

Chart 7 – Comparison of Total Adjusted<sup>1</sup> Costs and Expenses

3Q16 versus 2Q16 (R\$ million)



Recurring operating costs and expenses for 3Q16 reported a nominal reduction of R\$0.6 million, or 2%, when compared to 2Q16. The analysis of the main variations is presented below.

**Payroll & Related Charges** – Reduced by **R\$0.7 million**, or **4%**, when compared to 2Q16, due to the conclusion of the centralization of our sales support structure in São Paulo, in addition to the reduction in the number of employees at the headquarters.

**Occupancy** – Reduced by **R\$0.7 million**, or **8%**, when compared to 2Q16. In the last quarter, the Company ended operations in two stores, one in Rio de Janeiro and the other in São Paulo.

**Outsourced Services** – Reduced by **R\$1.2 million**, or **17%**, when compared to 2Q16.

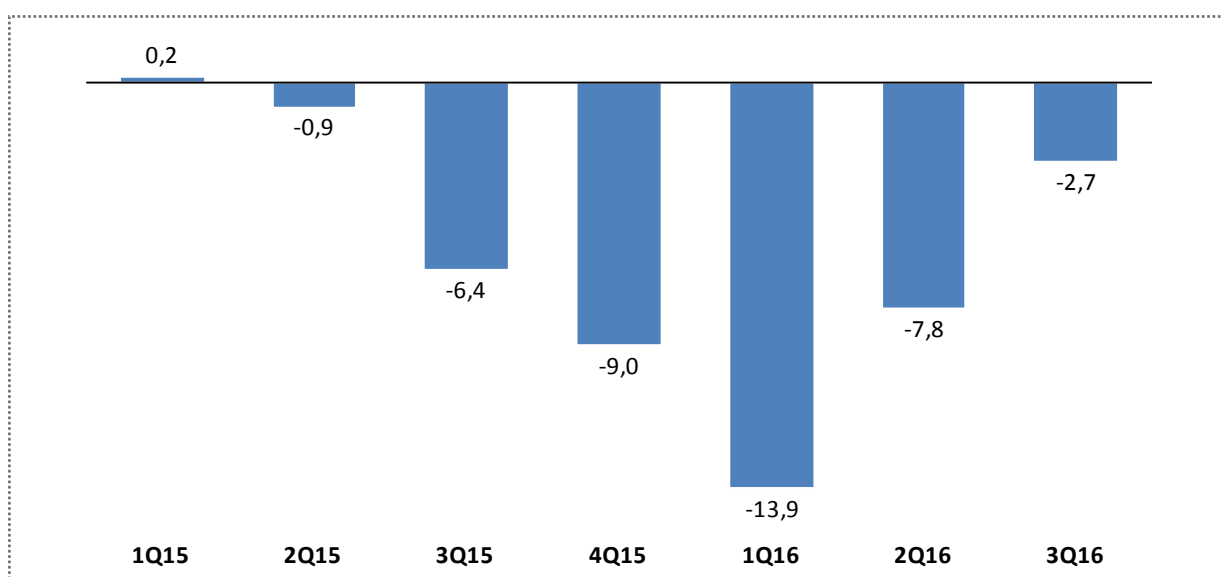
**Bad Debt Provision (BDP)** – Increased by **R\$1.3 million** when compared to 2Q16 due to the higher volume of client delinquency, especially in São Paulo.

The level of costs and expenses recorded in 3Q16 reflects the continuous efforts to adjust our operational leverage and preserve our cash position. The Company will continue to focus on the execution of the cost and expense reduction program, continuing with the initiatives already underway and capturing new opportunities.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

### 3.3 – EBITDA - Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted <sup>1</sup>)

Chart 8 – Quarterly Adjusted<sup>1</sup> EBITDA Evolution (R\$ million)



Brasil Brokers' 3Q16 adjusted<sup>1</sup> EBITDA was negative by R\$2.7 million, improving by approximately R\$5.1 million when compared to 2Q16. This growth was basically due to the higher volume of sales observed in the period.

When compared to the same quarter of the previous year, Brasil Brokers' adjusted<sup>1</sup> EBITDA improved by approximately R\$3.7 million. This growth was due to the important reduction of 21% year-over-year in Costs and Operating Expenses.

### 3.4 – Depreciation and Amortization (Adjusted <sup>1</sup>)

Adjusted<sup>1</sup> Depreciation and amortization totaled R\$2.6 million in 3Q16 versus R\$2.8 million in 2Q16 and R\$3.5 million in 3Q15.

### 3.5 – Financial Result (Adjusted<sup>1</sup>)

The Company's adjusted<sup>1</sup> net financial result totaled R\$3.6 million in 3Q16, a R\$0.4 million increase versus 2Q16 and R\$0.9 million drop versus 3Q15.

### 3.6 – Net Result (Adjusted<sup>1</sup>)

In 3Q16, the Company reported an adjusted loss of R\$6.9 million, versus R\$8.1 million in 2Q16 and R\$7.8 million in 3Q15.

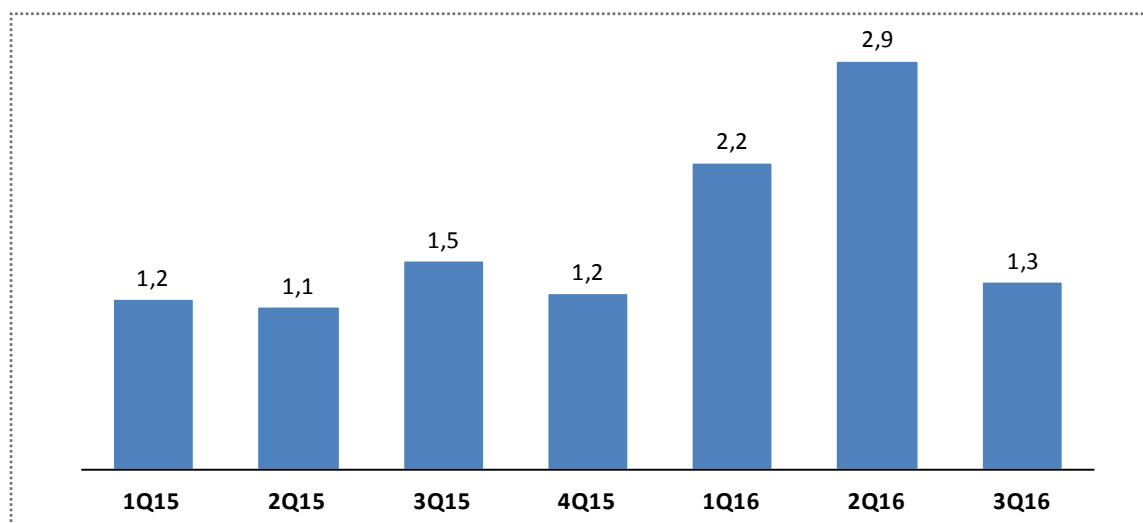
### 3.8 – Capex (Accrual Basis)

At the end of 3Q16, the Company reported a Capex of R\$1.3 million, most of which was directed towards the transfer of our headquarter to a new address in Rio de Janeiro and the transfer of some of our stores, with the main objective of reducing occupancy costs. R\$0.7 million was spent in the quarter with works to adapt the new spaces, which, in return, will reduce our occupancy costs from now on.

Also, during the quarter, we advanced on the elaboration and integration of management reports for our sales system, and in improvements in the technological infrastructure of our stores.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report



**Chart 9 – Quarterly Capex Evolution (R\$ million)**


### 3.9 - Cash and Financial Investments

**Table 11 – Cash and Financial Investments**

Cash Flow (R\$ MM)	3Q16
Cash and Financial Investments at the beginning of the period	73.7
Operating Cash Flow	1.7
Changes in assets and operating liabilities	(10.6)
Net Cash Flow - Operating Activities	(8.9)
Investing Activities	(1.3)
Payment of Acquisitions	(0.9)
Shareholder's Activities	(0.1)
Cash and Financial Investments at the end of the period	62.5

Total cash and financial investments stood at R\$62.5 million in 3Q16. These amounts mainly refer to financial investments in bank certificates of deposit and fixed income funds, with yields varying based on the overnight interbank deposit (CDI) rate. The Company also had receivables totaling, at the end of the quarter, R\$32.3 million with an average estimated term of 90 days.

The Company does not invest in derivatives, bonds or any other instruments with exposure to foreign exchange variation or stocks. All investments rigorously comply with the Company's Policy which includes rules about the relevance of the financial institution, maturity, concentration and minimum rating of the issuer.

Net cash from operations was negative by R\$8.9 million in 3Q16, excluding working capital and taxes.

Cash disbursed for investments in the quarter totaled R\$1.3 million.

While cash disbursed for the escrow release of Brasil Brokers Paraná (resale company) amounted to R\$0.9 million and shareholder payments totaled R\$0.1 million.

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

### 3.10 - Debt

At the closing of 3Q16, the Company did not have obligations with loans and financing lines.

The accounts payable balance, which refers to the acquisition of companies under earn-out agreements, totaled R\$1.8 million at the end of 3Q16. This booked balance is the best payment estimate based on the current performance scenario projected for these companies.

The Company has obligations related to put options for the minority interest in acquired companies. At the end of 3Q16, these obligations were estimated at R\$3.8 million, based on the current performance scenario projected for these companies.

## Section 4: Corporate Governance

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### 4.1 – Corporate Events Calendar

Corporate Events Calendar	
Event	Date
Investor's Day	December, 16

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<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report

**Exhibit I – Adjusted\* Income Statement (R\$ '000)**

Financial Statement		
	3Q16 Adjusted	3Q15 Adjusted
Contracted PSV	1,510,918	1,574,294
<i>Average Commission</i>	2.55%	2.87%
Service Revenue	38,523	45,178
Discounts and Rebates	(972)	(1,062)
Taxes on Revenue	(4,265)	(5,176)
<b>Net Revenue</b>	<b>33,287</b>	<b>38,939</b>
Cost of Services Rendered	(837)	(1,400)
<b>Gross Profit</b>	<b>32,449</b>	<b>37,540</b>
<b>Operating Costs and Expenses</b>	<b>(35,147)</b>	<b>(43,935)</b>
Administrative Expenses	(30,222)	(36,660)
Management Remuneration	(604)	(822)
Allowance for Doubtful Accounts	(2,740)	(2,554)
Other Operating Revenue (Expenses)	(1,580)	(3,899)
<b>EBITDA</b>	<b>(2,698)</b>	<b>(6,395)</b>
Depreciation and Amortization	(2,615)	(3,539)
Financial Expenses	(381)	(316)
Financial Income	3,958	4,808
<b>Income before Taxes</b>	<b>(1,735)</b>	<b>(5,441)</b>
Provision for Income Tax	(1,307)	(1,443)
Provision for Social Contribution Tax	(490)	(553)
<b>Minority Interest</b>	<b>(3,388)</b>	<b>(335)</b>
<b>Net Income (losses) from Operations</b>	<b>(6,920)</b>	<b>(7,772)</b>

\* Does not consider the non-recurring effects of the restructuring.

**Exhibit II – Quarterly Income Statement (R\$ '000)**

Financial Statement		
	3Q16 Accounting	3Q15 Accounting
Contracted PSV	1,431,213	1,672,493
<i>Average Commission</i>	2.55%	2.85%
Service Revenue	36,536	47,586
Discounts and Rebates	(854)	(1,123)
Taxes on Revenue	(3,983)	(5,420)
<b>Net Revenue</b>	<b>31,699</b>	<b>41,043</b>
Cost of Services Rendered	(724)	(1,793)
<b>Gross Profit</b>	<b>30,975</b>	<b>39,250</b>
<b>Operating Costs and Expenses</b>	<b>(32,804)</b>	<b>(48,295)</b>
Administrative Expenses	(28,997)	(40,386)
Management Remuneration	(599)	(836)
Allowance for Doubtful Accounts	(2,423)	(2,675)
Other Operating Revenue (Expenses)	(785)	(4,398)
<b>EBITDA</b>	<b>(1,829)</b>	<b>(9,045)</b>
Depreciation and Amortization	(2,484)	(3,719)
Financial Expenses	(6,415)	(319)
Financial Income	3,886	4,818
<b>Income before Taxes</b>	<b>(6,842)</b>	<b>(8,265)</b>
Provision for Income Tax	(1,307)	(1,518)
Provision for Social Contribution Tax	(490)	(583)
<b>Minority Interest</b>	<b>(3,750)</b>	<b>(61)</b>
<b>Net Income (losses) from Operations</b>	<b>(12,389)</b>	<b>(10,427)</b>

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report



**Exhibit III – Consolidated Balance Sheet on September 30, 2016 (R\$ '000)**

A S S E T S		
	3Q16	3Q15
<b>Current Assets</b>		
Cash and cash equivalents	9,998	44,808
Securities	18,008	17,108
Accounts receivable	31,208	47,379
Advances to suppliers	827	34
Recoverable taxes	9,356	8,656
Prepaid expenses	2,656	3,407
Option operations	3,151	1,865
Accounts receivable - resale companies	7,742	3,975
Other credits	4,581	5,641
<b>Total Current Assets</b>	<b>87,527</b>	<b>132,873</b>
<b>Noncurrent Assets</b>		
<b>Long-Term Assets</b>		
Securities	34,463	54,178
Recoverable taxes	11,010	11,452
Accounts receivable	1,111	6,225
Land available for sale	1,121	1,121
Option operations	6,516	3,500
Law suits deposits	15,346	13,661
Accounts receivable - resale companies	9,443	7,534
Other credits	6,071	6,206
	<b>85,081</b>	<b>103,877</b>
<b>Investments in subsidiaries</b>		
Property	23,172	37,493
Intangible assets	263,474	321,490
	<b>286,646</b>	<b>358,983</b>
<b>Total Noncurrent Assets</b>	<b>371,727</b>	<b>462,860</b>
<b>Total Assets</b>	<b>459,254</b>	<b>595,733</b>

\* The 3Q15 Balance Sheet lines were reclassified in order to maintain comparability with the Company's current account plan. It should be noted that these reclassifications occurred only between the lines, not altering the balances of the assets and liabilities.

**Exhibit IV – Consolidated Balance Sheet on September 30, 2016 (R\$ '000)**

LIABILITIES AND SHAREHOLDERS' EQUITY		
	3Q16	3Q15
<b>Current Liabilities</b>		
Suppliers	4,811	4,934
Accrued payroll and related charges	6,626	9,173
Taxes and contributions payable	6,170	10,940
Advances from clients	3,025	5,145
Dividends payable	173	1,159
Accounts payable - Company acquisition	1,207	3,689
Option operations	1,351	930
Other accounts payable	11,841	7,257
<b>Total Current Liabilities</b>	<b>35,204</b>	<b>43,227</b>
<b>Other accounts payable</b>		
<b>Long-term Liabilities</b>		
Provision for contingencies	19,684	4,870
Taxes paid by installments	-	-
Accounts payable - Company acquisitions	617	8,245
Option operations	2,443	8,888
Other payables	327	1,020
<b>Total Noncurrent Liabilities</b>	<b>23,071</b>	<b>23,023</b>
<b>Shareholders' Equity</b>		
Subscribed capital	520,437	520,437
Capital reserve	43,478	43,478
Statutory reserve	-	20,184
Profit reserve	-	7,144
Retained Losses	(77,879)	-
Treasury shares	(23,717)	(23,717)
Transactions with non-controlling shareholders	(75,134)	(75,342)
<b>Shareholders' equity attributed to controlling share</b>	<b>387,185</b>	<b>492,184</b>
Minority interest	<b>13,793</b>	<b>37,299</b>
<b>Total Shareholders' Equity</b>	<b>400,978</b>	<b>529,483</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>459,254</b>	<b>595,733</b>

\* The 3Q15 Balance Sheet lines were reclassified in order to maintain comparability with the Company's current account plan. It should be noted that these reclassifications occurred only between the lines, not altering the balances of the assets and liabilities.

**Exhibit V – Cash Flow (R\$ '000) - From July 1 to September 30, 2016**

Cash Flow Statement from Operating Activities - Consolidated		
	3Q16	3Q15
Net Income before Income Tax and Social Contribution from 07/01 to 09/30	(6,842)	(8,265)
<b>Adjustments to reconcile net income (loss) and net cash generated from operating activities:</b>		
Depreciation	1,646	2,903
Amortization	838	816
Allowance for doubtful accounts	2,423	2,675
Provision for contingencies	(293)	-
Market value adjustment accounts receivable	(106)	(171)
Alienation expense of equity investments	4,075	-
Long-Term Financial Expenses	(9)	122
<b>Adjusted Net Income</b>	<b>1,732</b>	<b>(1,920)</b>
<b>Variation between Assets and Liabilities</b>		
Accounts receivable	(6,432)	3,796
Recoverable taxes	106	601
Other current assets	(241)	2,464
Other long-term assets	(1,965)	(1,149)
Suppliers	(594)	(1,376)
Payroll and related charges	145	(89)
Taxes and contributions to recover	(809)	(3,640)
Taxes and contributions payable in installments	-	(10)
Advances from clients	(421)	(606)
Other current liabilities	(991)	(1,142)
Prepaid expenses	533	(477)
Other long-term liabilities	50	-
	(10,619)	(1,628)
<b>Net Cash provided by Operating Activities</b>	<b>(8,887)</b>	<b>(3,548)</b>
<b>Investing Activities</b>		
Securities	10,434	(2,440)
Available land for sale	-	78
Fixed assets	(674)	(655)
Intangible assets	(656)	(814)
<b>Net Cash Used in Investing Activities</b>	<b>9,104</b>	<b>(3,831)</b>
<b>From Financing Activities with Third Parties</b>		
Accounts payable - Company acquisitions	(876)	(196)
<b>Net cash generated from financing activities with third parties</b>	<b>(876)</b>	<b>(196)</b>
<b>From Financing Activities with Shareholders</b>		
Minority shareholders interest	(144)	(1,450)
<b>Net cash provided by financing activities with shareholders</b>	<b>(144)</b>	<b>(1,450)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(802)</b>	<b>(9,025)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,800</b>	<b>53,833</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,998</b>	<b>44,808</b>

<sup>1</sup> Adjustments shown in Tables 1 and 2 of this report