

RELEASE OF 1Q18 RESULTS

Figures in Brazilian Reais (BRL- R\$)



Net Operating Revenue (ROL) of R\$ 36 million in 1Q18, an increase of 27% in relation to 1Q17

Juiz de Fora, May 14, 2018 - INTER Construtora e Incorporadora S.A. (B3: BOVESPA MAIS - INNT3), which operates in the development of medium and large-sized real estate projects with focus on popular housing (MCMV), today announces its results for the first quarter of 2018. The financial information are presented on a consolidated basis, prepared in accordance with the International Financial Reporting Standards (IFRS), which considers OCPC 04 on the of ICPC Technical Interpretation 02 applicable to entities of real estate development in Brazil, as approved by the Accounting Pronouncement Committee (CPC), by the Brazilian Securities and Exchange Commission (CVM) and by the Federal Accounting Council (CFC).

Highlights

- Listing of the Company's shares in the "Bovespa Mais" segment of B3 on February 26, 2018;
- Launch of 1080 units in 1Q18 equivalent to a Potential Sales Value (PSV) of R\$184 million, growth of 538% in relation to 1Q17;
- Contracted sales, net of swaps in the quarter was 326 units corresponding to R\$41.12 growth of 47% in relation to 1Q17;
- Gross profit of R\$15 million, growth of 9% compared to 1Q17;
- Significant expansion of our land bank (Landbank) to a potential of almost 11,500 units with an equivalent Potential Sales Value (PSV) of R\$1.7 billion.

MESSAGE FROM THE ADMINISTRATION

Introduction

Inter is a publicly traded public limited liability company of category A, headquartered in Juiz de Fora, MG, registered with the Securities and Exchange Commission (CVM). The Company acquires land, incorporates and builds real estate developments in the housing segment that fall within the scope of the “Minha Casa Minha Vida” (MCMV), tracks 1,5; 2 and 3. Inter is a company focused on standardization and gain of scale. This allows cost competitiveness and continuous improvement to every square meter built. Within this segment it focuses on the niche of higher quality and value ventures aggregate for the customer. In all the enterprises, the products called “Smart Apartments”. This is what distinguishes Inter from competitors in the segment with a wide range of product categories. The “Smart Apartments” have lifts, water capture and reuse, solar energy for common areas, security cameras, cancellation automatic, electric fence, recreational area equipped, Wi-fi in common areas, bike rack and bicycles shared, laminate flooring, USB sockets, individual hydrometer among other features. The operation is based on three pillars:

1°. Careful acquisition of land

2°. Differentiated quality and speed in construction

3°. Speed in sales and hiring

As a result, growth and margin was above the segment’s average. The area of activity of four developments has been the region of Zona da Mata Mineira.

In March the Company was officially listed on B3 through the “Bovespa Mais” program with INNT3 code and INTER SA trading name.

Expansion Plan

The Company's goal is to maintain the pace of growth achieved in recent years.

Analyzing the Company's growth history and the size of the popular housing Market in the Zona da Mata Mineira that are part of the MCMV program, a segment of Inter's activity, Executive Board has understood that it is necessary to expand to other regions in order to achieve the growth.

A geographic expansion plan was developed for the states of Minas Gerais and São Paulo.

Aspects were considered as potential demand for apartments in new cities; housing deficit; qualitative aspects in relation to the greater or lesser probability of acceptance of the product Inter; as well as aspects related to logistics and engineering such as access and cost of material and labour on those localities. In addition to these factors, it was decided to focus on areas close to urban centers with more than 300 thousand people. The main reason is to create a history of perpetuity in these cities so that the costs of initial deployment in a new city are diluted throughout the time.

In the State of Minas Gerais, besides the Zona da Mata Mineira, the Company will focus on the Triângulo Mineiro, in particular Uberaba and Uberlândia. In the State of São Paulo, the focus is on cities of the interior such as, for example, Bauru, Nova Odessa, São João do Rio Preto, Ribeirão Preto, Piracicaba and Taubaté. In addition, Inter is aware of potential acquisition opportunities lands in São Paulo capital.

Aiming to avoid the mistakes made in the past by other constructors, who expanded their operations geographically, and achieve growth based on solid foundations, the Company understands that the critical success factor is the focus on controls and cost management. For this reason, it has been investing in governance, compliance, process improvement initiatives, systems, training in addition to hiring specialized labor and consultancies.

Marketplace

Real estate business conditions improved in the first quarter, activity in the segment of real estate below R\$ 240 thousand, included in the program Minha Casa Minha Vida (MCMV). The same can not be said of medium- and high-income real estate. The company expects this market behavior to remain the same for the months ahead.

MAIN INDICATORS

	1Q18	4Q17	1Q17	Chg. 1Q18 x 4Q17	Chg. 1Q18 x 1Q17
PSV Launched (R\$ thousand)	184.000	49.920	28.800	268,6%	538,9%
Contracted Sales, Net of Exchange (R\$ thousand)	41.120	49.601	27.971	-17,1%	47,0%
Net Operating Revenue (ROL)	35.973	39.682	28.301	-9,3%	27,1%
Construction Cost (R\$ thousand)	(20.993)	(23.628)	(14.541)	-11,2%	44,4%
Construction Cost / ROL (%)	-58,4%	-59,5%	-51,4%	1,2p.p.	-7,0p.p.
Construction Cost / Contracted Sales (%)	-51,1%	-47,6%	-52,0%	-3,4p.p.	0,9p.p.
Gross Profit (R\$ thousand)	14.979	16.054	13.759	-6,7%	8,9%
Gross Margin (%)	41,6%	40,5%	48,6%	1,2p.p.	-7,0p.p.
Net Financial Result (R\$ thousand)	(1.143)	(1.037)	(569)	10,2%	100,9%
Net Financial Result / ROL (%)	-3,2%	-2,6%	-2,0%	-0,6p.p.	-1,2p.p.
Net Financial Result / Contracted Sales (%)	-2,8%	-2,1%	-2,0%	-0,7p.p.	-0,7p.p.
Net Financial Result / PSV Launched (%)	-0,6%	-2,1%	-2,0%	1,5p.p.	1,4p.p.
Business Expenses (R\$ thousand)	(1.831)	(2.643)	(1.062)	-30,7%	72,4%
Business Expenses / ROL (%)	-5,1%	-6,7%	-3,8%	1,6p.p.	-1,3p.p.
Business Expenses / Contracted Sales (%)	-4,5%	-5,3%	-3,8%	0,9p.p.	-0,7p.p.
Business Expenses / PSV Launched (%)	-1,0%	-5,3%	-3,7%	4,3p.p.	2,7p.p.
General and Administrative Expenses (R\$ thousand)	(2.826)	(2.432)	(2.045)	16,2%	38,2%
G & A Expenses / ROL (%)	-7,9%	-6,1%	-7,2%	-1,7p.p.	-0,6p.p.
G & A Expenses / Contracted Sales (%)	-6,9%	-4,9%	-7,3%	-2,0p.p.	0,4p.p.
G & A Expenses / PSV Launched (%)	-1,5%	-4,9%	-7,1%	3,3p.p.	5,6p.p.
Net Income (R\$ thousand)	8.360	10.127	9.867	-17,4%	-15,3%
Net Margin (%)	23,2%	25,5%	34,9%	-2,3p.p.	-11,6p.p.
EBITDA (R\$ thousand)	9.936	11.183	10.510	-11,2%	-5,5%
EBITDA Margin (%)	27,6%	28,2%	37,1%	-0,6p.p.	-9,5p.p.
Cash Generation (R\$ thousand)	(6.165)	12.419	(4.938)	-149,6%	-24,8%
Cash and Cash Equivalents (R\$ thousand)	23.817	29.983	12.572	-20,6%	89,4%
Gross Debt (R\$ thousand)	39.761	38.835	19.392	2,4%	105,0%
Net Debt (R\$ thousand)	15.944	8.852	6.819	80,1%	133,8%
Shareholders' Equity Total (R\$ thousand)	22.910	20.725	16.838	10,5%	36,1%
Net Debt / Shareholders' Equity (%)	69,6%	42,7%	40,5%	26,9p.p.	29,1p.p.
Net Debt / EBITDA 12M	0,41x	0,22x	0,31x	18,3p.p.	9,9p.p.

	1Q18	4Q17	1Q17	Chg. 1Q18 x 4Q17	Chg. 1Q18 x 1Q17
Contracted Sales (units)	1.080	385	240	180,5%	350,0%
Gross Sales (units)	355	445	247	-20,2%	43,7%
Distractions (units)	29	20	13	45,0%	123,1%
Contracted Sales, Net of Exchange (R\$ thousand)	326	425	234	-23,3%	39,3%
Units Reported	306	449	215	-31,8%	42,3%
Produced (units)	369	450	219	-18,0%	68,5%
Completed (units)	60	160	324	-62,5%	-81,5%

New Releases

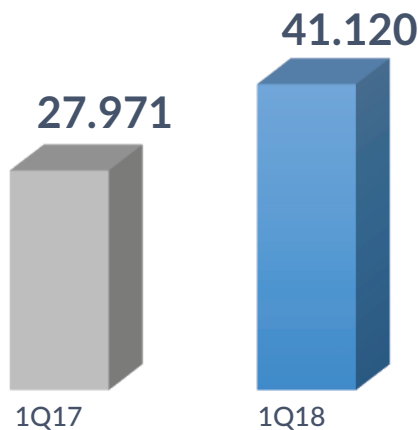
The Company launched the Park Quinet project in the district of Santa Terezinha in Juiz de Fora. The development has 1080 units in a location with high population density and demand. The development is very close to the bus station, Shopping Jardim Norte and Supermarket Bretas, in addition to having a Bahamas Supermarket (largest retailer in the region), in the commercial area of the enterprise itself. Public reception and demand has surprised positively. The estimated PSV for this venture is R\$ 184 million.

The pipeline for the remainder of the year is addressed. It is worth mentioning the enterprise of 720 units in the pre-launch phase in the city of Uberaba, among others to be launched later this year year in the cities of Juiz de Fora, Cataguases, as well as developments in cities in the interior of São Paulo.

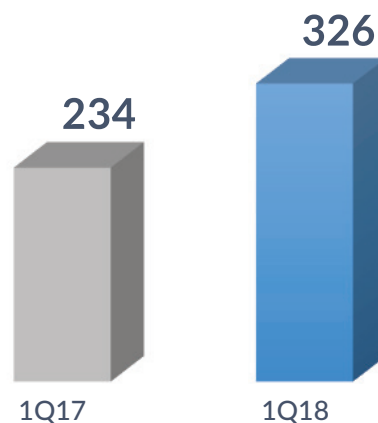
Contracted Sales, net of swaps

The pace of sales remained robust reaching R\$ 41.12 million in the period, a growth of 47% in relation to 1Q17. There were 326 units sold against 234 units in 1Q17. The good performance is the result of investment in sales and initiatives to improve product quality.

CONTRACTED SALES, NET OF EXCHANGE (UNITS)



CONTRACTED SALES, NET OF EXCHANGE (R\$ THOUSAND)



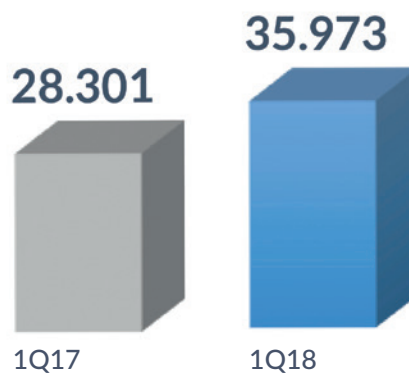
Sell On Offer (VSO)

Sale on offer in 1Q18 was 29%. Lead Generation Experiments via Digital Channels has generated good results compared to traditional media. There was addition in investments in training, contracting in the commercial area and also in the acquisition of real estate sales management system.

Net Operating Revenue (ROL)

Net Operating Revenue (ROL) reached R\$ 35.97 million in the quarter, 27% higher than the 1T17. The Net Operating Revenue (ROL) follows the accounting guideline of the POC (Percentage of Completion) where revenue is appropriated according to percentage of work evolution.

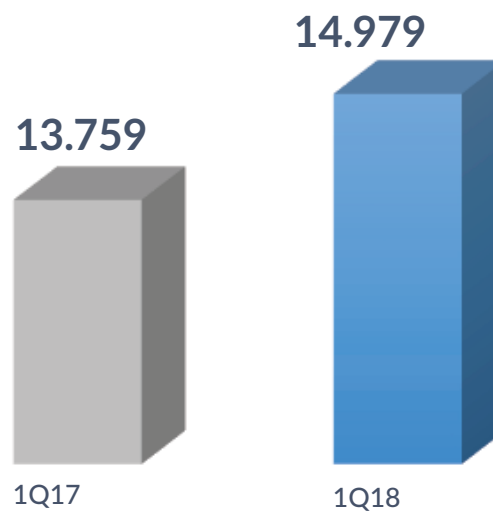
NET OPERATING REVENUE (R\$ THOUSAND)



Gross profit

Gross Profit in 1Q18 increased by 9% in relation to 1Q17.

GROSS PROFIT (R\$ THOUSAND)



This growth and gross margin could be even greater if the concentration of developments in final phase were not so high. In these projects, 5% of the PSV passed on to the financing institution is retained until obtaining municipal sign-off.

Developments in Progress	City	Units Number	Evolution of Work %
Unique Ubá	Ubá	240	95%
Unique Borboleta	Juiz de Fora	156	95%
Unique São Geraldo	Juiz de Fora	240	95%
Res. São Geraldo II	Juiz de Fora	60	95%
Unique Fontesville	Juiz de Fora	240	83%
Park Marilândia	Juiz de Fora	960	66%
Park Jardim Norte	Juiz de Fora	360	10%
Unique Marilândia	Juiz de Fora	24	0%
Park Quinet	Juiz de Fora	1080	0%
Total		3360	

For this reason, these developments incurred in costs without the corresponding counterpart of the revenue. Both Inter's departments of Engineering and Operations are committed to solving the few pending issues and streamline the bureaucracy to obtain the municipal sign-off in the developments Unique Ubá, Unique Butterfly, Unique São Geraldo and Residencial São Geraldo.

Expenses

Financial Expenses, Commercial Expenses and G & A Expenses in 1Q18 increased nominally if compared to 1Q17. This was the result of a combination of factors.

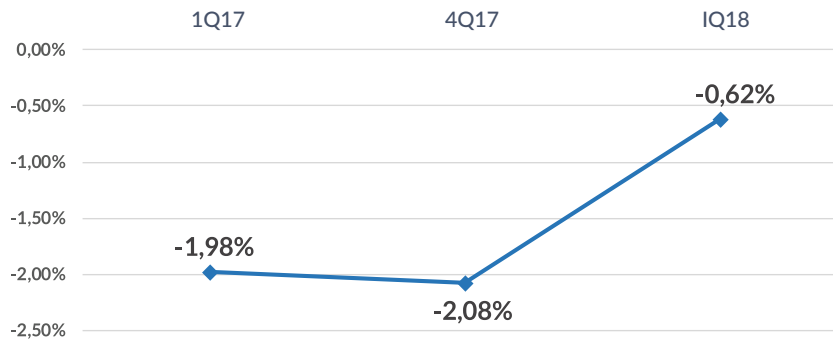
The increase in Financial Expenses reflects the change in the order of magnitude of the business, and consequently, the magnitude of the Company's gross debt from one year to the next.

The increase in Commercial Expenses was a reflection of: increased sales volume in the period and mainly due to the disbursement of sales stand, marketing and media expenses at launch of the Park Quinet development with 1080 units, and the pre-launch of the Park Uberaba with 720 units.

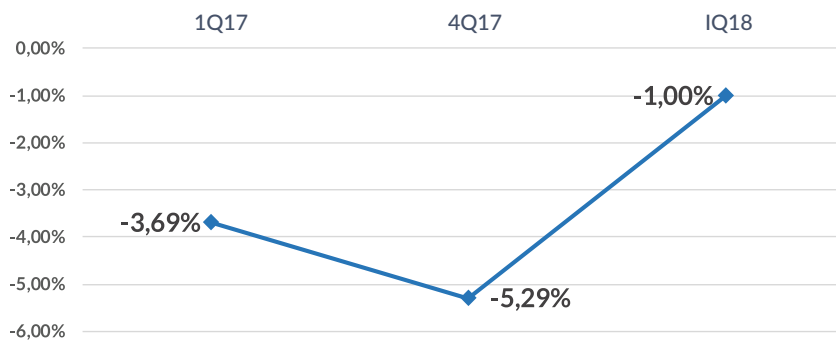
The increase in G & A Expenses reflects the current moment of investments that the Company is passing. In view of the strategic plan for growth and geographical expansion, investments are made on the following fronts: governance, internal controls and new business.

However, using a forward looking analysis metric such as, for example, PSV performance of expenses in relation to potential future revenue.

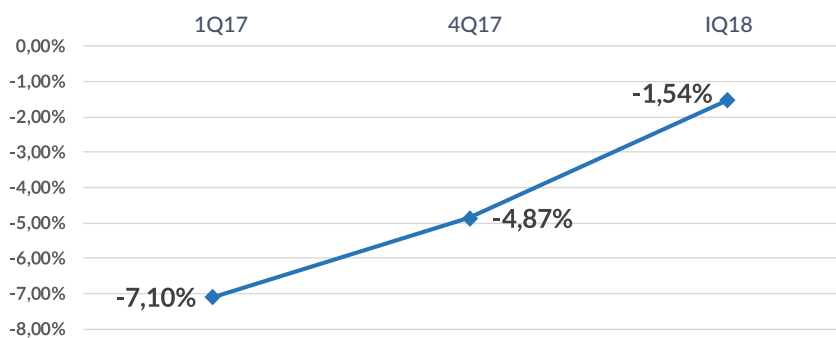
NET FINANCIAL RESULT / PSV LAUNCHED (%)



G & A EXPENSES / PSV LAUNCHED (%)



BUSINESS EXPENSES / PSV LAUNCHED (%)



The Company is strengthening its bases to reach a new level of business.

Financial result

Financial expenses increased 57% in 1Q18 compared to 1Q17. Interest expenses arising from both working capital financial and production support financing are charged in the Financial Expenses account. The annual increase in this expense reflects the change in the order of magnitude of the business, and consequently the gross debt of the from last year to this one.

	1Q18	4Q17	1Q17	Chg. 1Q18 x 4Q17	Chg. 1Q18 x 1Q17
Financial Income (R\$ thousand)	251	239	320	5,0%	-21,6%
Financial Expenses (R\$ thousand)	(1.394)	(1.276)	(889)	9,2%	56,8%
Net Financial Result (R\$ thousand)	(1.143)	(1.037)	(569)	10,2%	100,9%

Net profit

Net Income in 1Q18 was R\$ 8.36 million, 15% less than in 1Q17.

As detailed above, the gross margin was below its potential atypical concentration of ventures near the municipal sign-off and delivery period.

Consequently, 5% of the PSV passed on to the financing institution was withheld. Besides that, expenses increased nominally as a result of investments made in 1Q18, without the equivalent compensation from revenues.

EBITDA

EBITDA in 1Q18 was R\$ 9.94 million, 11% lower than in 1Q17.

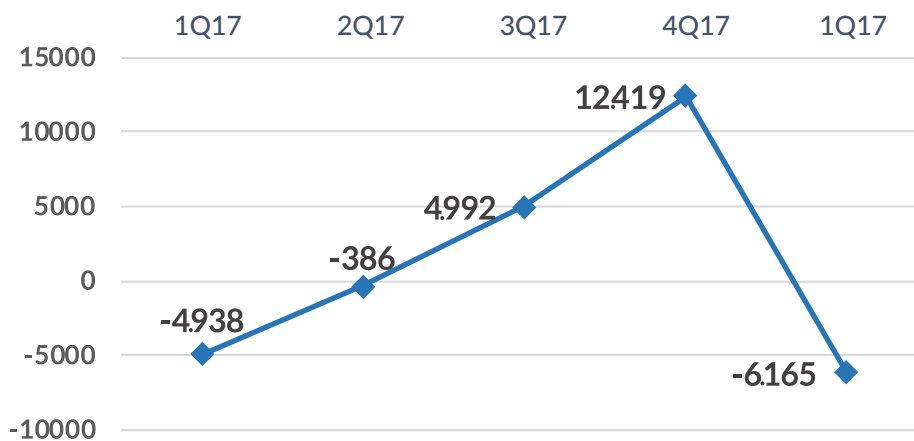
Gross margin impact and higher level of expenses, for the same reasons and in the same way as in Net Income.

Cash flow

Cash generation was negative by R\$ 6.17 million. If it were not for the high concentration of ventures near the municipal sign-off and delivery period, the retention of 5% of the PSV passed on to the financing institution would have a lesser impact. In addition, if it were not for the expenses of launching and pre-launching a total of 1800 units (Park Quinet and Park Uberaba) in 1Q18, cash flow would have been positive.

Negative cash flow generation will revert in the quarters ahead, as a consequence of the beginning of billing of units launched and entry of revenues retained from completed projects.

CASH GENERATION (R\$ THOUSAND)



Bank financing

Financial institution	Feature	Average rate per month	due date	Debt Outstanding 1Q18	Debt Outstanding 4Q17	Chg. 1Q18 x 4Q17
CEF (R\$ thousand)	Working Capital	1,4%	11/04/2022	5.296	5.830	-9,2%
ITAU (R\$ thousand)	Working Capital	2,0%	16/04/2019	738	793	-6,9%
SAFRA (R\$ thousand)	Working Capital	1,3%	31/01/2019	2.875	3.000	-4,2%
Total (R\$ thousand)				8.909	9.623	-7,4%

Financing of production support

Financial Institution	Feature	Average rate per month	Average Contract Maturity	Debt Outstanding 1Q18	Debt Outstanding 4Q17	Chg. 1Q18 x 4Q17
CEF (R\$ thousand)	Production Capital	0,7%	19/12/2019	30.852	29.213	5,6%
Total (R\$ thousand)				30.852	29.213	5,6%

Weighted average cost of debt

Financial Institution	Feature	Debtor Balance 1Q18	Annual Interest (%)	Annual Weighted Interest (%)
CEF (R\$ thousand)	Working Capital	5.296	18,0%	2,4%
ITAU (R\$ thousand)	Working Capital	738	26,4%	0,5%
SAFRA (R\$ thousand)	Working Capital	2.875	16,8%	1,2%
CEF (R\$ thousand)	Production Capital	30.852	8,7%	6,8%
Weighted Average Cost (%)				10,9%

Revenue to be Owned by Real Estate Sales

At the end of 1Q18, the revenue to be appropriated, former Results of Future Exercises (REF), amounted to R\$ 49.9 millions. This amount corresponds to the future revenue of units already sold to be accounted for by POC (Percentage of Completion) method considering the achievement of 100% evolution of work in all projects.

Developments in Progress	Revenues to be appropriated from properties sold (R\$ thousand)
Unique Ubá	1.199
Unique Borboleta	1.088
Unique São Geraldo	1.396
Res. São Geraldo II	352
Unique Fontesville	4.136
Park Marilândia	21.996
Park Jardim Norte	19.737
Unique Marilândia	0
Park Quinet	0
Total	49.904

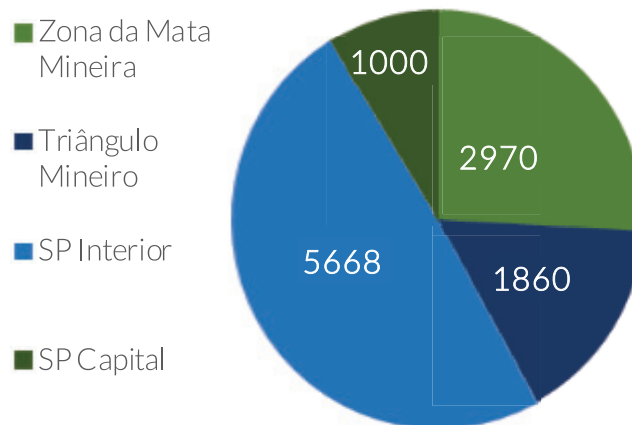
Amount of units to be sold

Enterprises	Built Stock (units)	Construction Stock (units)	Estimated sales value (R\$ thousand)
Univercity Residence	3	0	540
Yuni Nova California	1	0	140
Unique Ubá		23	2.990
Unique Borboleta		3	390
Unique São Geraldo		2	260
Res. São Geraldo II		0	0
Unique Fontesville		57	7.410
Park Marilândia		414	53.820
Park Jardim Norte		182	23.660
Unique Marilândia		0	0
Park Quinet		907	145.120
Total	4	1.588	234.330

Landbank

In view of the current scenario, we believe that other developers will focus on low income areas. For this reason, we made the decision to increase the speed of land acquisition. We focus on high potential demand areas which fit the profile of our product. In the first quarter of the year we acquired areas in Juiz de Fora, Uberaba, Uberlândia, São José do Rio Preto, among other municipalities in the State of São Paulo.

LANDBANK (UNITS)



We expanded our land bank to a construction potential of almost 11.5 thousand units with a PSV of R\$ 1.7 billion. To support this movement of geographical expansion and acquisition of land, the Executive Board, in partnership with market agents, are studying the structuring of a funding operation of resources exclusively directed to the acquisition of land.

Inter Construtora e Incorporadora S.A. list in B3 through the program “Bovespa Mais”



On March 12, 2018, the symbolic event on B3 marked the listing of the Company’s shares in “Bovespa Mais”. This listing segment of B3 is dedicated to fostering the growth of small and medium-sized enterprises via the capital market.

The ceremony was attended by B3’s Financial, Corporate and Investor Relations Vice-President Daniel Sonder, Inter Construtora’s Chief Executive Officer Neylson Almeida, Jurandir Lima and Ednilson Almeida, members of Inter’s Board of Directors; Leonardo Lima, Executive Director of Production, Cid Maciel Monteiro de Oliveira, external consultant at the time invited to assume the position of CFO and DRI, in addition to representatives of the financial and capital market.

During the ceremony, Sonder, from B3, stressed that “the adhesion of Inter Construtora to Bovespa Mais is an example to be followed and also conveys a message of gradual recovery to the market. Seeing that leading companies in the construction industry - which is usually a thermometer of the economy - are betting more and more on this platform is a signal that should be celebrated”.

Neylson Almeida, CEO of Inter Construtora e Incorporadora S.A., presented the following message in his address: “We are here today to introduce ourselves to you. We have achieved great success in the area of the Zona da Mata, building popular housing units with quality and sustainability. The next step is to expand this case of success to other regions of the country”.

Governance

The year 2017 was a very important with respect to corporate governance for Inter. We contracted a financial advisory and a consulting firm specializing in governance to assist the Company in the process of professionalization of management, planning, structuring of processes, formalization, documentation, advice on accounting and hiring of audit, assistance in the registration process with CVM and listing in B3, structuring the investor relations area and organizing the disclosure and publication of results.

The recommendations made by both consultancies are being followed which has resulted in improvement in the company's governance and communication with the market. As a consequence, the Company was registered with the CVM on November 9, 2017.

In the quarter, the Company advanced in the hiring of new talent, professionals focused on the quality of management, we adopted improvements in controls and processes, corporate governance, and in March the Company was officially listed in B3 through the "Bovespa Mais" program with code INNT3 and name of trading floor INTER SA.

Taxation

The Company is included in the special tax regime (RET) - As permitted by Law 12.024 of August 27, 2009, which amended Law 10.931 / 2004 that established the RET, the option was made to subject them to equity and opt for RET. To that end, the consolidated charge for IRPJ and CSLL, the Contribution for Social Security Financing - COFINS and the Social Integration Program - PIS, is calculated at a total aggregate rate of 4% of gross revenues received, of which 1.92% for IRPJ and CSLL and 2.08% for PIS and COFINS.

Relationship with Independent Auditors

In accordance with CVM Instruction No. 381/03, we hereby announce that our independent auditors - BKR-Lopes Machado Auditores - did not provide services during the first quarter of fiscal year 2018, other than those related to external auditing. The Company's policy of hiring independent auditors ensures that there is no conflict of interest, loss of independence or objectivity.

Commitment Clause

According to art. 45 of Chapter VIII - Arbitral Judgment, of the Company's Bylaws: The Company, its shareholders, directors and members of the Fiscal Council undertake to resolve, through arbitration, before the Market Arbitration Chamber, any and all dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Corporation Law, in the Company's bylaws, in the edited rules the National Monetary Council, the Brazilian Central Bank and the Securities and Exchange Commission, as well as other rules applicable to the operation of the capital market in general, in addition to those contained in the BOVESPA MAIS Regulation, the Arbitration Regulation, the Sanctions Regulation, and the Participation Agreement on BOVESPA MAIS.

Board Statement

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and with the financial statements for the year ended March 31, 2018.

Comments

The financial information is based on the consolidated accounting information prepared in accordance with the International Financial Reporting Standards (IFRS), which considers OCPC 04 Guidance on the application of Technical Interpretation ICPC 02 applicable to real estate development entities in Brazil, as approved (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), and all pronouncements issued by the CPC.

The financial information is presented in thousand Reais (R\$ thousand), unless otherwise indicated. The statements contained in this document relating to business prospects, projections of operating and financial results, and those related to INTER's growth prospects are merely projections and as such are based exclusively on management's expectations about the future of the business. These expectations depend substantially on the approvals and licenses required for the approval of projects, market conditions, the performance of the Brazilian economy, the sector and international markets and are therefore subject to change without prior notice. This performance report includes non-accounting data such as operating, financial and projections based on the expectations of the Company's Management. Non-accounting data such as quantitative and launch PSV, contracted sales, MCMV program values, inventory at market value, land bank, result to be appropriated, cash consumption, and projections were not subject to review by the auditors independent of the Company.

Investor Relations

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Balance Sheets | IFRS

INTER CONSTRUTORA E INCORPORADORA S/A

Balance Sheets

On 31 March 2018 and 31 December 2017

(In reais)

Active	Note	03/31/2018	12/31/2017	Passive	Note	03/31/2018	12/31/2017
Current				Current			
Cash and cash equivalents	5	23.817.961	29.983.593	Providers	10	8.579.660	5.821.076
Customers for incorporation of real estate stock	6	14.710.079	13.255.303	Loans and financing	11	6.201.904	2.097.666
Advances to third parties	7	26.678.125	18.975.746	Social and labor obligations	12	1.206.405	1.139.347
		1.258.182	1.474.596	Tax liabilities	13	783.422	759.505
		<u>66.464.347</u>	<u>63.689.238</u>	Other bills to pay		<u>201.639</u>	<u>240.623</u>
						<u>16.973.030</u>	<u>10.058.217</u>
Not CIRCULANT				Not CIRCULANT			
Long-term achievable:				Providers	10	11.352.255	15.226.057
Related parts	8	1.480.469	1.345.793	Loans and financing	11	33.559.364	36.738.246
Prepaid expenses		1.019.189	947.712	Obligations with third parties		-	18.026
Deposits for social security		-	834.086	Tax installment		35.928	117.017
		<u>2.499.658</u>	<u>3.127.591</u>	Provision for contingency	14	<u>2.164.830</u>	<u>2.164.830</u>
						<u>47.112.377</u>	<u>54.264.176</u>
Investment		19.200	19.200	Net worth	15		
Immobilized	9	17.968.669	18.168.300	Share capital		12.371.189	12.371.189
Intangible		43.651	43.491	Profit reserves		10.538.929	8.354.238
		<u>18.031.520</u>	<u>18.230.991</u>			<u>22.910.118</u>	<u>20.725.427</u>
Total Assets		<u><u>86.995.525</u></u>	<u><u>85.047.820</u></u>	Total liabilities and shareholders' equity		<u><u>86.995.525</u></u>	<u><u>85.047.820</u></u>

The accompanying notes are an integral part of the quarterly financial information.

Income Statements | IFRS

INTER CONSTRUTORA E INCORPORADORA S/A

Income Statements

Periods of 3 Months Ended March 31, 2018 and 2017

(In Reais, except net income per share)

	Note	03/31/2018	03/31/2017
Net operating revenue	16	35.973.408	28.301.021
Cost of real estate sold and services rendered		(20.993.969)	(14.541.443)
Gross profit		<u>14.979.439</u>	<u>13.759.578</u>
Operating income (expenses):			
Selling expenses		(1.831.299)	(1.062.426)
General and Administrative Expenses		(2.826.222)	(2.045.493)
Other operating income (expenses), net		<u>(818.080)</u>	<u>(215.493)</u>
		<u>(5.475.601)</u>	<u>(3.323.412)</u>
Operating income before financial result:		9.503.838	10.436.166
Net financial result:	17	(1.143.427)	(568.602)
Financial income		251.190	421.272
Financial expenses		<u>(1.394.617)</u>	<u>(989.874)</u>
Net income for the period		<u>8.360.411</u>	<u>9.867.564</u>
Net Income per Share - In Reais		<u>0,68</u>	<u>0,80</u>

The accompanying notes are an integral part of the quarterly financial information.

Statements of Cash Flows | IRFS

INTER CONSTRUTORA E INCORPORADORA S/A

Statements of Cash Flows

Periods of 3 Months Ended March 31, 2018 and 2017

(In reais)

	<u>03/31/2018</u>	<u>03/31/2017</u>
Cash flows from operating activities:		
Net income for the period	8.360.411	9.867.564
Settings for:		
Depreciation	433.572	74.188
	<u>8.793.983</u>	<u>9.941.752</u>
Changes in assets and liabilities		
Increase in other accounts receivable	(1.454.776)	(11.013.892)
Increase in inventories	(7.702.386)	(2.973.315)
Decrease in advance from third parties	216.413	-
(Decrease) increase in suppliers	(1.115.216)	177.422
Increase (decrease) in tax liabilities	23.919	(11.155)
Increase in obligations with personnel	67.058	198.549
(Decrease) increase in other current and non-current liabilities	(138.097)	654.962
Net cash used in operating activities	<u>(1.309.102)</u>	<u>(3.025.677)</u>
Cash flows from investing activities		
Increase in prepaid expenses	(71.476)	-
Decrease in social security deposits	834.086	-
Increase in related parties	(134.675)	(182.621)
Increase in fixed assets	(233.000)	(268.040)
Increase in intangible assets	(1.100)	(3.585)
Profits paid to shareholders	(6.175.721)	(5.400.144)
Net cash used in investing activities	<u>(5.781.886)</u>	<u>(5.854.390)</u>
Cash flows from financing activities		
Borrowing	925.356	3.941.418
Net cash provided by financing activities	<u>925.356</u>	<u>3.941.418</u>
Reduction in cash and cash equivalents, net	<u>(6.165.632)</u>	<u>(4.938.649)</u>
Statement of the reduction in cash and cash equivalents:		
Cash and cash equivalents at beginning of year	29.983.593	17.511.314
Cash and cash equivalents at the end of the year	<u>23.817.961</u>	<u>12.572.665</u>
Reduction in cash and cash equivalents, net	<u>(6.165.632)</u>	<u>(4.938.649)</u>

The accompanying notes are an integral part of the quarterly financial information.

Statements of Added Value | IFRS

INTER CONSTRUTORA E INCORPORADORA S/A

Statements of Added Value

Periods of 3 Months Ended March 31, 2018 and 2017

	<u>03/31/2018</u>	<u>03/31/2017</u>
Recipes:		
Sales of goods, products and services	35.973.408	28.301.020
Inputs acquired from third parties	(25.101.938)	(17.478.306)
Production and sales costs	(20.993.969)	(14.541.442)
Materials, energy, third party services and others	(4.107.969)	(2.936.864)
Gross added value	<u>10.871.470</u>	<u>10.822.714</u>
Depreciation, amortization and depletion	(433.572)	(74.187)
Net added value produced by the Entity	<u>10.437.898</u>	<u>10.748.527</u>
Added value received on transfer:		
Financial income	251.190	320.827
Total added value to be distributed	<u>10.689.088</u>	<u>11.069.354</u>
Distribution of added value:		
Administrative staff	(115.980)	(96.868)
Taxes, fees and contributions	(818.080)	(215.493)
Financial expenses	(1.394.617)	(889.429)
Dividends	(6.175.721)	(5.434.077)
Retained earnings	(2.184.690)	(4.433.487)
	<u>(10.689.088)</u>	<u>(11.069.354)</u>

The accompanying notes are an integral part of the quarterly financial information.

GLOSSARY

Landbank - land held in stock with the estimated future PSV of the same.

BOVESPA MAIS - Listing segment of B3, Bovespa Mais makes it possible to make smaller fundings compared to the Novo Mercado, but sufficient to finance its growth project. The companies listed on Bovespa Mais tend to attract investors who see a greater development potential in the business. Stock offers can be aimed at a few investors and they usually have prospects for medium to long term returns.

This segment allows you to list without an offer, that is, you can list your company on the Stock Exchange and have up to 7 years to complete the IPO. This possibility is ideal for companies that want to access the market gradually. You can work on the professionalization of your business only for the listing and then have more time to make the public offering of shares. By disassociating one moment from the other, market access tends to be quieter and the level of preparation of your company higher.

Exchange - Land purchase system whereby the land owner receives in payment a certain number of units of the project to be built in it.

PSV Launched - Potential Sales Value of units launched in a given period.

PSV Passed on to the Financing Institution - Potential Sales Value passed on to the financing institution.

Contracted Sales, Net of Exchange - PSV arising from all contracts for the sale of real estate concluded in a certain period, including the sale of units launched in the period and the sale of units in inventory, net of distractions and net of exchange.

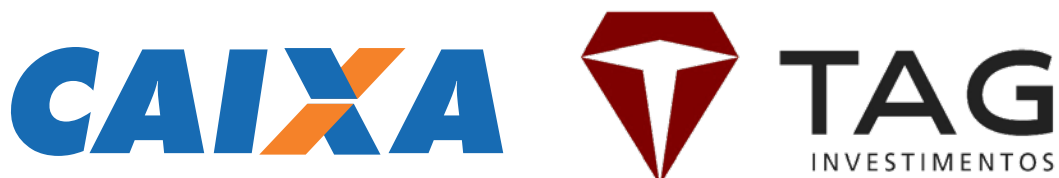
VSO - Sales on offer. to minimize the volatility of this metric, we exclude units in stock and units sold from developments in the quarter.

EBITDA - is the acronym for "Earnings Before Interest, Taxes, Depreciation and Amortization".

Método PoC - In accordance with IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method of cost incurred ("PoC"), by measuring the progress of the work by the actual costs incurred versus the expenses total budgeted for each phase of the project.



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