



## 2Q08 & 1H08 Results Conference Call

August 15th, 2008



## Participants

José Antonio T. Grabowsky  
CEO

Michel Wurman  
CFO and Investor Relations Officer

João Mallet, CFA  
Financial and Investor Relations Manager

Phone Number: + 55 (21) 3504-3800

E-mail: [ri@pdgrealty.com.br](mailto:ri@pdgrealty.com.br)

Website: [www.pdgrealty.com.br/ri](http://www.pdgrealty.com.br/ri)

# 2Q08 & 1H08 Highlights



<b>OPERATIONAL HIGHLIGHTS FOR 2Q08 AND 1H08</b>	<ul style="list-style-type: none"> <li>✓ RECORD IN PRO RATA CONTRACTED SALES , REACHING R\$472 MILLION IN THE 2Q08;</li> <li>✓ 55.9% OF THE UNITS LAUNCHED IN THE QUARTER WERE SOLD;</li> <li>✓ PRO RATA LAUNCHES REACHED R\$597 MILLION IN THE 2Q07;</li> <li>✓ CONTRACTED SALES REACHED R\$939 MILLION IN THE 1H08;</li> <li>✓ LAUCHINGS PRO RATA PDG REALTY AMOUNTED TO R\$1.2 BILLION IN 1H08.</li> </ul>
<b>FINANCIAL HIGHLIGHTS FOR 2Q08 AND 1H08</b>	<ul style="list-style-type: none"> <li>✓ NET REVENUE REACHED R\$524 MILLION IN 1H08, WITH R\$304 MILLION IN THE 2Q08;</li> <li>✓ EBITDA REACHED R\$146 MILLION IN THE 1H08, WITH R\$82 MILLION IN THE 2Q08;</li> <li>✓ EBITDA MARGIN REACHED 27.9% IN THE 1H08;</li> <li>✓ ADJUSTED NET INCOME REACHED R\$115 MILLION, WITH R\$63 MILLION IN THE 2Q08.</li> </ul>
<b>EXPOSURE TO THE LOW INCOME SEGMENT</b>	<ul style="list-style-type: none"> <li>✓ 82% OF LAUNCHINGS OCCURED IN THE LOW INCOME SEGMENT;</li> <li>✓ 82% OF THE CONTRACTED SALES OF THE 2Q08 CAME FROM THE LOW INCOME SEGMENT;</li> <li>✓ 80 % OF THE LANDBANK IS CONCENTRADED IN THE LOW INCOME SEGMENT.</li> </ul>
<b>SOLID CASH POSITION</b>	<ul style="list-style-type: none"> <li>✓ CASH POSITION 2Q08: R\$439 MILLION;</li> <li>✓ ACCESS TO ADDITIONAL MORTGAGE FUNDING REACHING APPROXIMATELY R\$3 BILLION.</li> </ul>
<b>SECOND GUIDANCE REVISION IN 2008</b>	<ul style="list-style-type: none"> <li>✓ WE ARE ONCE AGAIN REVISING OUR PRO RATA LAUNCHING GUIDANCE FOR 2008 (FULL YEAR): <ul style="list-style-type: none"> <li>• PREVIOUS GUIDANCE: R\$2.4 – 2.6 BILLION</li> <li>• CURRENT GUIDANCE: R\$2.6 – 2.8 BILLION</li> </ul> </li> </ul>

## Recent Events



### ✓Geographic Expansion to Porto Alegre:



- Goldfarb recently concluded the acquisition of new sites in Porto Alegre amounting R\$107 million of PSV to be launched in 2009.

### ✓JV with Habiarte Barc – Launching of first project



- Last June we launched the first project under the JV agreement with Habiarte Barc. “Porto Buzios” is a mid-high class project located in Ribeirão Preto (countryside of São Paulo) and has a total PSV of R\$88.2 million (R\$44.1 million pro rata PDG Realty). The project reached 30% of sales in just two weeks after launching. We highlight the professional capacity and market knowledge of our partner as a main driver for the success of the JV.

### ✓Rating Revision by Standard & Poor´s



- On May 16th, Standard & Poor's upgraded our Corporate and our debt rating from brBBB to brBBB+ changing also the perspective from neutral to positive.
- This change reflects our solid cash position as well our positive perspectives.

## Recent Events



### ✓ Sell Side Coverage

- Currently we have 12 institutions with positive recommendations on PDGR3 (Buy/Outperform/Top Pick). We believe this broad universe of coverage enables a better understanding of our strategy and operations.

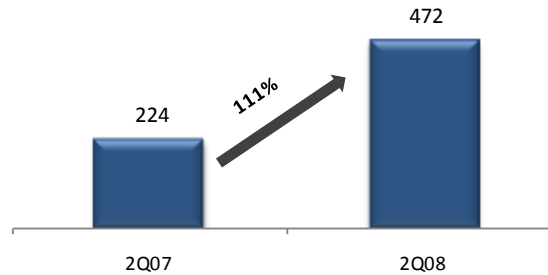
Institution	Rating
Brascan Corretora	Outperform
BullTick	Buy
Citigroup	Buy
Credit Suisse	Outperform
Deutsche Bank	Buy
Goldman Sachs	Buy
J.P. Morgan	Buy
Merrill Lynch	Buy
Santander	Buy
Safr	Buy
UBS Pactual	Buy 2
Unibanco	Buy

IR AGENDA
✓ <b>Santander – 9th Annual Conference</b>
✓ <b>Fator Corretora – Real Estate Day</b>
✓ <b>Credit Suisse – III Brazil Construction &amp; Mortgage Field Trip</b>
✓ <b>Deutsche Bank – Global Emerging Markets Conference</b>
✓ <b>JP Morgan – Asia Pacific and Emerging Markets Equity Conference</b>
✓ <b>Merrill Lynch – Global Real Estate Conference</b>
✓ <b>Unibanco – V Small &amp; Mid Caps Conference</b>

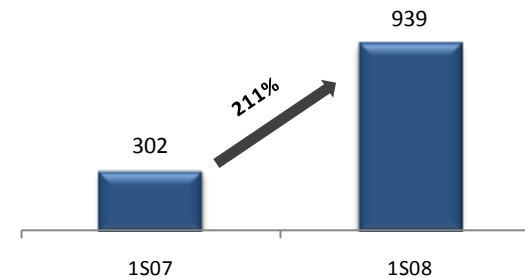
# 2Q08 & 1H08 Operational Performance Sales



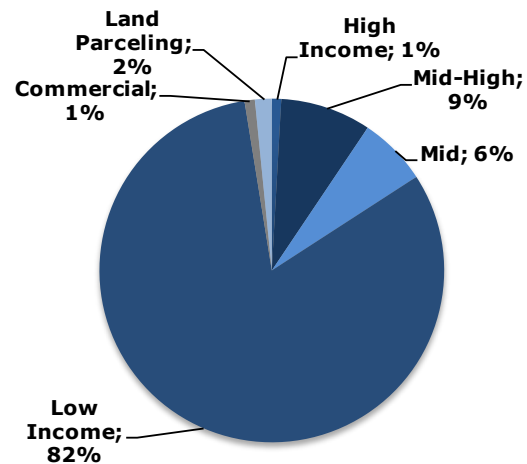
✓ Pro Rata Contracted Sales 2Q08 – R\$ m



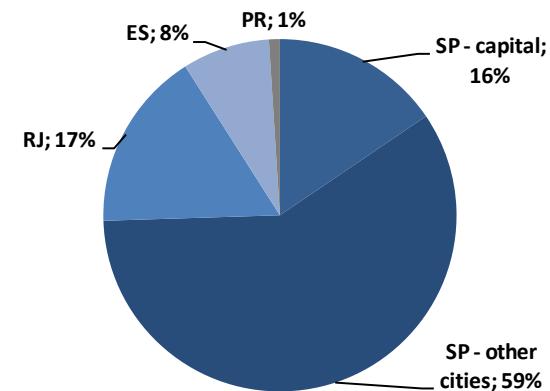
✓ Pro Rata Contracted Sales 1H08 – R\$ m



✓ Contracted Sales 2Q08 – Segmentation



✓ Contracted Sales 2Q08 – Geographic Breakdown



# 2Q08 & 1H08 Operational Performance Sales



✓The table below shows the main figures for the projects launched in 2Q08, 56% were sold in the quarter of launch:

Project	PSV (R\$ M)	% Total PDG	PSV Pro-rata PDG (R\$ M)	Units	Sold Units (%)	Sold PSV pro rata	Segment
<b>São Paulo - Capital</b>							
1 Villagio di Parma	7.4	80.00%	5.9	98	100%	5.9	Low Income
2 Panoramic Club	69.7	90.00%	62.7	314	20%	12.5	Low Income
3 Jardins de Évora	22.1	90.00%	19.9	140	50%	10.0	Low Income
4 Villagio di Milano	4.7	80.00%	3.8	58	86%	3.2	Low Income
5 Cenarium	45.1	90.00%	40.6	228	35%	14.2	Low Income
6 Inspirato - 1a fase	98.8	90.00%	88.9	400	50%	44.5	Low Income
7 Reserva dos Lagos - 1a fase	58.8	90.00%	52.9	301	70%	37.0	Low Income
8 Acqua Vita	84.0	90.00%	75.6	400	98%	74.0	Low Income
<b>São Paulo - Other Cities</b>							
1 Unique Residence	20.5	90.00%	18.5	114	50%	9.2	Low Income
2 Jorge Beretta - 1a Fase	31.0	90.00%	27.9	300	33%	9.2	Low Income
3 Tibúrcio de Souza	15.4	90.00%	13.8	190	30%	4.1	Low Income
4 Bellicittà - Fase I	21.6	15.98%	3.5	350	100%	3.5	Land Parceling
5 Bellicittà - Fase II	20.0	15.98%	3.2	302	100%	3.2	Land Parceling
6 Porto Búzios	88.2	50.00%	44.1	192	30%	13.2	Mid-High
<b>Rio de Janeiro</b>							
1 Botafogo Flex	24.0	70.00%	16.8	38	74%	12.4	Mid-High
2 Botafogo Flex (Commercia	3.5	70.00%	2.5	1	100%	2.5	Commercial
3 Origami	44.9	35.00%	15.7	160	25%	3.9	Mid Income
4 Prime N.I	35.0	70.00%	24.5	112	30%	7.4	Mid Income
<b>Espírito Santo</b>							
1 Mochuara	73.2	81.00%	59.3	594	55%	32.6	Low Income
2 Solar das Ilhas - Bella Suit	29.0	59.00%	17.1	229	10%	1.7	Low Income
<b>20 Total</b>	<b>796.8</b>		<b>597.1</b>	<b>4,521</b>	<b>56%</b>	<b>304.3</b>	

# 2Q08 & 1H08 Operational Performance Sales



✓ Below, we highlight some projects launched with different partners in 2Q08:

## Acqua Vita



Partner	Goldfarb
Location	São Paulo - Capital
Launch	June/2008
Total PSV	R\$ 84 mm
Units	400
% Sales	98%

## Bellicittà (Fases I & II)



Partner	Cipasa
Location	São Paulo – Other Cities
Launch	May/2008
Total PSV	R\$ 41.6 mm
Units	652
% Sales	100%

## Botafogo Flex



Partner	CHL
Location	Rio de Janeiro/ RJ
Launch	April/2008
Total PSV	R\$ 24 mm
Units	38
% Sales	74%

## Reserva dos Lagos – 1st fase



Partner	Goldfarb
Location	São Paulo - Capital
Launch	April/2008
Total PSV	R\$ 58.8 mm
Units	301
% Sales	70%

# 2Q08 & 1H08 Operational Performance Sales



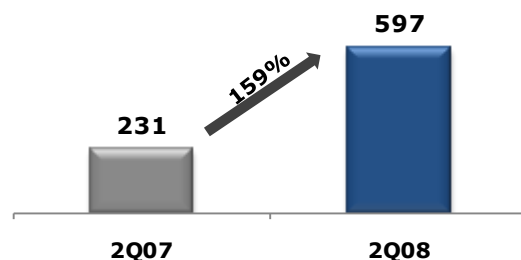
✓The table below shows the track record of all PDG Realty launches. From all units launched, 82% have already been sold:

	Launched Developments	Units Launched	Units Sold	% of Sale	Contracted Sales 2Q08 - PDG Realty
<b>Year 2003</b>	<b>3</b>	<b>296</b>	<b>296</b>	<b>100%</b>	<b>0</b>
3rd Q	1	188	188	100%	-
4th Q	2	108	108	100%	0
<b>Year 2004</b>	<b>5</b>	<b>882</b>	<b>856</b>	<b>97%</b>	<b>1</b>
1st Q	-	-	-	0%	-
2nd Q	1	69	51	74%	0
3rd Q	2	176	172	98%	1
4th Q	2	637	633	99%	-
<b>Year 2005</b>	<b>9</b>	<b>2,731</b>	<b>2,629</b>	<b>96%</b>	<b>9</b>
1st Q	1	26	25	96%	0
2nd Q	3	649	594	92%	3
3rd Q	1	54	54	100%	-
4th Q	4	2,002	1,956	98%	5
<b>Year 2006</b>	<b>28</b>	<b>4,176</b>	<b>3,957</b>	<b>95%</b>	<b>2</b>
1st Q	4	1,032	1,032	100%	0
2nd Q	2	418	417	100%	-
3rd Q	6	489	464	95%	0
4th Q	16	2,237	2,044	91%	2
<b>Year 2007</b>	<b>73</b>	<b>12,860</b>	<b>11,119</b>	<b>86%</b>	<b>76</b>
1st Q	14	1,632	1,422	87%	6
2nd Q	21	2,641	2,336	88%	9
3rd Q	21	4,758	4,470	94%	25
4th Q	17	3,829	2,891	76%	36
<b>Year 2008</b>	<b>39</b>	<b>8,527</b>	<b>5,215</b>	<b>61%</b>	<b>383</b>
1st Q	19	4,006	2,677	67%	79
2nd Q	20	4,521	2,538	56%	304
April	4	853	442	52%	65
May	5	1,680	1,048	62%	169
June	11	1,988	1,048	53%	70
<b>TOTAL</b>	<b>157</b>	<b>29,472</b>	<b>24,072</b>	<b>82%</b>	<b>472</b>

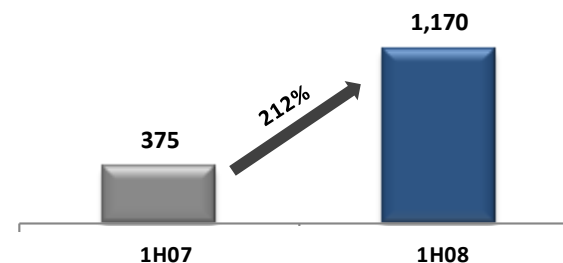
# 2Q08 & 1H08 Operational Performance Launches



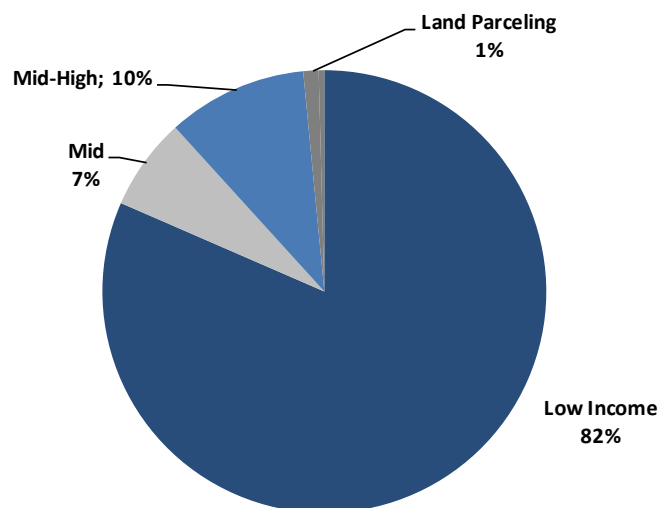
✓ Launched pro rata PSV 2Q08 – R\$ m



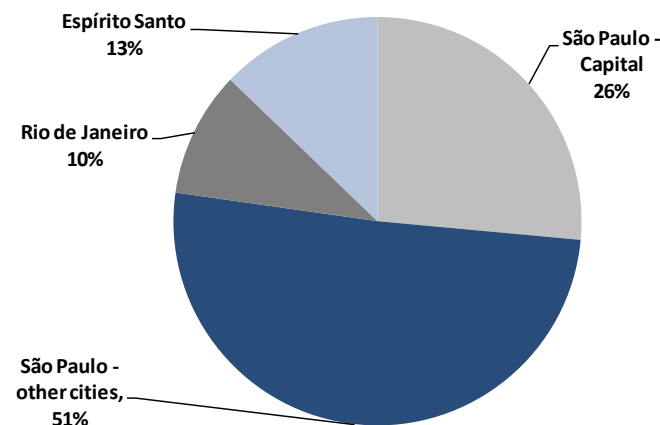
✓ Launched pro rata PSV 1H08 – R\$ m



✓ Launched pro rata PSV 2Q08 – Segments



✓ Launched pro rata PSV 2Q08 – Geography

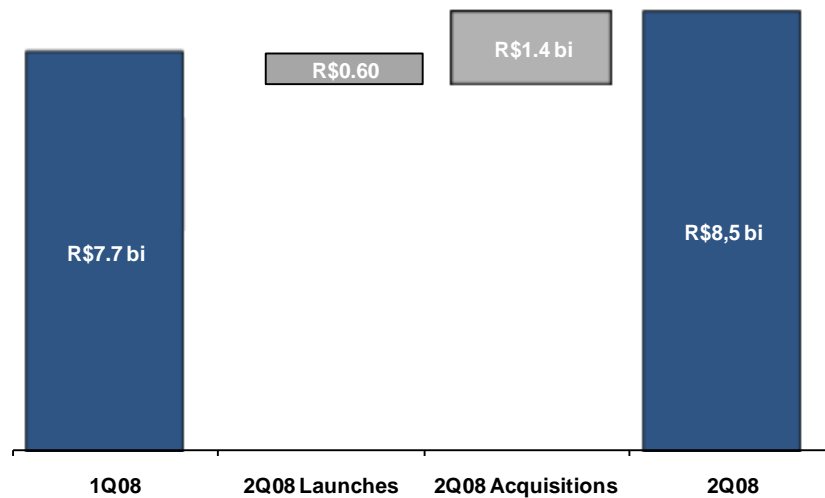


# 2Q08 & 1H08 Operational Performance Landbank

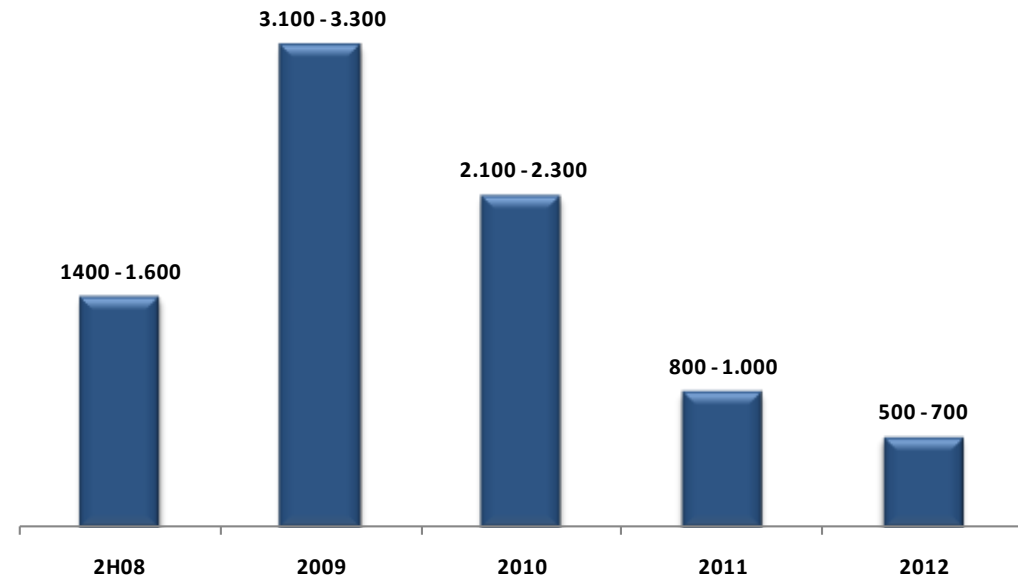


✓ Our current pro rata landbank reaches R\$8.5 billion (distributed in 344 projects), representing a 157% growth when compared to the 2Q07 landbank.

✓ Landbank Evolution 2Q08 (R\$billions)



✓ Estimated Duration of Landbank – R\$ m

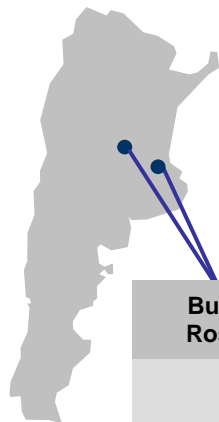


# 2Q08 & 1H08 Operational Performance Landbank

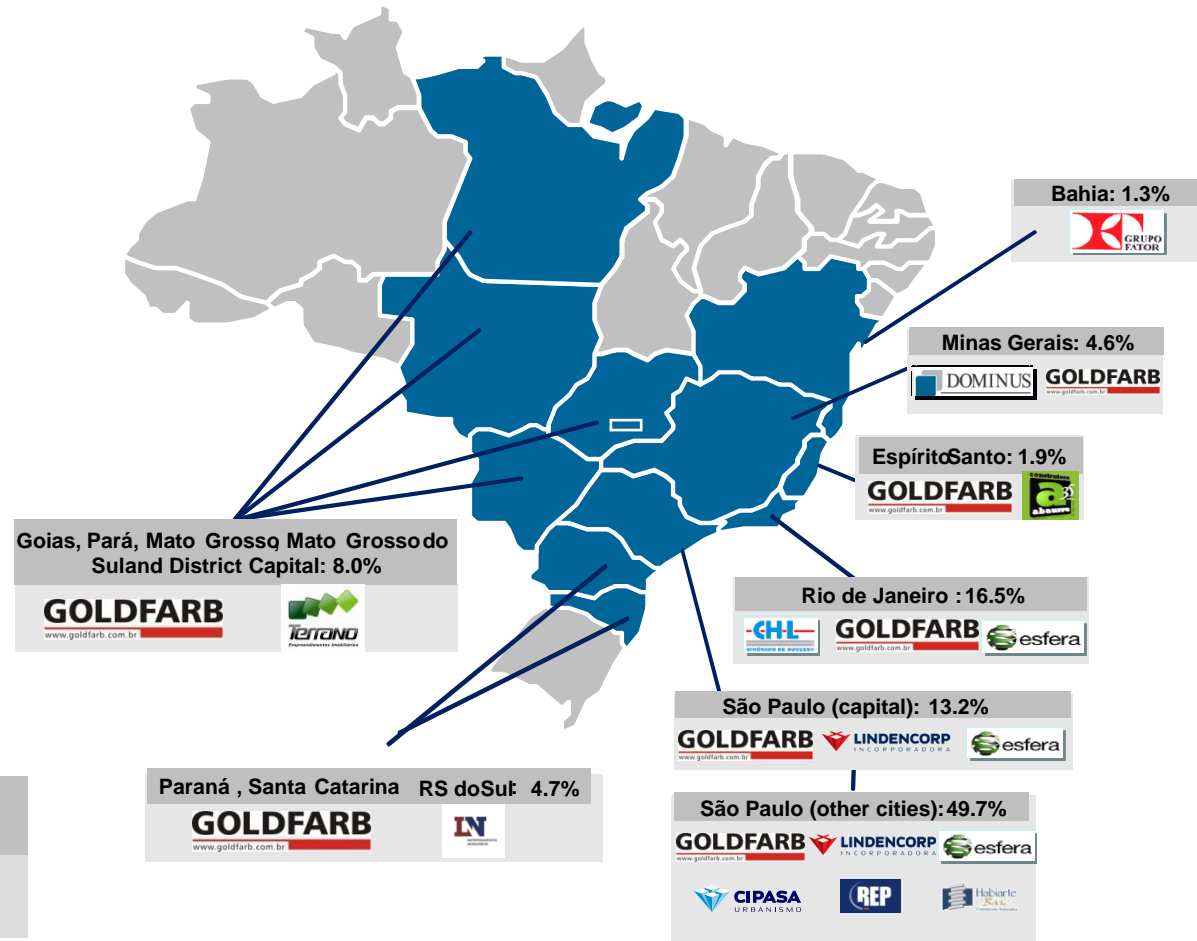


✓ Our current operations reached 55 cities spread in 13 states. The map below presents the breakdown of our landbank by region and partner:

- Current target area encompasses:
  - 81.3% of Brazilian GDP <sup>(1)</sup>
  - 69.8% of total population <sup>(1)</sup>
  - 12 states, 47 cities
  - In Argentina:
    - 7.9mm households
    - GDP US\$260 bn in 2007 (country)
    - Population 40 mm



**Buenos Aires and  
Rosario, Argentina**

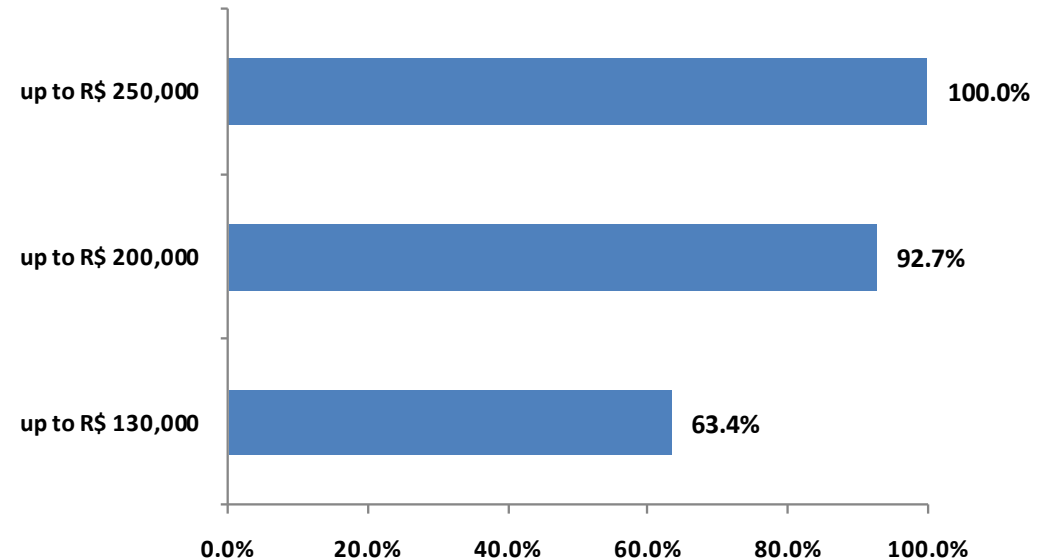


## 2Q08 & 1H08 Operational Performance Low Income Landbank



- ✓The current low income landbank reaches R\$6.8 billion of pro rata PSV, distributed in 76 thousand units.
- ✓Below we demonstrate the breakdown of the low income units in the landbank by price range. We can notice that 63% of the low income units are under R\$130 thousand.

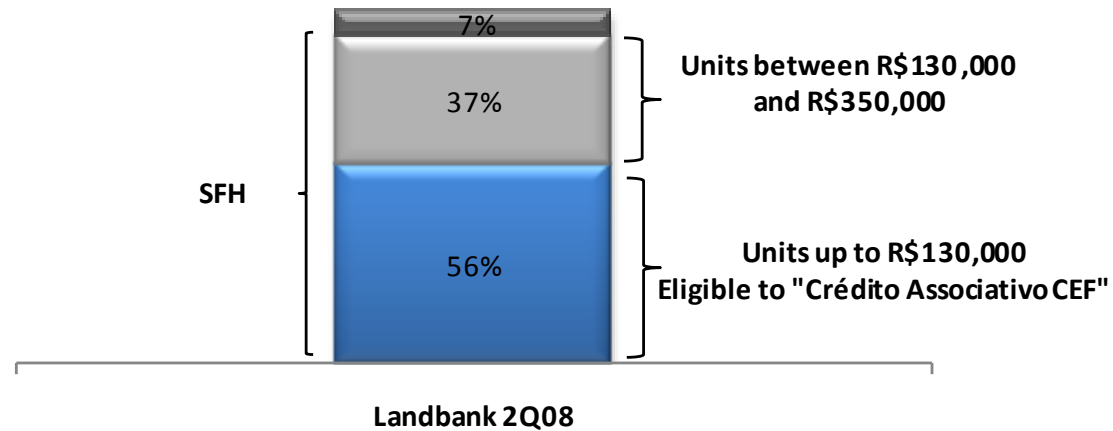
Price	Units	%
up to R\$ 130,000	48,454	63.4%
up to R\$ 200,000	70,789	92.7%
up to R\$ 250,000	76,403	100.0%



## 2Q08 & 1H08 Operational Performance Low Income Landbank



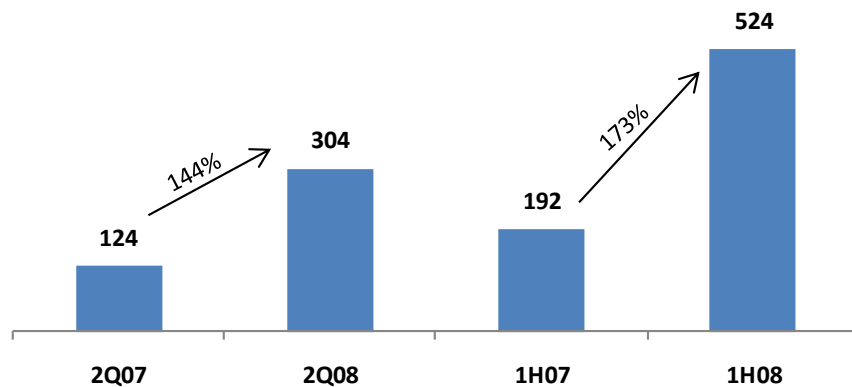
✓ Analyzing our landbank (excluding land parceling units) we can notice that approximately 93% of the units have access to SFH funding (units under R\$350k) and that 56% of the units are eligible to the "Crédito Associativo" program of Caixa Econômica Federal (units under R\$130k in major cities).



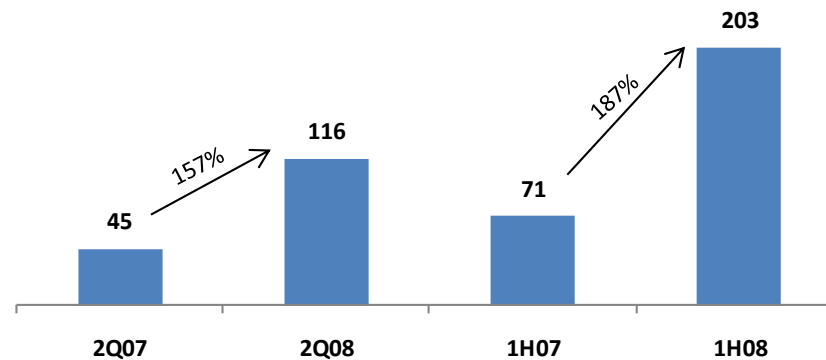
# Financial Highlights 2Q08 & 1S08



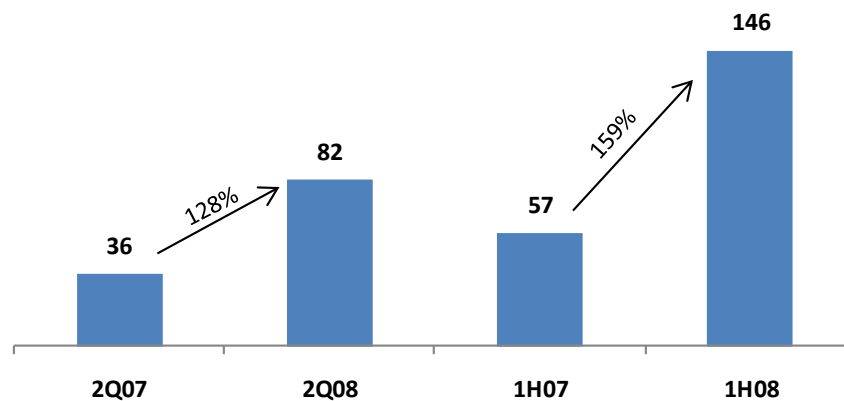
Net Revenues - R\$ mm



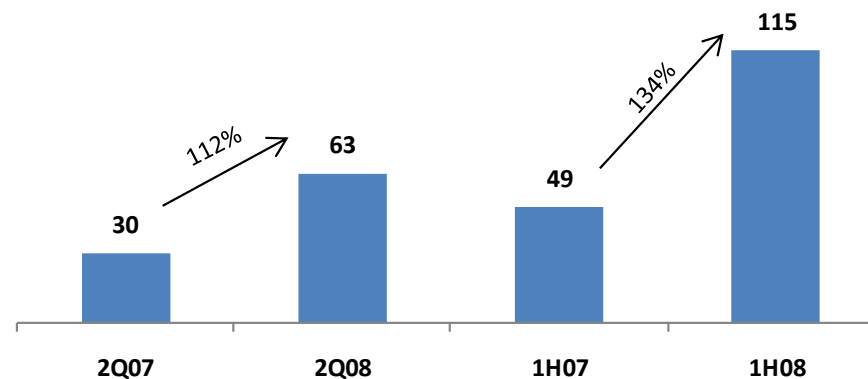
Gross Profit - R\$ mm



EBITDA - R\$ mm



Adjusted Net Income - R\$ mm



# Financial Highlights 2Q08 & 1S08



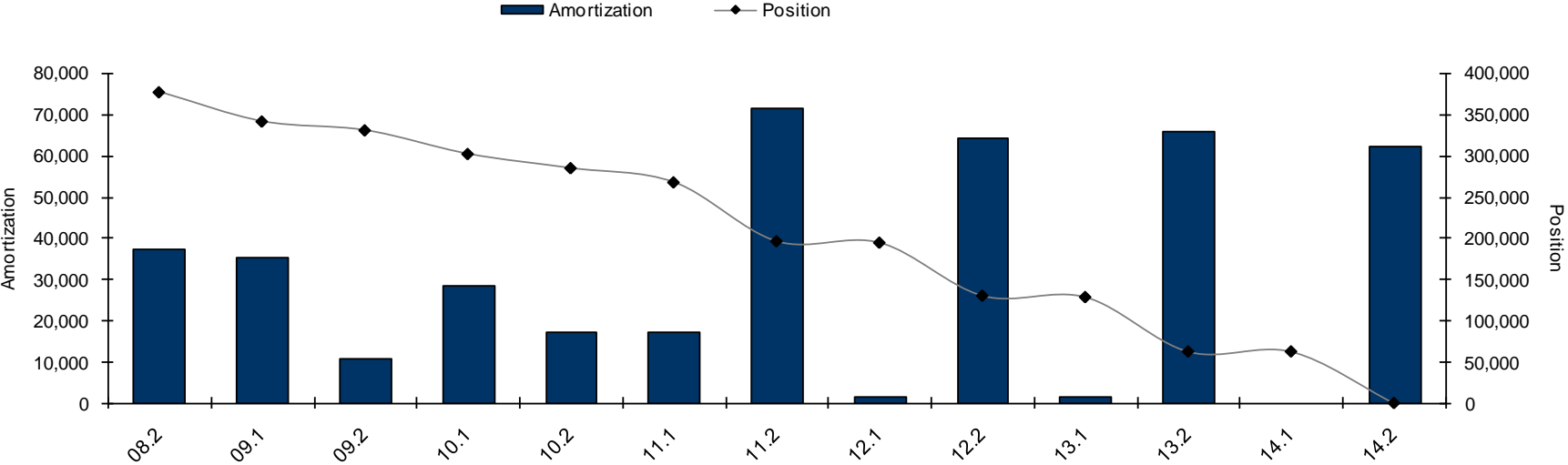
## SOLID CASH POSITION

✓ CASH POSITION REACHED R\$439 MILLION IN 2Q08

## FUNDING

✓ ACCESS TO ADDITIONAL MORTGAGE FUNDING REACHING APPROXIMATELY R\$3 BILLION

Debt (excludes SFH and partnerships - already included in SPC's cash flow) - after 1H08 (R\$thousand)



# Final Comments



✓ Final comments