Operator:

Good morning, ladies and gentlemen, and thank you for waiting. At this time, we would like to welcome everyone to PDG Realty's 3Q08 earnings conference call.

We would like to inform you that this call and the slides are being broadcast in the Internet at the Company's website: www.pdgrealty.com.br, and that a presentation is available for download at the Investor information section.

Also, this event is being recorded and all participants will be in listen-only mode during the Company's presentation. After the Company's remarks are completed, there will be a question and answer session. At that time further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of PDG Realty management and on information currently available to the Company. They involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of PDG Realty and could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. José Antonio Grabowsky, CEO. Mr. Grabowsky, you may begin your conference.

José Antonio Grabowsky:

Thanks for the introduction. Hi, everybody. Thanks for your presence; it is nice to have you on our 3Q results call. For sure we are very proud of the excellent results that we are presenting today, in line with the top of our expectations. We continue to be able to show consistency throughout the quarters, which we believe is very important for the investors who follow our Company, and those results for sure create a very big certainty for us that we will be achieving our goal by yearend of finishing the year among the three largest companies of the sector in any given criteria. Probably more to the second and third places in most of the items.

We are very comfortable with the fact that nowadays 80% to 85% of our activity comes from the two companies that we control, Goldfarb and CHL, and both companies are operating very well. We understand that, let us say, our business model has been proving itself very successful; we always believed it was the most adequate business model to operate in the environment that we have in Brazil for real estate, all the growth that we have seen so far was the best option to provide efficiency and to be able to deliver the growth with consistent results, not losing margins, not losing efficiency. So, we are very comfortable and we see that the model is now tested, and we are starting to see also the benefits of scale in our numbers.

The other point that I think is worth mentioning is the close monitoring we have of our day-to-day activity and the ability that we have been showing of really managing the day to day, taking measures in the short term to adjust the details of the operation. For example, I think it is important to mention in this 3Q the fact that we reduced a lot our sales expenses and also reduced a little bit our G&A; small measures we felt were important to provide better margins for the Company.

So, even though we launched much more than in the 2Q and our sales were only 5% below the sales of the 2Q, the sales expenses reduced a lot. That is the type of thing we keep a lot of attention to in really tracking on a daily or weekly basis and be ready for making decisions and making the change whenever we feel appropriate to make sure that the results will be in line.

Going to page three of the presentation, the operational highlights of the 3Q. Our launched pro-rata sales volume reached R$704 million; the total pro-rata sales contracted, R$448 million; 48.3% of the units launched in the quarter were already sold and 76% of the launches were in the low-income segment, consistent to our strategy and for sure, I think, it is clear nowadays this sector is very important and probably the best sector to be focusing in Brazil, which has always been our understanding of the market.

Operations highlights for the 9M. 60% of the units launched so far in the year have already been sold; total sales for the year so far, R$1.4 billion, our pro rata; and total launches pro rata, R$1.9 billion, close to 70% of our mid-range for the full year in terms of launches.

Financial highlights for the quarter and for the 9M. Net revenue did a consistent growth, reaching R$338.6 million for the quarter and R$863 million for the 9M, with a growth of 140% when compared to the same period of 9M of last year. EBITDA reaching R$94.6 million for the quarter, a very healthy 27.9% margin; and in the 9M, the same margin, reaching R$240 million for the 9M so far.

Adjusted net income reached almost R$70 million in the quarter, with a 20.4% margin; and in the 9M we totaled R$184 million, with a 21.3% margin. So, very good numbers, very high margins; for sure, one of the leading numbers in the industry.

In terms of cash position, for sure it has always been an important point of our cash flow management; nowadays I think everybody understands how vital it is for any company. We have a very comfortable cash position of R$341 million at the end of the quarter. We continue to have access to construction credit lines of approximately R$3 billion. And the other very important point to mention and that is a consequence of our strong attention to sales speed is the fact that 73% of our inventory of units launched and not sold are from launches of 2008; that is for sure a very healthy situation, so we do not spend a lot of time and effort and money to sell units already delivered or close to the end of construction. So, we really have been able to keep selling very well quarter after quarter, as you will see throughout the presentation.

Now, I will pass to Michel, who will continue, and I will be coming back at the end to talk more about 2009, the crisis, the future, how we see the Company's position in today's environment. Thank you.

Michel Wurman:

Hi, everybody. Let us go straight to page four, where we are going to talk about the recent events from PDG, not in terms of the operational but in terms of extra things. First is the share buyback program that we announced at the end of October; the idea of the program was not only to show to the market that we believe that our shares are cheaper but you will see that within a 1-year period we will be acquiring shares from PDG. For us at PDG this is a very good investment. The return on equity that we have to the return on equity on a project level sometimes our buying our shares is much better. So, this is not a program we released just to say that we believe that is cheaper; but I guarantee you that we will be acquiring shares.

The second important event that we had was the joint venture with Dominus at the first launch we did in Minas Gerais. It was a commercial development in Minas Gerais, launched at a very successful sales speed. And the third one was our Sponsored Depositary Receipt ADR Level 1; the idea is that this is a pink sheet program. We did that because some investors that have PDG shares asked for this kind of ADR listing. We do not intend to do in the short or mid-term any kind of listing in an ADR level 3, but we know that it is important to start tracking and to start getting the knowledge with the SEC requirements for the long-term of PDG, for sure this will be important.

Next page, page five, we can go straight to the operational highlights of the Company. As José mentioned before, I think the important numbers here comes from the total sales of the year and the quarter. So far, we sold roughly R$1.4 billion and in terms of comparing this number of the 9M08 with the 9M07, we grew roughly 120%. Another important thing is that, as we see, we shifted over time and we continue to shift to a concentration in the mid-low income segment; and what we hold so far is 72% stake from the mid-low income segment.

The next page we can see the breakdown of what we launched within the quarter. It is important to mention that 48% of the units launched in the quarter we were able to sell in this quarter. And the important dynamics that we have, the important trend that we see here in our business model is that even having a strong operation in the mid-low income development, this is a segment that we have around 30% complete sales we did in the quarter's launches. But what we see is that in the mid-low income we have around 30% pre- sales in the commercial, and then apartment projects we have more than 50%; and in the other segments, mid to mid-high we have an average of 40% to 50%.

The plans of these three different segments we did in our portfolio create a very strong sales speed although the majority of the sales come from the mid-low income segment that we have a slower speed of sales in the beginning, although during the construction period we can continue to sell week over week units that is completely different from other segments.

In the next page we have some highlights of two important developments we did in the quarter. The first one is called Estrelas; it is a project that CHL did in Rio de Janeiro and probably this will be the project of the year, I believe, for the whole Country. Because of this project, CHL was honored to be the Company of the year in the Rio de Janeiro market. Why do we believe the success of this project was so important? We launched this project in the last week of September, we were in the middle of the worst period of the crisis, I mean, in terms of news flow; at that moment everybody believed that the world was coming to a bad way. So, I believe that the marketing campaign, the kind of project, the size of project and the management of the whole project was what made the whole difference in the project.

We still see a very strong demand in the segment of the R$200 thousand per unit. We see this in CHL, we see this in the case of Goldfarb. Then, why do we believe we will continue to have a strong presence in this segment and a strong demand in this segment? This is a segment of units below R$250 thousand that we know that you have SFG financing, that we have a limit of TR+12% a year. So, you have a ceiling for the financing that is extremely important to give confidence to the buyer to acquire this kind of unit. That is why we had a very good speed of sales in this segment and will continue to be strong in this segment.

The second important development we did in the quarter was a very good surprise, came from the land parceling project segment, and this is a segment that everybody is saying that everybody is having a slow speed of sales. This is a land parceling for the very high income in São José do Rio Preto that is a midsized municipality within the State of São Paulo. They were able to sell 100% of the land parceling within a weekend.

Why are we saying this is important? Because the way that we see the market, even in a crisis you always have some segments were you have a strong demand, some segments that have extremely [inaudible] regards to the kinds of projects and you have always new segments. In the kind of business model that we have in PDG, that we have several management teams, each one of them taking care of one specific market or segment, it’s important to us to really try to find where we can have better projects.

In the next page, you have the breakdown that we are used to release quarter over quarter. But the important message here is that 73% of the inventory that we have come from units we launched this year and out of all the units that we launched in PDG’s history, we sold so far 80%. Why do we try to stress that very close? Inventory control is extremely important in a hot market and mainly in a scenario that we are starting to have slower sales speed from other competitors, and it is important for us to really track that on a very close basis, and we believe we have been managing that in the proper way, probably being the most efficient company in that kind of market. We have been growing the Company without growing percentage terms the total inventory that we hold.

For the next slide, I will pass to João, who will continue with some highlights of the operation.

João Mallet:

Hello, everybody. Good morning. Starting here on page nine, we have two figures here. The top one: the important information here is that we keep a good sales speed in the 3Q08; in fact, it was better than the 3Q07. And more important than that, as Zeca mentioned we were able to reduce our sales expenses quarter over quarter.

On the lower figure, the sales over supply accounting we posted a 30% number. On average, the industry will post something close to 20%, so we keep on a much better position than the average industry, 10 p.p. above the industry. And more important than that, as Michel mentioned the inventory that we have today is brand new, of units that we´ve just launched, and compared to our peers it is on a much lower level than them.

On page ten, some numbers that we already disclosed. So, this is not something new but there are some important conclusions here. On the pie chart here, the lower one, first we keep launching more than 70% to 75% in the low-income segment; this is a trend that we have been posting and you can expect that going forward.

On the right chart, the division by cities, by regions, it is important to mention that we really see the countryside of São Paulo as one of the most interesting areas to be present and launching and selling units. But we cannot forget about the São Paulo municipality and neither Rio de Janeiro, one of the largest markets in Brazil. So, we should keep a strong position in these regions as well.

On page 11, talking now about the land bank now, some important conclusions here. First, since the IPO this was the first time we reduced our land bank size. This occurred mainly because we have some options that we prefer to let them go, to not exercise the option and to negotiate on new terms a better one right now. The market for land acquisition is getting better than what we were seeing in the past, so right now it is better to wait a little bit and try to negotiate better terms.

This is only possible because during 2007, PDG and some competitors made a huge effort to increase the land bank size; in the case of PDG, right now we have two to three years of future launches and this level of land bank can allow PDG to wait or postpone new land acquisition for two to four quarters without having any implication in our operation.

More important than that, this new trend will strengthen our cash exposure and our cash use; the main use of every development in Brazil will be, and was in the past, land acquisition. So, if you can wait or postpone or do swap deals, as we can do right now, you save and preserve much more cash than what we were having in the past.

Just another comment on the right chart, we can see that besides Rio de Janeiro and São Paulo, we still have some new cities, new geographies appearing in our land bank.

And if you go to the next page, slide 12, you will see that always when PDG enters in a new market, we will have a local partner. This is something that we always intended, and this is something that we are doing in practical terms. So, for each new city we will have a local partner that will understand the uniqueness of each region and together we will share the risk and return.

Going to page 13, the important point here is that roughly 90% of our land bank units cost less than R$350 thousand. Why is this important? Because these units are under the SFH umbrella. The SFH is the loan system funding scheme that we have in Brazil that has interest rates attached to TR, all these fees we discussed in the past. So, 90% of our units are below R$350 thousand and roughly 50% of our units are below R$130 thousand; so, they are eligible to the Caixa Econômica special for this line, 'crédito associativo'.

On page 14, I will pass back to Michel.

Michel Wurman:

Going to the financial highlights of the quarter, I think as Zeca mentioned in the beginning of this presentation, the most important message here is the consistency of the operation, consistency of the financial results, consistency on the management, on the G&A side, and marketing side.

So our plans on that are really creating a very large Company as we have been having on PDG, and mainly very healthy margins within the Company. So, we ended the 9M08 with R$341 million of gross income, with a gross margin of 39.6%; we believe that this is an extremely high gross margin for the long term.

We believe that we are having between a 34% to 36% gross margin, although quarter over quarter we fight for having lower construction costs and getting more efficiency. That is the main explanation why we have been getting sometimes extra gross margin within our projects.

Regarding the EBITDA, we ended the 9M08 with R$241 million of EBITDA, with roughly 28% EBITDA margin; the efficiency of the EBITDA margin and product volume really comes from the total size of the operation and G&A and marketing control. That is a very good EBITDA margin. And for the net income, we entered the 9M08 with R$184 million of operations.

And again, the most important message of all of the charts that we have for the financial highlight, the first one is the growth that we have. Now we are starting to talk about a Company with sizeable numbers; and more than that, we have been able to manage the growth of the Company, not only in total volume but mainly with very healthy margins.

On the next page, page 15, you can also see our cash position. Right now we have R$341 million of cash position. It is important to mention that we stopped doing cash acquisition of sites within the last month, and we believe that that we have zero cash disbursements for new sites for the next three to five months. We believe that we have a much better position to do that in the midterm.

So, we will start to preserve cash and we will see this by November, we will see that on the 4Q numbers that the cash burn of the Company will decrease a lot. And more than that, we have been able to access the debt market when the market was open. We started that in July last year, when we did the local debentures, and over the 1H08 we raised several local two to three years debentures in the Company and they (inaudible) both within PDG level.

With that, we have been able to raise a lot of cash for the Company, with a very low payment schedule for the PDG debt. So, what is important here on PDG is that always, when we are doing our cash flow advertising and the business plan for the operation, we never try to do the business plan thinking that we have to raise additional money. We have been always and will continue to be very conservative on the cash flow assumptions for not having to raise additional money.

If we have the ability to raise money at a cheap level, for sure we will always do that to increase the operation that we have. But we do not that extra money today.

And then, I will pass again for financial highlights and what we expect for next year.

José Antonio Grabowsky:

OK. Now the third part, what we will see in 2009. I think first of all, for sure the world crisis will affect Brazil; there is no doubt on that. But nobody knows what will be exactly the intensity of that and how long it will take to start the recovery. For sure the Country is in a much better position than it was in the past. And on a relative basis, it looks pretty clear with every talk, either in Brazil or outside the Country, that Brazil has a great opportunity of getting out of this crisis in a relatively better position.

And for sure it will continue to offer very good investment opportunities when investors are ready to reallocate the excess cash; we do not know whether which quarter of next year this is going to happen, but for sure there are very good opportunities in Brazil, and I think the mid-long term trend for the Country did not change.

In terms of the short-term economic growth or economic activity, employment, unemployment, the consensus today continues to be a slowdown on the growth rate, from around 5% this year to somewhere between 2% and 3% for the next year. If that is the truth, and if doing the year the kind of recovering starts to appear, showing that 2010 will come back to 3% to 5% growth level, I think the situation down here in Brazil will be not as bad as everybody is talking about, and for sure much better than the stock prices nowadays.

The other most important condition for the continuation of the good trends for the sector is, in our opinion, the availability of construction and mortgage financing for the sector. From the information we were able to gather with private and public banks, and by the reaction of the Government, that showed very clearly the importance of the sector, and the fact that it is paying attention to make sure that the credit is sustained for the sector.

And because of the healthy situation of the savings and loan system on one side, and the FGTS on the other side, as the two major pocket sources of funds for the sector, we believe there will be no problems for that. But for sure it will be better and easier for the mid-low income segment, as it already was less expensive and more money-available for the mid and low-income sectors, which is in line with our strategy.

Overall, what we see for 2009 is that the crisis anticipated the cleaning of the sector, the natural selection between the big names and the small, medium sized companies that, even though they had access last year to a lot of cash, they were able to do IPO, raise money, in reality they were not prepared for the growth and they had their own problems.

So, in that regard, 2009 will be a better year than it was supposed to be without the growth and all the available money that looks like will continue to be present. I think the balance between supply and demand will be healthier next year. For sure the demand will slow down a little bit, but the supply will be reduced much more.

So, I think this is favorable for the big companies. For sure everything now shows a trend to concentrate in the big names, and the big names will be gaining market share for sure. All the banks are preferring to deal with the big names, have better credit, better balance sheet conditions.

For sure, on the research side, they will start to cover a much smaller list of companies. So, in terms of investors' attention, we are pretty sure that, let us say, much faster than expected the market will concentrate in three or four big names, and for sure PDG is included within those names.

So, I think the Company is in a very good position to grow through the crisis, be able to respond very quickly and manage the companies, the launching, the reduction in G&A needed to be able to get out of this crisis in a very position than we are today in a relative basis.

In terms of guidance, that is the one-million-dollar question. For sure, for growing the Company to the R$3 billion launching level we continue to plan to finish the year around R$2.6 billion in launches, within our guidance for 2008. So, we have the land bank in place, we have the working capital in place, we have the management's ability to launch R$3 billion next year without problems. But for sure, more than ever, it will depend on the sales speed.

We always did a very strong track and always told you that we were not very worried about launches; we were worried about sales. So, that is going to be true more than ever. For sure that number, we may not be able to reach the R$3 billion level, and if I had to say a number, what would be the low-end of the range, I would be very conservative. So, I would say that the range would be between R$2 billion and R$3 billion, but nowadays we continue to work to be closer to the R$3 billion. OK?

Now, I will open for questions. Then we will continue our conversation.

Dan McGoey, Deutsche Bank:

Good morning, gentlemen. Congratulations on the good results. Just a quick question on some of the credit line information you mentioned and was included in your press release. I am wondering, out of the R$3 billion credit availability, if you could give a bit of detail on where that comes from, how much might be SFH-related, and what stage they are at.

And maybe if you could talk a little about 2009; where you see, I guess, net debt at the end of 2009? And given the change from 2008, where will you be relying on that credit? Is that more SFH-related or Caixa Econômica?

Michel Wurman:

Regarding the credit line, the R$3 billion, all of them are for SFH, I mean, units up to R$350 thousand. The units that come from Caixa Econômica that are up to R$130 thousand, they are out of these R$3 billion; we do not have a limit for that, it is a question of being able to fulfill the requirements of the project and develop the relationship with Caixa. And above R$350 thousand, it is always of this credit line, just based on a project-to-project level.

Out of this R$3 billion, we expect to have the maximum exposure for PDG around R$1.2 billion to R$1.4 billion of credit line. Why do we have this total R$3 billion, that is more than 2x the total debt we need? Having that, we have the ability to have some competition within the banks for the projects that we have.

Out of this R$3 billion, R$1 billion comes from Bradesco, and we have around R$400 million to R$600 million coming from Itaú, ABN, Santander, Unibanco, and the other banks. So, with this, we are able to manage some kind of competition on the project level, and more than that: having that, we have at least some guarantee that they can more than easily pass to the final buyer; we stop having the credit line from the construction, they can pass that to the final buyer. That is something very important for us to track on the daily basis.

Still on this point of the SFH, we see today that the level of launches for next year will be much lower than what everybody anticipated. And it is important that the pressure for the SFH limit, we believe that at least they will not delay for two more years.

Dan McGoey:

OK. And then just a follow-up question for Zeca on the 2009 outlook: you provided the range of launches from R$2 billion to R$3 billion. I wonder if you could just talk a little bit about the pre-sales or the contracted sales level. What are the sort of target sales to supply, or basically the target sales ratios that may be the minimum you would expect. I imagine it at the end of 2009 you are going to be looking more at what you have sold than you have launched.

José Antonio Grabowsky:

OK. That is a very good question. If we talk about the same type of ratio that we have in our page nine, comparing the sold VGV to the launched VGV in each quarter, we expect that number to be within a 30% to 35% range, continuing to be a healthy number; totally in line and still a little bit above our feasibility study, when we acquired the land, acquired the site. So, if that number continues to be within a 30% to 35% range, we feel that it is a healthy situation.

Thus, as an extra information that I forgot to mention, the sales speed after the 3Q – October and beginning of November – that we had in our, let us say, sales office, the PDG numbers, for sure there was a reduction between 20% to 25% on a weekly basis in October, recovering to 10% to 15% based on the two initial weeks of November.

The exact numbers, if you average the sales of PDG so far in the year for week, the number is 206 units. Of course there are some weeks with big launches where the number is much bigger than that. So, we consider a normal week for PDG somewhere between 150, 160, to 200 units sold each week.

The first week of October, we went as slow as 110 units, and the average for October was around 130 units. And the average for the initial two weeks of November were back to around 107 units. So, we are seeing some reduction, but at least in our experience, reduction has not been so strong as people were talking about, 50% reduction, that type of thing. So, we do not see, especially in the mid-low income, that things will be so bad going forward in 2009.

Dan McGoey:

Great. Very clear. Thank you.

Carlos Peyrelongue, Merrill Lynch:

Thank you. Congratulations on the results, particularly the margins were quite impressive. Two questions, if I may. First on free cash flow for next year, you mentioned that for the next couple of months you expect not to buy any land with cash.

Can you give us an indication of free cash flow for 2009, and when you expect to be free cash flow positive?

And the second question, if you could give us some indication on your sales mix for 2009. Thank you.

Michel Wurman:

Thanks for the comments. Regarding the cash flow, as we are in a range from R$2 billion to R$3 billion and we expect to be in the higher range of that, around R$3 billion, what we see today in our feasibility studies internally is that if we launch close to R$3 billion next year, we will have cash flow by the 1H10. If we launch around R$2.5 billion to R$2.7 billion, we will have cash flow by the 2H09.

It is important that I mention before, cash consumption for site acquisition that is here something very important, we are frequently diminishing that a lot. In our feasibility, we are working to have a 50% range on a cash and swap yield, although on practical terms we believe that this number will be much better for us.

We believe that in the next two to four months, we will have stock to buy much incremental of sites acquisition paid in cash, but we have the ability to manage that in a better way. So, having that, we do not need additional money. If we do the cash flow analysis of the Company on all of the scenarios, the worst case scenario for us is to have a loss of R$100 million in cash position, and of course, this cash position if we go to the R$3 billion; and if we do less than this, the numbers will be much better.

So, in the end the answer is that it is going to be in the 2H09 or in the 1H10.

Carlos Peyrelongue:

I understood. And in terms of the sales mix?

Michel Wurman:

The sales mix next year we expect to have 70% to 80% coming from the – probably I can be misleading, 5% to 10% more or less, but the majority will come from the units below R$350 thousand that we have the benefits of the SFH and also the Caixa Econômica benefit of R$130 thousand. And we clearly see that with the analysis of our land bank on the presentation.

So, that majority of the land bank is concentrated on that, although we see very good opportunities in commercial developments for sales. So, this is a segment that land partnering and commercial development are segments that we believe next year will be a good year for that kind of development.

João Mallet:

Just complementing the cash flow question, even cash flow land bank acquisition and level of launches, it is the PDG management team who will set. And if we feel that this is a good deal, a good opportunity to acquire more land bank or to launch more, we will do that. We are not going to do anything just for guidance or anything that the market is expecting. We are going to do what we think and feel that is right.

Carlos Peyrelongue:

Understood. Thank you very much.

Cecilia del Castillo, Citigroup:

Good morning. Congratulations on the results. My question is a follow up on the Dan's and Carlos' question; you mentioned that the guidance for 2009, what you can see today is a range between R$2 billion and R$3 billion. My question is: in terms of margins, what could we expect, if you are in neither of the two sides of the range, if you are in the lower end, what kind of margins you think you can reach? And if you are on the top, what would be the margin expansion?

José Antonio Grabowsky:

How are you? Thanks for the question. I think, going forward, we always talk conservatively about our margins, let us say, reducing a little bit because of the bigger importance of the low income within our results. So, we would see gross margins around 36% can be a good number, and EBITDA margins could come down a little bit to 25% to 26%; that is a good number as well.

The problem between the difference, depending on how much to launch, for sure there might be a small difference because of G&A in the case we launch less, but for sure we will be paying attention to adjust G&A and sales expenses according to the launching volume that we are seeing on a weekly, on a monthly basis.

So, we do not expect a big impact, depending on the level of launches, because we will be reacting to that very shortly, as we have the information coming from the sales side. We already did some reductions in our G&A on the Company, and we will probably be, by yearend, depending on our traditional semester evaluation system that we have for all the employees, we might be doing some extra reduction as well. So, maybe 1% difference in the case we go for the lower limit, but we do not expect that.

Michel Wurman:

An additional point is that on the marketing expenses we believe we can have a little more, for sure it is going to be more difficult to sell. But in the other side, construction cost, we believe it can go down some very important points. So, overall, we believe that we have lower construction costs and better margins on that.

So, another important thing, as you can track in our numbers, is we are used to do that on a quarterly basis. So, for instance, I feel we are probably the only Company in the market – one of the few ones, I did not see the other results so far – that is able to decrease the marketing expenses or the marketing investments from the 2Q to the 3Q. So, we have been doing that day by day, the G&A control, the marketing control because these are the only two variables that we have 100% of control.

Cecilia del Castillo:

Thank you.

Operator:

At this time, I am showing no further questions in the queue. This concludes the question and answer session. At this time, I would like to turn the floor back to Mr. Grabowsky for any closing remarks.

José Antônio Grabowsky:

So, I think the final message is that we are in a very good situation to face the crisis; we are paying a lot of attention to see how it affects Brazil. We have a very comfortable cash position, we have a winning business model that already showed its results. We are in a very healthy situation to control the launching level that we believe will be adequate depending on the sales speed. We have a very low inventory of non-sold units to deal with.

So, we believe that for sure we will be having a 2009 where PDG will once again lead the pack, and on a relative basis continue to be one of the leading companies of the sector in Brazil. Thanks for your attention and for sure we will continue to be available for any calls, any doubts, and we will be following up with you with any news that we have. Thank you.

Operator:

Thank you. This concludes today's presentation. You may disconnect your line at this time, and have a nice day.