



May 09, 2014

1Q14 Conference
Call



Results Highlights



- ❖ Net income of R\$2.8 million;
- ❖ Net debt variation of R\$75 million;
- ❖ Launches of R\$130 million in Q1, with 2 projects in Rio de Janeiro. Launch of 2 additional projects in April with PSV of R\$274 million;
- ❖ Obtained occupancy permits (habite-se) for 17 projects and 3.293 units. Reduction in cost to be incurred from R\$3.7 billion in the 4Q13 to R\$3,1 billion in the 1Q14;
- ❖ Reduction of 28% in G&A expenses compared to 1Q13;
- ❖ New financing line of R\$320 million with Banco do Brasil in April.

Operational Data

1Q14 Launches



Residencial **Meridiano**

Local	Arpoador Rio de Janeiro/RJ
Segment	High Income
% PDG	100%
Launch	mar/14
PSV %PDG (R\$mm)	R\$ 83,5
Units	28
Price/unid	R\$ 2.982,1
% sold (1Q14)	28%
% sold (April)	34%

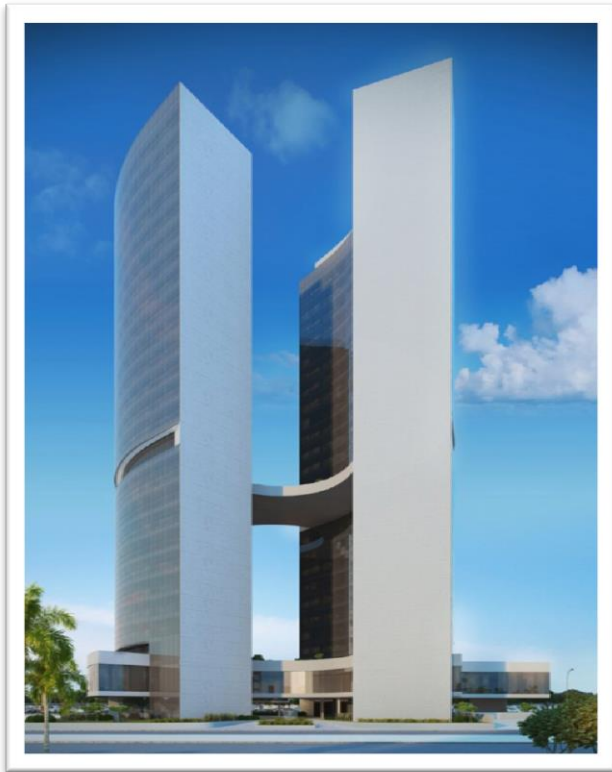


DOM Offices 2a torre

Local	Cachambi Rio de Janeiro/RJ
Segment	Commercial
% PDG	100%
Launch	feb/14
PSV %PDG (R\$mm)	R\$ 46,5
Units	230
Price/unid	R\$ 202,2
% sold (1Q14)	34%
% sold (April)	40%

Operational Data

April Launches



Niemeyer Monumental

Local	Niterói/RJ
Segment	Commercial
% PDG	80%
Launch	april/14
PSV %PDG (R\$mm)	R\$ 199,7
Units PDG	404
Price/unid	R\$ 494,3
% Sold (April)	25%



Maison Artisan

Local	Ipiranga São Paulo/SP
Segment	High-Income
% PDG	100%
Launch	april 14
PSV %PDG (R\$mm)	R\$ 74,2
Units PDG	44
Price/unid	R\$ 1.686,4
% sold (April)	12%



Jardim das Perdizes - 2a fase

Local	São Paulo/SP
Segment	Commercial (rooms, hotel) Residencial with services
% PDG	25%
Launch	may/14
PSV %PDG (R\$m)	R\$ 193,3

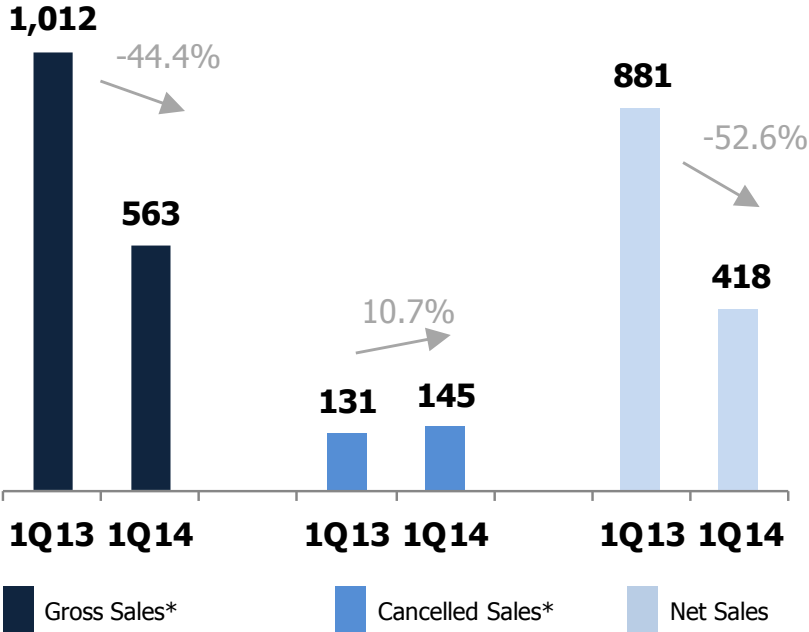


Vila Nova Sabará - 4a fase

Local	São Paulo/SP
Segment	Mid-Income
% PDG	50%
Launch	may 14
PSV %PDG (R\$m)	R\$ 50,8

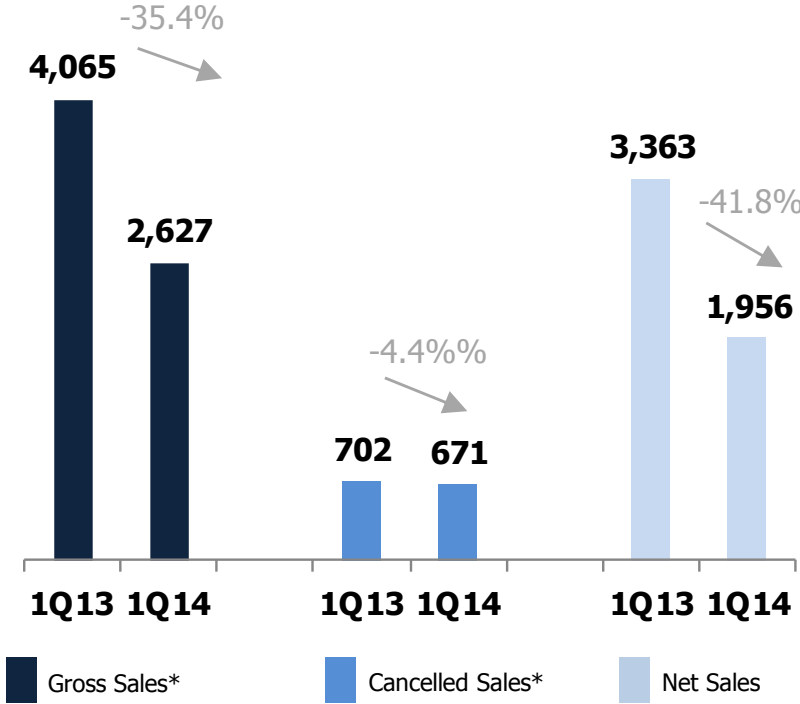


1Q13 vs. 1Q14 – R\$mm



(*) Gross sales and cancellations data are net of the resales made within the same quarter

1Q13 vs. 1Q14 - Units



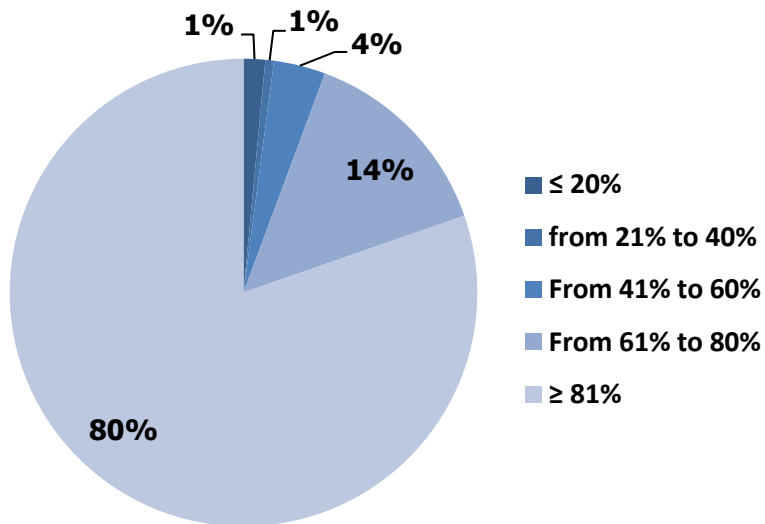
Operational Data

Cancelled Sales and Resale of Units

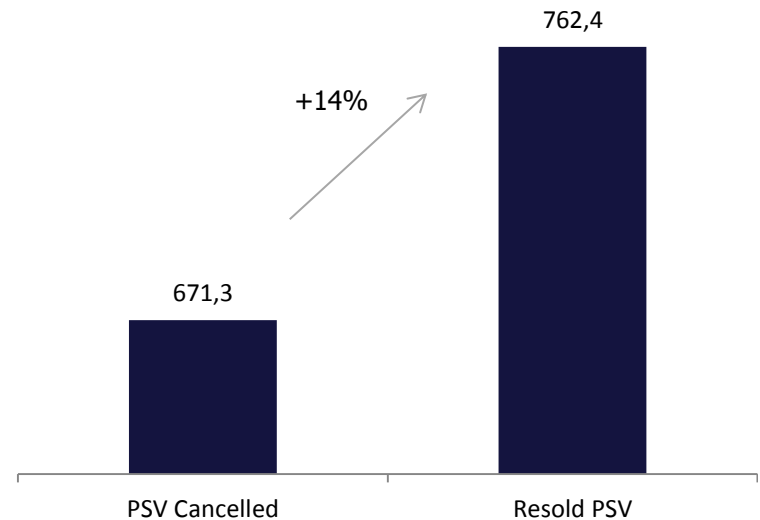


- ❖ PDG was able to re-sell 53% of the sales cancellations from the last 12 months, with an average price increase of 14%

Cancellations by Percentage of Resale



Resold PSV R\$ mm (rolling 12 months)

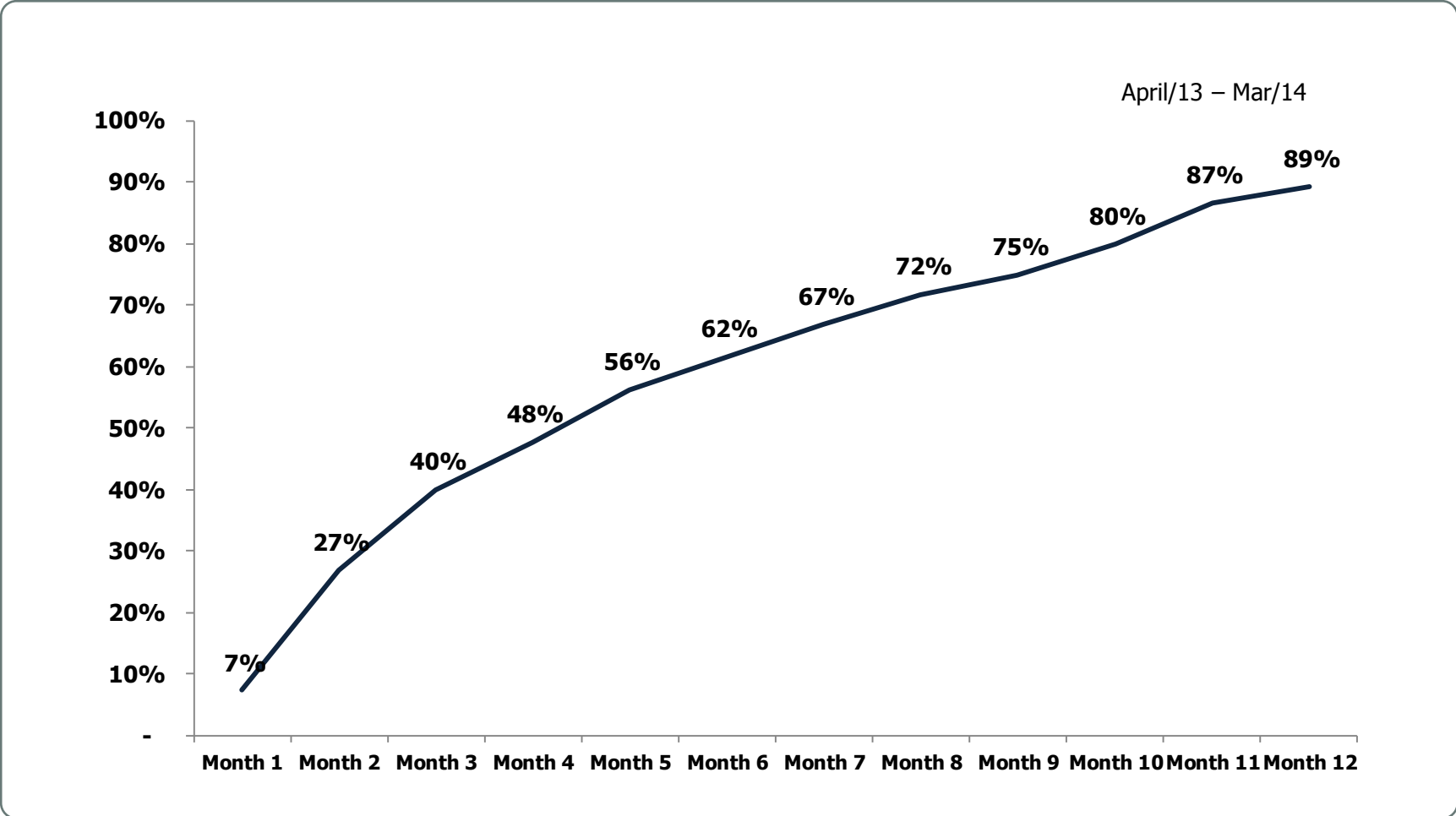


Operational Data

Average Resale Aging (12 months)



❖ The average resale curve reached 89% 12 months after cancellation



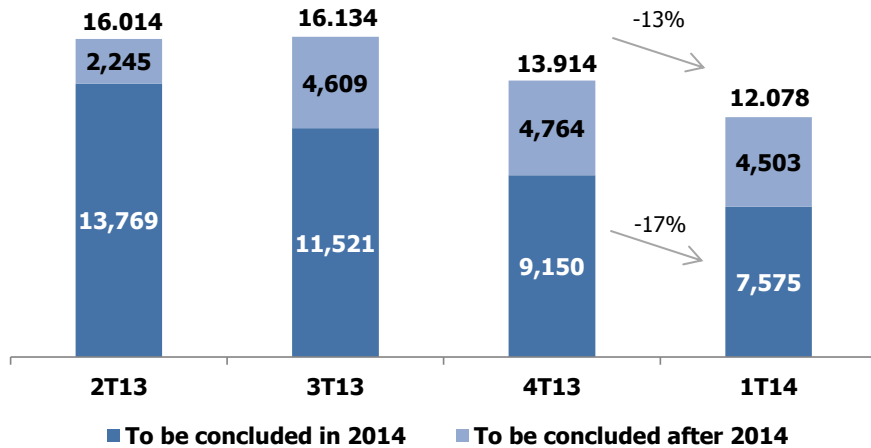
Operational Data

Inventory

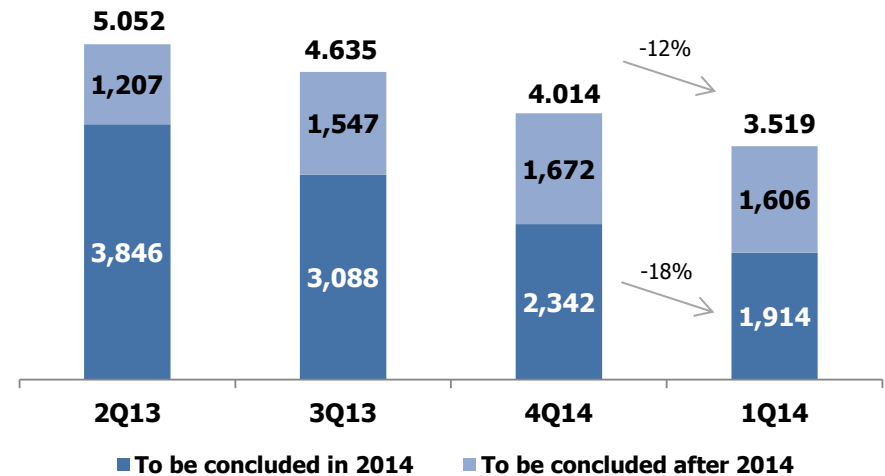


❖ The company remains focused in monetizing its inventory, especially the concluded units and the units to be delivered in 2014, which ended the quarter 17% below the previous quarter.

Inventory Units



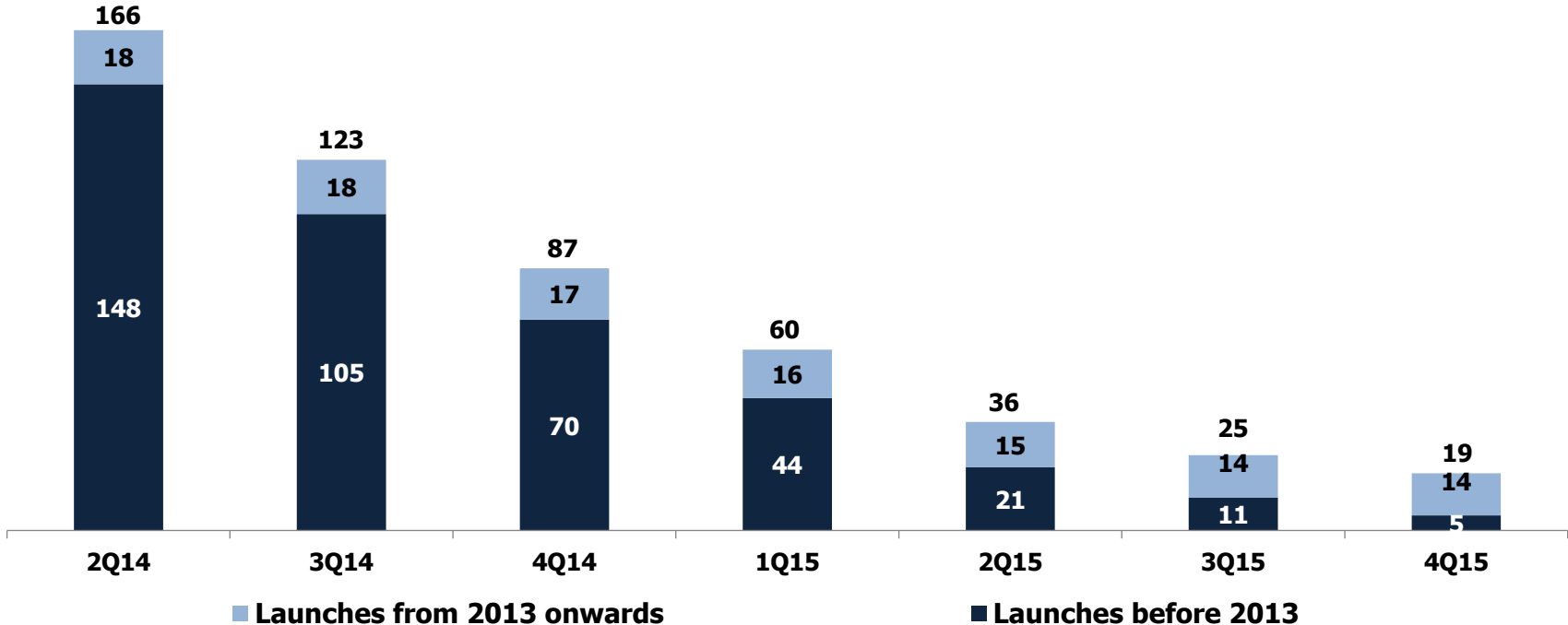
Inventory at Market Value





- ❖ PDG obtained occupancy permits for 17 projects in Q1, initiating Q2 with 166 projects under construction.
- ❖ The company’s estimate remains to finish the year with less than 50 ongoing projects from the legacy.

Projects in progress – Occupancy Permit Schedule

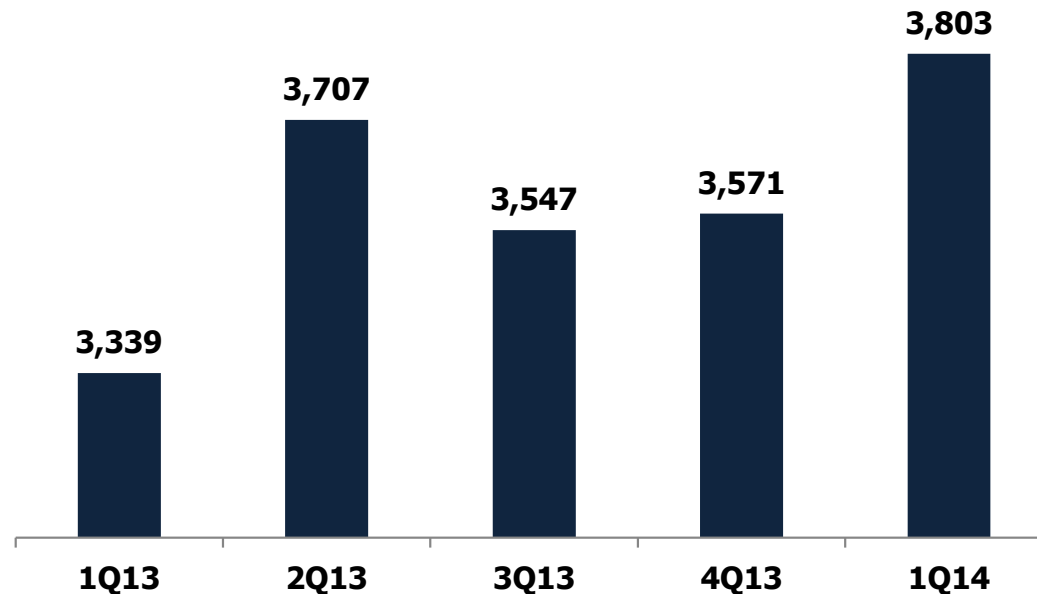


Note: Projects under PDG’s management.



- ❖ PDG transferred 3.803 units in the 1Q14, an increase of 14% compared to the 1Q13, in line with our internal expectations.

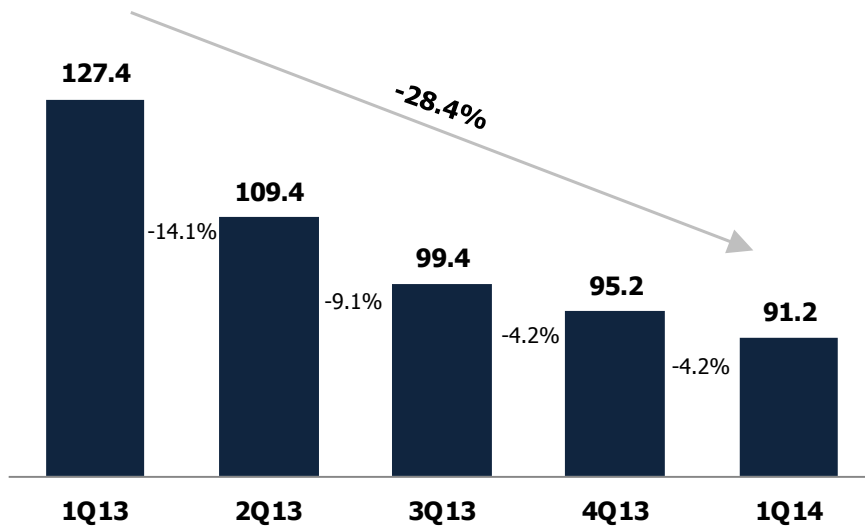
Mortgage Transfer Quarter



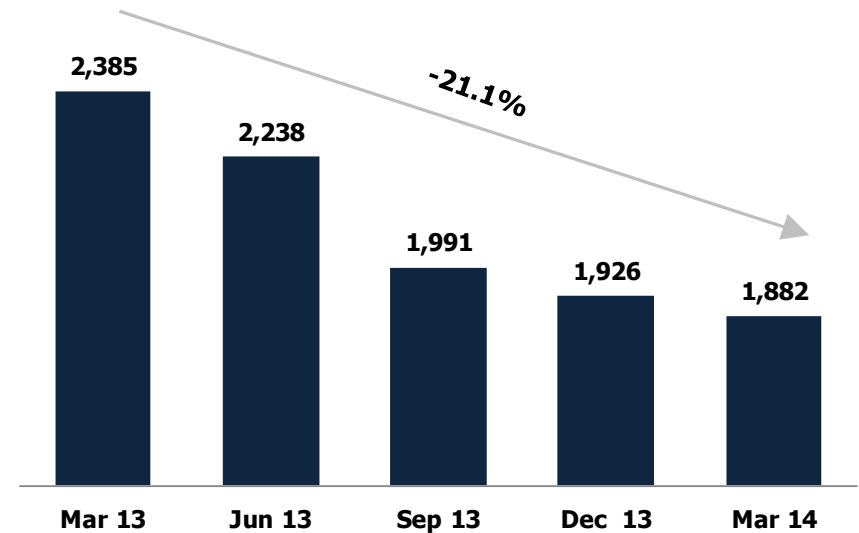


❖ PDG continues to reduce our G&A throughout the quarter, thanks to stricter cost controls and a leaner workforce due to the reduction in ongoing construction works.

G&A Trends



Administrative Headcount





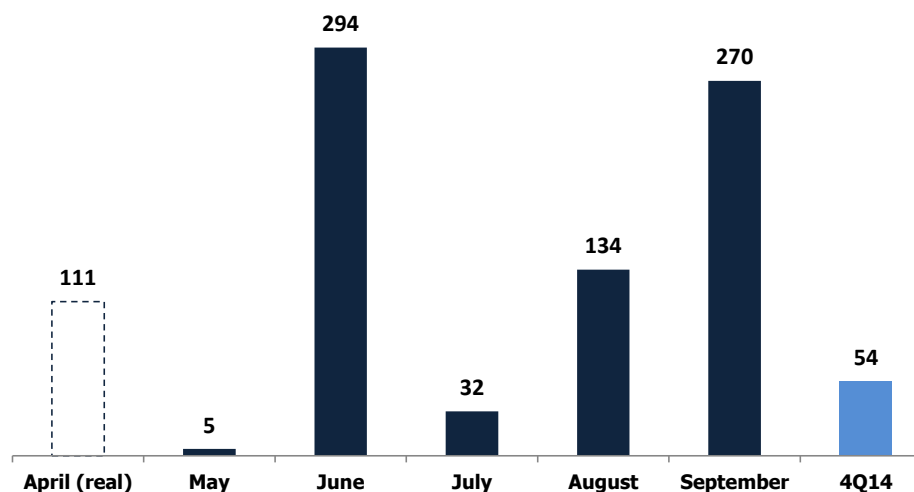
Net Debt

R\$ million in IFRS

Indebtedness	1Q14	4Q13	(%) Var.
Cash	1,035	1,353	-24%
Gross Debt	8,124	8,367	-3%
Project Finance (SFH)	3,494	3,759	-7%
Debentures	1,360	1,460	-7%
Other Corporate Debt	3,270	3,148	4%
Net Debt	7,089	7,014	1%
Net Debt (ex. SFH)	3,595	3,255	10%
Shareholders Equity (1)	5,298	5,330	-1%
Net Debt (ex. SFH)/Equity	67.9%	61.1%	6.8 pp

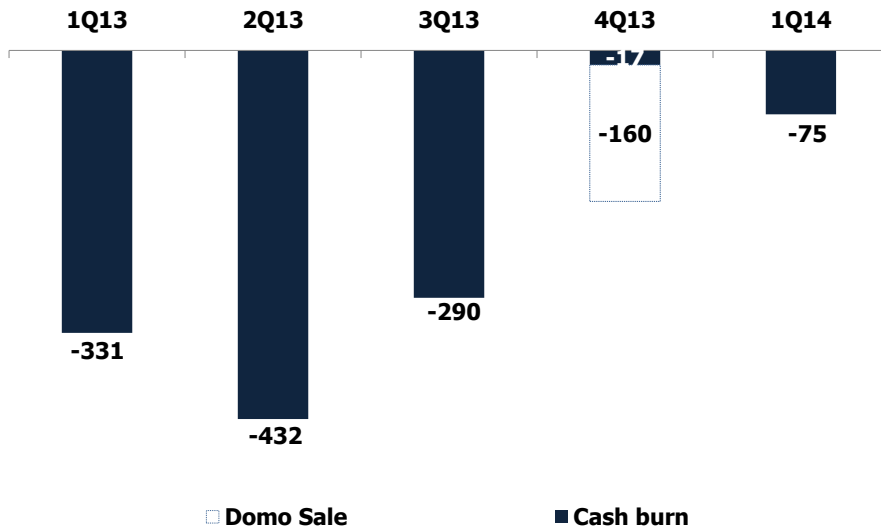
(1) Includes non-controlling equity

Corporate Debt Amortization Schedule- (R\$mm)

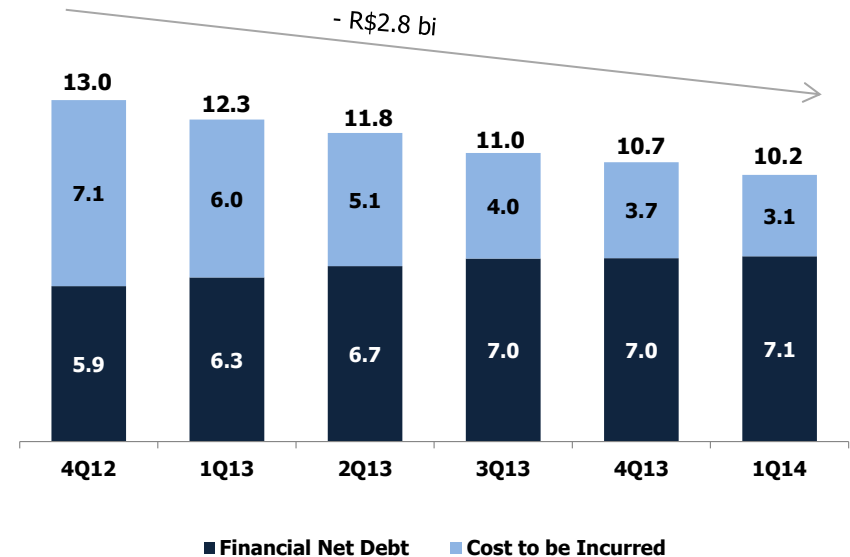




Cash Burn Trends (R\$mm)



Net Debt+ Cost to be Incurred (R\$bn)

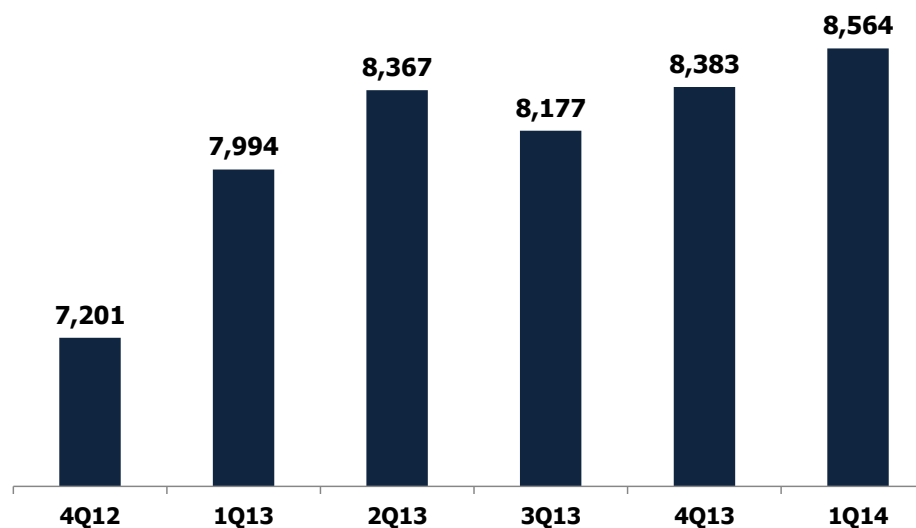




On and Off Balance Receivables

R\$ million

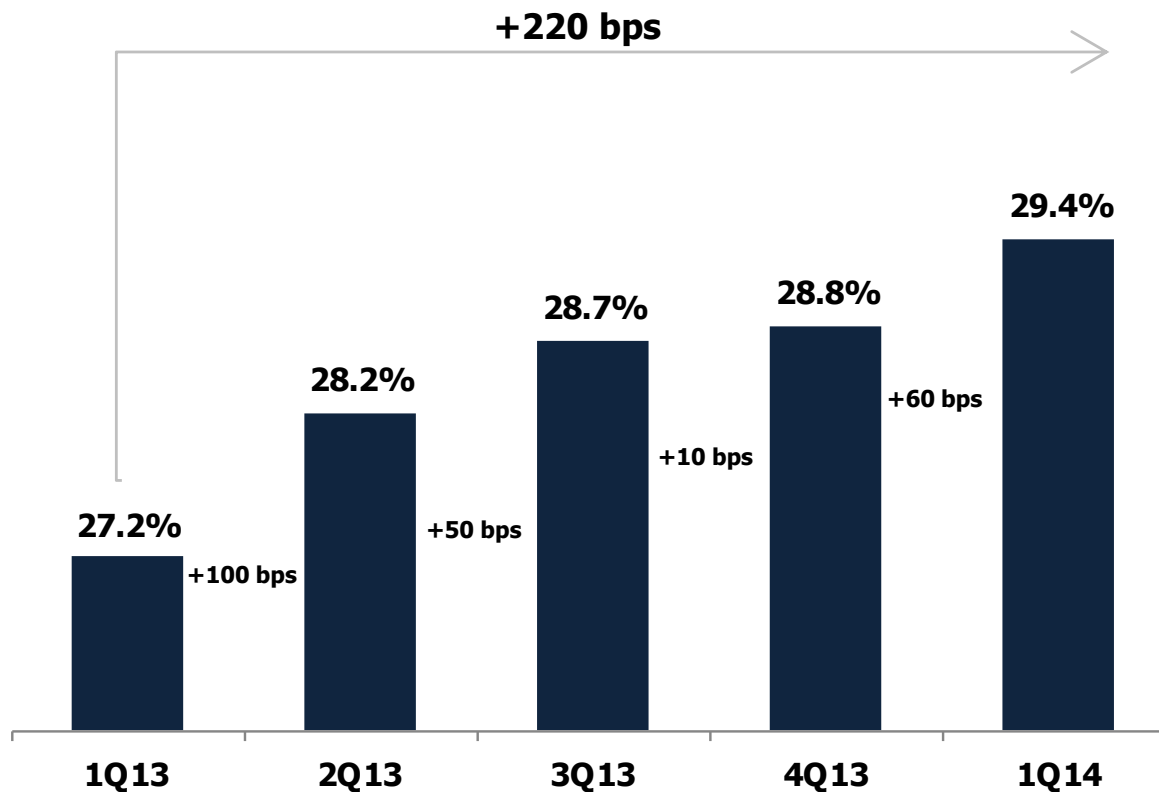
	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Receivables - On Balance	8,045	8,252	8,371	8,046	8,300	8,481
Receivables - Off Balance	6,458	6,036	5,337	4,376	3,956	3,402
Advances from clients	(184)	(253)	(245)	(205)	(206)	(211)
Total accounts receivable	14,319	14,035	13,463	12,217	12,050	11,672
Costs to be incurred - sold units	(4,536)	(4,225)	(3,685)	(3,000)	(2,734)	(2,334)
Costs to be incurred - inventory units	(2,582)	(1,816)	(1,411)	(1,040)	(933)	(774)
Total Costs to be Incurred	(7,118)	(6,041)	(5,096)	(4,040)	(3,667)	(3,108)
Total Net Receivables (a)	7,201	7,994	8,367	8,177	8,383	8,564





- ❖ Backlog margins continue in its upward trend, quarter after quarter, as the share of old projects, with lower margin, decreases over time.

Backlog Results (REF)



Financial Data

Income Statement

- With na increasing margin, lower expenses and fewer non-recurring adjustments, PDG was able to present a net income of R\$2.8 million the quarter.

Income Statements (R\$ '000) - IFRS			
	1Q14	1Q13	(%) Var.
Operating Gross Revenue			
Operating Net Revenue	1.120.359	1.325.184	-15%
Cost of sold properties	(883.932)	(1.066.919)	-17%
Gross Income	236.427	258.265	-8%
Gross margin	21,1%	19,5%	1,6 pp
Adjusted gross margin (1)	28,8%	27,2%	1,6 pp
Operating Revenues (expenses):			
Equity Income	9.240	27.709	-67%
General and Administrative	(91.229)	(127.434)	-28%
Commercial	(42.226)	(44.869)	-6%
Taxes	(1.787)	(3.342)	-47%
Depreciation & Amortization	(10.099)	(9.468)	7%
Other operational expenses	(7.606)	(56.423)	-87%
Financial Result	(60.337)	(84.476)	-29%
Total operating revenues (expenses)	(204.044)	(298.303)	-32%
	-	-	0%
Income before taxes	32.383	(40.038)	-181%
	-	-	0%
Income Taxes and Social Contribution	(16.536)	(21.226)	-22%
	-	-	0%
Income before minority stake	15.847	(61.264)	-126%
Minority interest	(13.094)	(12.548)	4%
Net Income (loss)	2.753	(73.812)	-104%
Net margin	0,2%	-5,6%	5,8 pp

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill



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1Q14 Conference Call

