

Quarterly information - ITR

**PDG Realty S.A. Empreendimentos e
Participações**

March 31, 2013
with Report on the review of quarterly information

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

BALANCE SHEETS
(In thousands of Reais)

	Parent company		Consolidated	
	1Q13	2012	1Q13	2012
ASSETS				
Current assets				
Cash and cash equivalents (Note 4)	379.697	489.504	1.832.599	1.762.947
Trade accounts receivable (Note 5)	104.641	102.766	5.574.902	6.275.674
Real estate inventories for sale (Note 6)	30.525	38.847	2.111.517	1.959.691
Unrecorded sales expenses	672	8.106	52.323	65.025
Advances to suppliers	-	-	-	112.676
Current accounts with partners in projects	92.201	92.193	-	-
Recoverable taxes	56.480	55.393	112.958	121.041
Loans (note 11)	-	-	51.206	49.664
Other receivables	-	-	215.422	204.687
Total current assets	664.216	786.809	9.950.927	10.551.405
Non-current assets				
Investment available for sale (Note 8)	-	-	-	57.611
Trade accounts receivable (Note 5)	26.999	25.406	2.677.051	1.768.725
Debentures (Note 7)	26.450	25.548	1.966	1.064
Real estate inventories for sale (Note 6)	19.102	16.025	2.384.827	2.568.542
Unrecorded sales expenses	-	-	-	43.636
Current accounts with partners in projects	128.365	107.083	150.025	109.913
Related party transactions (Note 11)	18.547	18.547	-	-
Advances for future capital increase (Note 11)	762.460	826.777	-	-
Dividends receivable	66.017	50.212	-	-
Recoverable taxes	-	-	6.032	6.202
Credit receivables purchased (Note 11)	377.500	366.480	-	-
Loans (note 11)	119.960	118.616	-	-
Deferred income tax and social contribution assets (Note 16)	-	-	33	195
Other receivables	66.858	105.243	146.218	114.081
Investments				
Investments in companies (Note 8)	5.951.676	5.916.102	-	-
Other investments	739	926	504.913	415.820
Property, plant and equipment (Note 9)	4.996	5.271	384.663	395.174
Intangible assets (Note 10)	30.485	31.478	621.291	629.464
Total non-current assets	7.600.154	7.613.714	6.877.019	6.110.427
Total assets	8.264.370	8.400.523	16.827.946	16.661.832

See the accompanying notes to the financial statements

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

BALANCE SHEETS
(In thousands of Reais)

	Parent company		Consolidated	
	1Q13	2012	1Q13	2012
LIABILITIES				
Current liabilities				
Loans and financing (Note 12)	66.137	72.583	2.115.809	1.901.739
Suppliers	6.752	3.668	210.622	256.210
Debentures (Note 14)	479.850	316.727	479.850	316.727
Payables for acquisition of real estate (Note 15)	-	-	668.345	697.037
Fiscal and labor obligations	4.794	5.338	133.696	135.256
Deferred tax liabilities (Note 16)	34.701	25.779	380.214	372.768
IR & CSLL payable	-	-	27.447	30.545
Related party transactions (Note 11)	40.028	40.024	-	-
Co-obligation in the assignment of receivables	-	7.894	21.938	32.213
Liabilities from CCB issuance	211.919	-	428.606	-
Advances from clients (Note 17)	4.088	9.614	468.554	477.641
Sundry contingencies	-	36	74.601	93.504
Current accounts with partners in projects	-	-	40.604	48.227
Liability regarding the acquisition of equity interest	-	-	168.512	163.859
Other liabilities	2.523	1.096	43.855	52.160
Total current liabilities	850.792	482.759	5.262.653	4.577.886
Non-current liabilities				
Long-term liabilities				
Loans and financing (Note 12)	413.945	419.875	2.352.716	2.510.315
Debentures (Note 14)	1.199.343	1.426.113	1.199.343	1.426.113
Payables for acquisition of real estate (Note 15)	2.927	2.927	144.365	149.513
Fiscal and labor obligations	-	-	854	104
Deferred tax liabilities (Note 16)	29.133	42.815	130.854	150.898
Provision for contingencies (Note 18)	-	-	142.590	139.830
Sundry contingencies	-	277	-	-
Co-obligation in the assignment of receivables	43.128	43.127	428.487	78.114
Liabilities from CCB issuance	671.748	882.280	1.081.198	1.500.252
Advances from clients (Note 17)	-	-	349.602	350.241
Current accounts with partners in projects	109.866	83.050	-	-
Other liabilities	-	-	301.435	301.686
Total non-current liabilities	2.470.090	2.900.464	6.131.444	6.607.066
Shareholders' equity (Note 19)				
Capital	4.907.843	4.907.843	4.907.843	4.907.843
Capital reserve	887.725	887.725	887.725	887.725
Equity evaluation adjustment	(58.107)	(58.107)	(58.107)	(58.107)
Treasury shares	(95.424)	(95.424)	(95.424)	(95.424)
Profit reserve	(698.549)	(624.737)	(698.549)	(624.737)
Shareholders' equity attributable to controlling shareholders	4.943.488	5.017.300	4.943.488	5.017.300
Shareholders' equity attributable to non-controlling shareholders	-	-	490.361	459.580
Total shareholders' equity	4.943.488	5.017.300	5.433.849	5.476.880
Total liabilities	8.264.370	8.400.523	16.827.946	16.661.832

See the accompanying notes to the financial statements

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

STATEMENTS OF INCOME
(In thousands of Reais)

	Parent company		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Gross income				
Real estate sales	3.935	25.707	1.335.915	1.534.391
Other operating income	-	-	23.850	23.583
(-) Sales tax	(343)	-	(34.581)	(66.823)
Net operating income	3.592	25.707	1.325.184	1.491.151
Cost of units sold	(42.982)	(24.528)	(1.066.919)	(1.213.002)
Gross income (loss)	(39.390)	1.179	258.265	278.149
OPERATING INCOME (EXPENSES)				
Equity in net income (Note 8)	129.132	128.078	27.709	679
Capital gains (losses) in subsidiaries	(27.131)	(15.500)	(55.928)	(13.807)
Commercial	(1.341)	(1.717)	(44.869)	(71.095)
General and administrative	(23.062)	(13.462)	(127.434)	(116.124)
Tax	(592)	(390)	(3.342)	(2.376)
Financial, net	(115.135)	(58.479)	(84.476)	(32.112)
Depreciation and amortization	(1.053)	(10.509)	(9.468)	(5.277)
Other operating income (expenses), net	(2)	2	(495)	11.461
Operating income	(39.184)	28.023	(298.303)	(228.651)
Income (loss) before income and social contribution taxes	(78.574)	29.202	(40.038)	49.498
Income and social contribution taxes (Note 16)	4.762	3.273	(21.226)	(22.425)
Net income/(loss) for the year before non-controlling interest	(73.812)	32.475	(61.264)	27.073
Non-controlling shareholders	-	-	(12.548)	5.402
Net income (loss) for the year	(73.812)	32.475	(73.812)	32.475
Basic earnings per share	(1,7689)	0,6332	(1,7689)	0,6332
Diluted loss per share	(1,5098)	0,6150	(1,5098)	0,6150

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of Reais)

	Capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Income (loss) Accumulated	Other comprehensive income	Total	Shareholders' equity attributable to non-controlling shareholders	Total
Balances at January 01, 2012	4.822.040	103.523	1.552.365	-	(58.107)	6.419.821	479.538	6.899.359
Capital increase	63.683	-	-	-	-	63.683	-	63.683
Treasury shares acquired	-	(3.841)	-	-	-	(3.841)	-	(3.841)
Net income for the period	-	-	-	32.475	-	32.475	-	32.475
Constitution of reserves	-	-	32.475	(32.475)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	(30.346)	(30.346)
Granting of options	-	7.669	-	-	-	7.669	-	7.669
Equity in net income of subsidiaries on comprehensive income	-	-	-	-	-	-	-	-
Balances at March 31, 2012	4.885.723	107.351	1.584.840	-	(58.107)	6.519.807	449.192	6.968.999
Balances at January 01, 2013	4.907.843	792.301	-	(624.737)	(58.107)	5.017.300	459.580	5.476.880
Capital increase of capital from non-controlling shareholders in	-	-	-	-	-	-	18.233	18.233
Income (loss) for the year	-	-	-	(73.812)	-	(73.812)	12.548	(61.264)
Balances at March 31, 2013	4.907.843	792.301	-	(698.549)	(58.107)	4.943.488	490.361	5.433.849

See the accompanying notes to the financial statements

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

STATEMENT OF CASH FLOWS
(In thousands of Reais)

	Parent company		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Net cash from operating activities	(3.357)	(240.189)	315.401	(189.868)
Cash generated in operations	(81.121)	(51.775)	118.553	58.837
Net income for the period	(73.812)	32.475	(73.812)	32.475
Depreciation and amortization	14.426	11.005	48.863	19.051
Equity in net income	(129.132)	(128.078)	(27.709)	(679)
Capital gains/losses in subsidiaries	27.131	15.500	32.642	13.807
Deferred taxes	(4.765)	(3.273)	(12.436)	(35.601)
Financial expenses, Interest paid and monetary variation	85.270	22.536	129.024	3.020
Provision for contingencies and guarantees	(313)	121	(17.808)	(178)
Adjustments in the income – Mark-to-Market	-	-	-	49.619
Adjustment to present value	74	-	9.008	-
Reversal of expenses with SOP adjustments	-	-	-	7.669
Other	-	(2.061)	30.781	(30.346)
Changes in assets and liabilities	77.764	(188.414)	196.848	(248.705)
Advances granted	(5.526)	588	112.676	(794)
Loan agreement receivable	(1.344)	(20.511)	(1.542)	(73.933)
Accounts receivable	(3.542)	(11.727)	(216.562)	(185.732)
Dividends receivable	-	15.455	-	-
Recoverable taxes	(1.087)	3.362	8.253	(3.635)
Real estate inventories for sale	5.245	5.259	18.516	62.109
Unrecognized expenses	-	-	56.338	(16.940)
Current accounts with project partners of the ventures	5.526	220.500	(47.735)	(2.612)
Related party transactions	-	(464.364)	-	(2.990)
Advances for future capital increase	64.317	-	-	(925)
Advances from clients	-	-	(9.726)	30.152
Active debentures	(902)	51.542	(902)	37.621
Suppliers	3.084	385	(45.588)	(67.537)
Other credits	21.939	6.837	16.117	(53.890)
Liabilities for acquisition of real estate	-	968	(33.840)	(96.832)
Deferred tax liabilities	-	20.108	-	-
Fiscal and labor obligations	(539)	(18.002)	(3.908)	2.652
Liabilities from credit right operations	(11.020)	10.744	340.098	105.396
Liability regarding the acquisition of equity interest	-	(3.519)	4.653	19.185
Other accounts payable	1.613	(6.039)	-	-
Net cash used in investing activities	53.456	(65.093)	(110.832)	43.298
Acquisition of interest in associates and subsidiaries	53.241	(68.084)	(94.026)	103.200
Dividends declared	-	96	-	-
Acquisition/write-off of other investments	-	-	-	-
Acquisition and write-off of Property, Plant and Equipment	(778)	(1.253)	(14.185)	(24.928)
Intangible assets	993	4.148	(2.621)	(34.974)
Net cash generated (consumed) in financing activities	(159.906)	148.429	(134.917)	179.605
Loans and financing	(61.843)	(12.096)	(134.917)	119.760
Fund raising with Issuance of securities	(98.063)	90.555	-	-
Capital increase	-	63.683	-	59.845
Treasury shares	-	(3.841)	-	-
Dividends payable	-	10.128	-	-
Increase (decrease) in cash and cash equivalents	(109.807)	(156.855)	69.652	33.035
Opening balance of cash and cash equivalents	489.504	765.516	1.762.947	1.639.046
Closing balance of cash and cash equivalents	379.697	608.661	1.832.599	1.672.081

See the accompanying notes to the financial statements

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

STATEMENT OF ADDED-VALUE

(In thousands of Reais)

	Parent company		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Income	3.935	28.355	1.359.765	1.569.436
Sale of merchandise, products and services	3.935	28.355	1.335.915	1.534.391
Other income	-	-	23.850	35.045
Inputs acquired from third parties	(91.674)	(52.903)	(1.201.479)	(1.346.464)
Cost of products and goods sold and services provided	(42.982)	(24.528)	(1.066.920)	(1.213.002)
Materials, energy, outsourced services and other	(21.559)	(12.875)	(78.631)	(119.655)
Loss/recovery of asset values	(27.131)	(15.500)	(55.928)	(13.807)
Other	(2)	-	-	-
Gross added value	(87.739)	(24.548)	158.286	222.972
Retentions	(1.579)	(11.005)	(24.696)	(19.116)
Depreciation	(1.579)	(11.005)	(24.696)	(19.116)
Amortization	-	-	-	-
Net added value produced by the Entity	(89.318)	(35.553)	133.590	203.856
Added value received as transfer	135.461	147.912	68.080	49.078
Equity income (loss)	129.132	128.078	27.797	679
Financial income	6.329	19.834	40.283	48.368
Others	-	-	-	31
TOTAL ADDED VALUE PAYABLE	46.143	112.359	201.670	252.934
DISTRIBUTION OF ADDED VALUE	46.143	112.359	201.670	252.934
To employees (Personnel)	1.277	1.312	66.394	42.730
Direct remuneration	999	1.153	49.075	32.180
Benefits	187	91	12.735	7.396
Severance Pay Fund (FGTS)	91	68	4.584	3.154
To the Government	(3.631)	11	65.462	97.715
Taxes, rates and contributions				
Federal	(3.631)	11	65.444	97.687
State	-	-	1	1
Municipal	-	-	17	27
Third-party capital remuneration	122.309	78.561	131.078	85.416
Interest	81.935	78.313	85.230	80.480
Rentals	845	248	6.319	4.936
Others	39.529	-	39.529	-
Own capital remuneration	(73.812)	32.475	(61.264)	27.073
Interest of non-controlling shareholders in retained earnings	-	-	12.548	(5.402)
Retained earnings (loss) for the year	(73.812)	32.475	(73.812)	32.475
	46.143	112.359	201.670	252.934

See the accompanying notes to the financial statements

Management comments

Highlights and Recent Events

- ❖ **R\$ 388 million in new launches, % PDG, with geographic concentration on the Southeast (Rio de Janeiro and São Paulo)** and profitability in line with minimum return threshold established by the company's new management;
- ❖ **R\$ 881 million in net sales PDG, tops the previous quarter's R\$667 million by 32%.** 72% of total made up of inventory sales, the remaining, sales of new launches. Internal sales targets met, with the Northeast region, São Paulo(Metro area) and Rio de Janeiro as positive highlights;
- ❖ **Works finalized on 12,241 units,** representing approximately 50% of our 2013YE unit delivery estimate, thus lowering company execution risk. 4,051 of the aforementioned total, with occupancy permits issued and titles individualized, 53% belonging to the MCMV (*Minha Casa Minha Vida*)segment;
- ❖ **72% of all cancelled units resold within the rolling 12-month period,** generating a 17% price gain or R\$124 million;
- ❖ **Adjusted net profit of R\$5.6 million, excluding R\$ 79.4 million non-cash effect** composed of, R\$ 35.8 million mark to market of PDGR D81 (warrant) and R\$ 43.6 million in non-cash dissolution of partnerships and write off of non-realized assets;
- ❖ **During the General Assembly of April 29th, the new composition of the Company's Board of Directors was approved.** Of the three candidates indicated by minority shareholders, two were elected as independent Board members and one for the Fiscal Council. Pedro Cerize (Founding Partner SKOPOS Investimentos), Mateus Bandeira (CEO Falconi Consultores) e Guilherme de Moraes Vicente (Sócio Mauá Sekular).

1. Operations

PDG Realty S.A. Empreendimentos e Participações (“PDG Realty”), its subsidiaries and joint ventures (jointly referred to as the “Company”) are engaged in: (a) holding interest in other companies that operate in the real estate industry, as shareholder, quotaholder, consortium member, or through other types of investment, such as subscription or acquisition of debentures, subscription bonus or other real estate amounts issued by companies operating in the real estate industry; (b) providing services for the collection of receivables; (c) acquisition of investment properties; (d) acquisition of properties for real estate development; and (e) real estate development.

Established as a corporation domiciled in Brazil, the Company's shares are traded at BM&FBOVESPA – “PDGR3”. The Company's head office is located at Rua da Quitanda, 86, 4º andar (parte) – Rio de Janeiro – RJ.

Some of the Company's real estate development projects are structured through subsidiaries. Third parties' interest in subsidiaries are held through interest in Special Purpose Entities (SPE's).

All amounts presented in this quarterly information are expressed in thousands of Reais, except when otherwise indicated.

2. Accounting policies

2.1. Statement of conformity

The parent company's quarterly information has been prepared in accordance with the accounting practices adopted in Brazil that comprise the rules of the Brazilian Securities Commission (CVM) and pronouncements, interpretations and guidance of the Accounting Pronouncement Committee (CPC), by the Securities Commission (CVM) and the Federal Accounting Council (CFC), including the OCPC 02 Guideline - Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil - regarding the recognition of income and respective costs and expenses from real estate development operations during the progress of the work of completion percentage method - POC), as described in details in Note 2.11.

The consolidated quarterly information, for the period, was prepared in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), which considers OCPC 04 Guideline on the application of Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

The International Financial Reporting Interpretation Committee (IFRIC) had included in its agenda a discussion topic on the meaning and application of the concept of continuous transfer of risks, rewards and control in connection with the sale of real estate units as per the request of some countries, including Brazil. However, due to the International Accounting Standards Board (IASB) project for the edition of a reviewed standard for the recognition of revenues, which is in the form of draft for discussion, IFRIC decided not to give continuity to this schedule topic, as it understands that the concept for recognizing revenues should be included in the standard currently under discussion. Accordingly, this matter is expected to be concluded only after the issuance of a reviewed standard for revenue recognition.

2. Accounting policies – Continued

2.1. Statement of conformity - Continued

Individual quarterly financial information presents the evaluation of investments in subsidiaries under the equity method, in accordance with prevailing Brazilian law. Thus, these individual quarterly information are not considered to be in conformity with the IFRS, which require these investments to be valued in the Parent company's individual financial statements at fair value or cost, therefore, since the shareholders' equity and the statement of income for the quarterly individual information is not different from the consolidated statements, the Company presents these statements side-by-side in a single set of quarterly information.

In addition, the Company's management opted to present the entire set of notes in quarterly financial information, and form and content of this information are in conformity with the requirements of CPC Technical Pronouncement 26 - Presentation of Financial Statements and IAS 01 for the entire set of accounting statements.

The issue of the financial statements of the Company was authorized by the Management on May 09, 2013.

2.2. Basis of presentation

The individual and consolidated quarterly information is being presented in conformity with the IAS 34 – Interim Statements, issued by the International Accounting Standards Board - IASB and with the accounting practices adopted in Brazil for interim statements (CPC 21 - R1).

The preparation of quarterly information statements requires the adoption of assumptions to account for certain assets, liabilities and other transactions, such as reserves for contingencies, the allowance for doubtful accounts, the useful lives of fixed assets, budgeted cost of buildings under construction, estimates of fair value for investment properties, evaluation of the realization of the deferred tax credit resulting from tax loss and negative basis of prior years, short and long-term classification, among others. The results calculated upon the realization of the facts that led to the recognition of these estimates may differ from the amounts recognized in these statements quarterly information.

The carrying amounts from assets and liabilities that represent items that are object of hedging at fair value and that, alternatively, would be accounted for at amortized cost, are adjusted to express variations in fair values attributable to risks that are object of hedging.

Management periodically monitors and reviews these estimates and the assumptions at least once a year.

2. Accounting policies – Continued

2.3. Presentation of segment information

Information per operating segment is presented consistently with the internal report provided to the main operating decision maker, the executive responsible for the finance and Investors relations, are mostly comprised of residencial real estate development.

2.4. Financial instruments

The financial instruments can be classified as financial assets or liabilities at fair value through profit or loss, loans and receivables, investments held to maturity and available for sale or derivatives classified as effective hedge instruments or financial liabilities at amortized cost, according to the case. The Company determines the classification of its financial instruments upon its initial recognition, when it becomes part of the contractual provisions.

Assets and liabilities are initially recognized at fair value plus, in the case of investments not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Company's financial assets and liabilities include cash and cash equivalents, financial investments, trade accounts receivable and others debentures, loans and financing.

The subsequent measurement of financial assets and liabilities depends on their classification, which can be as follows:

Financial assets at fair value through profit or loss

a) Cash and cash equivalents

Cash equivalents are held so as to meet short-term cash commitments, not for investment or any other purposes. In conformity with CPC 03 (R2) – IAS 7 - Statement of Cash Flows, the Company considers as cash equivalent financial investments that are immediately convertible into a known cash amount. The Company's financial investments are represented by DI funds, Bank Deposit Certificates (CDB) and repurchase and resale commitments with redemption period lower than 90 days of respective transactions dates.

b) Securities

Securities must be classified into trading securities at fair value recognized as a counterpart in income/loss (trading securities). Classification depends on the purpose for which investment was acquired.

2. Accounting policies - Continued

2.4. Financial instruments – Continued

b) Securities - Continued

When the purpose of investment acquisition is to invest funds to obtain short-term gains, these are classified as trading securities; when intention is to invest funds to maintain investments up to maturity, these are classified as securities held to maturity, provided that Management intends and has financial conditions to maintain financial investment up to maturity. When, upon investment, intention is none of the above, these investments are classified as securities available for sale, represented in the balance sheet by the fair value and the income (loss) as a counterparty.

When applicable, incremental costs directly attributable to the acquisition of a financial asset are added to the originally recognized amount, except for trading securities, which are recorded at fair value as a contra entry to income.

The Company's securities are trading securities measured at cost plus interest, price-level restatements, adjustment to market value, less impairment losses, when applicable, incurred up to dates of consolidated quarterly information not subject to significant changes in value. Breakdown of these financial investments is in the Note 4.

Receivables and loans

c) Trade accounts receivable

Presented at nominal or realization value, subject to net present value (AVP), adjustment indicated in note 5, including price-level restatement and interest, when applicable. The Company forms allowance for doubtful accounts for amounts whose recovery is considered remote in a sum considered sufficient by Management. Estimates used to recognize the allowance for doubtful accounts are based on contracts that are considered as difficult to collect and for which there are no actual guarantees and that, in the Company's case, are directly related to the transfer of real estate unit to buyers.

Monetary variation and earnings on the balance of accounts receivable from units under construction are recorded in income (loss) for the year as "Real estate development revenue". After the construction period, interest is accounted for as "Financial Revenues".

2. Accounting policies – Continued

2.4. Financial instruments – Continued

Receivables and loans - Continued

d) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives classified as hedge instruments, as the case may be. The Company classifies its financial liabilities upon initial recognition.

Financial liabilities are initially recognized at fair value, and in the case of financial liabilities at amortized cost, include directly related transaction costs.

The Company's financial liabilities include mainly accounts payable to suppliers, other accounts payable, loans and financing, derivative financial instruments, costs, premiums on securities issuance, and obligations from real estate acquisition.

Fair value through profit or loss

e) Derivative financial instruments (liabilities)

Financial instruments are recognized only as from the date the Company become a party to their contractual provisions. When recognized, they are initially recorded at its fair value plus any transaction costs directly attributed to its acquisition or issue, when applicable. Its subsequent measurement takes place at the balance sheet date and in accordance with the rules set forth and features for each type of classification of financial assets and liabilities.

Classification as debt or equity

Debt instruments or equity instruments are either way classified, according to the substance of contract terms.

Liabilities at amortized cost

Loans and financing, certificates of real estate receivables (CRI's) and debentures

According to CPC 38 – IAS 39 – Financial instruments and Measuring, after first-time recognition, loans and financings subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of income at the time of the write-off in liabilities, as well as during the process of amortization through effective interest rate method.

Loans and financing are restated by the monetary variance and charges agreed on in a contract, and allocated up to the balance sheet date. Debentures are adjusted in conformity with indices provided for in contract up to the balance sheet date.

2. Accounting policies – Continued

2.4. Financial instruments – Continued

Liabilities at amortized cost - Continued

e) Derivative financial instruments (liabilities) - Continued

The Company financially settles real estate receivables assigned for securitization and issuance of CRIs. This assignment has right of recourse against the Company and, accordingly, assigned accounts receivable is recorded in the balance sheet as a contra entry to the amount received in advance and recorded in current and non-current liabilities.

Transaction Costs and Premiums in the Issuance of Securities

The Company states the debts at the value of purchase less transaction costs, discounts and premiums, according to CPC 08 (R1) - IAS 32 - Transaction Costs and Premiums in the Issuance of Securities.

f) Liabilities from acquisition of real estate

Obligations established in contract for land acquisitions are recorded at the original value plus, when applicable, corresponding charges and price-level variation.

2.5. Property for sale

a) Land, Property under construction, and Developed Property

Property under construction or the properties ready to be commercialized are recorded cost, which does not exceed its net realizable value.

Cost includes: land; materials; hired labor; and other related construction costs, including financial cost of applied capital (financial charges for accounts receivable from land acquisition, real estate credit transactions incurred during construction and interest on debenture issuance, which are capitalized under caption "Inventory of real estate for sale" and recognized in the Company's income at the proportion of costs incurred in caption "Cost of sold assets and/or services").

The net realizable value is the estimated sales price under normal business conditions, minus the execution costs.

Land is recorded at the cost of acquisition, plus any financial charges generated by its corresponding accounts payable.

b) Physical exchanges recorded at fair value

Physical exchanges upon purchase of land with units to be built are recorded at fair value, evaluated at sales value of exchanged units, accounted for in caption inventory as a contra entry to caption advances from clients, and real estate sales revenue is recognized in accordance with revenue recognition criteria described in Note 2.11.

2. Accounting policies – Continued

2.6. Intangible assets

In conformity with CPC 04 (R1) - IAS 38 – Intangible assets acquired separately are measured upon the initial recognition at cost and, subsequently, deducted from accumulated amortization and impairment losses, when applicable. The cost of intangible assets acquired in a business combination corresponds to their fair value at acquisition date.

The useful life of the intangible asset are classified as defined or undefined.

Intangible assets with defined useful lives are amortized throughout their economic useful lives and evaluated in relation to impairment losses whenever there is any indication that the asset lost economic value.

Intangible assets with undefined useful lives are not amortized but tested for impairment on an annual basis, individually or at cash generating unit level.

2.7. Adjustment to present value

Assets and liabilities resulting from relevant short-term transactions, or long-term transactions with no expected compensation or subject either to: (a) fixed interest rates; (b) rates known to be lower than prevailing market rates for similar transactions; or (c) adjustments solely for inflation absent accrued interest are adjusted to their present value based on long-term interest rates. Any reversals regarding same are recorded, if prior to delivery, as “Income from real estate development”; if post-delivery, they are recorded as “Financial Revenue”.

2.8. Provisions

A provision is recognized when the Company have a present (legal or constructive) obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Expenses related to provisions are recognized in profit or loss, net of any reimbursement.

a) Provision for guarantees

Costs with guarantees for the post-construction period are part of cost of properties sold. For projects built by the Company itself, the Company records provisions based on budget and expenditures history. In projects for which the Company hires third parties for construction services and they are accountable for the post-construction period guarantees. The Company does not record a provision in that circumstance, although it shares the responsibility if the construction company cannot bear the costs.

2. Accounting policies – Continued

2.8. Provisions - Continued

b) Income tax and social contribution on net profits

Current taxes

Calculated based on rates prevailing for Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL).

Business entities within the group that have opted for the taxable income regime consider the offset of tax losses and negative basis of social contribution tax in determining tax liabilities. Therefore, the inclusions in accounting profit of expenses, temporarily non-deductible, or exclusions of income, temporarily non-taxable, considered for determination of current taxable income generate deferred tax credits or debits, according to Note 16.

The income tax (25%) and the social contribution on net income (9%) are calculated in conformity with their nominal rates, which together add up to 34%. Deferred income tax is generated by temporary differences on the balance sheet date between the tax bases of assets and liabilities and their book values.

As permitted by tax laws, the most part of the subsidiaries opted for the presumed profit regime. For those companies, the calculation basis for income tax and social contribution is based on estimated profit, at the rate of 8% and 12% of gross income, respectively, on which nominal rates for the respective tax or contribution are applied.

Deferred tax is recognized in relation tax losses and temporary differences. The recognition of deferred charges of tax losses is done to the extent of the probability of attaining a taxable income over the next few years. The analysis is made based on projections of results and supported by internal assumptions and future economic scenarios. The recognition of deferred taxes on temporary differences is the origin of the difference between the amounts for accounting purposes and the corresponding amounts used for tax purposes.

As of March 31, 2013, the Company has 69 constructions (65 as of December 31, 2012) enrolled in the Special Taxation Regime as allowed by Law 10931/04. The receivable balances related to those enterprises amount to R\$ 1,561,590, which represents 11.40% of the Company's total accounts receivable.

With the publication of Provisional Measure 601 of December 28, 2012 that grants tax benefit of federal tax unified payment (IRPJ/CSLL/PIS/COFINS) at nominal rate of 4% (RET), the Company is gradually enrolling some of its construction work in RET.

2. Accounting policies – Continued

2.8. Provisions – Continued

b) Income and social contribution taxes - Continued

Current taxes - Continued

Deferred tax assets

Deferred tax credits resulting from tax loss or negative social contribution basis are only recognized to the extent their realization is likely, based on the future profitability outlook. Prepayments and amounts that can be offset are presented in current and non-current assets, in accordance with their expected realization.

The book value of deferred taxes are reviewed at year end and are recognized to the extent in which it is probable that future taxable income will permit that deferred tax assets are recovered. Further details on deferred taxes are described in Note 16.

c) Profit sharing - Employees and Management

The Company and its subsidiaries have employees' benefit plan in the form of profit sharing and bonus plans and, when applicable, are recognized in income under caption "General and administrative expenses". Provision for bonus and bonus payments are based on annual income goal duly approved by the Company's Board of Directors.

Additionally, the bylaws of the Company and its subsidiaries establish the profit distribution to the Management.

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions

a) Fair value of derivative financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted by the market, when possible. However, when such data are not available, a certain level of judgment is required to establish the fair value. Judgment includes considerations on the data utilized, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments.

b) Provisions for tax, civil and labor risks

The Company recognizes provision for tax, civil and labor claims. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external attorneys.

Provisions are revised and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions.

c) Share-based payment

The Company measures the cost of transactions settled with employees' shares based on fair value of equity instruments on grant date.

Estimates of share-based payments' fair values require the most adequate evaluation method for the granting of equity instruments, which depends on grant terms and conditions.

This also requires determining the most appropriate data for evaluation model, including the expected life of the option, volatility and dividend income yield and related assumptions. Assumptions and models used in fair value estimates of share-based payments are explained in note 23.

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions - Continued

d) Appraisal of recoverable value of assets

According to the CPC 01 (R1) - IAS 36 – Impairment of assets, the Management reviews the net book value annually in order to identify events or changes in economic, operating, or technological circumstances likely to point out a deterioration or loss of their recoverable value. In case these evidences are identified, the asset's receivable value is calculated and, if net book value exceeds receivable value, a provision for impairment is recognized by adjusting the asset's net book value to its recoverable value.

Assumptions used to determine assets' values are based on the evaluation or indication that the asset's book value exceeds its recoverable value. These indications take into consideration the asset's obsolescence, the significant and unexpected reduction in its market value, changes to macro-economic environment in which the Company operates, and fluctuations in interest rates that may impact future cash flows of cash generating units.

The Company's main assets whose recoverable values are tested at yearend are: real estate inventories for sale, investments maintained at cost value and intangible assets with undefined useful lives.

e) Contingent assets and liabilities and legal obligations

The accounting practices used to recognize and disclose contingent assets and liabilities and legal obligations are as follows:

Contingent assets are only recognized when there are real guarantees, or favorable, final and unappealable decisions. Contingent assets with chance of success classified as probable are disclosed in a Note;

Contingent liabilities: are accrued when the losses are regarded as probable by the Company's legal counsel and the amounts involved can be reliably measured. The contingent liabilities regarded as possible losses are only disclosed in the accompanying notes, whereas those regarded as remote losses are neither accrued nor disclosed; and

Legal obligations: are recorded as liabilities, regardless of the evaluation of the loss likelihood.

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions - Continued

f) Operating lease commitments

The Company contracted commercial leases through its subsidiary Goldfarb Incorporações e Construções S.A. The Company determined, based on the evaluation of contract terms and conditions, that it assumes all significant risks and benefits deriving from the property of said assets, accordingly, it records contracts as financial leases. More details on leases are contained in Note 9.

g) Construction budget

Total budgeted costs comprised by incurred costs and estimated costs for the completion of construction work are regularly reviewed according to construction evolution, and adjustments based on this review are reflected in the Company's results in accordance with the accounting method used.

2.10. Revenue recognition

Income from real estate sales is calculated considering contract revenues plus price-level restatements up to delivery of keys, less the following costs: expenses with acquisition and regularization of land; direct and indirect costs related to projects and construction; non-recoverable taxes and contributions; and financial charges deriving from financing of construction.

Recognition of income from real estate sales is as follows:

- (i)** On credit sales of completed unit: at the time sale is completed, regardless of contract value receipt period; and
- (ii)** In the sales of the units not concluded, in conformity with the criteria established by the OCPC – 01 – Real Estate Development Entities in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM Resolution 561 dated December 17, 2008, as well as by the OCPC – 04 – Interpretation of the Technical Guidance ICPC 02 to Brazilian Real estate development entities issued by CPC, approved by CVM Resolution 653 dated December 16, 2010 as follows:

- Sales revenues, land and construction costs are recognized in income using the percentage of completion of each project, and this percentage is measured based on contract costs incurred in relation to total budgeted costs of respective projects, including project and land costs.

2. Accounting policies – Continued

2.10. Revenue recognition – Continued

- Determined sales revenues, according to item (i) above and including price-level restatement net of installments already received, are accounted for as accounts receivable. Amounts received and higher than recorded revenues are recognized as advances to clients, and pre-fixed interest levied after delivery of keys is recognized in income at the accrual basis, regardless of receipt.

The Company evaluated its contracts for the sale of real estate units and contracts executed by its subsidiaries based on analysis brought by OCPC 04, understanding that executed contracts are in the scope of CPC-17 – Construction contracts, as to the extent construction advances, risks and benefits are continuously transferred to the property committed buyer.

Information on balances of operations with real estate projects in progress and advances from clients are detailed in Note 17.

Unrecorded sales expenses

Commissions on sales are recorded as assets and recognized in income statement using the same recognition criterion as for revenues, described above; and

Publicity, marketing and promotion expenses are recognized in income statement as sales expenses when publicity is broadcast and/or marketing action occurs.

2.11. Property, plant and equipment

Property, plant and equipment is recorded by the acquisition, formation or construction cost, less accumulated depreciation, calculated using the straight-line method based on rates determined by the assets' estimated useful life. Expenses incurred with repairs and maintenance are only accounted for if the economic benefits associated with these items are probable and the amounts are measured in a reliable manner, while the other expenses are recorded directly in income/loss when incurred. The recovery of fixed assets by means of future operations as well as the useful lives and the residual value of this property are monitored periodically and adjusted prospectively, if necessary.

2. Accounting policies - Continued

2.12. Investments in subsidiaries

a) Investments in subsidiaries

The Company's investments in subsidiaries are recorded based on the equity method of accounting, according to CPC 18, for the purposes of the Company's quarterly financial statements.

Based on the equity method of accounting, investment in subsidiary is recorded on the Company's balance sheet at cost, plus the changes following the acquisition of equity interest in the subsidiary. In the Company, the goodwill related to the subsidiary is included in the book value of the investment which is not amortized. As the goodwill based on future profitability integrates the book value of the investment in the parent company (it is not recognized separately), it is not tested separately in relation to its recoverable amount.

The equity interest in the subsidiary is stated in the parent company's income statement as equity pick-up, representing the net profit attributable to shareholders of the subsidiary.

Subsidiary quarterly financial statements are prepared for the same reporting period as the Company. Where necessary, adjustments are made so that the accounting policies are consistent with those adopted by the Company.

After applying the equity accounting method, the Company determines whether it is necessary to recognize additional impairment on the Company's investment in its subsidiary. The Company determines, at each balance sheet closing date, if there is objective evidence that investment in the subsidiary suffered impairment loss. If so, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the subsidiary and the book value and recognizes the amount in the statement of income.

When there is loss of significant influence on the subsidiary, the Company evaluates and recognizes investment at fair value. Any difference between the book value of the associated company at the time of the loss of significant influence and the fair value of the remaining investment and proceeds from the sale will be recognized in income.

b) Investment in associated companies

Associates are the entities in which the Company has, directly or indirectly, significant influence but not control or jointly-control on financial and operating policies. The significant influence is characterized by the Company holding, directly or indirectly, from 20% to 50% of the voting rights of the entity.

2. Accounting policies - Continued

2.12. Investments in subsidiaries - Continued

b) Investment in associated companies - Continued

Investments in associates are accounted for using the equity method and are initially recognized at cost, which includes transaction expenses. Consolidated financial statements include interest of the Company in income or loss for the year and other comprehensive income of investee, after adjustment to align the accounting policies of the investee with those of the Company, beginning as of the date in which a significant influence starts until the date in which that significant influence ends. When the participation of the Company in the losses of an investee exceeds its shareholding in this entity, the book value of the investment measured by the equity method, including any long-term interest as part of the investment is reduced to nil and recognition of additional losses is discontinued, except in cases where the Company has constructive obligations or has made payments on behalf of the investee, when then a provision for loss on investments is formed.

Any difference between the book value of the former joint venture upon loss of joint control and the fair value of the investment, as well as any proceeds from the sale of the joint venture, will be recognized in the statement income. Investments that maintain significant influence will be accounted for as investment in subsidiary in the parent company's financial statements and consolidated, and in such cases, will be valued under the equity method.

2.13. Other income and costs

Other revenues and costs include earnings, charges, and price-level restatements and foreign exchange variations, which are calculated based on official indices or rates that are levied on current and non-current assets and liabilities. The adjustments of assets to the market or realizable value are also included.

2.14. Statements of added value, comprehensive income and cash flow

The Company prepared individual and consolidated Statement of added value in accordance with the rules of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the quarterly individual and consolidated information under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

2. Accounting policies - Continued

2.14. Statements of added value, comprehensive income and cash flow - Continued

The statement of comprehensive income is also presented under the terms of the technical pronouncement CPC 26 - Presentation of financial statements, which is an integral part of the quarterly information.

Statements of cash flow are prepared and presented in accordance with the technical pronouncement CPC 03(R1) - Statement of Cash Flow.

2.15. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated through income for the period attributable to the Company's shareholders and outstanding common shares' weighted average in the respective period, considering, when applicable, stock split adjustments occurred in the period or in the subsequent event captured in the preparation of quarterly information, as presented in Note 19.

2.16. Dividends

The proposal for distribution of dividends made by the Company's Management and that is within the portion equivalent to minimum mandatory dividends is recorded as current liabilities, under caption "Dividends payable", as it is considered as a legal obligation provided for in the Company's bylaws; however, if there is a portion of dividends that is higher than minimum mandatory dividends stated by Management after the accounting period to which quarterly information refers, but before the date in which said quarterly information is issued, this portion will be recorded in caption "Proposed additional dividends, in shareholders' equity."

2.17. Statement of the main impacts arising from the adoption of IFRS and CPC new standards

Several new Standards, amendments to standards and interpretations are effective for the years started after January 1, 2013, and have adopted IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities in the preparation of quarterly information at March 31, 2012 and correspondent values for prior periods, shown in a comparative manner. As the company understands it, other recently published IFRS's and CPC's are not applicable to this information.

2. Accounting policies - Continued

2.17. Statement of the main impacts arising from the adoption of IFRS and CPC new standards - Continued

Accordingly, accounting policies and practices established in note 2 were applied to preparation of amounts corresponding to the year ended December 31, 2012 and to this quarterly information on March 31, 2013.

Relevant adjustments and reclassification that impacted corresponding amounts referring to consolidated financial statements for the year ended December 31, 2012, originally presented in financial statements for that year, are being restated in conformity with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors, as follows:

Balance sheets for the period ended December 31, 2012.

(In thousands of Reais)

Assets	Consolidated		
	Originally disclosed	IFRS 10 and 11 Adjustments -	Restated
	2012	2012	2012
Current			
Cash and cash equivalents	1,752,161	10,786	1,762,947
Trade accounts receivable	6,052,113	223,561	6,275,674
Real estate inventories for sale	1,994,168	(34,477)	1,959,691
Recoverable taxes	120,957	84	121,041
Prepaid expenses	64,213	812	65,025
Other current assets	397,621	(30,595)	367,026
Total current assets	10,381,233	170,171	10,551,404
Non-current			
Cash and cash equivalents and interest earnings bank deposits	57,337	274	57,611
Trade accounts receivable	1,742,477	26,248	1,768,725
Real estate inventories for sale	2,634,526	(65,984)	2,568,542
Deferred income and social contribution taxes	195	-	195
Prepaid expenses	43,665	(29)	43,636
Current accounts and loans with partners in projects	105,444	4,469	109,913
Recoverable taxes	6,364	(162)	6,202
Debentures	1,064	-	1,064
Other receivables	110,164	3,918	114,082
Investments	22,917	392,903	415,820
Property, plant and equipment	282,104	113,070	395,174
Intangible assets	646,682	(17,218)	629,464
Total non-current assets	5,652,939	457,489	6,110,428
Total assets	16,034,172	627,660	16,661,832

2. Accounting policies - Continued

2.17. Statement of the main impacts arising from the adoption of IFRS and CPC new standards - Continued

Balance sheets for the period ended December 31, 2012.

(In thousands of Reals)

Liabilities	Consolidated		
	Originally disclosed 2012	IFRS 10 and 11 Adjustments - 2012	Restated 2012
Current			
Loans and financing	2,157,612	60,854	2,218,466
Suppliers	260,003	(3,793)	256,210
Payables for real estate acquisition	682,387	14,650	697,037
Tax liabilities	391,661	11,652	403,313
Advances from clients	481,310	(3,669)	477,641
Current accounts with project partners of the ventures - Group	48,227	-	48,227
Co-obligation in the assignment of receivables	32,213	-	32,213
Liabilities for acquisition of share interests			
Corporate	163,859	-	163,859
Other liabilities	15,503	36,657	52,160
Other provisions	93,504	-	93,504
Salaries and social security charges	131,983	3,273	135,256
Accounts payable to related parties	-	-	-
Total current liabilities	4,458,262	119,624	4,577,886
Non-current			
Loans and financing	3,857,283	79,145	3,936,428
Liabilities for acquisition of real estate	139,990	9,523	149,513
Advances from clients	376,745	(26,504)	350,241
Suppliers	209	(209)	-
Deferred tax liabilities	148,157	2,741	150,898
Provision with guarantee	320	(320)	-
Co-obligation in the assignment of receivables	78,114	-	78,114
Liabilities from CCB issuance	1,503,234	(2,982)	1,500,252
Other liabilities	301,686	-	301,686
Contingencies	139,262	568	139,830
Fiscal and labor obligations	749	(645)	104
Tax installments	48	(48)	-
Total non-current liabilities	6,545,797	61,269	6,607,066
Shareholders' equity			
Capital	4,907,843	-	4,907,843
Capital reserves	792,301	-	792,301
Profit reserves	(682,844)	-	(682,844)
Total shareholders' equity	5,030,113	-	5,017,300
Non-controlling interest	12,813	446,767	459,580
Total shareholders' equity with the non-controlling interest	5,030,113	-	5,476,880
Total liabilities	16,034,172	627,660	16,661,832

2. Accounting policies - Continued

2.17. Statement of the main impacts arising from the adoption of IFRS and CPC new standards - Continued

Statements of income for the period ended March 31, 2012.

(In thousands of Reais)

	Consolidated		
	Originally disclosed 03/31/2012	IFRS 10 and 11 adjustments 03/31/2012	Restated 03/31/2012
Net operating income	1,476,163	14,988	1,491,151
Cost of properties sold	(1,195,945)	(17,057)	(1,213,002)
Gross income	280,218	(2,069)	278,149
Operating income (expenses)			
General and administrative expenses	(114,538)	(1,586)	(116,124)
Tax	(2,408)	32	(2,376)
Commercial	(70,489)	(606)	(71,095)
Depreciation and amortization	(5,275)	(2)	(5,277)
Stock option plan	-	-	-
Equity in net income of subsidiaries	-	679	679
Other operating income (expenses), net	(1,631)	(715)	(2,346)
Income (loss) before financial income and expenses	85,877	(4,267)	81,610
Financial income (loss)	(31,408)	(704)	(32,112)
	-	-	-
Income before income and social contribution taxes	54,469	(4,971)	49,498
Income and social contribution taxes	(22,547)	122	(22,425)
Net income for the year	31,922	(4,849)	27,073
Income attributable to shareholders:			
Parent companies	32,475	-	32,475
Non-controlling shareholders	(553)	(4,849)	(5,402)
Basic net income per thousand shares - R\$	0.02870		0.02870
Diluted net income per thousand shares - R\$	0.02860		0.02860

2. Accounting policies - Continued

2.17. Statement of the main impacts arising from the adoption of IFRS and CPC new standards - Continued

Statements of cash flows – Indirect method

Period ended March 31, 2012

(In thousands of Reais)

	Consolidated		
	Originally disclosed 03/31/2012	IFRS 10 and 11 adjustments 03/31/2012	Restated 03/31/2012
Net cash generated (invested in) in operational activities	(111,087)	(29,051)	(189,868)
Cash flow from operating activities	98,179	(9,549)	58,837
Net income for the year	32,475	-	32,475
Adjustments to reconcile net income for the period with the net cash used in operating activities			
Depreciation and amortization	21,648	(2,566)	19,082
Deferred taxes and contributions	452	(36,053)	(35,601)
Financial Expenses Interest paid and monetary variation	16,959	(13,939)	3,020
Amortization of goodwill	(31)	-	(31)
Adjustments in the income – Mark-to-Market	(1,935)	51,554	49,619
Provision for contingencies and guarantees	(1,279)	1,101	(178)
Equity income (loss)	-	(679)	(679)
Capital gains/losses in subsidiaries	22,774	(8,967)	13,807
Other adjustments	(553)	-	(30,346)
Expenses with SOP adjustments	7,669	-	7,669
Changes in assets and liabilities	(209,266)	(19,502)	(248,705)
Advances granted	868	(1,662)	(794)
Accounts receivable	(101,204)	(84,528)	(185,732)
Loans - Loan agreement	(46,060)	(27,873)	(73,933)
Recoverable taxes	(2,935)	(700)	(3,635)
Real estate inventories for sale	170,056	(107,947)	62,109
Unrecognized expenses	(16,836)	(104)	(16,940)
Current accounts with project partners of the ventures	1,087	(3,699)	(2,612)
Advances for future capital increase	(114,425)	113,500	(925)
Debentures	39,251	(1,630)	37,621
Related party transactions	59,413	(62,403)	(2,990)
Advances from clients	18,541	11,611	30,152
Suppliers	(27,212)	(40,325)	(67,537)
Other	(315,096)	261,206	(53,890)
Liabilities for acquisition of real estate	(98,859)	2,027	(96,832)
Deferred tax liabilities	22,623	(22,623)	-
Fiscal and labor obligations	(58,653)	61,305	2,652
Liabilities from CCB issuance	14,807	-	(5,130)
Assignment of credit right operations	226,129	(115,603)	110,526
Liability regarding the acquisition of share interest	19,239	(54)	19,185
Net cash generated (invested in) investing activities	(81,233)	124,531	43,298
Acquisition/write-off of other investments	(22,301)	22,301	-
Acquisition and Write-off of Property, plant and equipment	(24,153)	(775)	(24,928)
Intangible assets	(34,779)	(195)	(34,974)
Acquisition of Interest in associates and subsidiaries	-	-	103,200
Net cash generated (invested in) financing activities	223,841	(44,236)	179,605
Equity capital increase	63,683	(3,838)	59,845
Loans and financing	210,936	(91,176)	119,760
Fund Raising with Issuance of Debentures	-	-	-
Proposed dividends	23,396	(23,396)	-
Treasury shares	(37,268)	37,268	-
Interest paid upon fund raising	(32,294)	32,294	-
Interest of non-controlling shareholders	(771)	771	-
Treasury shares	(3,841)	3,841	-
Net increase (decrease) in cash and cash equivalents	31,521	1,514	33,035
Balance of cash and cash equivalents at the beginning of the year	1,629,877	9,169	1,639,046
Balance of cash and cash equivalents at the end of the year	1,661,396	10,685	1,672,081
Net increase (decrease) in cash and cash equivalents	31,519	1,516	33,035

Accounting policies - Continued

Statement of the main impacts arising from the adoption of IFRS and CPC new standards - Continued

Statement of added value Period ended March 31, 2012

(In thousands of Reais)

	Originally disclosed 03/31/2012	Consolidated IFRS 10 and 11 adjustments 03/31/2012	Restated 03/31/2012
Revenues from rentals and services	1,553,575	(15,861)	1,569,436
Other income	1,520,132	(14,259)	1,534,391
Other income	33,443	(1,602)	35,045
Other income	33,443	(1,602)	35,045
Inputs acquired from third parties	(1,327,623)	18,841	(1,346,464)
Cost of goods, merchandise and services Sold	(1,195,946)	17,056	(1,213,002)
Materials, Energy, Third-party services and other	(117,683)	1,972	(119,655)
Loss/recovery of asset values	(13,994)	(187)	(13,807)
Gross added value	225,952	2,980	222,972
Retentions	(19,456)	(340)	(19,116)
Retentions (depreciation)	(19,456)	(340)	(19,116)
Net added value produced	206,496	2,640	203,856
Added value received as transfer	47,347	(1,731)	49,078
Equity income (loss)	-	(679)	679
Financial income	47,314	(1,054)	48,368
Other	33	2	31
Added value for distribution	253,843	909	252,934
Distribution of added value	253,843	909	252,934
Personnel	41,971	(759)	42,730
Direct remuneration	31,405	(775)	32,180
Benefits	7,407	11	7,396
Contribution to the Severance Indemnity Fund - FGTS.	3,159	5	3,154
Taxes, rates and contributions	96,132	(1,583)	97,715
Federal	96,104	(1,583)	97,687
State	1	-	1
Municipal	27	-	27
Remuneration of third party capital	83,265	(2,151)	85,416
Interest	78,722	(1,758)	80,480
Rents	5,096	160	4,936
Other	(553)	(553)	-
Own capital remuneration	32,475	5,402	27,073
Retained earnings	32,475	-	32,475
Non-controlling interest	-	5,402	(5,402)

2. Accounting policies - Continued

2.18. Disclosure of interest in other entities- CPC 45

As mentioned in Note 2, some changes in standards and interpretations started after January 1, 2013, and the Company fully applied IFRS 12 (CPC 45 – Disclosure of Interest in Other Entities) to quarterly information on March 31, 2013 and to corresponding amounts as of December 31, 2012 and March 31, 2012, comparatively.

The Company has evaluated in the first quarter of 2013, the disclosure requirements in its subsidiaries, interests in joint ventures and associates and unconsolidated structured entities compared with existing disclosures, fully applying, as from this quarter, the standards established in this CPC.

CPC 45 (IFRS 12) requires the Company to disclose the nature of its interest in other entities, these interests' financial risks and effects on financial position, its financial performance and cash flow, as follows:

Nature: special purpose entities (SPE's) on which the Company has no material investment, as most of them are interests lower than or equal to 50%, have no significant influence on important decisions such as financial, accounting, engineering, and election decisions and management decisions on subsidiaries' strategies described in executed shareholders' agreements and, therefore, has no important influence on generation of results.

Risks: As described in the item above, it has no significant influence on some special purpose entities (SPE's) and, therefore, has some risks inherent to its operation, such as management and financial and accounting controls, cost reviews, and financial contributions to assure the continuity of operations, which may influence future results.

Financial effects of these interests: below, we describe the summary of specific purpose entities (SPE's) for which the Company uses the equity method to evaluate investments.

2. Accounting policies - Continued

2.18. Disclosure of interest in other entities- CPC 45 - Continued

On March 31, 2013, the Company presented associates' accounting balances as follows:

Company's name	% PDG	Total current assets - 03/2013	Total non-current assets - 03/2013	Total current assets - 03/2013	Total non-current liabilities - 03/2013	Total shareholders' equity - 03/2013	Total net income - 03/2013	Net income or loss for the period 100% 03/2013	Net income or loss for the period (consolidated) - 03/2013
TGLT S.A.	27.00%	163,329	282,245	118,202	137,347	190,025	-	-	-
CHL LXXVIII INCORPORAÇÕES LTDA.	50.00%	63,287	646	20,907	23,375	19,651	17,140	6,374	3,187
Spe Reserva do Alto Aricanduva Construções Ltda.	33.33%	2,060	1,845	609	6	3,291	23	(164)	(55)
Spe Gil Pinheiro Desenvolvimento Imobiliário Ltda	33.33%	(2,334)	3,400	591	1,115	(640)	(1)	(355)	(118)
Vila Maria Empreend. Imobil. SPE Ltda.	50.00%	5,902	-	2,131	240	3,531	-	13	7
Padre Adelino Empreend. Imob. Ltda.	50.00%	3,127	87	579	-	2,634	-	6	3
Petronio Portela Empr. Imob. SPE Ltda	50.00%	770	600	159	-	1,210	-	(31)	(16)
Estela Borges Empr. Imob. SPE Ltda	50.00%	4,623	-	203	934	3,485	570	224	112
Quatorze De Maio Empreendimentos Imobiliários Ltda.	18.00%	6,585	-	6,705	-	(120)	-	(3)	(1)
SJC Investimentos Imobiliários Ltda.	20.00%	429	23,173	-	-	23,602	1	(5)	(1)
Cyrela Oceania Empreendimentos Imobiliários Ltda.	20.00%	5,880	3,065	1,193	206	7,545	292	575	115
Jardim Sul Incorporadora Ltda.	20.00%	767	4,189	2,903	286	1,767	-	(43)	(9)
Windsor Investimentos Imobiliários Ltda.	25.00%	368,320	68,848	7,538	119,573	310,057	168,145	70,983	17,746
Dolce Vita Incorporação Ltda.	30.00%	8	-	-	1	7	-	-	-
IEPE - Investimentos Imobiliários Ltda.	30.00%	26,966	-	650	336	20,981	67	1,226	368
Paineira Incorporadora Ltda.	30.00%	9,895	10,528	19,163	-	1,259	19	717	215
Schahin Astúrias Incorporadora Ltda.	30.00%	10,508	10,000	1,246	7,975	11,287	-	-	-
Schahin Borges De Figueiredo Incorporadora Ltda.	30.00%	26,753	-	63	-	26,690	-	-	-
Inpar - Abyara - Projeto Residencial America Spe Ltda.	30.00%	35,165	1,550	28,743	2,223	5,750	-	-	-
Inpar - Abyara - Projeto Residencial Santo Amaro Spe Ltda.	30.00%	5,769	582	3,503	211	2,637	-	-	-
BNI Estuário Desenvolvimento Imobiliário Ltda.	33.34%	6	-	3	-	3	-	-	-
Ipiranga SPE S.A.	35.00%	902	-	770	-	132	8	254	89
Vila Mascote SPE S.A.	35.00%	2,038	60	391	477	1,230	(9)	(411)	(144)
Cyrela Tecnica Agin Empreendimentos Imobiliários SPE Ltda.	35.00%	8,451	72	1,329	5	7,189	496	887	310
Paio Velho Ltda.	39.00%	25,471	1,240	3	6	26,703	-	2	1
Tembe Empreendimentos Imobiliários Ltda.	39.00%	55,096	(4,873)	48,807	69	1,348	-	(7)	(3)
Morumbi SPE S.A.	40.00%	6,055	1,905	289	2,483	5,189	(76)	801	321
Klabin SegallCyrela SPE Ltda.	41.50%	1,603	3,831	434	114	4,886	2	22	9
Gliese Incorporadora Ltda.	42.46%	105,638	30,291	73,462	19,602	42,864	264	1,420	603
Malmequer Empreendimentos S.A.	42.50%	110,671	-	46,709	674	63,289	(95)	73	31
Coreopis Empreendimento S.A.	42.50%	106,170	-	115,794	239	(9,863)	(150)	101	43
Agra Cyrela SPE Ltda.	50.00%	916	1,111	(57)	27	2,057	13	197	99
Grand Life Botafogo Empreendimento Imobiliário SPE Ltda.	50.00%	4,240	1,404	56	15	5,573	14	(77)	(39)
Klabin Segall Fit 1 Empreendimento Imobiliário SPE Ltda.	50.00%	6,654	87	40	395	6,304	-	-	-
BNI Indico Desenvolvimento Imobiliário Ltda.	50.00%	11,200	-	12,570	1,621	(2,991)	2,213	(182)	(91)
Jetirana Empreendimentos S.A.	50.00%	30,128	662	2,364	687	27,739	1,504	155	77
Bela Manhã Spe - Planejamento Imobiliário Ltda.	50.00%	7,552	-	1,574	-	5,978	-	(15)	(7)
Bela Visão Spe - Planejamento Imobiliário Ltda.	50.00%	11	-	1	-	10	-	(1)	(1)
Scp - Eusebio Steuvax	50.00%	-	2,880	-	-	2,880	-	-	-
General Rondon Incorporadora Ltda.	50.00%	11,622	-	7,011	80	4,531	39	67	34
31 De Janeiro Empreendimentos Imobiliários Ltda.	50.00%	76,225	22,839	13,321	28,172	57,570	-	-	-
Alive Morumbi Empreendimento Imobiliário S.A.	50.00%	5,582	4,311	420	1,685	7,788	(23)	(73)	(37)
Construtora São José SPE Salvador - Rua dos Bandeirantes Ltda	50.00%	27	29	31	-	25	-	-	-
Quadra B-20 Incorporadora Ltda.	50.00%	52	-	62	-	(10)	-	(5)	(3)
Habiarte Barc Pdg Porto Búzios Incorp. S.A.	50.00%	11,721	-	1,627	20	10,074	62	25	13
Habiarte Barc Pdg Cidade De Madri Incorp. S.A.	50.00%	11,604	-	9,627	941	1,036	274	(1,766)	(883)
Habiarte Barc Pdg Olhos D'água Incorporação S.A.	50.00%	-	-	-	-	-	-	-	-
Ln 8 Incorp. E Emp. Ltda.	50.00%	30,103	11,311	997	22,762	17,655	5,918	2,327	1,164
Hb3 Emp. Imob. S.A.	50.00%	15,753	10,687	16,517	4,331	5,592	2,240	729	365

2. Accounting policies - Continued

2.18. Disclosure of interest in other entities- CPC 45 - Continued

Company's name	% PDG	Total current assets - 03/2013	Total non-current assets - 03/2013	Total current liabilities - 03/2013	Total non-current liabilities - 03/2013	Total shareholders' equity - 03/2013	Total net income - 03/2013	Net income or loss for the period 100% 03/2013	Net income or loss for the period (consolidated) - 03/2013
Costa São Caetano Empreendimentos S.A.	25.00%	171,163	-	37,688	83,569	49,905	11,528	3,111	778
Londres Empreendimentos S.A.	25.00%	134,534	-	23,419	49,015	62,099	15,458	6,032	1,508
Cyrela Tennessee Empreendimentos Imobiliarios S.A.	25.00%	9,548	10,194	589	342	18,811	102	414	104
Cyrela Milao Empreendimentos Imobiliarios S.A.	50.00%	13,237	8,219	2,531	620	18,305	130	284	142
Queiroz Galvao Cyrela Empreendimento Imobiliario S.A.	20.00%	1,667	3,217	119	3	4,762	3	(1)	-
Queiroz Galvao Mac Cyrela Veneza Empreendimento Imobiliario S.A.	20.00%	107,861	118,779	102,844	55,692	68,104	5,010	5,573	1,115
Ecolife Cidade Universitaria Emp. Imob. S.A.	40.00%	954	-	366	(141)	729	84	123	49
América Piqueri Incorp. S.A.	40.00%	4,471	-	3,782	156	533	47	39	16
Clube Tuiuti Emp. S.A.	40.00%	4,074	-	3,093	44	937	12	12	5
Gardênia Participações S.A.	50.00%	4,217	-	1,121	150	2,946	(691)	(360)	(180)
Giardino Desenv. Imob. S.A.	50.00%	477	-	1	-	476	-	-	-
Giardino Emp. Imob. S.A.	50.00%	694	-	127	-	567	-	-	-
Tibouchina Emp. S.A.	50.00%	19,233	-	9,608	238	9,387	(60)	221	111
Prunus Emp. S.A.	42.50%	13,602	33	12,694	878	63	36	62	26
Vista Do Sol Emp. Imob. S.A.	50.00%	7,510	3,650	1,978	2,916	6,266	-	-	-
Fator Icone Emp. S.A.	50.00%	12,303	21,783	3,088	23,986	7,012	-	-	-
Camburiú Emp. Imob. S.A.	45.00%	26,923	14	21,419	700	4,818	-	-	-
Jardim Morumbi Emp. Imob.S.A.	50.00%	20,873	6,450	108	433	26,782	2,752	423	211
Saint Hilaire Incorp. Spe S.A.	50.00%	2	-	-	-	2	-	(1)	(1)
Dom Pedro Emp. Imob. Ltda.	20.00%	11,500	-	8	1,145	10,347	-	-	-
Girassol - Vila Madalena Empr. Imob. S.A.	50.00%	283	-	37	-	246	-	(4)	(2)
Hi Emp. S.A.	50.00%	10	-	-	-	10	-	-	-
Moinho Emp. Imob. S.A.	45.00%	13,111	2	1,639	-	11,474	-	-	-
Tutóia Emp. Imob. S.A.	25.00%	648	-	480	-	168	-	3	1
Aztronic Engenharia de Software Ltda.	40.00%	1,591	297	640	-	1,248	1,688	1,247	499
PDG Jet Casa S.A.	50.00%	-	-	-	-	-	-	-	-
ZMF 9 Incorp. Ltda.	50.00%	14,358	6,312	6,229	16,104	(1,663)	3,673	(960)	(480)
Total		1,988,933	679,500	811,802	616,908	1,239,723	240,133	100,866	27,709

2. Accounting policies - Continued

2.18. Disclosure of interest in other entities- CPC 45 - Continued

As of December 31, 2012, the Company presented accounting balances of associates as follows:

Company's name	% PDG	Total current assets - 12/2012	Total non-current assets - 12/2012	Total current liabilities - 12/2012	Total non-current liabilities - 12/2012	Total shareholders' equity - 12/2012	Total net income - 03/2012	Net income or loss for the period 100% 03/2012	Net income or loss for the period (consolidated) - 03/2012
TGLT S.A.	27.00%	163,329	282,245	118,202	137,347	190,025	-	-	-
Quatorze De Maio Empreendimentos Imobiliários Ltda.	18.00%	6,365	-	-	6,482	(117)	-	-	-
SJC Investimentos Imobiliários Ltda.	20.00%	4,172	22,752	68	-	26,856	-	-	-
Cyrela Oceania Empreendimentos Imobiliários Ltda.	20.00%	6,435	3,450	2,063	350	7,471	-	-	-
Jardim Sul Incorporadora Ltda.	20.00%	3,025	2,164	3,117	261	1,810	-	7	1
Costa São Caetano Empreendimentos S.A.	25.00%	97,740	-	32,742	31,080	33,918	9,191	2,599	650
Londres Empreendimentos S.A.	25.00%	86,697	338	25,566	21,085	40,385	6,032	1,376	344
SPE Reserva do Alto Aricanduva Construções Ltda.	33.33%	2,204	1,861	604	7	3,455	113	92	31
Windsor Investimentos Imobiliários Ltda.	25.00%	317,902	19,705	2,347	166,375	168,885	-	(456)	(114)
Dolce Vita Incorporação Ltda.	30.00%	8	-	-	1	7	-	-	-
IEPE - Investimentos Imobiliários Ltda.	30.00%	25,920	-	5,627	539	19,754	220	169	51
Paineira Incorporadora Ltda.	30.00%	9,168	10,528	19,154	-	542	23	(52)	(15)
Schahin Astúrias Incorporadora Ltda.	30.00%	10,508	10,000	1,246	7,975	11,287	(327)	(1,376)	(413)
Schahin Borges De Figueiredo Incorporadora Ltda.	30.00%	26,753	-	63	-	26,690	-	-	-
Inpar - Abyara - Projeto Residencial América Spe Ltda.	30.00%	35,165	1,550	28,743	2,223	5,750	-	-	-
Inpar - Abyara - Projeto Residencial Santo Amaro Spe Ltda.	30.00%	5,769	582	3,503	211	2,637	-	-	-
BNI Estuário Desenvolvimento Imobiliário Ltda.	33.34%	6	-	3	-	3	-	(1)	-
Ipiranga SPE S.A.	35.00%	670	-	791	-	(122)	4	(98)	(34)
Vila Mascote SPE S.A.	35.00%	2,441	60	386	476	1,640	28	14	5
Cyrela Tecnisa Agin Empreendimentos Imobiliários SPE Ltda.	35.00%	9,160	74	2,169	62	7,002	-	-	-
Paioi Velho Ltda.	39.00%	25,469	1,240	3	5	26,701	-	(1)	-
Tembe Empreendimentos Imobiliários Ltda.	39.00%	51,401	(1,751)	48,292	4	1,354	-	-	-
Morumbi SPE S.A.	40.00%	4,881	2,139	163	2,470	4,388	121	189	76
Klabin Segall Cyrela SPE Ltda.	41.50%	1,582	3,833	437	114	4,864	-	-	-
Gliese Incorporadora Ltda.	42.46%	101,427	35,587	76,644	18,927	41,444	2,372	2,600	1,104
Malmequer Empreendimentos S.A.	42.50%	110,293	-	42,455	674	67,165	3,055	2,424	1,030
Coreopis Empreendimento S.A.	42.50%	107,469	-	117,286	146	(9,963)	4,467	(13,087)	(5,562)
CHL LXXVIII INCORPORAÇÕES LTDA.	50.00%	35,012	13,548	17,594	17,689	13,277	7,699	1,758	879
Spe Gil Pinheiro Desenvolvimento Imobiliário Ltda.	33.33%	(2,200)	3,400	589	896	(285)	(104)	(193)	(64)
Vila Maria Empreend.. Imobil.. SPE Ltda.	50.00%	5,901	-	584	-	5,317	314	338	169
Padre Adelino Empreend.. Imob.. Ltda.	50.00%	3,090	339	801	-	2,628	665	362	181
Petrônio Portela Empr. Imob.. SPE Ltda.	50.00%	781	600	139	-	1,242	56	40	20
Estela Borges Empreend.. Imob.. SPE Ltda.	50.00%	4,357	26	387	734	3,262	1,531	490	245
Habiarte Barc Pdg Porto Búzios Incorp. S.A.	50.00%	11,790	-	1,721	20	10,049	8,987	3,732	1,866
Habiarte Barc Pdg Cidade De Madri Incorp. S.A.	50.00%	23,485	-	19,742	941	2,802	755	(2,231)	(1,116)
Habiarte Barc Pdg Olhos D'água Incorporação S.A.	50.00%	-	-	-	-	-	-	(4)	(2)
Lin. 8 Incorp. E Emp. Ltda.	50.00%	31,221	3,649	1,938	16,520	16,412	-	-	-
HB3 Emp. Imob.. S.A.	50.00%	13,996	9,797	14,585	3,559	5,649	2,046	606	303
HB9 Emp. Imob.. S.A.	50.00%	8,934	3,249	2,736	2,947	6,500	3,251	1,201	601
Agra Cyrela SPE Ltda.	50.00%	717	1,120	(50)	28	1,860	12	(4)	(2)
Grand Life Botafogo Empreendimento Imobiliário SPE Ltda.	50.00%	4,286	1,437	56	17	5,650	203	9	5
Klabin Segall Fit 1 Empreendimento Imobiliário SPE Ltda.	50.00%	6,522	87	1	303	6,304	-	-	-
BNI Indico Desenvolvimento Imobiliário Ltda.	50.00%	12,218	-	10,497	1,516	206	1,052	(697)	(349)
Jetirana Empreendimentos S.A.	50.00%	30,187	686	1,998	687	28,189	3,394	516	258
Bela Manhã Spe - Planejamento Imobiliário Ltda.	50.00%	8,055	-	53	1,438	6,564	-	-	-
Bela Visão Spe - Planejamento Imobiliário Ltda.	50.00%	2,561	-	4	100	2,457	-	-	-
General Rondon Incorporadora Ltda.	50.00%	11,733	-	7,270	-	4,463	-	-	-
31 De Janeiro Empreendimentos Imobiliários Ltda.	50.00%	76,225	22,839	13,321	28,172	57,570	-	-	-

2. Accounting policies - Continued

2.18. Disclosure of interest in other entities- CPC 45 - Continued

Company's name	% PDG	Total current assets - 12/2012	Total non-current assets - 12/2012	Total current liabilities - 12/2012	Total non-current liabilities - 12/2012	Total shareholders' equity - 12/2012	Total net income - 03/2012	Net income or loss for the period 100% 03/2012	Net income or loss for the period (consolidated) - 03/2012
Alive Morumbi Empreendimento Imobiliário S.A.	50.00%	5,439	4,390	306	1,661	7,861	(35)	(124)	(62)
Construtora São José SPE Salvador - Rua dos Bandeirantes Ltda.	50.00%	27	29	31	-	25	-	(1)	-
Quadra B-20 Incorporadora Ltda.	50.00%	52	-	57	-	(5)	-	-	-
Cyrela Tennessee Empreendimentos Imobiliários S.A.	25.00%	8,979	10,706	1,016	597	18,072	375	272	68
Cyrela Milão Empreendimentos Imobiliários S.A.	50.00%	13,157	8,370	2,863	1,743	16,921	(4,081)	(4,651)	(2,326)
Queiroz Galvão Cyrela Empreendimento Imobiliário S.A.	20.00%	1,443	3,541	130	21	4,833	6	28	6
Queiroz Galvão Mac Cyrela Veneza Empreendimento Imobiliário S.A.	20.00%	105,820	118,215	63,235	58,153	102,647	22,274	7,672	1,534
Ecolife Cidade Universitária Emp. Imob. S.A.	40.00%	984	-	366	13	605	-	-	-
América Piqueri Incorp. S.A.	40.00%	4,479	-	3,829	156	494	42	30	12
Clube Tuiuti Emp. S.A.	40.00%	4,061	-	3,070	44	947	10	7	3
Gardênia Participações S.A.	50.00%	4,720	-	1,180	149	3,391	13	6	3
Giardino Desenv. Imob. S.A.	50.00%	477	-	1	-	476	-	(3)	(2)
Giardino Emp. Imob. S.A.	50.00%	695	-	128	-	567	-	(3)	(2)
Tibouchina Emp. S.A.	50.00%	18,633	-	229	270	18,134	-	(32)	(16)
Prunus Emp. S.A.	42.50%	20,312	28	17,420	949	1,971	171	159	68
Vista Do Sol Emp. Imob. S.A.	50.00%	7,510	3,650	1,978	2,916	6,266	1,709	677	339
Fator Ícone Emp. S.A.	50.00%	12,303	21,783	3,088	23,986	7,012	-	-	-
Camburiú Emp. Imob. S.A.	45.00%	26,923	14	21,419	700	4,818	-	-	-
Jardim Morumbi Emp. Imob. S.A.	50.00%	22,183	3,718	265	244	25,392	4,965	(313)	(156)
Saint Hilaire Incorp. Se S.A.	50.00%	3	-	-	-	3	-	(27)	(14)
Dom Pedro Emp. Imob. Ltda.	20.00%	11,492	-	49	1,096	10,347	-	(1)	-
Girassol - Vila Madalena Empr. Imob. S.A.	50.00%	289	-	39	-	250	-	(3)	(2)
Hi Emp. S.A.	50.00%	10	-	-	-	10	-	-	-
Moinho Emp. Imob. S.A.	45.00%	13,111	2	1,639	-	11,474	130	121	54
Tutóia Emp. Imob. S.A.	25.00%	647	-	482	-	165	-	3	1
Aztronic Engenharia de Software Ltda.	40.00%	8,167	1,258	1,032	-	8,393	2,423	1,692	677
PDG Jet Casa S.A.	50.00%	-	-	-	-	-	1,307	(256)	(128)
Zum 9 Incorp. Ltda.	50.00%	11,405	4,650	2,904	13,857	(706)	5,803	953	477
Total		1,808,153	637,489	752,393	578,937	1,114,311	90,274	6,528	679

2. Accounting policies - Continued

2.19. Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currency of the Company (Real) at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the date of presentation are converted into the functional currency at the exchange rate determined on that date. Exchange gain or loss in monetary items is the difference between the amortized cost of the functional currency at the beginning of the period, adjusted by interest and effective payments during the period, and the amortized cost in foreign currency at the exchange rate at the end of the presentation period.

3. Consolidation of subsidiaries

The subsidiaries were fully consolidated since the acquisition date, defined as the date when the Company obtains control over it, and continue being consolidated until that control is no longer in effect. The quarterly information of subsidiaries are usually prepared for the same reporting period that the parent company, using consistent accounting policies.

All intra-group balances, including unrealized income, expenses, gains and losses are eliminated.

Income for the period and each component of other comprehensive income directly recognized in shareholders' equity will be attributed to the parent company's owners and to minority interest.

4. Cash and cash equivalents and securities

Refer substantially to bank balances and marketable securities maturing in less than 90 days without any penalty on redemption, relating to bank deposit certificates and fixed income funds. The Company has investment policies that determine which financial investments are concentrated in low-risk securities and investments in prime financial institutions, and paid on average 100.8% of Interbank Certificate Deposit (CDI):

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Bank checking account</i>	<i>1,664</i>	<i>13,264</i>	<i>21,818</i>	<i>20,081</i>
<i>Interest earnings bank deposits</i>				
<i>Fixed-income investment funds</i>	<i>4,692</i>	<i>66,602</i>	<i>32,684</i>	<i>100,322</i>
<i>Bank Deposit Certificates (CDB)</i>	<i>288,770</i>	<i>345,660</i>	<i>544,809</i>	<i>508,757</i>
<i>Purchase and sale commitments</i>	<i>81,933</i>	<i>43,439</i>	<i>73,302</i>	<i>76,897</i>
<i>Very short-term interest earnings bank deposits</i>	<i>2,638</i>	<i>20,539</i>	<i>1,159,986</i>	<i>1,056,890</i>
<i>Total financial investments</i>	<i>377,059</i>	<i>468,965</i>	<i>672,613</i>	<i>706,057</i>
<i>Total</i>	<i>379,697</i>	<i>489,504</i>	<i>1,832,599</i>	<i>1,762,947</i>

5. Trade accounts receivable

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Development and property sale</i>	<i>132,597</i>	<i>129,275</i>	<i>8,387,541</i>	<i>8,192,898</i>
<i>(-) Allowance for doubtful accounts</i>	<i>-</i>	<i>-</i>	<i>(17,792)</i>	<i>(18,692)</i>
<i>(-) Adjustment to present value</i>	<i>(957)</i>	<i>(1,103)</i>	<i>(117,796)</i>	<i>(129,807)</i>
<i>Total accounts receivable</i>	<i>131,640</i>	<i>128,172</i>	<i>8,251,953</i>	<i>8,044,399</i>
<i>Portion in current liabilities</i>	<i>104,641</i>	<i>102,766</i>	<i>5,574,902</i>	<i>6,275,674</i>
<i>Portion in non-current liabilities</i>	<i>26,999</i>	<i>25,406</i>	<i>2,677,051</i>	<i>1,768,725</i>

Accounts receivable are substantially adjusted at INCC (civil construction national index) variation up to delivery of keys and then at IGP-M (general price index - market) variation plus interest of 12% p.a.

5. Trade accounts receivable - Continued

As of March 31, 2013 and December 31, 2012, the Company had balances in its consolidated accounts receivable, in the current portion, distributed as follows:

	03/31/2013			12/31/2012		
	<i>In transfer process</i>	<i>Past due</i>	<i>Total</i>	<i>In transfer process</i>	<i>Past due</i>	<i>Total</i>
<i>falling due</i>	4,475,778	-	4,475,778	4,536,665	-	4,536,665
<i>overdue</i>	1,039,893	59,231	1,099,124	1,683,917	55,092	1,739,009
<i>0 to 30 days</i>	237,877	7,450	245,326	396,530	6,929	403,459
<i>31 to 60 days</i>	73,166	3,340	76,507	186,299	3,107	189,406
<i>61 to 90 days</i>	59,658	2,724	62,382	334,997	2,534	337,531
<i>91 to 120 days</i>	53,895	2,074	55,969	227,708	1,929	229,637
<i>from 121 to 360 days</i>	405,621	25,533	431,154	429,444	23,749	453,193
<i>over 360 days</i>	209,676	18,110	227,786	108,939	16,844	125,783
<i>Total</i>	5,515,671	59,231	5,574,902	6,220,582	55,092	6,275,674

Maturities of amounts undergoing transfer process refer to the original date included in the purchase and sale contract and remain fixed regardless of postponement of construction work completion, for better Company control, and these maturities will only be changed through effective renegotiation with clients. During this quarter, several renegotiations with clients were made and a significant portion of assets was postponed to the long term.

In transfer process

When the Company delivers its projects, almost the totality of clients undergoes a bank financing process (also known as transfer) that is required for the delivery of keys and entering into possession. Clients that are not approved for bank financing will be analyzed on an individual basis and may be terminated; therefore, they will not receive the keys and will not enter into possession of the real estate.

Clients that do not address financing conditions will not receive the units and the Company will return, according to contract, a portion of received balance and will place units for sale again. The Company understands that there is no impact on allowance for doubtful accounts in this process.

Balances of accounts receivable from units completed or in construction

The consolidated balances of accounts receivable for completed units, as of December 31, 2013, amounted to R\$ 2,116,648 (R\$ 2,183,988 as of December 31, 2012) and for enterprises under construction, as of March 31, 2013 amounted to R\$ 6,138,305 (R\$ 5,860,411 as of December 31, 2012).

5. Trade accounts receivable - Continued

Aging list, per maturity year, of long-term notes receivable balances are as follows:

<i>Year of maturity</i>	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>2014</i>	<i>13,227</i>	<i>13,487</i>	<i>1,516,663</i>	<i>938,936</i>
<i>2015</i>	<i>6,290</i>	<i>5,199</i>	<i>529,973</i>	<i>361,819</i>
<i>2016</i>	<i>1,671</i>	<i>1,503</i>	<i>140,760</i>	<i>104,680</i>
<i>2017</i>	<i>1,506</i>	<i>1,376</i>	<i>126,884</i>	<i>95,671</i>
<i>2018</i>	<i>1,243</i>	<i>1,127</i>	<i>104,750</i>	<i>78,334</i>
<i>2019 onwards</i>	<i>3,062</i>	<i>2,714</i>	<i>258,021</i>	<i>189,285</i>
<i>Total</i>	<i>26,999</i>	<i>25,406</i>	<i>2,677,051</i>	<i>1,768,725</i>

According to accounting criterion mentioned in Note 2.11, accounts receivable balance of units sold and not yet completed is not fully reflected in quarterly information, as its registration is limited to the revenue portion recognized in accounting books, net of installments already received, as shown in Note 17.

Net present value adjustment - NPV

Adjustment to present value of accounts receivable from units not completed and recognized on a proportional basis at criterion described in in Note 2.11 is calculated by using an average discount rate of 4.65% in the quarterly information at March 31, 2013 (4.65% in the year ended December 31, 2012), calculated at the average rate of the Company's and its subsidiaries' loan raising less inflation (IPC-A) projected for 2013. The discount rate is periodically reviewed by the Company's Management.

Allowance for doubtful accounts

The Company, on March 31, complemented its allowance for doubtful accounts by the amount of R\$ 17,792 referring to balances in connection to units passed on to clients who had debts with the Company, out of the total amount in arrears, the Company expects to be unable to recover 33%.

Untreated units

The Company and its subsidiaries recognize termination of units as a reversal of accumulated revenues and costs previously recorded to the extent of construction work progress at the time of contract rescission.

The Company, during the period ended March 31, 2013, recorded a volume of 960 units for which the contracts were rescinded, 67.7% of them due to income insufficiency, 19% due to project termination, and 13.3% for several other reasons. Out of the amount of rescissions, 43% of the balance was resold in the same year at a price that was 16,2% higher than the rescinded amounts.

6. Real estate inventories for sale

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Property under construction</i>	8,085	13,328	1,629,679	1,782,795
<i>Property concluded</i>	-	-	555,521	464,112
<i>Advances to suppliers</i>	-	-	93,833	-
<i>Lands for future developments</i>	41,542	41,544	1,915,077	1,962,089
<i>Capitalized interest</i>	-	-	228,398	232,026
<i>Goodwill allocated to inventories</i>	-	-	73,836	87,211
Total	49,627	54,872	4,496,344	4,528,233
<i>Portion in current</i>	30,525	38,847	2,111,517	1,959,691
<i>Portion in non-current</i>	19,102	16,025	2,384,827	2,568,542

Book value of a project's land is transferred to caption "Real Estate under Construction" when units are placed for sale, that is, when the project is launched.

The Company reclassifies part of its inventories into non-current assets, according to launches scheduled for subsequent years, into the heading of "land for future development" or based on the completion schedule of its constructions, into the heading "property under construction".

The goodwill balance corresponds to the valuation of land properties, and the capitalized charges in the parent company are recorded as investments and in properties for sale in the consolidated, in accordance with pronouncement CPC No. 1.

Under the Company's new strategic plan, plots of land that would be used in the launches initially scheduled for 2013 were transferred and reclassified into non-current assets, until new launch dates are established.

The Company understands that the potential value of those plots of land remains higher than the recorded book value.

Allocation of financial charges

Loan, financing and debenture financial expenses, whose funds were used in the process of building real estate projects, are capitalized in caption "Inventories" and recognized in income under caption "Cost of Properties Sold" in the consolidated, in accordance with each project's sales percentage. The balances of financial charges applicable to the parent company are shown under "Investments", as Note 8.

Financial charges included in "Property under construction":

	<i>03/31/2013</i>	
	<i>Parent company</i>	<i>Consolidated</i>
Opening balance	64,074	232,026
<i>Capitalized finance costs related to:</i>	-	-
<i>Loans and financing</i>	-	67,373
<i>Debentures</i>	17,287	17,287
Total capitalized financial costs	17,287	84,660
<i>Charges appropriated to the statement of income in the cost of properties (consolidated) and financial expense (parent company)</i>	(21,029)	(88,288)
Total balance	60,332	228,398
Reclassification for investments (Note 8)	(60,332)	-
Balance in Inventories	-	228,398

7. Asset debentures

They refer to the non-convertible debentures issued by subsidiaries subscribed by the Company:

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Fator Amazon Empreendimentos S.A.</i>	4,770	4,533	1,966	1,064
<i>Fator Ícone empreendimentos S.A.</i>	6,276	5,964	-	-
<i>Jazz 2006 participações S.A.</i>	15,404	15,051	-	-
Total	26,450	25,548	1,966	1,064
<i>Portion in non-current</i>	26,450	25,548	1,966	1,064

The main characteristics, rates and issuance periods of outstanding debentures on March 31, 2013 are as follows:

<i>Description</i>	<i>Jazz</i>	<i>Amazon</i>	<i>Ícone</i>
Quantity (in thousand)	55,000	5,000	2,500
Nominal value	R\$1.00	R\$1.00	R\$1.00
Index	CDI + 3% p.a.	IGP-M + interest of 14% p.a.	IGP-M + interest of 14% p.a.
Maturity	2015	2014	2014

In the period ended March 31, 2013, the amounts of R\$902 (R\$1,836 in the period ended March 31, 2012) were accounted for under "Financial revenues" as other financial revenues.

8. Investments

Equity interest investments

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
<i>Investments in subsidiaries (Note 8b)</i>	5,405,483	5,352,793	-	-
<i>Investments in affiliates</i>	-	-	447,885	415,820
<i>Capitalized interest</i>	60,332	64,074	-	-
<i>Goodwill on land</i>	73,836	87,210	-	-
<i>Intangible assets (Note 10)</i>	412,025	412,025	-	-
<i>Investments in subsidiaries and associated companies</i>	5,951,676	5,916,102	447,885	415,820
<i>Other</i>	739	926	-	-
<i>FIP PDG (Note 8 d)</i>	-	-	57,028	-
<i>Other investments</i>	739	926	57,028	-
<i>Total</i>	5,952,415	5,917,028	504,913	415,820

a) Information on subsidiaries March 31, 2013

Interest in subsidiaries, valued using the equity method, are determined according to the balance sheets of the respective investees on the base date of March 31, 2013 and December 31 2012.

The Company has agreements of shareholders related to all jointly-controlled subsidiaries. Regarding the Management's resolutions of these jointly-controlled subsidiaries, the Company takes part of the Board of Directors and/or Executive Board, participating in all strategic decisions of the business.

Subsidiaries are engaged in performing real estate developments related to trading of home and commercial real estate.

Subsidiaries' quarterly information used to calculate equity in investees and to consolidate adopt the same accounting practices adopted by the Company, which are described in note 2, when applicable. The summary of main quarterly information of subsidiaries is described in Note 8.c.

Foreign currency translation - TGLT

TGLT is a publicly-held Company listed in *Bolsa de Comercio de Buenos Aires* (Buenos Aires stock exchange), with issuance of Depositary Receipts traded in the United States of America, each of them equivalent to five shares.

The accounting practices adopted in this partner are the same described in Note 2 and prepared in Argentinian pesos. The Company translates quarterly information based on CPC 02 – Translation of foreign exchange rate and accounts for effects of foreign exchange variation in caption “Valuation adjustments to equity” in Shareholders' equity.

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Interest in subsidiaries and subsidiaries under joint ownership							
Subsidiaries							
Agra Empreendimentos Imobiliários S.A.	38,100	-	(5,111)	-	-	2,707	35,696
Agre Empreendimentos Imobiliários S.A.	1,867,334	-	(10,982)	-	-	111,925	1,968,277
Amazon Empreendimentos Imobiliários Ltda	14,948	-	-	-	-	-	14,948
ATP Adelaide Participações S.A.	33,592	-	-	-	1	12,503	46,096
CHL Desenvolvimento Imobiliários S.A.	585,135	-	-	-	-	15,454	600,589
Clube Tuiuti Empreendimento S.A.	379	-	-	(9)	-	7	377
Companhia de Serviços Compartilhados S.A.	10	-	-	-	-	-	10
Ecolife Butantã Empreendimentos Imobiliários S.A.	(2,004)	-	-	-	-	(39)	(2,043)
Fator Aquarius Empreendimento Imobiliário Ltda	21,522	-	-	-	-	-	21,522
Fator Ícone Empreendimentos Imobiliários S.A.	3,506	-	-	-	-	-	3,506
Fator Sky Empreendimentos Imobiliários Ltda	14,191	-	-	-	-	-	14,191
Giardino Empreendimentos Imobiliários S.A.	284	-	-	-	-	-	284
Goldfarb Incorporações e Construções S.A.	688,034	-	-	-	-	(42,490)	645,544
PDG Araxá Income S.A.	24,432	-	-	-	-	233	24,665
PDG Companhia Loteadora S.A.	1,270	-	-	-	-	-	1,270
PDG Companhia Securitizadora S.A.	18,028	-	-	-	-	(5,009)	13,019
PDG Desenvolvimento Imobiliário S.A.	375,828	-	-	-	-	13,305	389,133
Sardenha Empreendimento Imobiliários S.A.	3,180	-	-	-	-	15	3,195
Jointly-controlled subsidiaries							
Administradora de Bens Avante Ltda.	9,367	-	-	-	-	-	9,367
Alves Pedroso Empreendimentos Imobiliários Ltda.	2,971	-	-	-	-	(294)	2,677
América Piqueri Incorporadora S.A.	197	-	-	-	-	16	213
Amsterdam Empreendimentos Imobiliários SPE Ltda.	5,396	-	-	-	-	44	5,440
API Spe 72 Planej. Desenv. Empreend. Imob. Ltda.	2,406	-	-	-	-	12	2,418
Aztronic Engenharia de Softwares Ltda.	3,357	-	-	(3,357)	-	499	499
Baguary Empreendimentos Imobiliários SPE Ltda.	23,520	-	-	-	-	1,226	24,746
Bandeirantes Empreendimento Imobiliário S.A.	3,109	-	-	-	(60)	294	3,343
Bento Lisboa Participações Ltda.	7,729	-	-	-	-	3,539	11,268
Boa Viagem Empreendimento Imobiliário S.A.	622	-	-	-	-	47	669
Bruxelas Empreendimentos Imobiliários SPE Ltda.	2,544	-	-	-	-	(223)	2,321
Camburiu Empreendimento Imobiliário S.A.	2,167	-	-	-	-	-	2,167
CHP 1000 2 Empreend. Ltda.	-	-	-	-	-	-	-
Clube Felicitá Empreendimento Imobiliário S.A.	5,406	-	-	-	-	-	5,406
Clube Florença Empreendimento Imobiliário S.A.	4,657	-	-	-	-	-	4,657
Cyrela Milão Empreendimentos Imobiliários S.A.	8,461	550	-	-	-	142	9,153
Cyrela Tennessee Empreendimentos Imobiliários S.A.	4,518	-	-	-	81	104	4,703

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Dom Pedro Empreendimento Imobiliário Ltda.	2,070	-	-	-	-	-	2,070
Ecolife Campestre Empreendimentos Imobiliários SPE Ltda.	6,156	-	-	-	-	(468)	5,688
Ecolife Cidade Universitária Empreend Imob. S.A.	242	-	-	-	-	49	291
Ecolife Independência Empreendimento Imobiliário S.A.	2,190	-	-	-	-	(2,836)	(646)
Ecolife Jaguaré Empreendimento Imobiliário S.A.	32,576	-	-	-	(20,354)	1,591	13,813
Ecolife Recreio Empreendimento Imobiliário S.A.	14,355	-	-	-	-	(846)	13,509
Ecolife Santana Empreendimento Imobiliário S.A.	(1,565)	-	-	-	-	501	(1,064)
Ecolife Parque Prado Empreendimento Imobiliário S.A.	(2,666)	-	-	-	-	(76)	(2,742)
Ecolife Vila Leopoldina Empreendimento Imobiliário S.A.	(1,126)	-	-	-	(23)	(37)	(1,186)
Finlândia Empreendimentos Imobiliários SPE Ltda.	1,211	-	-	-	-	25	1,236
Gardênia Participações S.A.	1,694	-	-	(42)	-	(180)	1,472
Giardino Desenvolvimento Imobiliário S.A.	239	-	-	-	-	-	239
Girassol - Vila Madalena Empreendimentos Imobiliários S.A.	125	-	-	-	-	(2)	123
Gold Acre Empreendimentos Imobiliários SPE Ltda.	126,262	-	-	-	-	2,144	128,406
Gold Alabama Empreend. Imobil SPE Ltda	74	-	-	-	-	(77)	(3)
Gold Alaska Empreendimentos Imobiliários SPE Ltda.	38,559	-	-	-	-	(576)	37,983
Gold Antiparos Empreendimentos Imobiliários Ltda.	2,297	-	-	-	-	(1)	2,296
Gold Bahamas Empreendimentos Imobiliários SPE Ltda.	7,427	-	-	-	-	151	7,578
Gold Black Empreendimentos Imobiliários SPE Ltda.	(6,966)	-	-	-	-	(1,658)	(8,624)
Gold Blue Empreend. Imob. SPE Ltda.	19,372	-	-	-	-	(617)	18,755
Gold Boston Empreendimentos Imobiliários SPE Ltda.	-	-	-	-	-	-	-
Gold Califórnia Empreend. Imobil SPE Ltda	2,318	-	-	-	-	(361)	1,957
Gold Canadá Empreendimentos Imobiliários SPE Ltda.	9,434	-	(2,638)	-	-	90	6,886
Gold Cancun Empreend. Imobil. SPE Ltda	1,609	-	-	-	-	-	1,609
Gold Celestino Bourruol Empreendimentos Imob. SPE Ltda.	2,863	-	-	-	-	(62)	2,801
Gold Chile Empreendimentos Imobiliários SPE Ltda.	5,585	-	-	-	-	471	6,056
Gold China Empreendimentos Imobiliários SPE Ltda.	3,996	-	-	-	-	(1,618)	2,378
Gold Colômbia Empreendimentos Imobiliários SPE Ltda.	5,047	-	-	-	-	-	5,047
Gold Cuba Empreend. Imobil SPE Ltda	7,631	-	-	-	-	(776)	6,855
Gold Delos Empreendimentos Imobiliários SPE Ltda.	4,784	-	-	-	-	(68)	4,716
Gold Donoussa Empreendimentos Imobiliários Ltda.	(6)	-	-	-	-	-	(6)
Gold Fiji Empreend. Imob. SPE Ltda.	5,438	-	-	-	-	(156)	5,282
Gold Flórida Empreendimentos Imobiliários SPE Ltda.	6,382	-	-	-	-	(303)	6,079
Gold Gana Empreend. Imobil SPE Ltda.	4,815	-	-	-	-	(263)	4,552

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital invest ments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Gold Geneva Empreendimentos Imobiliários SPE Ltda.	956	-	-	-	-	24	980
Gold Gray Empreend. Imobil SPE Ltda	1,890	-	-	-	-	(1,816)	74
Gold Havana Empreendimentos Imobiliários SPE Ltda.	3,516	-	-	-	-	-	3,516
Gold Holanda Empreendimentos Imobiliários SPE Ltda.	1,743	-	-	-	-	(1)	1,742
Gold Índia Empreend. Imobil. SPE Ltda.	2,082	-	-	-	-	(352)	1,730
Gold Irlanda Empreend. Imobil. SPE Ltda	5,107	-	-	-	-	33	5,140
Gold Japão Empreendimentos Imobiliários SPE Ltda.	2,127	-	-	-	-	12	2,139
Gold Kimolos Empreendimentos Imobiliários Ltda.	234	-	-	-	-	(1)	233
Gold Leucada Empreendimentos Imobiliários Ltda.	(64)	-	-	-	-	(80)	(144)
Gold Limoges Empreendimentos Imobiliários SPE Ltda.	767	-	-	-	-	-	767
Gold Linhares Empreendimentos Imobiliários Ltda.	292	-	-	-	-	-	292
Gold Lisboa Empreendimentos Imobiliários SPE Ltda.	5,466	-	-	-	-	18	5,484
Gold Los Angeles Empreendimentos Imobiliários Ltda.	1,178	-	-	-	-	(69)	1,109
Gold Lyon Empreend. Imobil SPE Ltda.	3,178	-	-	-	-	58	3,236
Gold Madri Empreendimentos Imobiliários SPE Ltda.	2,246	-	-	-	-	(384)	1,862
Gold Mali Empreendimentos Imobiliários SPE Ltda.	17,861	-	-	-	-	136	17,997
Gold Marília Empreendimentos Imobiliários SPE Ltda.	79,038	-	(14,899)	-	-	2,343	66,482
Gold Marrocos Empreendimentos Imobiliários SPE Ltda.	2,159	-	-	-	-	(21)	2,138
Gold Milano Empreendimentos Imobiliários SPE Ltda.	4,566	-	-	-	-	63	4,629
Gold Minas Gerais Empreendimentos Imobiliários SPE Ltda.	6,676	-	-	-	-	(10)	6,666
Gold Mônaco Empreendimentos Imobiliários SPE Ltda.	5,029	-	-	-	-	56	5,085
Gold Mykonos Empreendimentos Imobiliários Ltda.	482	-	-	-	-	-	482
Gold New York Empreendimentos Imobiliários SPE Ltda.	1,728	-	-	-	-	(142)	1,586
Gold Oregon Empreendimentos Imobiliários SPE Ltda.	3,343	-	-	-	-	(39)	3,304
Gold Palmares Empreendimentos Imobiliários SPE Ltda.	340	-	-	-	-	-	340
Gold Panamá Empreendimentos Imobiliários SPE Ltda.	4,466	-	-	-	-	12	4,478
Gold Paraíba Empreendimentos Imobiliários SPE Ltda.	2,147	-	-	-	-	(64)	2,083
Gold Pelotas Empreendimentos Imobiliários Ltda.	1,846	-	-	-	-	-	1,846
Gold Porto Alegre Empreendimentos Imobiliários SPE Ltda.	8,224	-	-	-	-	11	8,235
Gold Roraima mpreend. Imobil. SPE Ltda.	8,114	-	-	-	-	(216)	7,898
Gold Salvador Empreendimentos Imobiliários SPE Ltda.	27,278	-	-	-	-	57	27,335
Gold Santa Catarina Empreend. Imobil. Ltda	4,144	-	-	-	-	65	4,209
Gold Santiago Empreendimentos Imobiliários SPE Ltda.	2,431	-	-	-	-	(237)	2,194
Gold Santorini Empreendimentos Imobiliários Ltda.	6,020	-	-	-	-	272	6,292
Gold São Paulo Empreendimentos Imobiliários SPE Ltda.	7,737	-	-	-	-	75	7,812
Gold Sidney Empreendimentos Imobiliários SPE Ltda.	5,168	-	-	-	-	(186)	4,982
Gold Sikinos Empreendimentos Imobiliários Ltda.	7,159	-	-	-	-	(714)	6,445
Gold Singapura Empreendimentos Imobiliários SPE Ltda.	8,189	-	-	-	-	(59)	8,130
Gold Suécia Empreendimentos Imobiliários SPE Ltda.	7,594	-	-	-	-	-	7,594

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Gold Vênice Empreendimentos Imobiliários SPE Ltda.	2,735	-	-	-	-	(62)	2,673
Gold Vietnã Empreend. Imobil SPE Ltda	(82)	-	-	-	-	-	(82)
Gold Yellow Empreendimentos Imobiliários SPE Ltda.	(7,970)	510	-	-	-	(115)	(7,575)
Goldfarb 1 Empreendimentos Imobiliários Ltda.	242	-	-	-	-	(393)	(151)
Goldfarb 10 Empreendimento Imobiliário Ltda.	1,802	-	-	-	-	(4)	1,798
Goldfarb 11 Empreendimento Imobiliário Ltda.	(3)	-	-	-	-	-	(3)
Goldfarb 12 Empreendimento Imobiliário Ltda.	8,567	-	-	-	-	(1,578)	6,989
Goldfarb 13 Empreendimento Imobiliário Ltda.	8,915	-	-	-	-	55	8,970
Goldfarb 14 Empreendimento Imobiliário Ltda.	2,618	-	-	-	-	(10)	2,608
Goldfarb 15 Empreendimento Imobiliário Ltda.	1,245	-	-	-	-	6	1,251
Goldfarb 16 Empreendimento Imobiliário Ltda.	3,203	-	-	-	-	857	4,060
Goldfarb 18 Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-
Goldfarb 19 Empreendimento Imobiliário Ltda.	11,673	-	-	-	-	6	11,679
Goldfarb 2 empreendimento Imobiliário Ltda.	1,581	-	-	-	-	1,335	2,916
Goldfarb 20 Empreendimento Imobiliário Ltda.	4,637	-	-	-	-	797	5,434
Goldfarb 21 Empreendimento Imobiliário Ltda.	8,214	-	-	-	-	1,066	9,280
Goldfarb 22 Empreendimento Imobiliário Ltda.	4,419	-	-	-	-	25	4,444
Goldfarb 23 Empreendimento Imobiliário Ltda.	378	-	-	-	-	-	378
Goldfarb 24 Empreendimento Imobiliário Ltda.	195	-	-	-	-	-	195
Goldfarb 27 Empreendimento Imobiliário Ltda.	3,090	-	-	-	-	-	3,090
Goldfarb 28 Empreendimento Imobiliário Ltda.	(3)	-	-	-	-	-	(3)
Goldfarb 29 Empreendimento Imobiliário Ltda.	1,266	-	-	-	-	-	1,266
Goldfarb 3 empreendimento Imobiliário Ltda.	3	-	-	-	-	-	3
Goldfarb 30 Empreendimento Imobiliário Ltda.	1,495	-	-	-	-	49	1,544
Goldfarb 31 Empreendimento Imobiliário Ltda.	667	-	-	-	-	-	667
Goldfarb 34 Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-
Goldfarb 35 Empreendimento Imobiliário Ltda.	6,143	-	-	-	-	750	6,893
Goldfarb 36 Empreendimento Imobiliário Ltda.	4,677	-	-	-	-	14	4,691
Goldfarb 37 Empreendimento Imobiliário Ltda.	(1)	-	-	-	-	-	(1)

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Goldfarb 38 Empreendimento Imobiliário Ltda.	5,724	-	-	-	-	661	6,385
Goldfarb 39 Empreendimento Imobiliário Ltda.	1,161	-	-	-	-	-	1,161
Goldfarb 4 empreendimento Imobiliário Ltda.	585	-	-	-	-	-	585
Goldfarb 40 Empreendimento Imobiliário Ltda.	7,295	-	-	-	-	-	7,295
Goldfarb 49 Empreendimento Imobiliário Ltda.	10,799	-	-	-	-	950	11,749
Goldfarb 5 Empreendimento Imobiliário Ltda.	1,916	-	-	-	-	70	1,986
Goldfarb 6 Empreendimento Imobiliário Ltda.	33,103	-	-	-	-	(183)	32,920
Goldfarb 7 Empreendimento Imobiliário Ltda.	2,116	-	-	-	-	(502)	1,614
Goldfarb 8 Empreendimento Imobiliário Ltda.	1,787	-	-	-	-	(357)	1,430
Goldfarb 9 Empreendimento Imobiliário Ltda.	3,594	-	-	-	-	9	3,603
Goldfarb PDG 3 Incorporações Ltda.	(1,159)	-	-	-	-	(2,271)	(3,430)
Goldfarb PDG 4 Incorporações Ltda.	2,698	-	-	-	-	-	2,698
Goldfarb PDG 5 Incorp. e Constr. Ltda.	22,798	-	-	-	-	4,703	27,501
GPSPE2006-A Participações S.A.	62	-	-	-	-	(1)	61
Habiarte Barc Olhos D'água Incorporação S.A.	1	-	-	-	-	-	1
Habiarte Barc PDG Cidade Madri Incorporação S.A.	1,401	-	-	-	-	(883)	518
Habiarte Barc PDG Porto Búzios Incorporação S.A.	5,024	-	-	-	-	12	5,036
HB3 SPE Empreendimentos Imobiliários S.A.	2,824	-	-	-	(393)	364	2,795
HB9 SPE Empreendimentos Imobiliários S.A.	3,249	-	-	-	(576)	305	2,978
HL Empreendimentos S.A.	4	-	-	-	-	-	4
Jardim Morumbi Empreendimento Imobiliário S.A.	12,696	-	-	1,000	(517)	211	13,390
Jazz 2006 Participações S.A.	(1)	-	-	-	-	-	(1)
Kirmayr Negócios Imobiliários SPE Ltda.	2,879	-	-	-	-	(15)	2,864
KS Morumbi Empreendimento Imobiliário S.A.	3,457	-	-	-	-	-	3,457
Lapin Incorporações SPE Ltda.	1,130	-	-	-	-	-	1,130
Luxemburgo Empreendimentos Imobiliários SPE Ltda.	1,305	-	-	-	-	(242)	1,063
Marpal Empreendimentos e Participações Ltda.	45	-	-	-	-	(48)	(3)
Moinho Empreendimento Imobiliário S.A.	5,164	-	-	-	-	-	5,164

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Nova Água Rasa Empreendimentos Imobiliários SPE Ltda.	5,584	-	-	-	-	34	5,618
Nova Tatuapé Negócios Imobiliários SPE Ltda.	2,324	-	-	-	-	27	2,351
Oswaldo Lussac Empreendimentos Imobiliários S.A.	2,127	-	-	-	(42)	141	2,226
PDG – LN 2 Incorporação e Empreendimentos S.A.	3,554	-	-	-	224	(189)	3,589
PDG – LN 7 Incorporação e Empreendimentos S.A.	9,535	-	-	-	-	-	9,535
PDG – LN 8 Incorporação e Empreendimentos S.A.	1	-	-	-	-	-	1
PDG – LN 9 Incorporação e Empreendimentos S.A.	2,592	-	-	-	-	-	2,592
PDG – LN Incorporação e Empreendimentos S.A.	556	-	-	-	-	(6)	550
PDG BH Incorporações S.A.	9,800	-	-	-	-	(64)	9,736
PDG Jet Casa S.A.	-	-	-	-	-	-	-
PDG LN Incorporações e Construções S.A.	-	-	-	-	-	-	-
PDG Nova Lima Incorporações S.A.	26,045	-	-	-	-	-	26,045
PDG São Paulo Incorporações S.A.	188,870	-	-	-	-	12,262	201,132
PDG SPE 2 Empreendimentos Imobiliários Ltda.	48	521	-	-	-	25	594
Performance BR Empreendimentos Imobiliários S.A.	48,131	-	-	(500)	(653)	6,847	53,825
Premier da Serra Incorporações Imobiliárias S.A.	6,223	-	-	-	-	(161)	6,062
Prunus Empreendimentos S.A.	838	-	-	(837)	-	26	27
Queiroz Galvão Cyrela Empreendimentos Imobiliários S.A.	967	-	-	-	(14)	-	953
Queiroz Galvão Cyrela Mac Veneza Empreendimento Imobiliário S.A.	20,530	-	-	(8,023)	-	426	12,933
Saint Hilaire Incorporação SPE S.A.	1	-	-	-	-	-	1
São João Climaco Empreendimentos Imobiliários. Ltda.	2,278	-	-	-	-	12	2,290
Serra Bella Empreendimento Imobiliário S.A.	44,860	-	-	-	-	(1,050)	43,810
Splendore Empreendimentos Imobiliários S.A.	1,011	-	-	-	-	(50)	961
Tagipuru Empreendimentos Imobiliários S.A.	3,334	760	-	-	(2,998)	(2,159)	(1,063)
TGLT S.A.	49,835	-	-	-	-	-	49,835
Tibouchina Empreendimento S.A.	9,067	-	-	(4,500)	16	111	4,694
TP 1000 Empreendimentos Imobiliários Ltda.	7,217	-	-	-	-	-	7,217
Três Rios Empreendimento Imobiliário S.A.	104	-	-	-	-	(597)	(493)
Tutóia Empreendimento Imobiliário S.A.	41	-	-	-	-	1	42
Vista do Sol Empreendimentos Imobiliários S.A.	5,638	-	-	-	-	-	5,638
ZMF 22 Incorporações S.A.	62,035	-	-	(771)	(2,012)	1,865	61,117
ZMF5 Incorporações S.A.	20,019	218	-	-	-	(174)	20,063
ZMF9 Incorporações S.A.	(352)	-	-	-	-	(479)	(831)
ZMF 16 Incorporações S.A.	(5)	-	-	-	-	-	(5)
ZMF 10 Incorporações S.A.	1,666	-	-	-	-	2,721	4,387
ZMF 11 Incorporações S.A.	(2)	-	-	-	-	-	(2)

8. Investments – Continued

b) Changes in investments at the period ended March 31, 2013 - Continued

Investments	Balances at December 31, 2012	New capital investments	Capital reduction	Dividends	Capital gain (loss)	Income from inflation accounting	Balances at March 31, 2013
Gold Ikralia Empreend. Imob. SPE Ltda.	2,531	-	-	-	-	(346)	2,185
Gold Angola Empreend. Imob. SPE Ltda.	6,333	-	-	-	-	593	6,926
Gold Bósnia Empreend. Imob. SPE Ltda.	(1,444)	-	-	-	-	-	1,444
Gold Congo Empreend. Imob. SPE Ltda.	102	-	-	-	-	(1)	101
Gold Líbia Empreend. Imob. SPE Ltda.	5	-	-	-	-	-	5
Gold Málaga Empreend. Imob. SPE Ltda.	(1)	-	-	-	-	-	(1)
Gold Senegal Empreend. Imob. SPE Ltda.	764	-	-	-	-	-	764
Gold Sevilla Empreend. Imob. SPE Ltda.	3,405	-	-	-	-	13	3,418
Construtora DPG Ltda.	219	-	(118)	-	-	(222)	(121)
ZMF 19 Incorporações S.A.	(358)	-	-	-	-	230	(128)
PDG SPE 41 Empreend. Imob. Ltda.	(2)	-	-	-	-	-	(2)
Goldfarb 41 Empreend. Imob. Ltda.	1,925	-	-	-	-	-	1,925
Goldfarb 42 Empreend. Imob. Ltda.	(2)	-	-	-	-	-	(2)
ZMF 8 Incorporações S.A.	(1)	-	-	-	-	-	(1)
PDG SPE 3 Empreend. Imob. Ltda.	113	-	-	-	-	-	113
PDG SPE 31 Empreend. Imob. Ltda.	(77)	-	-	-	-	(1)	(78)
PDG SPE 34 Empreend. Imob. Ltda.	(13)	-	-	-	-	(1)	(14)
PDG SPE 36 Empreend. Imob. Ltda.	(1)	-	-	-	-	-	(1)
PDG SPE 17 Empreend. Imob. Ltda.	3,898	-	-	-	-	602	4,500
PDG SPE 18 Empreend. Imob. Ltda.	500	-	-	-	-	10	510
PDG SPE 19 Empreend. Imob. Ltda.	4,469	-	-	-	-	369	4,838
Ilhas Gregas Incorporadora SPE Ltda	1,296	-	-	-	-	146	1,442
Green Village - SPE GOLDFARB	(98)	-	-	-	-	(188)	(286)
Arona RJ participações S.A.	1	-	-	-	-	-	1
Haia RJ Participações S.A.	1	-	-	-	-	-	1
Varese RJ Participações S.A.	1	-	-	-	-	-	1
Agre Urbanismo S.A.	28,170	-	-	-	-	(5,485)	22,685
Gold Noruega Empreend. Imob. SPE Ltda.	60,316	-	-	-	-	(28)	60,288
REP DI Desenvolvimento Imobiliário S.A.	103,341	-	-	-	762	(1,727)	102,376
PDG SPE 21 Empreend. Imob. Ltda.	(2)	-	-	-	-	-	(2)
PDG SPE 24 Empreend. Imob. Ltda.	-	-	-	-	-	-	-
PDG-LN 21 Incorp. e Empreend. S.A.	575	-	-	-	(348)	8	235
PDG-LN 32 Incorp. e Empreend. S.A.	1,004	-	-	-	(96)	-	908
PDG-LN 33 Incorp. e Empreend. S.A.	2,540	-	-	-	(35)	(400)	2,105
PDG-LN 34 Incorp. e Empreend. S.A.	6,798	-	-	-	240	2,509	9,547
PDG-LN 35 Incorp. e Empreend. S.A.	2,625	-	-	-	-	(1)	2,624
PDG-LN 36 Incorp. e Empreend. S.A.	3,900	-	-	-	13	(854)	3,059
PDG-LN 37 Incorp. e Empreend. S.A.	367	-	(223)	-	-	-	144
PDG-LN 38 Incorp. e Empreend. S.A.	1	-	-	-	-	-	1
LN 8 Incorp. e Empreend. Ltda.	13,129	-	-	(866)	-	1,861	14,124
PDG-LN 10 Incorp. e Empreend. S.A.	(2)	-	-	-	-	-	(2)
PDG-LN 3 Incorp. e Empreend. S.A.	-	-	-	-	-	-	-
PDG-LN 4 Incorp. e Empreend. S.A.	13	-	-	-	-	-	13
SPE PDG LN 11 Incorp. Ltda.	219	-	-	-	-	-	219
SPE PDG LN 14 Incorp. Ltda.	1	-	-	-	-	-	1
LN 39 Incorp. e Empreend. Ltda.	2,898	-	-	-	(347)	(1)	2,550
PDG-LN 6 Incorp. e Empreend. S.A.	645	-	-	-	-	-	645
PDG-LN 28 Incorp. e Empreend. S.A.	11,172	-	-	-	-	-	11,172
PDG-LN 29 Incorp. e Empreend. S.A.	6,368	-	-	-	-	-	6,368
PDG-LN 31 Incorp. e Empreend. S.A.	8,437	-	-	-	-	-	8,437
Parque Milênio II Empreend. Imob. S.A.	1,607	-	-	-	-	-	1,607
Parque Milênio III Empreend. Imob. S.A.	2,687	-	-	-	-	-	2,687
Quadrade Empreend. Imob. Ltda.	1,992	-	-	-	-	-	1,992
Espaço Fator Empreend. Imob. S.A.	2,628	-	-	-	-	-	2,628
Overall total	5,352,793	2,559	(33,971)	(17,905)	(27,131)	129,132	5,405,483

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries and jointly-controlled subsidiaries included in consolidation

Investments	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	SHAREHOLDERS' EQUITY	Income for the quarter	Dividends paid or prop.	Total assets	Net income	Acquisition date
AGRE emp. imob. Ltda	100%	-	Full	37,744,636,571	377,446	1,940,203	88,095	-	2,450,005	57,691	May/10
PDG Incorp.Constr.Urbaniz. Corretora Ltda	100%	-	Full	10,000	10	77,304	(18,282)	-	332,243	(2,027)	Sept/09
Boa Viagem emp. imob. S.A.	100%	100%	Full	128,966,024	1,290	1,339	95	2,211	1,456	4	Mar/04
Tagipuru emp. imob. S.A.	0%	100%	Full	1,874,313,285	18,743	393	(2,414)	36,470	24,135	(4,517)	Aug/07
Bento Lisboa Part. S.A.	0%	100%	Full	40,900,000	900	28,171	8,848	(12,751)	79,038	1,282	Sept/05
CHL desenv. imob. S.A.	100%	-	Full	282,414,043	519,985	768,135	21,231	850	2,721,245	30,887	Jan/07
Bandeirantes emp. imob. S.A.	20%	80%	Full	17,833,178	17,833	15,360	76	-	21,626	(618)	Nov/07
CHI desenv. imob. Ltda.	0.10%	99.90%	Full	2,144,190	2,144	(2,573)	(376)	-	150	-	Nov/06
Oswaldo Lussac emp. imob. S.A.	20%	80%	Full	14,068,322	14,068	4,905	703	-	15,348	(1,525)	Jul/11
Goldfarb incorp. e Construções S.A.	100%	-	Full	206,154,432	831,503	636,490	(51,695)	-	3,836,551	18,783	Feb/06
Alves Pedrosa emp. imob. Ltda.	50%	50%	Full	6,400,000	6,400	2,385	(587)	-	6,020	(5)	Jul/07
Amsterdan emp. imob. SPE Ltda.	50%	50%	Full	16,850,736	16,851	5,485	89	-	16,229	46	Dec/06
API SPE 60 Planej. e desenv. de emp. imob. Ltda.	0.10%	99.90%	Full	3,525,523	3,525	6,870	-	-	29,379	6,930	Sept/10
API SPE 72 Planej. e desenv. de emp. imob. Ltda.	50%	50%	Full	5,167,404	5,167	2,430	24	-	6,248	-	Sept/10
Baguary emp. imob. SPE Ltda.	50%	50%	Full	37,827,244	37,827	25,973	2,452	-	67,815	2,385	Jul/07
Bruxelas emp. imob. SPE Ltda.	50%	50%	Full	17,987,200	17,987	9,943	(446)	-	13,640	5,757	Dec/06
Finlândia emp. imob. SPE Ltda.	50%	50%	Full	4,400,000	4,400	1,261	50	-	3,181	(3)	Jul/07
Gold Acre emp. imob. SPE Ltda.	50%	50%	Full	161,312,422	161,312	131,064	4,287	-	437,197	5,092	Dec/07
Gold Alabama emp. imob. SPE Ltda.	50%	50%	Full	175,900	176	(81)	(154)	-	4	-	Apr/08
Gold Alaska emp. imob. SPE Ltda.	50%	50%	Full	61,327,262	61,327	37,408	(1,152)	-	107,695	2,329	Dec/07
Gold Angola emp. imob. SPE Ltda.	50%	50%	Full	19,762,200	19,762	7,559	1,186	-	185,259	8,951	Jul/09
Gold Antiparos emp. imob. SPE Ltda.	50%	50%	Full	4,926,300	4,926	2,295	(2)	-	7,272	-	Jul/08
Gold Bahamas emp. imob. SPE Ltda.	50%	50%	Full	11,295,582	11,296	7,729	302	-	14,760	10	Mar/07
Gold Black emp. imob. SPE Ltda.	50%	50%	Full	12,428,126	12,428	(10,283)	(3,316)	-	34,433	448	Dec/07
Gold Blue emp. imob. SPE Ltda.	50%	50%	Full	45,458,802	45,459	18,380	(1,235)	-	136,235	10,089	Dec/07
Gold Bósnia emp. imob. SPE Ltda.	50%	50%	Full	2,900,000	2,900	1,445	1	-	9,899	-	Jul/09
Gold Califórnia emp. imob. SPE Ltda.	50%	50%	Full	11,875,700	11,876	1,615	(721)	-	3,875	-	Apr/08
Gold Canadá emp. imob. SPE Ltda.	50%	50%	Full	13,571,982	18,849	7,141	179	-	30,968	1,096	Nov/07
Gold Cancun emp. imob. SPE Ltda.	50%	50%	Full	5,682,640	3,217	1,609	-	-	31,858	-	Dec/07
Gold Celestino Bourruol emp. imob. SPE Ltda.	50%	50%	Full	6,611,298	6,611	2,739	(124)	-	8,801	3	Dec/06
Gold Chile emp. imob. SPE Ltda.	50%	50%	Full	3,097,000	3,097	7,130	942	-	138,179	7,345	Mar/08
Gold China emp. imob. SPE Ltda.	50%	50%	Full	18,761,880	18,762	761	(3,235)	-	35,487	-	May/07
Gold Colômbia emp. imob. SPE Ltda.	50%	50%	Full	11,486,500	10,395	5,048	-	-	11,299	-	Aug/07
Gold Congo emp. imob. SPE Ltda.	50%	50%	Full	255,000	255	101	(1)	-	280	-	Jul/09
Gold Cuba emp. imob. SPE Ltda.	50%	50%	Full	19,175,800	19,176	6,226	(1,553)	-	35,354	25	Apr/08
Gold Delos emp. imob. SPE Ltda.	50%	50%	Full	2,698,400	2,698	5,457	(138)	-	112,553	16,267	Jul/08
Gold Donoussa emp. imob. SPE Ltda.	50%	50%	Full	8,000	8	(7)	(1)	-	1	-	Jul/08
Gold Fiji emp. imob. SPE Ltda.	50%	50%	Full	13,699,756	13,700	5,126	(313)	-	20,705	-	Jul/09
Gold Flórida emp. imob. SPE Ltda.	50%	50%	Full	6,797,606	6,798	5,778	(605)	-	32,036	(96)	Apr/08
Gold Gana emp. imob. SPE Ltda.	50%	50%	Full	3,793,900	3,794	4,304	(525)	-	34,251	524	Jul/09
Gold Geneva emp. imob. SPE Ltda.	50%	50%	Full	5,600,000	5,600	1,005	49	-	5,856	222	May/07
Gold Gray emp. imob. SPE Ltda.	50%	50%	Full	3,822,000	3,822	(1,741)	(3,631)	-	412	-	Dec/07
Gold Havana emp. imob. SPE Ltda.	50%	50%	Full	7,098,014	7,098	3,516	-	-	7,341	-	May/07
Gold Holanda emp. imob. Ltda.	50%	50%	Full	3,796,634	3,797	1,741	(2)	-	4,996	-	Jan/07

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries included in consolidation - Continued

Investments	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	SHARE HOLDE RS' EQUITY	Income for the quarter	Dividend s paid or prop.	Total assets	Net income	Date of acquisition
Gold Ikratia emp. imob. SPE Ltda.	50%	50%	Full	9,091,900	9,092	2,124	(693)	-	25,228	3,153	Sept/08
Gold India emp. imob. SPE Ltda.	50%	50%	Full	7,958,878	7,959	1,563	(704)	-	50,515	531	Dec/07
Gold Irlanda emp. imob. SPE Ltda.	50%	50%	Full	12,586,262	12,586	5,173	66	-	18,673	90	May/07
Gold Japão emp. imob. SPE Ltda.	50%	50%	Full	3,886,254	3,886	2,150	24	-	5,723	4	Jul/07
Gold Kimolos emp. imob. SPE Ltda.	50%	50%	Full	509,900	510	232	(3)	-	1,136	-	Sept/08
Gold Leucada emp. imob. SPE Ltda.	50%	50%	Full	76,900	877	(198)	(161)	-	7,918	(257)	Sept/08
Gold Libia emp. imob. SPE Ltda.	50%	50%	Full	14,000	14	4	(1)	-	4,526	-	Jul/09
Gold Limoges emp. imob. SPE Ltda.	50%	50%	Full	1,541,998	1,542	767	(1)	-	12,343	-	Jul/09
Gold Lisboa emp. imob. SPE Ltda.	50%	50%	Full	10,983,800	10,984	5,501	35	-	10,778	28	Apr/07
Gold Los Angeles emp. imob. SPE Ltda.	50%	50%	Full	4,526,266	4,526	1,403	(138)	-	33,381	102	Dec/07
Gold Lyon emp. imob. SPE Ltda.	50%	50%	Full	5,473,300	5,473	3,382	116	-	28,233	1,015	Jul/09
Gold Madri emp. imob. SPE Ltda.	50%	50%	Full	2,830,460	2,830	1,478	(767)	-	3,308	2	Jul/07
Gold Mali emp. imob. SPE Ltda.	50%	50%	Full	21,684,518	21,685	18,132	271	-	36,175	495	Mar/08
Gold Marília emp. imob. SPE Ltda.	50%	50%	Full	85,844,762	115,643	68,825	4,686	-	149,857	3,014	Dec/07
Gold Mykonos emp. imob. SPE Ltda.	50%	50%	Full	1,013,500	1,014	482	(1)	-	1,214	-	Sept/08
Gold New York emp. imob. SPE Ltda.	50%	50%	Full	4,968,000	4,968	1,444	(284)	-	3,663	7	Sept/07
Gold Noruega emp. imob. SPE Ltda.	50%	50%	Full	116,712,614	116,713	60,260	(56)	-	178,691	3,520	Mar/07
Gold Marrocos emp. imob. SPE Ltda.	50%	50%	Full	3,400,000	3,284	2,118	(41)	-	6,973	4	Jul/07
Gold Milano emp. imob. SPE Ltda.	50%	50%	Full	7,428,130	72,428	4,691	126	-	15,856	152	Nov/07
Gold Minas Gerais emp. imob. SPE Ltda.	50%	50%	Full	8,136,516	8,137	6,657	(20)	-	8,621	(1)	Mar/08
Gold Mônaco emp. imob. SPE Ltda.	50%	50%	Full	5,000,000	5,000	5,142	113	-	16,288	51	Sept/07
Gold Oregon emp. imob. SPE Ltda.	50%	50%	Full	7,488,408	7,488	3,264	(79)	-	6,442	39	Jul/08
Gold Panamá emp. imob. SPE Ltda.	50%	50%	Full	14,122,200	14,122	4,490	24	-	10,515	351	Dec/07
Gold Paraíba emp. imob. SPE Ltda.	50%	50%	Full	6,464,700	6,465	2,020	(128)	-	4,666	11	Nov/07
Gold Pelotas emp. imob. SPE Ltda.	50%	50%	Full	3,973,000	3,973	1,847	-	-	19,731	-	Dec/07
Gold Porto Alegre emp. imob. SPE Ltda.	50%	50%	Full	10,541,498	10,541	8,246	22	-	19,696	55	Jun/07
Gold Purple emp. imob. SPE Ltda.	50%	50%	Full	20,780,150	20,780	(1,379)	(1,831)	-	57,160	3,729	Dec/07
Gold Roraima emp. imob. SPE Ltda.	50%	50%	Full	15,953,992	15,954	7,683	(430)	-	12,541	7	Dec/07
Gold Salvador emp. imob. SPE Ltda.	50%	50%	Full	34,169,660	34,170	27,391	113	-	55,967	146	Mar/07
Gold Santa Catarina emp. imob. SPE Ltda.	50%	50%	Full	5,639,550	5,640	4,275	131	-	22,938	161	Dec/07
Gold Santiago emp. imob. SPE Ltda.	50%	50%	Full	7,603,308	7,603	1,958	(474)	-	18,078	(665)	Dec/07
Gold Santorini emp. imob. SPE Ltda.	50%	50%	Full	24,205,424	24,205	7,110	546	-	162,310	11,165	Sept/08
Gold São Paulo emp. imob. SPE Ltda.	50%	50%	Full	14,810,000	14,810	7,886	150	-	16,106	35	Sept/07
Gold Senegal emp. imob. SPE Ltda.	50%	50%	Full	1,552,200	1,552	764	-	-	10,385	-	Jul/09
Gold Sevilla emp. imob. SPE Ltda.	50%	50%	Full	5,768,300	5,768	3,431	26	-	7,880	28	Jul/09
Gold Sidney emp. imob. SPE Ltda.	50%	50%	Full	9,444,484	9,444	4,795	(373)	-	12,876	17	Apr/07
Gold Sikinos emp. imob. SPE Ltda.	50%	50%	Full	20,556,510	20,557	6,581	(1,428)	-	180,662	16,324	Sept/08
Gold Singapura emp. imob. SPE Ltda.	50%	50%	Full	15,023,238	15,023	8,072	(117)	-	22,335	(53)	Feb/07
Gold Suécia emp. imob. SPE Ltda.	50%	50%	Full	30,999,280	15,225	7,594	-	-	17,991	-	Jun/07
Gold Vênice emp. imob. SPE Ltda.	50%	50%	Full	9,791,900	9,792	2,611	(123)	-	7,252	(8)	Jul/07
Gold Vietna emp. imob. SPE Ltda.	50%	50%	Full	67,000	67	(82)	-	-	7	-	Dec/07
Gold Yellow emp. imob. SPE Ltda.	50%	50%	Full	5,742,014	4,721	(7,130)	(229)	-	54,820	4,327	Dec/07
Goldfarb 1 emp. imob. Ltda.	50%	50%	Full	2,447,000	2,447	(331)	(787)	-	21,314	2,481	Sept/09
Goldfarb 2 emp. imob. Ltda.	50%	50%	Full	3,921,850	3,922	2,683	2,669	-	57,757	6,469	Sept/09
Goldfarb 3 emp. imob. Ltda.	50%	50%	Full	31,000	31	3	-	-	12	-	Sept/09
Goldfarb 4 emp. imob. Ltda.	50%	50%	Full	1,174,800	1,175	585	-	-	2,003	-	Sept/09
Goldfarb 5 emp. imob. Ltda.	50%	50%	Full	5,672,200	5,672	2,139	140	-	24,775	3,123	Oct/09
Goldfarb 6 emp. imob. Ltda.	50%	50%	Full	43,576,900	43,577	32,736	(367)	-	72,404	437	Sept/09

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries included in consolidation - Continued

Investments	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	SHAREHOLDERS' EQUITY	Income for the quarter	Dividends paid or prop.	Total assets	Net income	Acquisition date
Goldfarb 7 emp. imob. Ltda.	50%	50%	Full	8,302,300	8,302	1,377	(1,003)	-	38,686	4,787	Oct/09
Goldfarb 8 emp. imob. Ltda.	50%	50%	Full	7,429,502	7,430	1,235	(714)	-	46,571	4,143	Oct/09
Goldfarb 9 emp. imob. Ltda.	50%	50%	Full	6,984,800	6,985	3,613	19	-	8,425	20	Sept/09
Goldfarb 10 emp. imob. Ltda.	50%	50%	Full	3,608,200	3,608	1,793	(8)	-	16,484	-	Sept/09
Goldfarb 11 emp. imob. Ltda.	50%	50%	Full	1,000	1	(3)	-	-	30	-	Oct/09
Goldfarb 12 emp. imob. Ltda.	50%	50%	Full	24,134,800	24,135	5,884	(3,156)	-	52,679	4,258	Oct/09
Goldfarb 13 emp. imob. Ltda.	50%	50%	Full	3,525,730	3,526	9,039	111	-	53,057	979	Oct/09
Goldfarb 14 emp. imob. Ltda.	50%	50%	Full	5,932,800	5,933	2,598	(21)	-	14,779	-	Oct/09
Goldfarb 15 emp. imob. Ltda.	50%	50%	Full	2,518,000	2,518	1,258	13	-	2,711	-	Oct/09
Goldfarb 16 emp. imob. Ltda.	50%	50%	Full	2,000	2	5,236	1,714	-	54,647	6,212	Oct/09
Goldfarb 18 emp. imob. Ltda.	50%	50%	Full	14,000	14	-	-	-	2	-	Oct/09
Goldfarb 19 emp. imob. Ltda.	50%	50%	Full	6,387,900	6,388	11,749	12	-	59,835	996	Oct/09
Goldfarb 20 emp. imob. Ltda.	50%	50%	Full	3,298,500	3,299	6,798	1,594	-	101,154	8,124	Oct/09
Goldfarb 21 emp. imob. Ltda.	50%	50%	Full	7,759,800	7,760	10,666	2,131	-	43,544	3,860	Oct/09
Goldfarb 22 emp. imob. Ltda.	50%	50%	Full	7,929,200	7,929	4,674	50	-	25,164	204	Oct/09
Goldfarb 23 emp. imob. Ltda.	50%	50%	Full	814,000	814	377	-	-	764	-	Oct/09
Goldfarb 24 emp. imob. Ltda.	50%	50%	Full	393,000	393	195	-	-	941	-	Oct/09
Goldfarb 27 emp. imob. Ltda.	50%	50%	Full	6,187,500	6,188	3,090	-	-	11,112	-	Sept/10
Goldfarb 28 emp. imob. Ltda.	50%	50%	Full	2,000	2	(3)	-	-	-	-	Oct/09
Goldfarb 29 emp. imob. Ltda.	50%	50%	Full	2,555,000	2,555	1,266	-	-	4,260	-	Sept/10
Goldfarb 30 emp. imob. Ltda.	50%	50%	Full	3,798,900	3,799	1,592	97	-	9,299	-	Oct/09
Goldfarb 31 emp. imob. Ltda.	50%	50%	Full	1,392,900	1,393	667	-	-	5,647	-	Oct/09
Goldfarb 33 emp. imob. Ltda.	50%	50%	Full	10,533,500	10,534	6,527	707	-	33,845	3,901	Oct/09
Goldfarb 34 emp. imob. Ltda.	50%	50%	Full	66,000	66	-	-	-	41	-	Oct/09
Goldfarb 35 emp. imob. Ltda.	50%	50%	Full	16,472,500	16,473	7,642	1,499	-	37,446	-	Oct/09
Goldfarb 36 emp. imob. Ltda.	50%	50%	Full	5,296,500	5,299	4,762	28	-	27,908	746	Oct/09
Goldfarb 37 emp. imob. Ltda.	50%	50%	Full	2,000	2	(2)	-	-	2	-	Oct/09
Goldfarb 38 emp. imob. Ltda.	50%	50%	Full	3,815,700	3,816	7,328	1,323	-	42,054	4,598	Oct/09
Goldfarb 39 emp. imob. Ltda.	50%	50%	Full	2,410,000	2,411	1,159	(1)	-	2,609	-	Oct/09
Goldfarb 40 emp. imob. Ltda.	50%	50%	Full	14,596,100	14,596	7,294	(1)	-	14,942	-	Oct/09
Goldfarb 41 emp. imob. Ltda.	50%	50%	Full	3,914,000	3,914	1,925	-	-	20,692	-	Apr/10
Goldfarb 42 emp. imob. Ltda.	50%	50%	Full	2,000	2	(2)	-	-	2	-	Mar/10
Goldfarb 49 emp. imob. Ltda.	50%	50%	Full	8,920,700	8,921	13,743	1,899	-	106,916	7,809	Mar/10
Goldfarb PDG 3 incorp. Ltda.	50%	50%	Full	25,742,206	25,742	(5,446)	(4,541)	-	52,905	3,908	Dec/07
Goldfarb PDG 4 incorp. S.A	50%	50%	Full	5,426,502	5,427	2,699	-	-	22,670	-	Dec/07
Goldfarb PDG 5 incorp. S.A.	50%	50%	Full	52,523,564	52,522	32,209	9,408	-	86,684	368	Dec/07
Goldfarb Vila Guilherme Construções Ltda.	80%	20%	Full	50,000	50	(286)	(153)	-	697	11	Jun/03
Ilhas Gregas Incorporadora SPE Ltda	50%	50%	Full	500,000	500	1,687	292	-	19,250	2,260	Mar/11
Kirmayr Negócios imob. SPE Ltda.	50%	50%	Full	5,771,400	5,771	2,848	(31)	-	6,089	31	Nov/06
Luxemburgo emp. imob. SPE Ltda.	50%	50%	Full	6,170,428	6,170	821	(483)	-	9,126	8	Jul/07
Marpal emp. e Part. Ltda.	50%	50%	Full	248,170	248	(51)	(96)	-	80	-	Mar/08
Nova Água Rasa emp. imob. SPE Ltda.	50%	50%	Full	10,686,990	10,687	5,651	67	-	11,027	(174)	Nov/06
Nova Tatuapé Negócios Imob. SPE Ltda.	50%	50%	Full	6,308,104	6,308	1,833	(29)	-	1,799	6	Nov/06
PDG SPE 1 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	(1)	-	3	-	Sept/10
PDG SPE 2 emp. imob. Ltda.	50%	50%	Full	1,042,000	1042	619	49	-	1,208	-	Aug/10
PDG SPE 3 emp. imob. Ltda.	50%	50%	Full	270,000	270	113	(1)	-	239	-	Aug/10
PDG SPE 4 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	(1)	-	700	-	Aug/10
PDG SPE 5 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	3	-	Apr/11

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries included in consolidation - Continued

Investments	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	SHAREHOLDERS' EQUITY	Income for the quarter	Dividends paid or prop.	Total assets	Net income	Acquisition date
PDG SPE 11 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	2	-	Sept/10
PDG SPE 13 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	1	-	Sept/10
PDG SPE 14 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	1	-	Sept/10
PDG SPE 15 emp. imob. Ltda.	50%	50%	Full	1,000	1	(7)	-	-	-	-	Sept/10
PDG SPE 16 emp. imob. Ltda.	50%	50%	Full	1,000	1	432	201	-	9,789	2,493	Sept/10
PDG SPE 17 emp. imob. Ltda.	50%	50%	Full	1,000	1	5,213	1,203	-	42,569	3,983	Sept/10
PDG SPE 18 emp. imob. Ltda.	50%	50%	Full	1,000	1	529	20	-	8,946	164	Sept/10
PDG SPE 19 emp. imob. Ltda.	50%	50%	Full	1,000	1	5,287	739	-	36,167	1,104	Sept/10
PDG SPE 22 emp. imob. Ltda.	50%	50%	Full	1,000	1	4,674	50	-	25,164	204	Sept/10
PDG SPE 24 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	1	-	Sept/10
PDG SPE 31 emp. imob. Ltda.	50%	50%	Full	1,000	1	(79)	(1)	-	1,145	-	Aug/10
PDG SPE 34 emp. imob. Ltda.	50%	50%	Full	1,000	1	(14)	(1)	-	46,679	-	Aug/10
PDG SPE 37 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	3	-	Aug/10
PDG SPE 38 emp. imob. Ltda.	50%	50%	Full	1,000	1	(49)	31	-	23,225	-	Aug/10
PDG SPE 39 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	61	-	Aug/10
PDG SPE 44 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	(1)	-	2	-	Aug/10
PDG SPE 46 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	2	-	Aug/10
PDG SPE 47 emp. imob. Ltda.	50%	50%	Full	1,000	1	6,766	(79)	-	14,343	-	Aug/10
PDG SPE 52 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	-	-	Aug/10
PDG SPE 53 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	-	-	Aug/10
São João Climaco emp. imob. Ltda.	50%	50%	Full	5,502,000	5,502	2,302	23	-	5,797	15	Jul/07
Scorpio incorp. Ltda.	99.90%	0.10%	Full	267,269,918	3,060	2,661	-	-	4,181	-	Aug/08
Serra Bella emp. imob. S.A.	70%	30%	Full	37,351,032	37,351	17,725	(1,501)	-	52,563	1,257	Jul/07
Villagio Splendore emp. imob. S.A.	75%	25.00%	Full	200,000	200	283	(66)	-	1,986	10	
ZMF 8 incorp. Ltda.	100%	-	Full	1,000	1	(1)	-	-	3	-	Nov/10
ZMF 10 incorp. Ltda.	100%	-	Full	1,000	1	4,789	5,442	-	29,195	4,894	Mar/10
ZMF 11 incorp. Ltda.	100%	-	Full	1,000	1	(3)	(1)	-	3	-	Mar/10
ZMF 16 incorp. Ltda.	50%	50%	Full	1,000	1	(5)	-	-	18	-	Mar/10
ZMF 17 incorp. Ltda.	50%	50%	Full	1,000	1	-	-	-	11	-	Mar/10
ZMF 18 incorp. Ltda.	50%	50%	Full	1,000	1	-	-	-	2,850	-	Mar/10
ZMF 19 incorp. Ltda.	50%	50%	Full	1,000	1	231	460	-	14,549	3,038	Mar/10
Club Felicitá emp. imob. S.A.	100%	-	Full	9,357,338	12,476	10,810	-	-	29,039	-	Oct/07
Club Florença emp. imob. S.A.	100%	-	Full	4,833,142	6,444	9,313	-	-	9,570	-	Oct/07
PDG-LN 2 incorp. e emp. S.A.	66%	4%	Full	6,300,000	9,000	7,180	(379)	-	15,007	(376)	May/08
PDG-LN 3 incorp. e emp. S.A.	40%	60%	Full	1,001,000	1,001	-	-	-	-	-	Jun/12
PDG-LN 4 incorp. e emp. S.A.	80%	20%	Full	51,000	51	16	-	-	11,849	-	Jun/12
PDG-LN 6 incorp. e emp. S.A.	80%	20%	Full	9,001,000	9,001	807	-	-	858	-	Jun/12

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries included in consolidation - Continued

Investments	Direct	Indirect	Consolidati on criteria	Quantity of shares	Capital	SHARE HOLDE RS' EQUITY	Income for the quarter	Dividends paid or prop.	Total assets	Net income	Date of acquisition
PDG-LN 7 incorp. e emp. S.A.	90%	10%	Full	10,000,000	10,000	19,069	-	-	72,346	-	Oct/07
PDG-LN 9 incorp. e emp. S.A.	70%	5%	Full	7,189,239	9,586	5,183	-	(8,300)	11,072	-	May/08
PDG-LN 10 incorp. e emp. S.A.	40%	60%	Full	1,000	1	(3)	-	-	2,316	-	Jun/12
PDG-LN 28 incorp. e emp. S.A.	54%	13%	Full	7,254,249	10,827	13,964	-	-	37,695	-	Jun/12
PDG-LN 29 incorp. e emp. S.A.	64%	16%	Full	213,200	267	9,948	-	-	44,440	-	Jun/12
PDG-LN 31 incorp. e emp. S.A.	80%	20%	Full	5,496,387	5,496	10,444	-	-	24,803	-	Jun/12
PDG-LN 32 incorp. e emp. S.A.	80%	20%	Full	1,407,600	1,408	1,135	-	-	7,984	-	Jul/10
PDG-LN 33 incorp. e emp. S.A.	80%	20%	Full	3,186,359	3,186	2,631	(500)	-	5,712	(500)	Jun/12
PDG-LN 34 incorp. e emp. S.A.	80%	20%	Full	7,507,567	6,732	11,147	3,136	-	32,664	2,809	Jun/12
PDG-LN 35 incorp. e emp. S.A.	80%	20%	Full	4,000,000	4,000	3,280	(1)	-	4,448	(1)	Jun/12
PDG-LN 36 incorp. e emp. S.A.	80%	20%	Full	6,068,807	6,069	3,823	(1,067)	-	9,266	(954)	Jun/12
PDG-LN 37 incorp. e emp. S.A.	80%	20%	Full	461,600	462	180	-	-	11,535	-	Jun/12
PDG-LN 38 incorp. e emp. S.A.	80%	20%	Full	2,000	2	-	-	-	-	-	Jun/12
PDG São Paulo incorp. S.A.	100%	-	Full	965,166	239,832	200,986	12,116	-	320,280	2,233	Mar/08
GDP 1 incorp. SPE Ltda.	99.99%	0.01%	Full	1,000	1	(595)	(1)	-	22,241	17,380	Aug/10
GDP 3 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	924	(563)	-	30,870	15,811	Dec/11
GDP 4 incorp. SPE Ltda.	0.01%	99.99%	Full	519,935,565	4,764	8,208	591	-	30,708	8,549	Dec/11
GDP 5 incorp. SPE Ltda.	0.01%	99.99%	Full	487,100,000	1	4,441	-	-	9,562	(4)	Dec/11
GDP 6 incorp. SPE Ltda.	99.99%	0.01%	Full	6,380,000	1	-	-	-	82	2	Dec/11
GDP 9 incorp. SPE Ltda.	0.01%	99.99%	Full	3,700,000	1	(26)	-	-	35	-	Dec/10
GDP 11 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	8	(1)	-	836	25	Nov/10
LBC emp. imob. SPE Ltda.	50.00%	-	Full	76,324	7,632	11,697	1,126	-	40,803	5,777	Nov/10
PDG SP 1 incorp. SPE Ltda.	99.99%	0.01%	Full	140,300,000	1	(1,764)	(124)	-	258	16	Oct/10
PDG SP 2 incorp. SPE Ltda.	0.01%	99.99%	Full	1,414,513,995	7,763	8,705	(232)	-	46,521	21,001	Oct/10
PDG SP 6 incorp. SPE Ltda.	0.01%	99.99%	Full	934,188,394	8,176	15,561	722	-	45,908	22,784	Oct/10
PDG SP 8 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	(150)	(48)	-	167	6	Oct/10
PDG SP 9 incorp. SPE Ltda.	0.01%	99.99%	Full	3,398,000	3,398	9,517	833	-	35,617	12,213	Oct/10
PDG SP 10 incorp. SPE Ltda.	99.99%	0.01%	Full	2,314,972	2,315	4,826	760	-	22,126	6,508	Oct/10
PDG SP 15 incorp. SPE Ltda.	99.99%	0.01%	Full	826,000	826	3,328	696	-	21,701	4,481	Oct/10
STXRock 10 desenv. imob. S.A.	0.01%	99.99%	Full	6,553,152	6,553	12,341	1,162	-	42,457	3,269	May/11
Vital Palácio Miraflores incorp. Ltda.	0.01%	99.99%	Full	5,057,499	5,057	7,648	(19)	-	36,265	21,223	Oct/10
ZMF 23 incorp. S.A.	0.01%	99.99%	Full	100	-	(35)	-	-	12,766	-	Mar/10
REP - Real Estate Partners desenv. imob. S.A.	57.46%	-	Full	95,265,670	203,150	185,063	-	-	341,916	-	Mar/08
ZMF 22 incorp. S.A.	49%	51%	Full	240,905,433	251,412	127,750	6,043	-	1,163,835	4,402	Sept/10
ATP Adelaide participações S.A.	100%	-	Full	11,871,017	11,871	28,696	2,925	-	50,791	(4,525)	Apr/08
Companhia de Serviços Compartilhados	100%	-	Full	1,001,000	1,001	10	-	-	25	-	Jul/08
GPSPE 2006-A participações S.A.	66.70%	-	Full	1,000	1	92	(2)	-	118	-	Apr/07
PDG Araxá Income S.A.	100%	-	Full	15,599,581	9,800	24,666	234	-	30,842	240	Apr/08
PDG Companhia Loteadora	100%	-	Full	1,299,570	1,300	1,270	-	-	1,296	-	Apr/08
PDG Companhia Securitizadora	100%	-	Full	14,405,538	14,406	19,828	1,800	-	96,340	2,696	Aug/08
PDG desenv. imob. S.A.	100%	-	Full	107,671,419	282,671	377,309	1,480	-	1,317,126	6,577	Jul/05
Performance BR emp. imob. S.A.	68%	-	Full	26,716,550	26,716	79,156	10,070	(736)	84,286	10,531	Jun/07
ZMF 5 incorp. S.A.	100%	-	Full	22,280,600	22,281	20,059	(174)	-	20,154	-	Apr/08

8. Investments – Continued

c) Information as of March 31, 2013 on subsidiaries included in consolidation - Continued

Investments	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	SHARE HOLDERS' EQUITY	Income for the quarter	Dividends paid or prop.	Total assets	Net income	Acquisition date
PDG BH incorp. S.A.	80%	-	Full	18,343,855	18,344	12,170	(80)	(3,500)	20,904	22	Oct/07
PDG Nova Lima incorp. S.A.	80%	-	Full	32,000,100	32,000	32,557	-	-	58,243	-	Oct/07
Premier da Serra incorp. imob. S.A.	80%	-	Full	4,032,897	4,033	7,578	(201)	(2,400)	8,966	(146)	Jun/08
Colore emp. imob. SPE S.A.	80%	-	Full	46,261,870	34,401	15,189	1,196	-	31,084	1,222	Feb/07
Ecolife Butanta emp. imob. S.A.	100%	-	Full	2,353,000	2,353	(2,042)	(39)	-	662	-	Dec/04
Ecolife Campestre emp. imob. S.A.	81.71%	-	Full	13,280,205	12,659	6,963	(573)	-	42,963	(7)	Apr/08
Ecolife Freguesia emp. imob. S.A.	80%	-	Full	9,725,079	9,725	(614)	(745)	-	10,819	(217)	Jun/06
Ecolife Independência emp. imob. S.A.	80%	-	Full	14,468,707	14,469	(807)	(3,544)	-	71,331	(2,959)	Feb/07
Ecolife Parque Prado emp. imob. S.A.	80%	-	Full	7,167,821	7,168	(2,601)	(95)	-	6,613	(27)	Mar/06
Ecolife Recreio emp. imob. S.A.	79.10%	-	Full	20,806,643	25,489	17,074	(1,069)	-	44,979	(682)	Feb/07
Ecolife Santana emp. imob. S.A.	80%	-	Full	10,762,146	10,762	(1,329)	626	-	8,689	748	Feb/07
Ecolife Vila Leopoldina emp. imob. S.A.	80%	-	Full	1,601,063	1,601	(1,482)	(46)	-	1,691	(17)	Jul/06
Amazon emp. imob. Ltda.	100%	-	Full	30,942,008	20,096	14,948	-	-	28,785	-	Aug/06
Aquarius emp. imob. Ltda.	100%	-	Full	25,387,844	10,370	21,523	-	-	25,950	-	Aug/06
Sky emp. imob. S.A.	100%	-	Full	4,560,000	4,560	14,191	-	(260)	15,541	-	Aug/06
TP 1000 emp. imob. Ltda.	100%	-	Full	7,300,000	7,300	7,217	-	-	7,485	-	Aug/06

8. Investments - Continued

d) Investment in shares

FIP PDG

The Company, through its subsidiary Agra Empreendimentos Imobiliários S.A., maintains an exclusive investment fund whose main assets are shares of closed capital companies. This fund is recognized under caption "Other ownership interest" of the consolidated balance. Fund shares are measured at market value and their earnings are recognized in the subsidiary's income.

On March 28, 2013, the Fund acquired interest in privately-held companies for the amounts described below, totaling investments of R\$57,028.

<i>SPE</i>	<i>Interest (%)</i>	<i>Value of the investment</i>
<i>Atmos</i>	<i>95%</i>	<i>3,908</i>
<i>Greenville E (Plano)</i>	<i>95%</i>	<i>26,204</i>
<i>Greenville I (Lumno)</i>	<i>95%</i>	<i>2,773</i>
<i>Reserva 3 (Platã)</i>	<i>38.94%</i>	<i>24,143</i>
<i>Total</i>	<i>—</i>	<i>57,028</i>

The balance at March 31, 2013 from this FIP is R\$ 57,028 (R\$ 57,337 as of December 31, 2012). which is recorded as investment in other equity.

9. Property, plant and equipment

Property, plant and equipment is segregated in well-defined classes, its main assets are commercial lands and buildings of the subsidiary REP DI, evaluated at construction cost (fair value), and its depreciation is directly associated to the process of trading properties and other assets related to its operating activities. There are effective controls on property, plant and equipment assets that permit the identification of losses and changes in the estimates of assets' useful lives.

The annual depreciation is calculated by the linear method throughout the useful life of the assets, at rates which consider the estimated useful lives of the assets, as follow:

Annual depreciation rate		Parent company 03/31/2013			Parent company 12/31/2012
		Cost	Accumulated depreciation	Property, plant and equipment, net	Property, plant and equipment, net
Fixed assets for use					
Furniture and fixtures	10%	379	(208)	171	181
Computers	20%	3,847	(460)	3,387	3,428
Sales stands	(*)	11,411	(9,973)	1,438	1,662
Total		15,637	(10,641)	4,996	5,271

(*) Annual depreciation ate depends on the useful life of each sales stand.

	Annual depreciation rate	Consolidated - 03/31/2013			Consolidated - 12/31/2012
		Cost	Accumulated depreciation	Property, plant and equipment, net	Property, plant and equipment, net
Construction in progress	-	-	-	-	-
Fixed assets for use		757,830	(373,167)	384,663	395,174
Sales stands	(*)	366,168	(319,745)	46,423	56,105
Land	-	102,962	-	102,962	101,866
Buildings	4%	169,294	(7,855)	161,439	161,588
Machinery and equipment	10%	37,712	(9,568)	28,144	29,082
Furniture and fixtures	10%	16,359	(7,504)	8,855	9,092
Computers	20%	25,455	(12,939)	12,516	13,185
Vehicles and Aircraft	20%	4,433	(2,131)	2,302	2,544
Leasehold improvements	10%	16,367	(7,340)	9,027	9,355
Other	0% to 10%	19,080	(6,085)	12,995	12,357
Total		757,830	(373,167)	384,663	395,174

(*) Annual depreciation ate depends on the useful life of each sales stand.

9. Property, plant and equipment – Continued

Financial leases

In accordance with CPC 06 (R1) – Lease Transactions, financial leases that transfer to the Company all risks and benefits related to the property of leased item are capitalized at the beginning of lease at fair value or, if lower, at current value of minimum lease payments. When applicable, direct initial costs incurred in the transaction are added to cost.

Financial lease payments are allocated to financial charges and to reduction of financial lease liabilities so as to obtain a constant interest rate on remaining liabilities balance. Financial charges are recognized in the statement of income.

The Company, through its subsidiary Goldfarb Incorporações e Construções S.A. has a financial lease contract referring to an aircraft Cessna Model 550 (Citation Bravo), from Safra Leasing S.A. Financial lease contracted on January 15, 2010 over a period of 42 months.

In compliance with CVM Decision no. 554, of November 12, 2008, and with CPC 06 – Lease Transactions, we present the following data related to leases:

Leases	03/31/2013	12/31/2012	Acquisition
Cost - 6 Cranes Model ZHONGWEN QYZ63	2,340	-	06/04/2008
Cost Value – Aircraft Cessna Model 550 (Citation Bravo) – Year 2006	7,806	7,806	01/15/2010
Accumulated depreciation	(3,400)	(3,161)	
Total net	6,746	4,645	

The transaction asset is recorded in quarterly financial information under caption “Property, plant and equipment” and is being depreciated according to the asset's estimated useful life.

Current value of lease minimum future payments of lease transactions were calculated in the subsidiary Goldfarb and is recorded in other debts under “Loans and financing” (Note 12):

Future payments current value	03/31/2013	12/31/2012
Portion in current liabilities	2,598	3,028
Portion in non-current liabilities	-	192
Total	2,598	3,220

10. Intangible assets

The change in intangible assets in the period ended March 31, 2013:

	Parent company				Consolidated			
	Intangible assets (net) 12/31/2012	Additions	Write-offs	Intangible assets (net) 03/31/2013	Intangible assets (net) 12/31/2012	Additions	Write-offs	Intangible assets (net) 03/31/2013
Goodwill								
Agre empreendimentos Imobiliários	275,900	-	-	275,900	405,691	-	(580)	405,111
Agre urbanismo Ltda.	3,403	-	-	3,403	3,439	-	-	3,439
CHL desenvolvimento imobiliário S.A	59,443	-	-	59,443	65,280	-	-	65,280
Goldfarb incorp. e Construções S.A.	38,377	-	-	38,377	54,423	-	(1,014)	53,409
ZMF 13	-	-	-	-	-	2,592	-	2,592
Ln8 incorp e empreendimentos	2,944	-	-	2,944	2,944	-	-	2,944
PDG desenvolvimento imobiliário	-	-	-	-	37,951	-	-	37,951
ZMF 22	-	-	-	-	16	-	-	16
PDG LN incorp e construções S.A	3,438	-	-	3,438	3,438	-	-	3,438
REP DI desenv imobiliário S.A	11,927	-	-	11,927	16,212	-	(4,285)	11,927
Other	4,632	-	-	4,632	9,037	29	(4,366)	4,700
Total	412,025	-	-	412,025	598,431	2,621	(10,245)	590,807
Software and other intangible assets	31,478		(994)	30,485	31,033	-	(549)	30,484
Subtotal	443,503	-	(994)	442,510	629,464	2,621	(10,794)	621,291
Reallocation for investments (Nota 8)	(412,025)	-	-	(412,025)	-	-	-	-
Closing balance	31,478	-	(994)	30,485	629,464	2,621	(10,794)	621,291

Changes to intangible assets in 2012 were as follows:

	Parent company					Consolidated				
	Net intangible assets 12/31/2011	Additions	Write-offs	Net intangible assets 12/31/2012	Reclassifications in 2012	Adjusted net intangible assets 12/31/2012	Net intangible assets 12/31/2011	Additions	Write-offs	Net intangible assets 12/31/2012
Goodwill										
Agre empreendimentos imobiliários *	446,459	-	-	446,459	(170,559)	275,900	411,149	-	(5,458)	405,691
Agre urbanismo Ltda.	3,403	-	-	3,403	-	3,403	3,403	36	-	3,439
CHL desenvolvimento imobiliário S.A	59,443	-	-	59,443	-	59,443	63,699	1,581	-	65,280
Goldfarb Incorporações e construções S.A	38,378	-	(1)	38,377	-	38,377	50,087	4,336	-	54,423
Jazz 2006 participações S.A	-	-	-	-	-	-	8,563	-	(8,563)	-
Ln8 incorporação e empreendimentos	2,944	-	-	2,944	-	2,944	2,944	-	-	2,944
PDG desenvolvimento imobiliário	-	-	-	-	-	-	45,163	-	(7,212)	37,951
PDG Jet Casa SA	816	-	(816)	-	-	-	816	-	(816)	-
PDG LN incorporações e construções S.A	3,439	-	(1)	3,438	-	3,438	3,439	-	(1)	3,438
REP DI desenvolvimento imobiliário S.A	11,927	-	-	11,927	-	11,927	12,655	3,557	-	16,212
Other	1,607	3,025	-	4,632	-	4,632	5,576	3,477	-	9,053
Total	568,416	3,025	(818)	570,623	(170,559)	400,064	607,494	12,987	(22,050)	598,431
Impairment										
Jazz 2006 participações S.A	(7,260)	7,260	-	-	-	-	(7,260)	7,260	-	-
Gold Cancun empreend. imob. SPE Ltda.	(76)	76	-	-	-	-	(76)	76	-	-
Total	(7,336)	7,336	-	-	-	-	(7,336)	7,336	-	-
Software and other intangible assets	29,749	5,478	(3,749)	31,478	-	31,478	35,226	-	(4,193)	31,033
Subtotal	590,829	15,839	(4,567)	602,101	(170,559)	602,101	635,384	20,323	(26,243)	629,464
Adjustment of software in 2011 **	-	-	-	-	31,478	31,478	-	-	-	-
Goodwill relocation to inventory (Note 6)	(590,829)	(15,839)	4,567	(602,101)	170,559	(602,101)	-	-	-	-
Reallocation for investments (Note 9)	(590,829)	(15,839)	4,567	(602,101)	170,559	(602,101)	-	-	-	-
Closing balance	-	-	-	-	31,478	31,478	669,542	20,323	(26,243)	629,464

*Write-offs refer to amortizations of goodwill acquired prior to enactment of Law 11638/2007 and to reclassifications of associates' goodwill to caption Investments.

10. Intangible assets – Continued

Methodology used – Impairment test

The impairment test was prepared considering the assumptions used for the projection and the monitoring of the company's projected cash flows, using a perpetuity model. It was split into three major items: (i) Income from property sales; (ii) Property development and construction costs and selling and administrative expenses; and (iii) net indebtedness (total debt less cash and available funds).

The flows referring only to the transactions (income, costs and expenditures) were reduced to present value as of December 31, 2012 at a capital weighted-average cost rate of 8.9% per year (the debt average cost was calculated considering the debt weight, and cost of capital in relation to the current shareholders' equity over the company's value were calculated). The flow was perpetuated after 10 years with a 2% growth rate that is estimated for the Brazilian economy. The projected amounts do not reflect the projection of inflation nor debts and discount rates.

The projected income was split into two major items: (i) contracted income from properties sold and (ii) income from unsold property inventories. Income from unsold inventories is based on historical sales curves (statistical basis) and the updated price list for each enterprise. Direct sale incomes are based on contractual maturity of installments, with reserves for statistical percentages of defaults and related recoveries. Amounts received for transfer within the Financial Housing System are calculated with basis on assumptions of property delivery dates and financing agreements to support production.

Land development and property construction costs are based on estimates for projects in progress and new launch schedules. Selling and administrative expenses are based on the Company's budget and take into account the size of the operations.

The net indebtedness was projected with basis on the liability lines related to debts to third parties not foreseen in projected cash flows less the available funds in assets.

Software intangible assets

Assets classified as "Software and other intangible assets" correspond to the Company's operating software acquisition and implementation costs whose amortization started in January 2011. During the period ended March 31, 2013, the amount of R\$994 was amortized and accounted for in the Company's income (R\$ 3,749 at the year ended December 31, 2012). Software amortization period was estimated as eight years.

11. Operations with related parties

The Company's related-party transactions are performed at terms that are equivalent to those contracted with independent related parties.

11.1. Advances for future capital increase

Amounts classified as non-current assets under advances for future capital increase (AFAC) refer to contribution intended to make projects' initial stage possible. These contributions are not subject to any index or interest rate and will be the object of a decision by part of shareholders as regards their capitalization.

11.2. Debenture transactions

Debenture balances classified in the Parent company's non-current assets are remunerated at rates that may vary from IGP-M plus interest of 12% p.a. to IGP-M plus interest of 14% p.a. and CDI plus interest of 3% p.a. to TR plus interest of 3% p.a., as shown in chart of Note 7.

11. Operations with related parties - Continued

11.3. Management remuneration

The Company's Executive Board and Management remuneration limit for 2013 was determined as R\$25,000 according to Extraordinary Shareholders' Meeting held on April 29, 2013 (R\$30,000 for 2012). Amounts recorded as remuneration, profit sharing, dividends and/or benefits in general during the period ended March 31, 2013 was R\$5,027 (R\$ 1,011 in the quarter ended March 31, 2012), less share-based remuneration.

As of March 31, 2013, the Company's Executive Board and Management is comprised as follows:

	03/31/2013	03/31/2012
Board of Directors		
Base Remuneration	480	216
Fiscal Council		
Base Remuneration	72	28
Executive Board		
Base Remuneration	1,168	767
Profit sharing	3,307	-
Total	5,027	1,011

Management's variable remuneration is comprised of profit sharing and are usually provisioned at the end of each year.

The Company, based on item 8 of the CVM/SNC/SEP official circular No. 01/2013 of February 8, 2013, presents the following references regarding disclosure of related-party transactions:

- (a) short-term benefits to employees and management (item 11.3 of the Note 11);
- (b) post-employment benefits (Not applicable);
- (c) other long-term benefits (Not applicable);
- (d) benefits on termination of employment contract (Not applicable); and
- (e) share-based remuneration (Share purchase option plan - Disclosed in Note 23).

11.4. Collateral signatures and guarantees

As of March 31, 2013, collateral signatures provided by the Company to its subsidiaries totaled R\$6,111,937 (R\$6,109,622 as of December 31, 2012) to guarantee contracted real estate credit transactions with prime banks.

Subsidiaries are compliant with all contract conditions of said real estate credit transactions.

11. Operations with related parties - Continued

Related party balances

Balances and transactions with related parties are shown below:

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
Assets				
<i>Debentures – Non-current Assets (Note 7)</i>	26,450	25,548	1,966	1,064
<i>Related Parties' Loans– Current and non-current assets</i>	119,960	118,616	51,206	49,664
<i>Related Parties – Current and Non-Current Assets</i>	18,547	18,547	-	-
<i>FACA – Non-current assets</i>	762,460	826,777	-	-
Liabilities				
<i>Related parties – Current and non-current liabilities</i>	40,028	40,024	-	-

Liabilities to related companies have no established maturities and no financial charges.

The main purpose of loan transactions and balances receivable from subsidiaries and associated entities was to fund the initial stage of the enterprises, based on commercial relationships with the related parties for the development and construction activities.

12. Loans and financing

The Company reduces cash exposure of each project using third-party funds to finance construction through SFH (housing finance system) and working capital facilities offered by prime financial institutions.

Consolidated breakdown of the Company's loans as of March 31, 2013 and December 31, 2012, per debt type, is as follows:

<i>Type of debt</i>	<i>Parent company</i>		<i>Average rate</i>	<i>Guarantee</i>
	<i>03/31/2013</i>	<i>12/31/2012</i>		
<i>SFH</i>	80,636	86,082	<i>CDI up to CDI + 7.44% and TJPL (long term interest rate) +1%</i>	<i>Mortgage/ receivables/ collateral signatures</i>
<i>Working capital</i>	283,040	290,597	<i>TR + 8.0% up to TR + 13.50%</i>	<i>Collateral signature PDG / pledge and credit rights / property to be built in 90 days</i>
<i>FINEP</i>	116,406	115,779	<i>TR + 8.0% up to TR + 8.25%</i>	<i>PDG surety</i>
Total	480,082	492,458		
<i>Portion in current liabilities</i>	66,137	72,583		
<i>Portion in non-current liabilities</i>	413,945	419,875		

12. Loans and financing -- Continued

<i>Type of debt</i>	<i>Consolidated</i>		<i>Average rate</i>	<i>Guarantee</i>
	<i>03/31/2013</i>	<i>12/31/2012</i>		
<i>SFH</i>	3,287,257	3,217,296	TR + 8.0% up to TR + 13.50%	Receivables/ proportional surety/ mortgage/ guarantee/ pledge/ real estate mortgage/ guarantors
<i>Working capital</i>	1,061,363	1,062,359	CDI up to CDI + 6.36% and TJPL (long term interest rate) +1%	PDG collateral signature/ mortgage/ credit rights/ proportional collateral signature/ CDB
<i>FINEP</i>	117,307	115,779	from 5.25% to 8.25%	PDG surety
<i>Other debts</i>	2,598	16,620		
Total	4,468,525	4,412,054		
<i>Portion in current liabilities</i>	2,115,809	1,901,739		
<i>Portion in non-current liabilities</i>	2,352,716	2,510,315		

Long-term loans and financing mature as follows:

<i>Year</i>	<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>
2014	1,144,226	1,305,364
2015	714,412	527,166
2016	318,124	326,341
2017	113,076	200,825
2018	18,969	125,516
2019 onwards	43,909	25,103
Total	2,352,716	2,510,315

13. Redeemable preferred shares

On June 14, 2010, 52,434,457 preferred shares redeemable by Goldfarb Investimentos S.A. (formerly denominated ZMF 22), subsidiary of PDG, were issued at issuance price of R\$2.67 per Redeemable Preferred Share. The total issue amount of the redeemable preferred shares was R\$140,000.

On September 2010, 59,925,094 preferred shares redeemable by Goldfarb Investimentos S.A., subsidiary of PDG, were issued at issuance price of R\$2.67 per Redeemable Preferred Share. The total issue amount of the redeemable preferred shares was R\$160,000.

Redeemable preferred shares are entitled to restricted vote and to the following equity advantages:

- a) Fixed, priority and cumulative dividends to be paid on an annual basis ("Cumulative Fixed Dividends") on the following dates: June 15, 2011; June 15, 2012; June 15, 2013; June 15, 2014 and June 15, 2015, regardless of General Meeting decision and of special trial balance survey;
- b) Cumulative Fixed Dividend to be paid in each Fixed Dividend Payment Date linked to investment value contributed by the investor that holds preferred shares;
- c) Will be redeemable pursuant to the terms provided for in Goldfarb Investimentos S.A. Bylaws; and
- d) Other rights related to preferred investor condition.

Redeemable Preferred Shares issued by Goldfarb Investimentos S.A., due to its characteristics, were classified as financial instruments and dividends were classified in income under account "Other Operating Expenses"

The amount is recorded under "Other liabilities and outstanding balances are as follow:

	<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Short-term</i>	<i>19,422</i>	<i>13,778</i>
<i>Non-current</i>	<i>300,000</i>	<i>300,000</i>
	<i>319,422</i>	<i>313,778</i>

On June 15, 2012, Goldfarb Investimentos S.A. paid R\$35,654 of preferred dividends.

13. Redeemable preferred shares - Continued

On June 15, 2011, the amount of R\$29,830 was paid as dividends of these preferred shares and was accounted for in income under caption gains and losses from subsidiaries.

14. Debentures and Bank Credit Notes (CCB's)

14.1 Debentures

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Debentures				
<i>PDG Realty S.A. - 1st Issuance</i>	255,038	261,339	255,038	261,339
<i>(-) Cost of the 1st Issuance</i>	(2,985)	(3,115)	(2,985)	(3,115)
<i>PDG Realty S.A. - 3rd Issuance</i>	180,618	246,592	180,618	246,592
<i>(-) Cost of 3rd Issuance</i>	(775)	(915)	(775)	(915)
<i>PDG Realty S.A. - 4th Issuance</i>	247,771	265,667	247,771	265,667
<i>(-) Cost of 4th Issuance</i>	(1,897)	(1,960)	(1,897)	(1,960)
<i>PDG Realty S.A. - 5th Issuance</i>	607,468	621,727	607,468	621,727
<i>(-) Cost of 5th Issuance</i>	(3,509)	(3,899)	(3,509)	(3,899)
<i>PDG Realty S.A. - 6th Issuance</i>	125,324	117,331	125,324	117,331
<i>(-) Cost of 6th Issuance</i>	(235)	(252)	(235)	(252)
<i>PDG Realty S.A. - 7th Issuance</i>	150,040	153,923	150,040	153,923
<i>(-) Cost of the 7th issuance</i>	(2,976)	(3,106)	(2,976)	(3,106)
<i>PDG Realty S.A. - 8th Issuance (*)</i>	125,311	89,508	125,311	89,508
Total debentures	1,679,193	1,742,840	1,679,193	1,742,840
<i>Portion in current liabilities</i>	479,850	316,727	479,850	316,727
<i>Portion in non-current liabilities</i>	1,199,343	1,426,113	1,199,343	1,426,113

(*) The fair value of such issuance is shown in Note 20.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.2 Bank credit notes

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Liabilities from CCB issuance				
2nd Series of 1st Issuance	26,521	27,082	26,521	27,082
3rd Series of 1st Issuance	92,100	93,774	92,100	93,774
4th Series of 1st Issuance	7,800	7,944	7,800	7,944
15th Series of 1st Issuance	254,886	250,436	254,886	250,436
22nd Series of 1st Issuance	46,569	47,927	51,022	47,927
2nd Series of 2nd Issuance	-	-	90,377	93,027
3rd Series of 2nd Issuance	-	-	111,702	114,523
3rd Series of 3rd Issuance	-	-	419,608	413,404
5th Series of 3rd Issuance	201,194	204,845	201,194	201,863
7th Series of 3rd Issuance	254,597	250,272	254,594	250,272
Total CCB issuance	883,667	882,280	1,509,804	1,500,252
Portion in current liabilities	211,919	-	428,606	-
Portion in non-current liabilities	671,748	882,280	1,081,198	1,500,252

Debentures have clauses determining maximum indebtedness levels and EBITDA ratio, covenants, calculated based on the Company's consolidated financial statements. For the six-month period ended June 30, 2012, the Company renegotiated covenants with creditors of the 1st, 3rd and 5th issuances, thus avoiding early maturity of debts. Renegotiation terms will be effective over 12 months counted as of June 30, 2012.

The Company's management, as a preventive measure, negotiated the clauses of the first, third and fifth debenture issuances, which established the possibility of accelerated maturity if financial covenants were not met.

In the case of the first debenture issuance, the observation of that clause was suspended in relation to the financial information of the 2nd quarter of 2012 and the financial information/statements for the next 12 months, counting from that quarter.

In the third and fifth debenture issuances, the Company was waived from observing the financial covenant of positive EBIT, for the financial information for the 2nd quarter of 2012, up to the end of the 2nd quarter of 2013. In addition, for the financial information/statements for the 3rd quarter of 2012 up to the 1st quarter of 2013, the calculation of the financial covenant will exclude the result of the 2nd quarter of 2012 and the previous quarters. After that period, in the disclosure of financial information for the 2nd quarter of 2013, the Company will resume observing the positive EBIT financial covenant as established in the debentures, using the financial statements for the preceding 12 months.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.3. 1st issuance of non-convertible debentures

On July 24, 2007, the Company completed the 1st Issuance of the Primary Public Distribution of debentures that issued 25,000 simple, non-convertible, registered, nominative, unsecured debentures in a single series, with par value of R\$10. Debentures were fully subscribed and mature in seven years, being remunerated at CDI variation plus 0.9% per year. Amortization is in four annual installments beginning as of July 1, 2011.

1st Issuance debentures have early maturity clauses upon occurrence of some events, such as: (i) legitimate protest of notes against the Company at individual value of R\$7,000 or higher aggregate value equivalent to 2% of the Company's shareholders' equity; (ii) non-compliance with any court decision or final judgment determining the execution of notes at unit or aggregate value higher than the equivalent in Reais of 2% of the Company's shareholders' equity; (iii) non-compliance or early maturity of any financial obligation at individual or aggregate value higher than R\$5,000; and (iv) approval of merger, spin-off, incorporation or any other form of corporate reorganization involving the Company and/or its subsidiaries, except if the merger, spin-off or incorporation: (a) meets requirements of Article 231 of the Brazilian Corporate Law; or (b) if the Company's and the 1st Issuance of Debentures' risk classifications (*ratings*) are reviewed by an international renowned agency and are not lowered to a level lower than the rating assigned for Issuance purposes; or (c) has as object an entity that holds corporate interest in CHL Desenvolvimento Imobiliário S.A. or in Goldfarb Incorporações e Construções S.A., among others.

On June 29, 2011, the Company executed an addendum that changed debentures main characteristics as follows:

Debentures will mature in 11 years counted as of Issuance Date, with final maturity on July 01, 2018 ("Maturity Date"). Upon Maturity Date, the Company is obliged to pay the balance of Unit Nominal Value of Debentures that are still outstanding, plus remuneration, in currency, as follows:

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.3. 1st issuance of non-convertible debentures - Continued

As of the Third Amendment's Effective Date, the Debentures will earn interest in accordance with the rate to be defined by the Bookbuilding procedure, equal to 100% (one hundred percent) of the accrued daily average rates for one-day "over extra group" Interbank Deposits, found and disclosed on a daily basis by CETIP in the daily bulletin located in its Internet page at <http://www.cetip.com.br> ("DI Rate"), plus a 1.80% (one and eight-tenths percent) per annum spread based on 252 (two hundred and fifty-two) business days, to levy on the yet unpaid Unit Face Value pursuant to the Deed, as of the Issue Date and the last compensation payment date that coincides with the Expiry Date, and paid at the end of each Capitalization Period (as defined below) ("Compensation").

3.3. In view of the new grace period and the new provision on repayment periods, the Deed's Clause 4.3. shall become effective with the following wording:

"4.3. Repayment: the Debentures shall be repaid annually in 4 (four) annual, equal and consecutive installments, payable following the three-year grace period as of the date of the change in nature, i.e.: July 1, 2011 ("New Principal Payment Grace Period"), starting on July 1, 2015 (each one a "Payment Date"), subject to the following proportions:

Payment Date	Percentage of Debentures Outstanding subject to Repayment
July 01, 2015	25%
July 01, 2016	25%
July 01, 2017	25%
July 01, 2018	25%

14.4. 3rd Issuance of debentures - non-convertible debentures

On August 31, 2009 the Shareholders' Meeting approved the Company's 3rd non-convertible Debenture Issue, of the secured kind in one sole series. 300 registered bookkeeping debentures were issued of a R\$ 1000 face value, totaling R\$ 300,000. The 3rd Debenture Issue public deed was undersigned on September 11, 2009 with the Severance Payment Fund (FGTS) and provides for expiry in five years as of the issue date. Principal payments will have a 36-month grace period and will occur every six months thereafter. The papers will earn interest according to the TR plus 8.75% per annum, and interest will be paid every six months.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.4. 3rd issuance of non-convertible debentures – Continued

The proceeds from this debenture issue will be intended to fund the construction of housing projects covered by the SFH - the Housing Financial System's legal framework.

The Company's liabilities arising from the 3rd Debenture Issue will be mainly by the assignment of the credit rights owned by the Special Purpose Entities (SPEs) that developed the projects subject to funding, as well as a lien on the quotas issued by these SPEs.

The 3rd Debenture Issue papers have accelerated payment clauses in case of certain events such as: (i) the lawful and repeated protest of papers of an individual sum equal to or greater than 1% of the Company's net worth, or a joint sum equal to or greater than 2% of the Company's net worth; (ii) any event of disposal, assignment or transfer of Company assets of a sum equal to or greater than 10% of the Issuer's net worth; and (iii) the spin-off, merger or take-over or any manner of corporate reorganization by the Company and/or its Relevant Subsidiaries, unless the merger, spin-off or take-over: (a) meets the requirements of the Corporation Law's article 231; or (b) if on a review of the risk rating of the Company and the 3rd Debenture Issue by an internationally known agency, they are not downgraded to a level below the rating attributed to the 3rd Debenture Issue; or (c) the purpose of which is an entity in which the Company holds an interest, or an entity which holds as its key asset a corporate interest in an entity in which the Company also holds an interest; or (d) should the merger, spin-off or take-over not involve the SPEs the shares or quotas of which were given in security for compliance with of the Company's obligations in connection with the 3rd Debenture Issue; or further (e) if the Company is taking over and Goldfarb or CHL are being taken over.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.5. 4th Issuance of debentures - non-convertible debentures

On August 10, 2010 the Company approved the 4th simple non-convertible debenture issue, of an unsecured nature, for public distribution and totaling R\$ 280,000, maturing in August 2016. A total of 280 debentures with nominal value of R\$ 1,000 were issued. The debentures were paid in cash in Brazilian currency when they are subscribed.

These debentures earn compensation equal to the accrued average one-day DI Rates – Interbank Deposits, plus a 2.40% per annum spread, expressed as a per annum percentage based on 252 business days, compounded pro rata temporis per business days elapsed and to levy on the Debentures' unpaid Unit Face Value, as of the date of issue or the immediately preceding Compensation date, as applicable, and paid at the end of each Capitalization Period until actual repayment.

14.6. 5th Issuance of debentures - non-convertible debentures

On September 17, 2010 the Company approved the 5th simple non-convertible debenture issue, of an unsecured nature, for public distribution and totaling R\$ 600,000, maturing in August 2015. A total of 600 debentures with nominal value of R\$ 1,000 were issued. The debentures were paid in cash in Brazilian currency when they are subscribed.

The Company may at any time acquire the debentures outstanding at a price not greater than their Unit Face Value plus pro rata temporis compensation as of the date of issue or the date of payment of the immediately preceding compensation.

The 5th Issue may be repaid entirely in advance, limited to 90% of the balance of the debentures outstanding, or partially and in this case provided that at least 25% is repaid of the unit balance of the debentures outstanding. In case of an advance repayment, the Company shall publish a Notice to Debenture Holders besides giving notice to the trustee at least 5 days in advance of the Notice to Debenture Holders' publication date. The repayment portion shall include a premium, as provided for in the Issue Deed.

The debentures earn interest equal to the accrued TR – Reference Rate disclosed by Banco Central do Brasil pro rata temporis during business days, plus an initial 8.16% p.a. coupon based on 252 business days, reviewed at each Capitalization Period, with compounded capitalization as of the date of issue on the Unit Face Value or the debentures' balance of Unit Face Value, payable at the end of each capitalization period.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.6. 5th Issuance of debentures - non-convertible debentures - Continued

The 5th Debenture Issue papers have accelerated payment clauses in case of certain events such as: (i) the lawful and repeated protest of papers of an individual sum equal to or greater than 1% of the Company's net worth, or a joint sum equal to or greater than 2% of the Company's net worth; (ii) any event of disposal, assignment or transfer of Company assets of a sum equal to or greater than 10% of the Issuer's net worth; and (iii) the spin-off, merger or take-over or any manner of corporate reorganization by the Company and/or its Relevant Subsidiaries, unless the merger, spin-off or take-over: (a) meets the requisites of the Corporation Law's article 231; or (b) if on a review of the risk rating of the Company and the 5th Debenture Issue by an internationally known agency, they are not downgraded to a level below the rating attributed to the 5th Debenture Issue; or (c) the purpose of which is an entity in which the Company holds an interest, or an entity which holds as its key asset a corporate interest in an entity in which the Company also holds an interest; or (d) should the merger, spin-off or take-over not involve the SPEs the shares or quotas of which were given in security for compliance with of the Company's obligations in connection with the 5th Debenture Issue; or further (e) if the Company is taking over and Goldfarb or CHL are being taken over.

14.7. 6th Issuance of debentures - non-convertible debentures

On March 24, 2011 the Company approved the 6th simple non-convertible debenture issue, secured by shares from the subsidiary PDG Desenvolvimento S.A., for public distribution and totaling R\$ 97,000. A total of 97 debentures with nominal value of R\$ 1,000 were issued. The debentures were paid in cash in Brazilian currency when they are subscribed.

The debentures mature in 66 months, on September 30, 2016, and bear interest of 14.60% per annum, calculated on a straight-line basis based on a 365-day year, equivalent to a prefixed rate, calculated exponentially, of 11.31% per annum, calculated on the nominal value of each debenture from the date of issue until the payment date of each remuneration.

14.8. 7th Issuance of debentures - non-convertible debentures

On March 15, 2012, the Company approved the 7th issuance of unsecured, sole series debentures non-convertible into shares, for public distribution in the amount of R\$ 140,000. A total of 140 debentures with nominal value of R\$ 1,000 were issued. The debentures were paid in cash in Brazilian currency when they are subscribed.

Debentures have a maturity period of 81 months, maturing on December 15, 2018, and yield interest of 6.56% per annum, calculated per business days elapsed up to the payment date of each remuneration.

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.9. Estimates for debenture repayment

In accordance with the principal debentures' estimated repayment flow on March 31, 2013, the balance is allocated as follows:

<i>Year of amortization</i>	<i>Percentage of amortization</i>	<i>03/31/2013</i>
1st Issuance		
2015	25.00%	63,013
2016	25.00%	63,013
2017	25.00%	63,013
2018	25.00%	63,013
Total 1st Issuance	100.00%	252,052
3rd Issuance		
2013	33.00%	59,348
2014	67.00%	120,495
Total 3rd Issuance	100.00%	179,843
4th Issuance		
2013	22.00%	54,093
2014	28.00%	68,845
2015	28.00%	68,845
2016	22.00%	54,093
Total 4th Issuance	100.00%	245,876
5th Issuance		
2013	20.00%	120,790
2014	40.00%	241,584
2015	40.00%	241,584
Total 5th Issuance	100.00%	603,958
6th Issuance		
2016	100.00%	125,089
Total 6th Issuance	100.00%	125,089
7th Issuance		
2018	100.00%	147,064
Total 7th Issuance	100.00%	147,064
8th Issuance		
2016	100.00%	125,311
Total 8th Issuance	100.00%	125,311
Overall total		1,679,193

	<i>Parent company</i>
	03/31/2013
<i>Short-term</i>	479,850
<i>Non-current</i>	1,199,343
Total debentures	1,679,193

14. Debentures and Bank Credit Notes (CCB's) - Continued

14.10. Costs of debenture transaction

In compliance with the CPC 08 - Transaction Costs and Premiums on the Issuance of Securities, the Company presents below the treatment given to transaction costs of such funding:

03/31/2013	PDG Realty 1st Issuance	PDG Realty 3rd Issuance	PDG Realty 4th Issuance	PDG Realty 5th Issuance	PDG Realty 6th Issuance	PDG Realty 7th Issuance
<i>On the date of Issue</i>	250,000	300,000	280,000	600,000	97,000	140,000
<i>Transaction costs</i>	(3,895)	(2,677)	(3,217)	(7,624)	(367)	(3,530)
<i>Net inflow of funds at the Company on the date of operation</i>	246,105	297,323	276,783	592,376	96,633	136,470
<i>Nominal rate of the transaction</i>	CDI+1.80%	TR +10.45%	CDI+2.40%	TR+8.16%	14.60%	IPCA+6.56%
<i>Effective rate of the transaction</i>	CDI+2.22%	TR +10.70%	CDI+2.78%	TR+8.40%	14.67%	IPCA+6.96%
Appropriation of transaction costs in income (loss):						
Appropriated amounts						
2009	-	(65)	-	-	-	-
2010	-	(567)	(1)	(642)	-	-
2011	(263)	(566)	(516)	(1,524)	(50)	-
2012	(517)	(564)	(740)	(1,559)	(66)	(424)
2013	(130)	(140)	(63)	(390)	(16)	(131)
Subtotal	(910)	(1,902)	(1,320)	(4,115)	(132)	(555)
Unrecognized amounts						
2013	(390)	(419)	(193)	(1,169)	(50)	(391)
2014	(519)	(356)	(498)	(1,559)	(67)	(522)
2015	(519)	-	(498)	(781)	(67)	(522)
2016	(519)	-	(708)	-	(51)	(522)
2017	(519)	-	-	-	-	(522)
2018	(519)	-	-	-	-	(497)
Subtotal	(2,985)	(775)	(1,897)	(3,509)	(235)	(2,976)
Total	(3,895)	(2,677)	(3,217)	(7,624)	(367)	(3,531)

14.11. Allocation of financial charges

The debentures' financial expenses are capitalized to the cost of each development and plot of land, as the funds are employed, and appropriated to the income figures according to practice adopted for recognizing revenues.

15. Liabilities with the acquisition of properties

These refer to liabilities taken on with the purchase of land for real estate developments, as seen below:

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>	<i>03/31/2013</i>	<i>12/31/2012</i>
Cash	2,927	2,927	220,287	229,406
Subject to VGV	-	-	595,509	620,358
(-) Adjustment to present value	-	-	(3,086)	(3,214)
Total	2,927	2,927	812,710	846,550
<i>Current</i>	-	-	668,345	697,037
<i>Non-current</i>	2,927	2,927	144,365	149,513

The balances of barter payable, in the amount of R\$ 595,509 as of March 31, 2013 (R\$ 620,358 as of December 31, 2012), refer to commitments for the purchase of land for the development of real estate properties, and the settlement with the bartering party is made at the same time as the client's financial settlement, by means of fund transfers, as foreseen in the agreement.

Stating in current and non-current liabilities as shown above is in accordance with the estimates for the progress of work.

Liabilities are substantially updated according to the National Civil Construction Index – INCC or the General Market Price Index – IGP-M, with interest ranging from 6% to 12% per annum.

The terms of sums payable for land in non-current liabilities are broken down as follows:

	<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>
2014	79,367	82,199
2015	34,828	36,065
2016 onwards	30,170	31,249
Total	144,365	149,513

16. Taxes payable

Income tax and social contribution are recorded in quarterly information based on recognized income and costs incurred under the accrual method. SRF Normative Instruction no. 84/79 (Building and Sale of Real Estate) provides that for fiscal purposes the Company may defer tax payments in order to match them in proportion to revenues from sales made. Hence, tax payable is stated in assets or liabilities based on the difference between the profit recognized in such quarterly information pursuant to Resolution no. 963/03 and deferred current tax ("payable") according to the cash method.

a) Income and social contribution tax expenses

A significant majority of the SPEs chooses the taxation system based on deemed profit, where the tax basis is the income from sales, and, therefore, regardless of the financial results, the taxation rates average 6.5% of sales income. The consolidated income and social contribution tax expenses are summarized as follow:

	03/31/2013		03/31/2012	
	IRPJ	CSLL	IRPJ	CSLL
Income from real estate sales	1,336,651	1,336,651	1,491,151	1,491,151
Income from real estate sales - Taxable income	210,380	210,380	171,372	171,372
(-) Income from real estate sales at RET	335,285	335,285	360,323	360,323
(-) Income from real estate sales at deemed profit	790,985	790,985	959,456	959,456
Other income - Real estate development	24,479	24,479	19,418	19,418
(-) Other income - Real estate development - taxable income	4,268	4,268	2,797	2,797
(-) Other income - Real estate development at RET	6,434	6,434	4,648	4,648
Other income - Real estate development - deemed profit	16,777	16,777	11,973	11,973
Presumed profit - Real estate development - IRPJ 8% - CSLL 12%	64,621	96,931	77,714	116,571
Rental/service income - taxable income	18,806	18,806	19,452	19,452
Rental/service income - deemed profits	5,394	5,394	4,131	4,131
Presumed profit - Services/Rentals - IRPJ - CSLL 32%	1,726	1,726	1,322	1,322
Presumed profit (Real estate dev.+Serv)	66,347	98,657	79,036	117,893
(+) Financial income	12,031	12,031	2,427	2,427
(-) Financial income - Taxable income	(8,433)	(8,433)	(19,394)	(19,394)
(+) Other income	112	112	161	161
(-) Other income - Taxable income	(1,242)	(1,242)	(14,826)	(14,826)
Presumed profit tax basis	70,057	102,367	62,230	101,088
Consolidated expense - Presumed profit - IRPJ/CSLL	(17,514)	(9,213)	(15,558)	(9,098)
Deferred IRPJ on temporary differences - Taxable income	(736)	(151)	(156)	(85)
Consolidated expense - RET	(4,306)	(2,255)	(6,898)	(3,577)
Companies Taxed under the Presumed + Taxable Profit Methods	(22,556)	(11,619)	(22,612)	(12,760)
(+) Other	(5,840)	(7,109)	5,147	7,799
Expenses in income (loss)	(16,716)	(4,510)	(17,464)	(4,961)
Breakdown of expense				
Current	(27,462)	(10,479)	(14,773)	(7,872)
Deferred	10,746	5,969	(2,691)	2,911

Taxes	03/31/2013	03/31/2012
Current	(37,941)	(22,645)
Deferred	16,715	220

16. Taxes payable - Continued

a) Income and social contribution tax expenses - Continued

Some companies of PDG Group, such as holding companies PDG Realty S.A. Empreendimentos e Participações, Goldfarb Incorporações e Construções S.A., CHL Desenvolvimento Imobiliário S.A., Agre Empreendimentos Imobiliários S.A., Agra Empreendimentos Imobiliários S.A., and ASACORP Empreendimentos e Participações S.A. calculate their income and social contribution taxes under the taxable income method. In the period ended December 31, 2012, the calculation of taxable income generated no expenses of income and social contribution taxes at the parent company PDG Realty S.A. Empreendimentos e Participações. Empreendimentos e Participações.

b) Deferred tax assets and liabilities – negative base and tax loss

b.1) Deferred assets

Deferred tax credits arising from a tax loss and/or social contribution negative base are recognized only as much as they are likely to be realized, based on future income projections prepared by Management. Prepaid items and sums subject to offsetting are stated in non-current assets. These credits were created based on technical studies prepared by the Company's Management with the use of income projections for property development recorded by the Parent and its subsidiaries, approved by the Board of Directors. However, for the period of March 31, 2013, we do not expect to use those credits, due to the low future profitability of the companies that opted for the taxation regime based on taxable income.

b.2) Deferred liabilities

The parent company's nature of deferred tax liability is basically the amount of goodwill amortization arising from full incorporation of shares of Agre Empreendimentos Imobiliários S.A.

Deferred income tax, social contribution, PIS and Cofins are recorded in order to reflect the tax effects arising from temporary differences between the tax base, which defines cash method taxation (SRF Normative Instruction no. 84/79) and the actual appropriation of real property tax, Note 2.11.

16. Taxes payable - Continued

b) Deferred tax assets and liabilities – negative base and tax loss - Continued

b.2) Deferred liabilities - Continued

The amount of the deferred income and social contribution tax are shown as follow:

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Income tax on tax losses	-	-	33	195
Subtotal	-	-	33	195
Deferred income tax liabilities	(24,401)	(29,600)	(242,172)	(249,133)
Deferred social contribution tax liability	(11,747)	(23,486)	(87,182)	(89,688)
Subtotal	(36,148)	(53,086)	(329,354)	(338,821)
Total	(36,148)	(53,086)	(329,321)	(338,626)

On March 31, 2013 the balance of tax losses accrued by the Parent rose to R\$ 795,694 (R\$ 673,713 on December 31, 2012), of which were not recognized for deferred tax purposes.

The balances of consolidated deferred tax liabilities are recorded as follows:

Tax	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
IRPJ and CSLL (Income tax)	36,153	53,086	329,352	338,821
PIS and COFINS	27,681	15,508	181,715	184,845
Total	63,834	68,594	511,067	523,666
Portion in current liabilities	34,701	25,779	380,214	372,768
Portion in non-current liabilities	29,133	42,815	130,854	150,898

17. Operations with real estate projects under development and advances from clients

Refer to unrecognized revenue derived from contracted sales for projects under construction that are not yet reflected in quarterly information. The amounts are shown below:

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Unrecognized contracted sales	58,985	71,316	5,916,307	6,250,600
Construction commitment	(44,988)	(51,293)	(4,281,203)	(4,558,252)
Total	13,997	20,023	1,635,105	1,692,348

The unrecorded income amounts of the contract value of units sold are as follows:

	Parent company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
2013	1,003	1,601	259,482	887,779
2014	12,994	8,374	845,380	676,881
2015	-	10,048	436,453	127,688
2016	-	-	93,790	-
Total	13,997	20,023	1,635,105	1,692,348

17. Operations with real estate projects under development and advances from clients - Continued

As mentioned in Note 2.11, income (loss) from real estate transactions carried out is recorded based on the cost incurred. Therefore, the balance of accounts receivable from the units sold and not yet concluded are reflected in part in the March 31, 2013 quarterly information, as the respective book entries reflect recognized revenues net of the installments received.

The R\$ 847,548 sum received in consolidated sales (R\$ 858,055 on December 31, 2012), in excess of the stated sales revenues is stated in advances from clients, in current and non-current liabilities.

18. Provision for contingencies

The Company, its subsidiaries, are parties in court and administrative proceedings of a labor and civil nature, which arose from its normal course of business. The provision for contingencies of the Company is mainly formed by these subsidiaries.

The respective contingency provisions were created considering the assessment of loss likelihood by legal counsel, and are recorded under "Other operating expenses."

Based on the opinion of its legal counsel, Management believes that the contingency provisions created are sufficient to cover any likely losses in the court proceedings and differences found in tax calculations, as described below:

Nature – Probable loss	Consolidated	
	03/31/2013	12/31/2012
<i>Labor</i>	<i>22,798</i>	<i>21,857</i>
<i>Tax</i>	<i>17,840</i>	<i>17,840</i>
<i>Civil</i>	<i>53,391</i>	<i>51,572</i>
<i>Sundry contingencies</i>	<i>48,561</i>	<i>48,561</i>
Total	142,590	139,830
<i>Portion in non-current liabilities</i>	<i>142,590</i>	<i>139,830</i>

18. Provision for contingencies - Continued

Below follows a breakdown of the contingency provisions of the Company and its subsidiaries:

	<i>Consolidated</i>				
	<i>Labor</i>	<i>Tax</i>	<i>Civil</i>	<i>Sundry contingencies</i>	<i>Total</i>
Balance at 12/31/2012	21,857	17,840	51,572	48,561	139,830
<i>Additions</i>	<i>941</i>	<i>-</i>	<i>1,819</i>	<i>-</i>	<i>2,760</i>
<i>Reversals</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Balance at 03/31/2013	22,798	17,840	53,391	48,561	142,590

The proceeding s with loss likelihood and deemed “possible” by the Company's legal counsel are composed of:

<i>Nature – Possible loss</i>	<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Labor</i>	<i>38,204</i>	<i>32,481</i>
<i>Civil</i>	<i>99,527</i>	<i>95,762</i>
<i>Tax</i>	<i>24,419</i>	<i>24,419</i>
<i>Total</i>	<i>162,150</i>	<i>152,662</i>

Civil suits refer largely to discussions on fines related to delays in the delivery of property developments, repairs of construction defects or damages to properties close to property developments, and the questioning of contractual inflation updating indices.

The labor lawsuits include labor claims by former employees for unpaid sums (overtime, unhealthy and hazardous work conditions, etc.) and payment of social charges.

In addition to the Company's explanations, below follows the sum of provisions and contingencies involving costs with guarantees, indemnities, fines and likely losses:

<i>Provision for warranty (1)</i>	<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>12/31/2012</i>
<i>Current</i>	<i>74,601</i>	<i>93,504</i>
<i>Non-current assets</i>		
<i>Total Provision</i>	<i>74,601</i>	<i>93,504</i>

(1) These are recorded under other contingencies by the Company and its subsidiaries

19. Shareholders' equity

a) Capital

On March 31, 2013 the Company's capital was composed of 1,339,547,923 nominative common shares and with no par value (1,339,547,923 nominative common shares with no par value on December 31, 2012), totally subscribed and paid in totaling R\$ 4,960,080 (R\$ 4,960,080 on December 31, 2012).

On March 31, 2013, after costs of R\$ 52,240 incurred in placing shares during the 2009 and 2010 fiscal years) (R\$ 52,240 on December 31, 2012), the Company's capital is of R\$ 4,907,843 (R\$ 4,907,843 on December 31, 2012).

The Company's authorized capital increase on March 31, 2013 is of 1,080,000,000 common shares (1,080,000,000 on December 31, 2012). Share issues for capital increases are resolved by the Board of Directors and do not provide for preferred rights.

During the period ended March 31, 2013, there were no changes in the number of shares of the Company in relation to the year ended December 31, 2012.

	<i>Number of shares</i>	<i>Amount</i>
<i>Balance at 03/31/2013</i>	<i>1,339,547,923</i>	<i>4,960,080</i>

19. Shareholders' equity – Continued

a) Capital - Continued

Initial recognition and measurement

As debentures are derivative financial instruments, they have been classified into category financial liability measured at fair value and, after initial recognition, are measured at fair value and recorded in income under caption financial expenses, according to ticker price fluctuation (PDGR-D81).

At March 31, 2013, The Company presented its debentures measured at fair value as the chart below:

	03/31/2013
Quantity of debentures	199,000,000
Quantity of debentures canceled	(94,103)
Number of net debentures	198,905,897
Nominal value in the issuance (in Reais)	0.01
Total value of the issuance (in Reais)	1,989,059
Ticker PDGR-D81 at 12.31.12	0.63
Fair value of the 8th Issuance	125,310,715

b) Earnings per share

As required by CPC 41 – IAS 33 - Earnings per share, the tables that follow reconcile net profit and the weighted average of shares outstanding with the sums used to calculate basic and diluted profit per share in the parent's and consolidated figures:

• Basic earnings per share

	03/31/2013	12/31/2012
Net income (loss) for the period available for common shares	(73,812)	(2,177,106)
Weighted average of common shares outstanding (in thousands)	1,230,768	1,230,768
Income (loss) per share - (in R\$) - Basic	(0.0600)	(1.7689)

• Diluted earnings per share

	03/31/2013	12/31/2012
Net income (loss) for the period available for common shares	(73,812)	(2,177,106)
Weighted average of common shares outstanding (in thousands)	1,230,768	1,230,768
Potential increase in common shares on account of the stock option plan (in thousands)	12,291	12,291
Potential increase in common shares on account of the capital increase - Subscription and debenture bonus (in thousands)	198,906	198,906
Total (in thousands)	1,441,965	1,441,965
Net income (Loss) per share (in Reais) - diluted	(0.0512)	(1.5098)

19. Shareholders' equity – Continued

c) Share repurchase program

In a meeting held on November 24, 2011 the Board of Directors approved a share repurchase program as described below:

The Company's purpose with the transaction: to maximize the creation of shareholder value by means of an efficient capital structure management;

Number of Shares to be acquired: As many as 56,181,595 shares

Term for undertaking the authorized transactions: 365 (three hundred and sixty-five) days as of each transaction;

Maximum Price per Share: the share acquisition price cannot exceed its respective price in the Stock Exchange.

Following parameters approved in the Board of Directors' Meeting held on November 24, 2011, the Company's share acquisition program, denominated 2nd Shares Repurchase Program, was completed.

On November 19, 2012, 9,433,700 of the Company's common, nominative shares, with no par value, were acquired to be maintained in treasury for later disposal or cancellation. This purchase occurred through the exercise of purchase options for shares issued by the Company that had been previously sold, with exercise prices of "R\$4.27", "R\$6.33", "R\$6.58", "R\$6.73", "R\$7.08" and "R\$7.13", and maturity on November 19, 2012.

	Quantity	Repurchase price (In Reais)	Average price (In Reais)
Common shares			
Purchase	650,000	2,775,473	4.27
2nd Repurchase program			
Strike of the options	2,800,000	17,724,000	6.33
Strike of the options	1,983,700	13,052,746	6.58
Strike of the options	1,340,800	9,023,584	6.73
Strike of the options	2,000,000	14,160,000	7.08
Strike of the options	659,200	4,700,096	7.13
	9,433,700	61,435,899	6.51

As of March 31, 2013, treasury shares position was 16,283,700 common shares issued by the Company to be held in treasury for subsequent disposal or cancellation.

During the year ended December 31, 5,900,000 shares were repurchased, totaling R\$ 33,989 recorded in "Treasury shares".

19. Shareholders' equity – Continued

c) Share repurchase program - Continued

The closing value of the Company's share (PDGR3) on December 31, 2011 was R\$ 5.90. On December 31, 2012 the closing price was of R\$ 3.31 (three Reais and thirty-one centavos)

There were no other transactions involving common shares or potential common shares between the balance sheet date and the date of conclusion of this quarterly information.

d) Equity evaluation adjustments

As of December 31, 2012, the Company had the amount of R\$58,107 recorded under caption "valuation adjustments to equity" referring to transaction adjustments made to Financial Statements, in accordance with standards issued by the Accounting Pronouncements Committee (CPC), in 2010, which would have no impact on income for said year. The balance is comprised as follows: R\$8,091, represented by foreign exchange rate variation of subsidiary TGLT, R\$27,374 and R\$22,642 referring to goodwill amortization of subsidiaries Goldfarb and REP DI, respectively.

20. Financial instruments

The Company, its subsidiaries are party to transactions involving financial instruments for the purpose of financing its activities or investing its available funds. The management of these risks is performed through the definition of conservative strategies aiming at liquidity, profitability and safety. The control policy consists of ongoing monitoring of contracted rates against market rates.

The key financial instruments commonly employed by the Company and its subsidiaries are those found under “Cash, banks and marketable securities”, “Funding of loans” and to fund projects under construction, funding with debenture issues and working capital loans, all under normal market conditions. All of these instruments are recognized under the criteria described in Note 2.

The Company restricts its exposure to credit risks associated with banks and short-term investments, by placing investments in first-class financial institutions on high-yield short-term papers. As to accounts receivable, the Company restricts its exposure to credit risks by means of sales to a broad range of clients and the ongoing performance of credit analyses. At March 31, 2013, there was no significant concentration of credit risk associated with clients.

Fair value of financial instruments – Vinci Partners Capitalization

On March 31, 2013, the Company had the following fair value for Vinci Capitalization:

	03/31/2013
Quantity of debentures	199,000,000
Quantity of debentures canceled	(94,103)
Number of net debentures	198,905,897
Nominal value in the issuance (in Reais)	0.01
Total value of the issuance (in Reais)	1,989,059
Ticker PDGR-D81 at 12.31.12	0.63
Fair value of the 8th Issuance	125,310,715

Transaction with a derivative financial instrument – Cash flow swap

The subsidiary Agre Empreendimentos Imobiliários S.A. entered into a traditional swap transaction of the same reference sum as the related funding, stated at its fair value with effects on the income figures.

Fair value was obtained with the use of interest curves available in the market and disclosed by BM&F.

20. Financial instruments - Continued

Transaction with a derivative financial instrument – Cash flow swap - Continued

The operation contracted by the Company on March 31, 2013 is as follows:

<i>Description</i>	<i>Original value</i>	<i>Asset (Agre)</i>	<i>Liability Banco HSBC</i>	<i>Fair Value Position (AGRE)</i>	<i>Fair Value Position (Banco HSBC)</i>
				<i>03/31/2013</i>	<i>03/31/2013</i>
Cash flow swap tied to the funding	80,000	117% CDI + TJLP	100% CDI + 2.03% p.a.	45,142	44,593

The transaction was entered into on June 25, 2010 with maturity on June 24, 2014. Fair value was found by means of information available in the market and by appropriate assessment methods defined by Management.

Sensitivity analysis

<i>Operation</i>	<i>Risk</i>	<i>Probable Scenario MTM</i>	<i>Possible Scenario – stress 25%</i>	<i>Remote Scenario – stress 50%</i>
<i>Debt in CDI</i>	<i>Rise of CDI</i>	<i>45,143</i>	<i>45,148</i>	<i>45,153</i>
<i>Swap (long position - CDI)</i>	<i>Rise of CDI</i>			
<i>Swap (short position - CDI and TJLP)</i>	<i>Rise in CDI and TJLP</i>	<i>(44,551)</i>	<i>(45,033)</i>	<i>(45,503)</i>
<i>Net Effect (MtM)</i>		<i>592</i>	<i>115</i>	<i>(350)</i>

The results depicted in the likely (25% stress) and remote (50% stress) scenarios were found based on fair value on March 31, 2013, by applying stress to the changes in CDI and TJLP (the swap's debt and liability end) and in CDI (the swap's assets end).

Information on CDI was obtained from the BM&FBOVESPA site on March 31, 2013 regarding the expiries requested.

Estimate for the June 25, 2014 expiry with an effective rate:

<i>Scenario</i>	<i>CDI + TJLP</i>	<i>CDI</i>
<i>Probable (expected)</i>	<i>8.07%</i>	<i>9.07%</i>
<i>Possible – 25% stress</i>	<i>11.44%</i>	<i>10.97%</i>
<i>Remote - 50% stress</i>	<i>14.68%</i>	<i>12.76%</i>

The financial instrument's book value on the balance sheet date, composed substantially of short-term investments and loans and financing, is close to their estimate market values, as a major portion consists in post-fixed transactions.

20. Financial instruments - Continued

a) Considerations on financial instruments' risks

Interest rate risk

The Company is exposed to floating interest rates, substantially to: changes in CDI rates earned by short-term investments in Bank Certificates of Deposit and Repurchase Agreements based on Debentures and contracted in Reais; and interest on loans receivable entered into at IGP-M plus 12% to 18 per annum and CDI plus 2% to 3% per annum. The Company is also exposed to interest on bank loans at CDI plus 1.35% per annum and 5.83% per annum, and TR plus 11.02% per annum, loans entered into under the National Housing System at TR plus 8.3% per annum and 12% per annum, and interest on debentures issued at CDI plus 0.9% per annum and TR plus 8.75% per annum.

In order to verify the sensitivity of the index in the debts to which the Company is exposed on the base date March 31, 2013, 03 different scenarios were defined. Based on the values of TJLP and IPCA in effect on December 31, 2012, a likely scenario was defined for 2013, on which basis changes from 25% to 50% were found.

Operation	Risk	Probable scenario I	Scenario II	Scenario III
Financing				
Rate subject to variation	CDI	57,673	69,858	82,055
Rate subject to variation	TR	238,789	239,358	239,928
Balance of loans		296,462	309,216	321,983
Debentures				
Rate/index subject to variations	CDI	41,878	49,955	58,037
Balance of debentures	TR	50,635	50,769	50,902
Balance of Debentures		92,513	100,724	108,939

Capital management

Management of capital is intended to preserve funds in hand to meet the needs for covering liabilities, pursuant to the Company's business plan.

The Company manages capital by means of leverage quotients, equal to net indebtedness divided by total capital, plus net indebtedness. The Company includes in net indebtedness loans and financing such as SFH and Debentures, less cash and cash equivalents.

	03/31/2013	12/31/2012
Loans and financing - Ex SFH (Note 12)	(1,181,268)	(1,194,758)
Debentures (note 14)	(1,679,193)	(1,742,840)
(-) Cash and cash equivalents and securities	1,832,599	1,762,947
(=) Net debt - Former SFH	(1,027,862)	(1,174,651)
Total shareholders' equity	4,943,488	5,017,300
Leverage ration	(0.21)	(0.23)

20. Financial instruments - Continued

a) Considerations on financial instruments' risks - Continued

Liquidity risk

The Company manages liquidity risk based on its cash flow, by preserving a robust capital structure and a balanced leverage ratio. In addition, the Company monitors assets and liabilities in order to mitigate risks of occasional mismatches.

Exchange rate risk

On March 31, 2013, the Company had no debts or amounts receivable denominated in foreign currency. Moreover, none of the Company's relevant costs are in foreign currency.

Credit risk

Credit risk is the risk of a business counterpart not complying with obligations provided in a financial instrument or contract with the client, resulting in financial loss.

Financial instruments which may potentially subject the Company to credit risk concentration are mainly comprised by bank balances, financial investments (substantially in government bonds) and accounts receivable from clients.

The Company is exposed to credit risk in its operating activities and bank and/or financial institution deposits, foreign exchange transactions and other financial instruments. In order to mitigate such risks, the Group adopts a conservative management by investing short-term funds with day-to-day liquidity and post – fixed rates in first-class banks, bearing in mind ratings by the key risk agencies and respecting prudential concentration limits.

The balance of accounts receivable is spread out over a number of clients, with tangible guarantees consisting in the respective properties.

Market value of financial instruments

The financial instruments' book values, consisting substantially in short-term investments and loans, are shown in the March 31, 2013 and December 31, 2012 quarterly information as sums that are close to market values, considering similar transactions.

20. Financial instruments - Continued

b) Sensitivity analysis

As provided in CVM Instruction no. 475 dated December 17, 2008, the Company and its subsidiaries should submit a sensitivity analysis for each type of market risk arising from financial instruments and considered relevant by Management, to which the entity is exposed on the closing date of each fiscal period.

Most of our costs and our entire portfolio of receivables for unfinished projects are restated by the INCC index.

In order to verify the sensitivity of the index in the financial investments to which the Company is exposed on the base date June 30, 2012, 03 different scenarios were defined. Based on the values of CDI in effect on June 30, 2012, defined as a likely scenario, as of which changes from 25% to 50% were calculated.

The "gross financial income" was calculated for each scenario, not taking into account the incidence of taxes on investment yields. The base date used in the portfolio was March 31, 2013, with a one-year projection and checking the sensitivity of the CDI in each scenario.

<i>Operation</i>	<i>Risk</i>	<i>Probable scenario I</i>	<i>Scenario II</i>	<i>Scenario III</i>
<i>Interest earnings bank deposits</i>	<i>CDI</i>			
<i>Gross financial income</i>	-	33,364	41,389	49,295

21. Business Risk Management

a) Implementation of the risk control system

In order to manage the risk control system effectively, the Company has operational control of all projects in its portfolio, which allows, for example, accelerate unit sales to reduce their risk exposure in relation to certain projects. Such acceleration usually occurs by reducing the selling price, changing the media vehicles used, etc.

b) Risk control system

Risk control includes an individual risk analysis for each development project and an investment portfolio risk analysis. Potential losses are calculated in stress scenario for each individual enterprise and for the portfolio as a whole, as well as the maximum cash exposure required by the portfolio.

21. Business Risk Management – Continued

c) Loss risk control

Risk for a new Company development is calculated bearing in mind what could be the loss should the latter decide to wind up the investment under extreme conditions. To this end a winding up price is defined, which may be estimated only in markets in which price formation is consistent, this consistency being defined as demand sensitivity to changes in price. The maximum loss expected in each project is calculated and a portion of company capital is allocated to support this risk.

The Company's total risk consists in the sum of each project's individual risks. After being launched, the development project's risk is reduced in proportion to the sale of units. The Company seeks maximum efficiency for its capital and believes that this efficiency is obtained when the sum of the risks in individual projects is close to the total of its available capital.

d) Control of maximum cash exposure

The risk control system monitors future cash needs in order to undertake the programmed projects in the Company's portfolio, based on each development project's economic feasibility study as well as on the need for individual cash flows regarding the projected cash flow for the portfolio as a whole. The cash flow projection assists in defining funding strategies and decision making with regard to which projects to include in the portfolio.

e) Activities in a liquid market

Through its market knowledge and with the assistance of partners, the Company is able to define the need for new development projects in different regions, as well as the income bracket of targeted potential purchasers. It concentrates projects in accordance with each geographical location's liquidity, i.e.: the potential displayed by each region in absorbing a certain number of properties and in responding to price changes. The Company does not intend to act in markets in which there are no data available and in which there are no partners with specific expertise on such markets. Hence it believes that investment risks will be reduced, by acting in liquid regions with known market data and in association with local partners.

f) Operational risks

Operating risk management is intended to monitor: (i) the construction contract in connection with the maximum guaranteed construction cost; (ii) construction, with the Company retaining specialized companies to inspect the provision of services by the contracted builders (quality and the physical-financial schedule); (iii) financial and bookkeeping audits held by key independent auditor firms; (iv) documentation and legal risks; and (v) credit risk of the units' purchasers by means of an active management of the development's receivables.

22. Insurance coverage

The Company adopts the policy of contracting insurance coverage for assets subject to risks for amounts that the Management considers to be sufficient to cover eventual casualties, considering the nature of its activity. The policies in force and the premiums were fully paid. The company considers that it has a management program aiming to delimit risks, seeking coverage compatible with its size and operation in the market and its operations.

Insurance coverage in amounts for March 31, 2013 is as follows:

<i>Items</i>	<i>Type of coverage</i>	<i>Amount insured</i>
<i>Construction insurance (engineering risk and civil liability)</i>	<i>Covers property and bodily damages involuntarily caused to third parties resulting from the execution of work, facilities and setting up at the site purpose of insurance; indirect damages caused by possible project errors; and extraordinary expenses such as clearing away of debris, disturbances, strikes etc.</i>	<i>9,289,349</i>
<i>Guarantee of delivery of real estate property insurance</i>	<i>Ensures the delivery of properties to conditional buyers</i>	<i>520,545</i>
<i>Equipment</i>	<i>Covers property damage to machinery and equipment of any nature</i>	<i>19,674</i>
<i>Corporate</i>	<i>Material damage caused by electrical damages, fire, windstorm, riots, assuring the loss of rental income</i>	<i>78,054</i>
<i>Aircraft</i>	<i>Covers hull, seizure, LUC/AV53</i>	<i>9,558</i>
<i>D&O</i>	<i>Administrators' responsibility</i>	<i>50,000</i>

The scope of the engagement by our auditors does not include a review of the sufficiency of insurance coverage, which was specified and assessed by the Company's Management regarding its suitability.

23. Stock option plan

On January 9, 2007, the Board of Directors of the Company established a stock option plan through the Option Agreement, appointing the board members and employees in positions of command, with the goal of aligning the interests and objectives of such individuals with the strategies and results expected by the Company.

23. Stock option plan - Continued

The Plan is managed by a Stock Option Plan Compensation and Administration Committee ("Compensation Committee"), composed of 3 board members, which holds powers to establish stock option programs ("Programs") that define each years' grants and applicable rules. The Committee is empowered to define the appropriate standards in connection with granting options every year, by means of stock option programs ("Programs"). The granting of options, through the establishment of the Programs, must respect the maximum limit of 8% of the Company's shares at the granting date of each program. Shares issued under the Plan will enjoy the same rights as existing shares on their respective issue dates, including the right to receive in full dividends and interest on capital.

The Compensation Committee approved the First Program, totaling 24,760,000 common shares (after the 1:2 share splits dated September 9, 2009 and November 7, 2010), that was granted in full to Program beneficiaries at a subscription price of R\$ 3.15 per share (share price after the 1:2 share splits dated September 9, 2009 and November 7, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting on May 2, 2008 and the last batch by late 2010. This program was fully exercised by December 31, 2010.

Additionally, the Compensation Committee approved the Third Program, totaling 2.400.000 common shares (after the 1:2 share splits dated September 9, 2009 and November 7, 2010), that was granted in full to Program beneficiaries at a subscription price of R\$ 5.58 per share (share price after the 1:2 share splits dated September 9, 2009 and November 7, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting in February 2009 and the last batch in February 2012.

23. Stock option plan - Continued

At January 1, 2010, the Compensation Committee approved the Third Program, totaling 35,200,000 common shares (after the 1:2 share splits dated September 09, 2009 and November 07, 2010), that was granted in full to Program beneficiaries at a subscription price of R\$ 6.00 per share (share price after the 1:2 share splits dated September 09, 2009 and November 07, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting in January 2011 and the last batch in January 2014.

Below follows a summary of the Company's stock option plans following the stock dividends dated September 9, 2009 and November 7, 2010 (in a 1:2 proportion, as mentioned in Note 1):

<i>Description</i>	<i>Quantity of options</i>		
	<i>1st Plan</i>	<i>2nd Plan</i>	<i>3rd Plan</i>
<i>Balance of common share options, not exercised at year-end – December 31, 2011</i>	-	601,594	32,625,286
<i>Exercised</i>	-	(588,261)	(8,908,891)
<i>Canceled</i>	-	(13,333)	(11,425,557)
<i>Balance of common share options, not exercised at period-end – March 31, 2013</i>	-	-	12,290,838

The weighted average fair price for the stock option plan is presented by using the Black & Scholes option pricing model, assuming a 1.31% dividend payment, expected volatility of roughly 36.73% per annum for the 1st program, 53.19% for the 2nd program, and 41.5% for the 3rd program, 11.17% weighted average risk-free rate and 4.8-year final maturity.

Current shareholders dilution in case of a full exercise of the options granted would be of 0.92%, pursuant to the following calculation:

	<i>03/31/2013</i>	<i>12/31/2012</i>	
<i>Number of outstanding stock options.</i>	12,290,838	12,290,838	(a)
<i>Total Company's shares</i>	1,339,547,923	1,339,547,923	(b)
<i>Total</i>	1,351,838,761	1,351,838,761	(c)=(a)+(b)
<i>Dilution percentage</i>	0.92%	0.92%	(c)/(b)-1

23. Stock option plan - Continued – Continued

By the plan's conclusion in 2016, the total sum of expenses with stock option plans would rise to R\$ 164,213, calculated using the Black & Scholes method, bearing in mind the exercise period, volatility based on the background of Company shares, the risk-free rate and dividend payout proposal.

As provided in CPC 10 – Share-Based Payments, approved under CVM Resolution no. 564/08, the premium for these shares was found on the date of their granting and was acknowledged as an expense against shareholders' equity, during the grace period and as the services are provided.

The sum recognized for the period ended on March 31, 2013 was of R\$ 4,823 (R\$ 7,669 for the fiscal year ended on March 31, 2012).

The balance to be acknowledged in the Company's quarterly information for the coming years is described as follows:

	<i>Stock options expenses</i>
<i>2013</i>	<i>14,469</i>
<i>2014</i>	<i>11,302</i>

24. Segment information

During the quarter ended on March 31, 2013 the Company reviewed its manner of assessing the business and defined that the previously segregated business units did not refer to different segments but rather to subdivisions in the property development segment, which accounts for roughly 99.6% of the Company's net revenues.

25. Net income

Below follows a breakdown of the Company's net income on March 31, 2013 and 2012:

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>03/31/2012</i>	<i>03/31/2013</i>	<i>03/31/2012</i>
<i>Real estate sales</i>	3,935	28,355	1,335,915	1,534,391
<i>Other operating income</i>	-	-	23,850	23,583
<i>(-) Sales tax</i>	(343)	(2,648)	(34,581)	(66,823)
<i>Net operating income</i>	3,592	25,707	1,325,184	1,491,151

The volume of revenues from Company transactions is measured at fair value of the installments received and receivable, net of commercial discounts and/or bonuses granted by the entity to the purchaser.

The proceeds' fair value is obtained through the future flow of the housing units' sales price, brought to present value at the current rate of 4.65% per annum as described in Note 5, i.e.: less any future receivables and based on the inferred interest rate.

In the case of term sales of non-concluded units, accounts receivable calculated according to the construction's percentage of financial progress during the building period are measured at their present value, considering the term and differential between the market interest rate and the interest rate implied in the housing units' purchase and sale agreements on their signature date. The amount of the present value adjustment is the difference between cash and term prices practiced for the same housing unit.

The Company employs the following criteria in its sale agreements, which comply with CPC 30 requirements, to ensure that recognition of its revenues by means of the percentage of construction progress method is the most suited according to current legislation:

- a) By means of a purchase and sale agreement or of a promise to purchase and to sell, the Company transfers to the respective purchaser all the more significant risks and benefits related to the assets' property;
- b) Once the units are sold, there is no ongoing involvement in managing these assets indicating association in the property of the items; and
- c) The methods employed to define the percentage of construction progress as well as the value of revenues and expenses incurred and to be incurred are measured as described in Note 2.11;

26. Cost

Below follows a breakdown of the Company's properties sold on March 31, 2013 and 2012:

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>03/31/2012</i>	<i>03/31/2013</i>	<i>03/31/2012</i>
<i>Costs of units sold</i>	29,608	23,451	965,256	1,134,572
<i>Capitalized charges</i>	-	1,077	88,289	78,430
<i>Goodwill from business combination</i>	13,374	-	13,374	-
<i>Cost of properties sold</i>	42,982	24,528	1,066,919	1,213,002

The amount of costs arising from the Company's transactions is measured based on historically incurred expenses and are recognized in accordance with sold units' fraction evolution and with POC (business combination goodwill) evolution.

27. Financial income (expense)

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>03/31/2012</i>	<i>03/31/2013</i>	<i>03/31/2012</i>
<i>Financial income</i>				
<i>Yield from financial investments</i>	6,067	15,178	11,820	20,973
<i>Inflation adjustment, interest and fines on arrears</i>	213	2,884	21,295	18,878
<i>Other financial income</i>	49	1,772	7,168	8,517
<i>Total financial income</i>	6,329	19,834	40,283	48,368
<i>Financial expenses</i>				
<i>Interest on loans</i>	(101,072)	(79,686)	(163,209)	(157,829)
<i>Fair value of debentures</i>	(35,803)	-	(35,803)	-
<i>Bank expenses</i>	(822)	(353)	(3,057)	(1,659)
<i>Other financial expenses</i>	(1,054)	(42,676)	(7,350)	(36,387)
<i>Total financial expenses</i>	(138,751)	(122,715)	(209,419)	(195,875)
<i>Capitalized interest (Note 6)</i>	17,287	44,402	84,660	115,395
<i>Net financial expense</i>	(121,464)	(78,313)	(124,759)	(80,480)
<i>Total financial income</i>	(115,135)	(58,479)	(84,476)	(32,112)

28. Administrative expenses

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>03/31/2012</i>	<i>03/31/2013</i>	<i>03/31/2012</i>
<i>Salaries and payroll charges</i>	1,473	1,351	64,293	55,826
<i>Management compensation</i>	-	-	5,027	1,011
<i>Stock options</i>	4,823	7,669	4,823	7,669
<i>Profit sharing</i>	3,005	207	5,198	-
<i>Salaries and payroll charges</i>	9,301	9,227	79,341	64,506
<i>Lawyers' fees and Court Costs</i>	646	1,059	2,524	4,040
<i>IT maintenance</i>	660	341	5,493	4,598
<i>Consulting</i>	10,224	1,294	16,515	2,708
<i>Other services</i>	430	382	1,745	10,999
<i>Rendering of services</i>	11,960	3,076	26,277	22,345
<i>Traveling</i>	299	144	1,844	2,842
<i>Telecommunications and Internet</i>	224	64	2,708	3,342
<i>Rental and renewal of real estates</i>	850	241	7,945	5,643
<i>Other expenses</i>	428	710	9,319	17,446
<i>Other administrative expenses</i>	1,801	1,159	21,816	29,273
<i>Administrative expenses</i>	23,062	13,462	127,434	116,124

29. Commercial expenses

	<i>Parent company</i>		<i>Consolidated</i>	
	<i>03/31/2013</i>	<i>03/31/2012</i>	<i>03/31/2013</i>	<i>03/31/2012</i>
<i>Commercial and marketing expenditure</i>	298	748	14,439	35,636
<i>Promotions and events</i>	23	90	383	2,655
<i>Commissions and bonuses on sales</i>	247	3	14,802	17,799
<i>Sales Stand</i>	525	496	15,139	13,987
<i>Other commercial expenses</i>	248	380	106	1,018
<i>Commercial expenses</i>	1,341	1,717	44,869	71,095

30. Auditores Independentes

According to CVM Instruction 381 of January 14, 2003, we inform that the company has not engaged other services with the independent auditor in charge of examining the financial statements that are not related to the audit work.

Report on the review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and the International Financial Reporting Standards – IFRS)

To
Board Members and Shareholders of
PDG Realty S.A. Empreendimentos e Participações
Rio de Janeiro - RJ

We have reviewed the individual and consolidated interim accounting information of PDG Realty S.A. Empreendimentos e Participações (“Company”) contained in the Quarterly Information - ITR Form for the quarter ended March 31, 2013, which comprise the balance sheet as of March 31, 2013 and related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21(R1)– Interim statements, and of consolidated interim accounting information in accordance with CPC 21(R1) and international standard IAS 34 – Interim Financial Reporting, which considers the Guideline OCPC 04 related to the application of the Technical Interpretation ICPC 02 applicable to Real Estate Development Entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM) and Federal Accounting Council (CFC), as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express our conclusion on these interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International review standards for interim information (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly less than of an audit conducted in accordance with Brazilian and International Standards on Auditing and accordingly it did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on individual and consolidated interim information prepared in accordance with CPC 21(R1)

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on consolidated interim information prepared in accordance with IAS 34, which considers the Guideline OCPC 04 related the application of the Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC)

Based on our review, we are not aware of any facts that might lead us to believe that the consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with IAS 34, which considers the Guideline OCPC 04 related to the application of the Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council (CFC), applicable to the preparation of the interim information , and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

OCPC 04 Guideline issued by the Accounting Pronouncements Committee

As described in note 2.1, individual and consolidated interim accounting information were prepared in accordance with accounting practices adopted in Brazil (CPC 21(R1)). The consolidated interim financial information prepared in accordance with IFRS applicable to real estate development entities additionally considers the guideline OCPC 04 issued by the Accounting Pronouncements Committee. This guideline refers to accounting treatment of revenue recognition of this sector and involves matters related to the interpretation and application of the risk and benefit continuous transfer concept and of the control on sale of real estate units concept, as further described in Note 2.11. Our conclusion was not modified due to this matter.

Restatement of the corresponding figures

As mentioned in Note 2.17, due to the changes in the accounting policies adopted by the Company in 2013, the corresponding figures for the year ended December 31, 2012 and for the interim financial information as at March 31, 2012, presented for comparative purposes, were adjusted and are being republished, in accordance with CPC 23 - Accounting Practices, Estimate Changes and Error Correction. Our conclusion was not modified in relation to this matter.

Other matters***Statements of added value***

We also reviewed the individual and consolidated statements of added-value for the three-month period ended March 31, 2013, prepared by the Company's management, whose presentation in the interim information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the statement of added-value. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that might lead us to believe that they were not prepared adequately, in all material respects, in relation to the individual and consolidated interim accounting information, taken as a whole.

Rio de Janeiro, May 9, 2013

KPMG Auditores Independentes
CRC SP 014428/O-6 F-RJ
Original report in Portuguese signed by

Marcelo Luiz Ferreira

Accountant CRC RJ 087095/O-7