



November 06, 2013

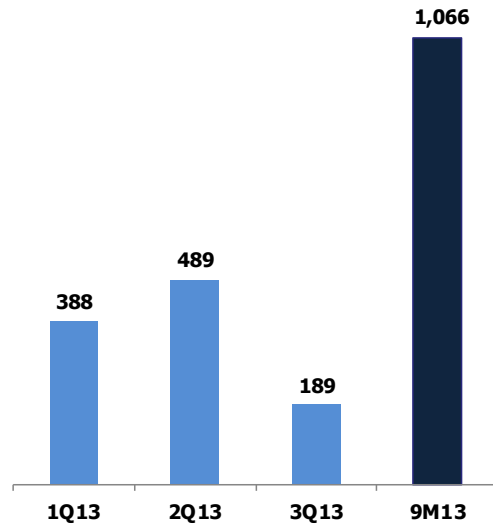
# Conference Call 3Q13 and 9M13 Results

# Operational Data

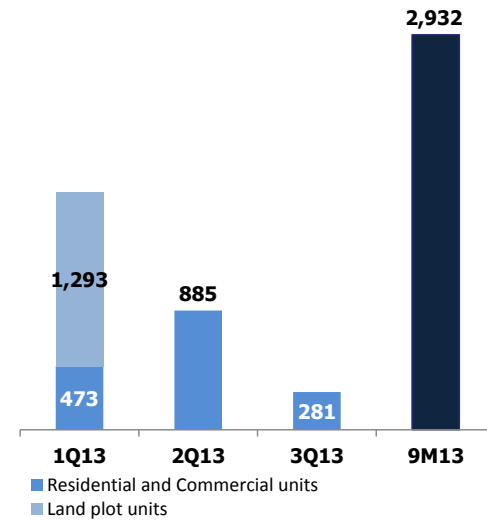
## Launches



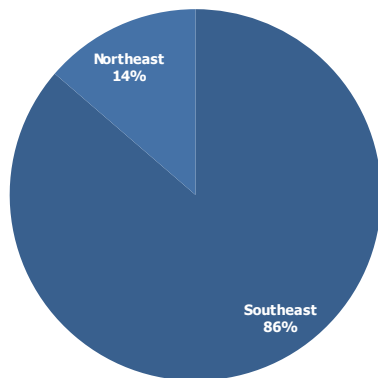
Launches % PDG – R\$mm



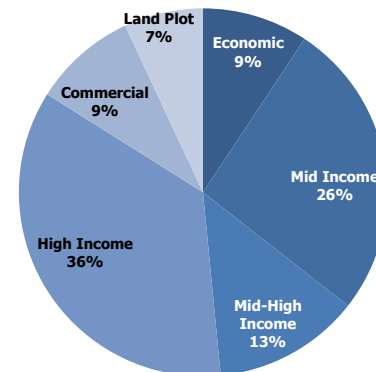
Launches – units % PDG



Regional Breakdown 9M13 - % PDG PSV



Segment Breakdown 9M13- % PDG PSV



# Operational Data

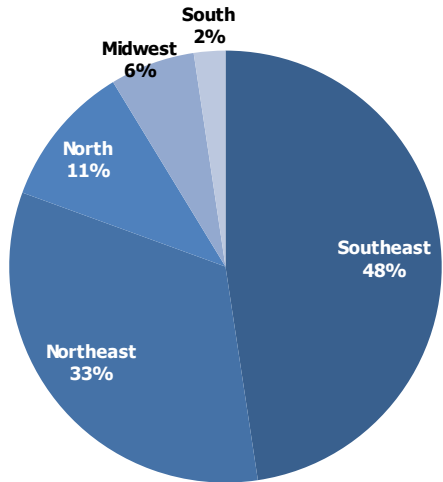
## Project Recall



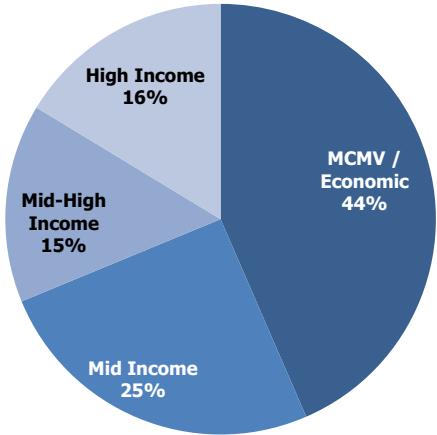
R\$ million

	# Projects	Total Cancelled PSV	PSV Sold	% Sold	Gross Backlog Profit	Inventory PSV	Costs to be Incurred	Accounting Impact	Estimated Cash Impact
Cancelled in 3Q13	19	825.0	411.5	50%	62.1	413.0	420.0	60.2	36.3
Total Cancelled in 1H13	24	1,033.8	264.0	26%	58.0	769.8	641.1	83.4	16.3
<b>Total Cancelled in 9M13</b>	<b>43</b>	<b>1,858.8</b>	<b>675.5</b>	<b>36%</b>	<b>120.1</b>	<b>1,182.8</b>	<b>1,061.1</b>	<b>143.6</b>	<b>52.6</b>

Regional Breakdown - % PDG PSV

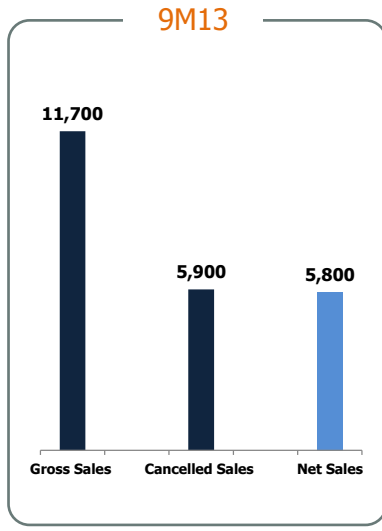
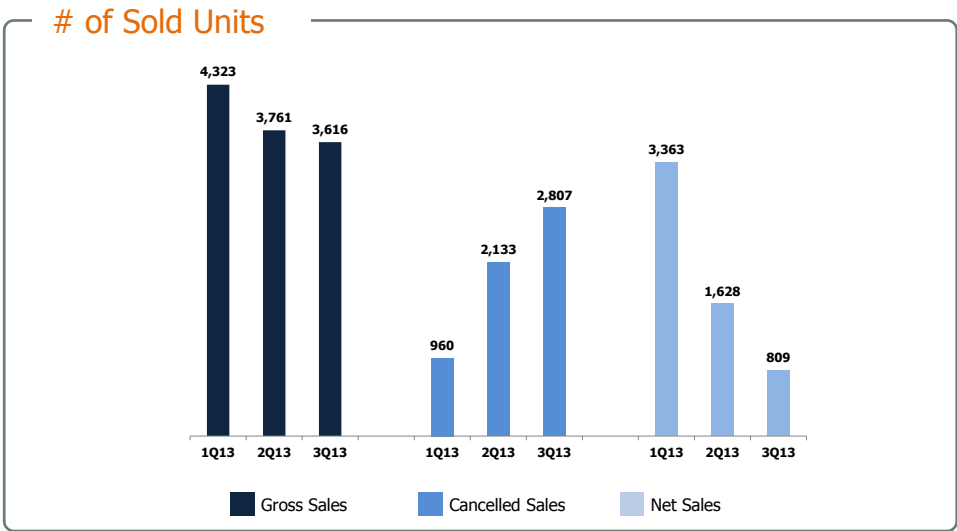
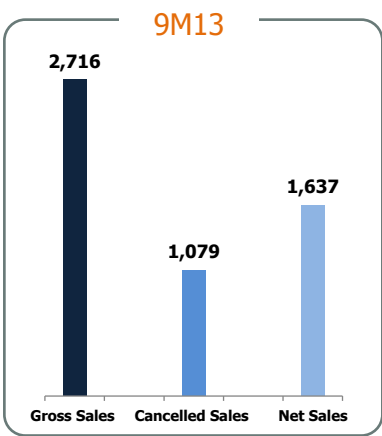
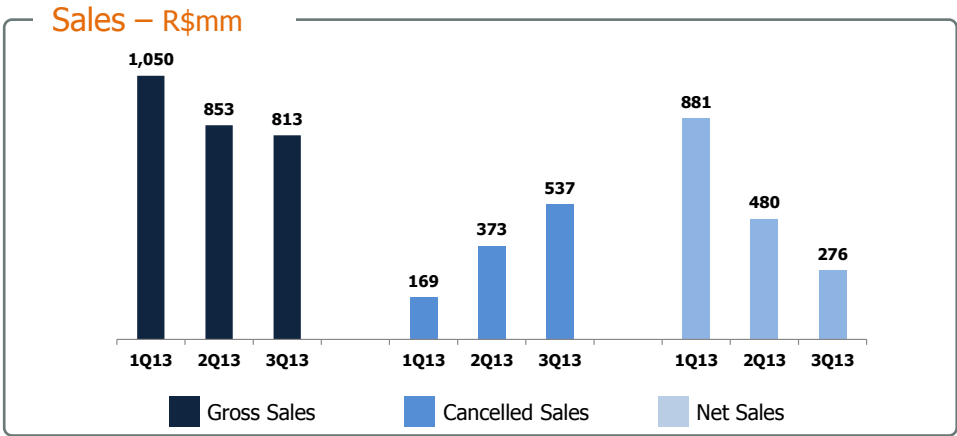


Segment Breakdown - % PDG PSV



# Operational Data

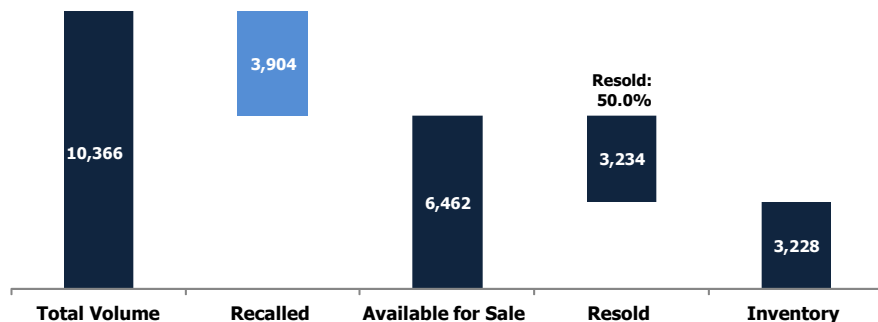
## Sales/Cancellations



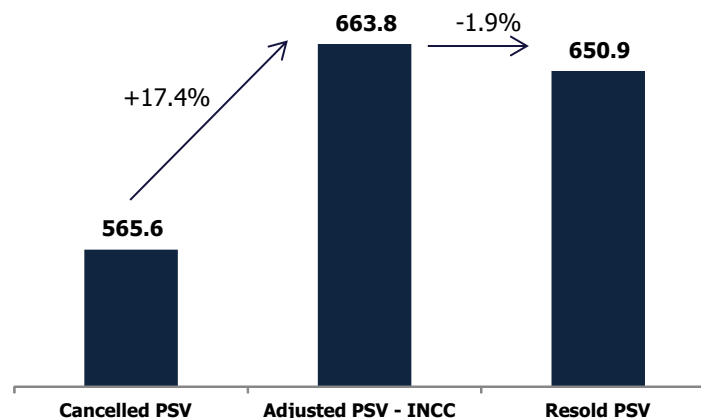
# Operational Data

## Cancelled Sales and Resale of Units

Cancellations and Resale of Units - (rolling 12 months)



Resold PSV R\$ mm - (rolling 12 months)



Cancelled Sales by Percentage of Sales and Year of Delivery

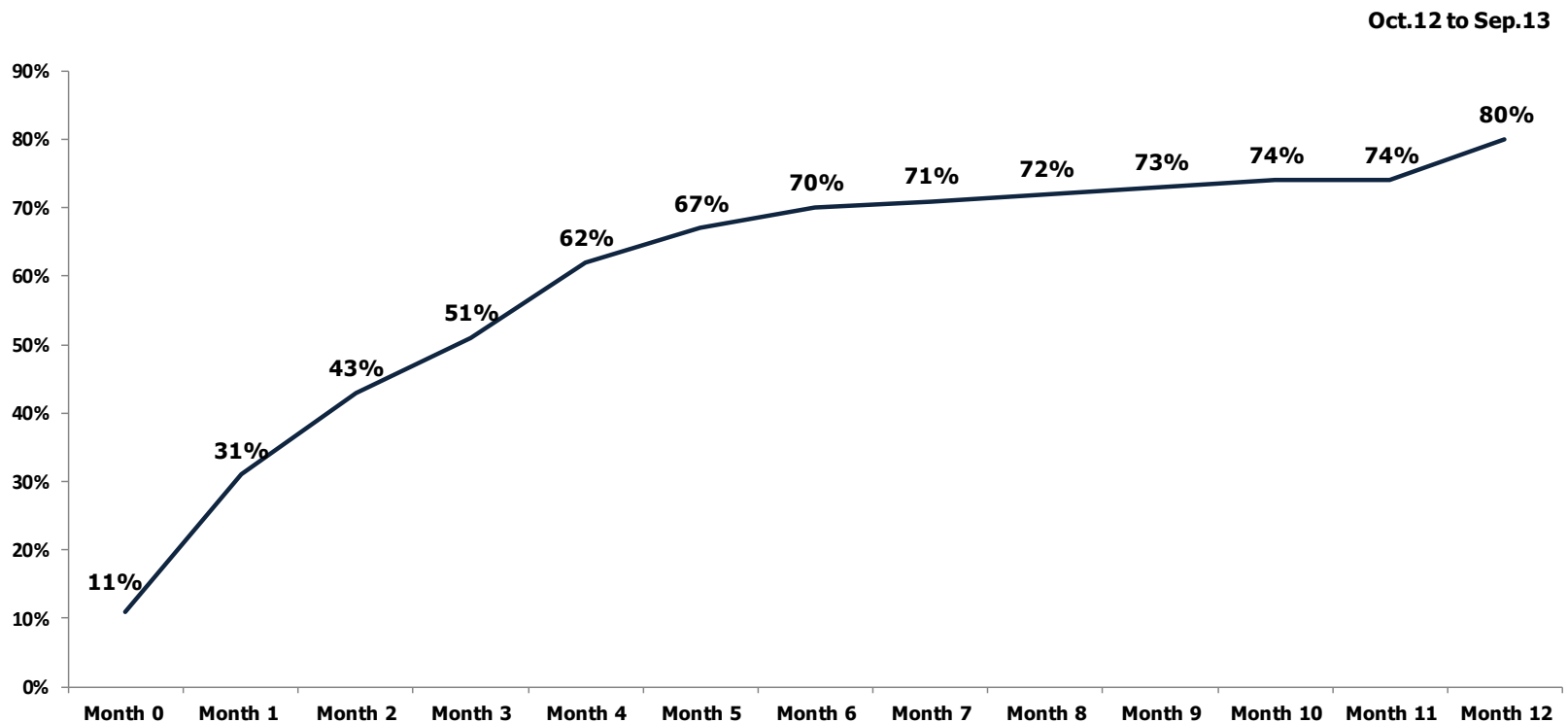
Percentage Sold	Built		2013 Delivery		2014 Delivery		Post 2014		TOTAL		R\$ million
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV	
20% or less	-	-	-	-	-	-	14	4.8	14	4.8	
20% to 40%	21	2.4	106	11.9	28	3.7	4	2.1	159	20.1	
40% to 60%	63	8.8	-	-	167	33.7	258	39.5	488	82.0	
60% to 80%	234	29.1	88	10.8	524	125.0	491	90.8	1,337	255.8	
80% to 100%	1,979	313.3	255	46.7	1,011	209.4	349	93.3	3,594	662.7	
<b>TOTAL</b>	<b>2,297</b>	<b>353.6</b>	<b>449</b>	<b>69.3</b>	<b>1,730</b>	<b>371.9</b>	<b>1,116</b>	<b>230.5</b>	<b>5,592</b>	<b>1,025.3</b>	

\*the difference to the 9M13 total, utilized on the sales speed (VSO) table, refers to the cancelled amount of recalled projects, which do not return to inventory.

(\*) INCC-DI/FGV

# Operational Data

## Resale Aging (12 months)



# Operational Data

## Sales Speed (VSO)

### Sales Speed – rolling 12 months

	4Q12	1Q13	2Q13	3Q13	R\$ million VSO
<b>Initial Inventory</b>	<b>5,570</b>	<b>5,410</b>	<b>5,245</b>	<b>5,052</b>	-
(-) Cancellations	-	-	<b>180</b>	<b>484</b>	-
Inventory	-	-	180	413	-
Project Sold (SPE)	-	-	0	71	-
<b>= Effective Inventory</b>	<b>5,570</b>	<b>5,410</b>	<b>5,065</b>	<b>4,568</b>	<b>5,570</b>
<b>(+) Launches</b>	<b>255</b>	<b>388</b>	<b>489</b>	<b>189</b>	<b>1,321</b>
<b>(-) Net Sales<sup>(1)</sup></b>	<b>667</b>	<b>881</b>	<b>480</b>	<b>276</b>	<b>2,304</b>
Gross Sales	901	1,050	853	813	-
Cancelled Sales <sup>(2)</sup>	233	169	373	537	-
Ongoing Projects	-	-	373	530	-
Cancelled Projects	-	-	0	7	-
<b>(+) Adjusts<sup>(3)</sup></b>	<b>-</b>	<b>326</b>	<b>-21</b>	<b>154</b>	<b>-</b>
<b>Final Inventory</b>	<b>5,157</b>	<b>5,245</b>	<b>5,052</b>	<b>4,635</b>	
<b>Sales Speed (12 mos.)</b>	<b>44%</b>	<b>42%</b>	<b>39%</b>	<b>33%</b>	<b>33%</b>

(1) 2Q13 net sales include R\$148mm in cancelled sales of aborted projects.

(2) 2Q13 cancellations exclude the R\$148mm in cancelled sales of aborted projects.

(3) Adjust: R\$ 154mm in 3Q13 mainly due to inventory adjustment to market value and cancelled sales goodwill.

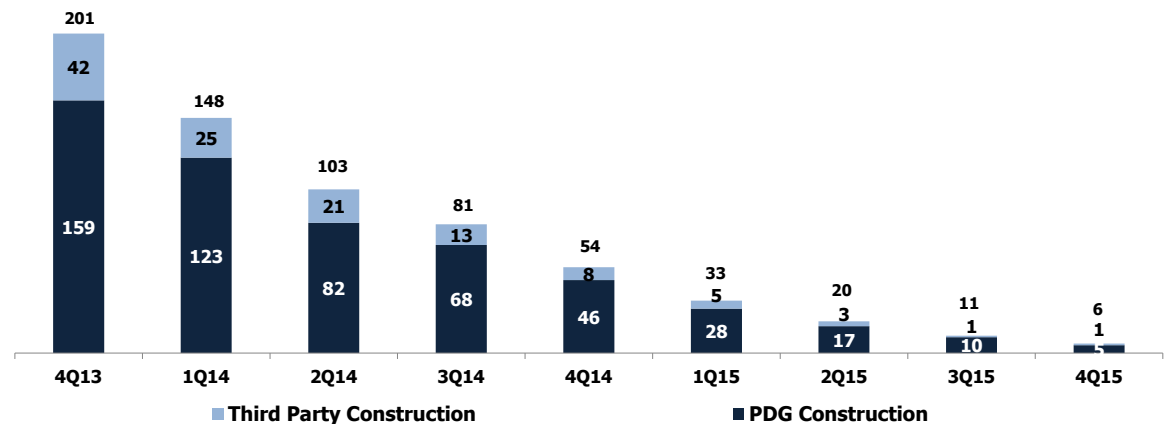
Sales Speed: Net Sales 12 months / (Effective Inventory 4Q12 + Launches 12 months)



Finalized Units

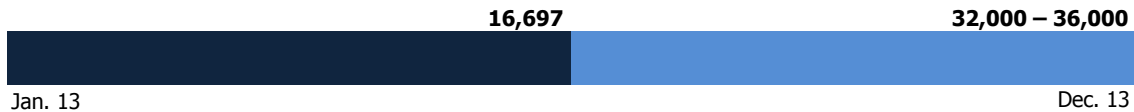


Ongoing Projects – Occupancy Permit Timeline



Note: Projects under PDG's management.

Title Individualization - units







### Indebtedness – September/13

Indebtedness	Ex-IFRS 10			IFRS 10		
	3Q13	2Q13	(%) Var.	3Q13	2Q13	(%) Var.
<b>Cash</b>	<b>1,549</b>	<b>2,021</b>	<b>-23%</b>	<b>1,525</b>	<b>2,007</b>	<b>-24%</b>
<b>Gross Debt</b>	<b>8,433</b>	<b>8,660</b>	<b>-3%</b>	<b>8,522</b>	<b>8,714</b>	<b>-2%</b>
Project Finance (SFH)	3,804	3,642	4%	3,827	3,672	4%
Corporate Debt	1,573	2,004	-22%	1,573	2,029	-22%
Obligation for the issuance of CCB and CCI	2,677	2,545	5%	2,677	2,545	5%
Co-obligation for the issuance of CRI	379	469	-19%	445	468	-5%
<b>Net Debt</b>	<b>6,884</b>	<b>6,639</b>	<b>4%</b>	<b>6,997</b>	<b>6,707</b>	<b>4%</b>
<b>Net Debt (ex. SFH)</b>	<b>3,080</b>	<b>2,997</b>	<b>3%</b>	<b>3,170</b>	<b>3,035</b>	<b>4%</b>
<b>Shareholders Equity</b>	<b>4,685</b>	<b>4,815</b>	<b>-3%</b>	<b>4,685</b>	<b>4,815</b>	<b>-3%</b>
<b>Net Debt (ex. SFH)/Equity</b>	<b>65.7%</b>	<b>62.2%</b>	<b>3.5 pp</b>	<b>67.7%</b>	<b>63.0%</b>	<b>4.6 pp</b>

R\$ million



### On and Off Balance Receivables

R\$ million

On and Off Balance Receivables (R\$ mm)	Ex- IFRS 10				IFRS 10			
	3Q13	2Q13	(%)	Var.	3Q13	2Q13	(%)	Var.
Receivables	7,970	8,258	-3%		8,046	8,371	-4%	
<i>ST</i>	5,222	5,461	-4%		5,372	5,593	-4%	
<i>LT</i>	2,748	2,797	-2%		2,674	2,778	-4%	
Gross Backlog Revenues - REF	4,502	5,431	-17%		4,376	5,337	-18%	
Advances from clients	(308)	(291)	6%		(205)	(245)	-16%	
<b>Total Receivables - on balance (a)</b>	<b>12,164</b>	<b>13,398</b>	<b>-9%</b>		<b>12,217</b>	<b>13,463</b>	<b>-9%</b>	
Costs to be incurred - Sold Units	(3,039)	(3,707)	-18%		(3,000)	(3,685)	-19%	
Costs to be incurred - Inventory Units	(1,094)	(1,457)	-25%		(1,040)	(1,411)	-26%	
<b>Total Costs to be incurred (b)</b>	<b>(4,133)</b>	<b>(5,164)</b>	<b>-20%</b>		<b>(4,040)</b>	<b>(5,096)</b>	<b>-21%</b>	
<b>Total Net Receivables (a+b)</b>	<b>8,031</b>	<b>8,234</b>	<b>-2%</b>		<b>8,177</b>	<b>8,367</b>	<b>-2%</b>	

# Financial Data

## Backlog Results



### Backlog Results (REF)

Backlog Results (REF)	Ex - IFRS 10			IFRS 10		
	3Q13	2Q13	3Q12	3Q13	2Q13	3Q12
Gross Revenues	4,502	5,431	5,704	4,376	5,337	5,704
(-)Taxes *	(171)	(206)	(212)	(166)	(202)	(212)
Net Revenues - REF	4,331	5,225	5,492	4,210	5,135	5,492
(-) COGS	(3,039)	(3,707)	(3,586)	(3,000)	(3,685)	(3,586)
Gross Profit - REF	1,292	1,518	1,906	1,210	1,450	1,906
<b>Gross Backlog Margin</b>	<b>29.8%</b>	<b>29.1%</b>	<b>34.7%</b>	<b>28.7%</b>	<b>28.2%</b>	<b>34.7%</b>
Capitalized Interest	214	235	218	216	237	218
Agre Goodwill	67	68	148	67	68	148
<b>Adjusted Gross margin **</b>	<b>23.3%</b>	<b>23.3%</b>	<b>28.0%</b>	<b>22.0%</b>	<b>22.3%</b>	<b>28.0%</b>

\* Estimate

\*\* Backlog margin differs from reported margin in that it does not include capitalized interest effect, future guarantees and goodwill amortization

Backlog result recognition schedule	2013	2014	2015
	21%	65%	14%

### Backlog Result (REF) – pre and post 2013

Backlog Results (REF) (2013 Projects)	IFRS 10		
	Até 2012	Pós 2012	3Q13
Net Revenues - REF	4,112	98	4,210
(-) COGS	(2,938)	(62)	(3,000)
Gross Profit - REF	1,174	36	1,210
<b>Gross Backlog Margin</b>	<b>28.6%</b>	<b>36.7%</b>	<b>28.7%</b>
Capitalized Interest	216	-	216
Agre Goodwill	67	-	67
<b>Adjusted Gross margin **</b>	<b>21.7%</b>	<b>36.7%</b>	<b>22.0%</b>



# Financial Data

## Income Statement (Pro Forma)

Income Statements (R\$ '000) - Pro Forma						
	IFRS 10			IFRS 10		
	3Q13	Non-recurring adjustments	3Q13 pro forma	9M13	Non-recurring adjustments	9M13 pro forma
Operating Gross Revenue						
Real State sales	1,084,388	72,273	1,156,661	3,591,807	127,100	3,718,907
Other Operating Revenues	23,929	-	23,929	61,100	-	61,100
(-) Taxes Over Sales	(36,916)	-	(36,916)	(115,693)	-	(115,693)
<b>Operating Net Revenue</b>	<b>1,071,401</b>	<b>72,273</b>	<b>1,143,674</b>	<b>3,537,214</b>	<b>127,100</b>	<b>3,664,314</b>
Interest Expenses	(86,019)	-	(86,019)	(272,271)	-	(272,271)
Recognition of goodwill of identifiable assets in the acquisition of Agre	(1,760)	-	(1,760)	(20,483)	-	(20,483)
Cost of Sold Units	(792,062)	(51,222)	(843,284)	(2,590,279)	(88,914)	(2,679,193)
<b>Cost of sold properties</b>	<b>(879,841)</b>	<b>(51,222)</b>	<b>(931,063)</b>	<b>(2,883,033)</b>	<b>(88,914)</b>	<b>(2,971,947)</b>
<b>Gross Income</b>	<b>191,560</b>	<b>21,051</b>	<b>212,611</b>	<b>654,181</b>	<b>38,186</b>	<b>692,367</b>
Gross margin	<b>17.9%</b>	<b>0.0%</b>	<b>18.6%</b>	<b>18.5%</b>	<b>0.0%</b>	<b>18.9%</b>
Adjusted gross margin (1)	<b>26.1%</b>	<b>0.0%</b>	<b>26.3%</b>	<b>26.8%</b>	<b>0.0%</b>	<b>26.9%</b>
Operating Revenues (expenses):	-	-	-	-	-	-
Equity Income	14,965	-	14,965	67,015	-	67,015
Commercial	(52,703)	2,569	(50,134)	(153,655)	5,446	(148,209)
General and Administrative	(99,408)	-	(99,408)	(336,264)	-	(336,264)
Taxes	(1,225)	-	(1,225)	(7,174)	-	(7,174)
Depreciation & Amortization	(12,986)	-	(12,986)	(58,391)	-	(58,391)
Other	(55,803)	44,805	(10,998)	(182,518)	152,605	(29,913)
Financial Result	(47,777)	(25,858)	(73,635)	(170,463)	(55,694)	(226,157)
<b>Total operating revenues (expenses)</b>	<b>(254,937)</b>	<b>21,516</b>	<b>(233,421)</b>	<b>(841,450)</b>	<b>102,357</b>	<b>(739,093)</b>
<b>Income before taxes</b>	<b>(63,377)</b>	<b>42,567</b>	<b>(20,810)</b>	<b>(187,269)</b>	<b>140,543</b>	<b>(46,726)</b>
Income Taxes and Social Contribution	(32,130)	(1,418)	(33,548)	(63,640)	(2,206)	(65,846)
<b>Income before minority stake</b>	<b>(95,507)</b>	<b>41,149</b>	<b>(54,358)</b>	<b>(250,909)</b>	<b>138,337</b>	<b>(112,572)</b>
Minority interest	(15,796)	-	(15,796)	(39,120)	-	(39,120)
<b>Net Income (loss)</b>	<b>(111,303)</b>	<b>41,149</b>	<b>(70,154)</b>	<b>(290,029)</b>	<b>138,337</b>	<b>(151,692)</b>
<b>Net margin</b>	<b>-10.4%</b>	<b>0.0%</b>	<b>-6.1%</b>	<b>-8.2%</b>	<b>0.0%</b>	<b>-4.1%</b>

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

3Q13 non-recurring adjustments: (1) + R\$ 25.8 mm related to fair value of the convertible debenture, (2) - R\$ 67.0mm related to cancelled projects.

# Long Term Incentive Plan PDG



## Objective:

- ❖ To offer a group of PDG executives the opportunity to become shareholders of the Company, exposing them to the risks of the business.

## Main features:

- ❖ Will be based on a **share purchase options** model, consisting of a grant of options, which give the recipient the right to purchase shares of the company, with their own resources, at pre-determined prices, terms ("*vesting*") and conditions;
- ❖ The potential gain for participants is directly linked to the valuation of the shares of the Company: if the stock price increases as from the effective grant date, they may be acquired at a more advantageous price; after the investment is made, the valuation of the shares held by the beneficiary will result in a gain if the assets are sold;
- ❖ The options granted are non-transferable and cannot be exercised in the event of employment termination during the vesting period;
- ❖ Plan participants are prohibited from entering into derivative financial instruments linked to or related to their options (*hedge*).

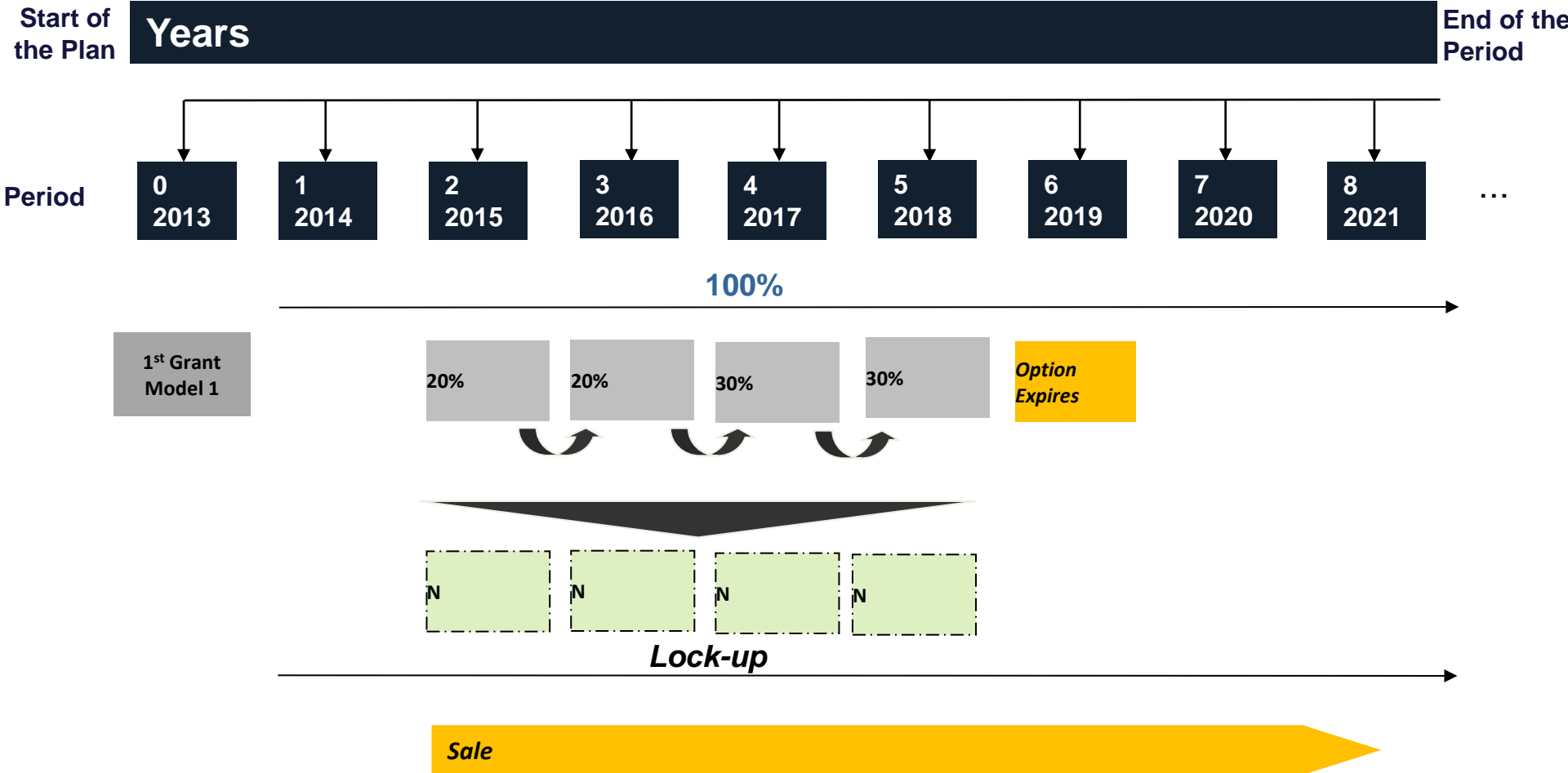


## Plan 1:

- ❖ 20% of the options may be exercised after two years from the date of grant, up to 40% of the options may be exercised after three years, up to 70% of the options may be exercised after four years and the rest of the options (100%) after 5 years (0, 0, 20%, 20%, 30% and 30%);
- ❖ Trading restriction (lock-up) for one year of shares equivalent to the difference between the number of shares available for exercise, less the exercise price of the options, plus the taxes on the sale of shares to subsidize the purchase;
- ❖ The maximum exercise period (which coincides with the duration of the option contract) will be 6 years from the grant date;
- ❖ Exercise price: Weighted average price of the shares quoted on the exchange at the close of the last 60 trading days preceding the grant date;
- ❖ Dilution/maximum utilization of capital: 8.0%;
- ❖ In Plan 1, dilution will be: 6.5%;
- ❖ Number of participants: 45 .

# Design of the Long Term Incentives Plan

## Main Features of the Design of the New LTI Plan



# Long Term Incentive Plan PDG



## Plan 2:

- ❖ Eligibility: CEO & CFO;
- ❖ 50% of the total options (Plan 1+ Plan 2) of the executives should be allocated to this plan;
- ❖ Same conditions as Plan 1, with the restriction that in order to be entitled to each vesting, the executives must have purchased shares of PDG at market prices, equivalent to the previous annual bonus at each vesting, net of taxes;
- ❖ Failure to comply with this provision results in loss of the lot;
- ❖ The shares will be restricted for sale with the custodian up to vesting of the last lot.





November 06, 2013

**Conference Call  
3Q13 and 9M13  
Results**