2Q12 Results Presentation

August, 2012

Operating & Financial Highlights

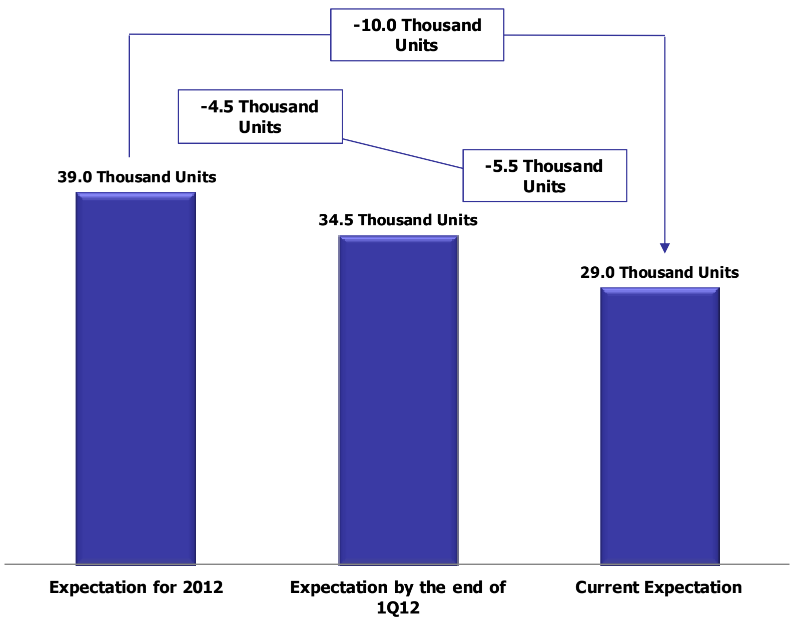
OPERATING HIGHLIGHTS OF 1H12	✓ LAUNCHES *PRO RATA* PDG REACHED R$ 1.52 BILLION IN THE FIRST HALF OF 2012; ✓ NET CONTRACTED SALES *PRO RATA* PDG OF R$ 3.04 BILLION IN THE FIRST HALF OF 2012; ✓ QUARTELY SALES OVER TOTAL SUPPLY "VSO" REACHED 23%; ✓ 34% OF THE NEW GUIDANCE OF 2012 HAS BEEN LAUNCHED IN THE FIRST HALF OF THE YEAR; ✓ THE LAUNCHES IN THE FIRST HALF OF 2012 WERE DISTRIBUTED IN 7 STATES AND 14 CITIES, WITH MOST OF THE PROJECTS BEING CONCENTRATED IN THE SOUTHEAST REGION.
FINANCIAL HIGHLIGHTS OF 1H12	✓ NET REVENUE REACHED R$ 2.54 BILLION IN THE FIRST HALF OF 2012, A REDUCTION IN 21% WHEN COMPARED TO THE FIRST HALF OF 2011; ✓ GROSS PROFIT OF R$ 75 MILLION IN THE FIRST HALF OF 2012; ✓ NET LOSS IN THE FIRST HALF OF 2012 OF R$ 387.75 MILLION, AFFECTED MAINLY BY THE BUDGET REVISION IN THIS YEAR'S SECOND QUARTER; ✓ WE CLOSED THE FIRST HALF OF 2012 WITH R$ 1.98 BILLION IN CASH AND CASH EQUIVALENTS.
HIGHLIGHTS AND RECENT EVENTS	✓ REVISION OF PDG'S WORKS BUDGETS; ✓ HIGHER SHARE OF OWN WORKS IN PDG'S LAUNCHES; ✓ REDUCTION IN THE NUMBER OF RESIDENTIAL UNITS LAUNCHED; ✓ GREATER CONCENTRATION IN THE SOUTHEAST; ✓ REVISION OF 2012 LAUNCH GUIDANCE; ✓ HIRING OF OWN PERSONNEL FOR EXECUTION OF THE WORKS; ✓ OPERATION OF CAPITALIZATION; ✓ PDG ISSUED TWO BANK CREDIT CERTIFICATES (CCBs); ✓ NEW RECEIVABLES SECURITIZATION.

PDG

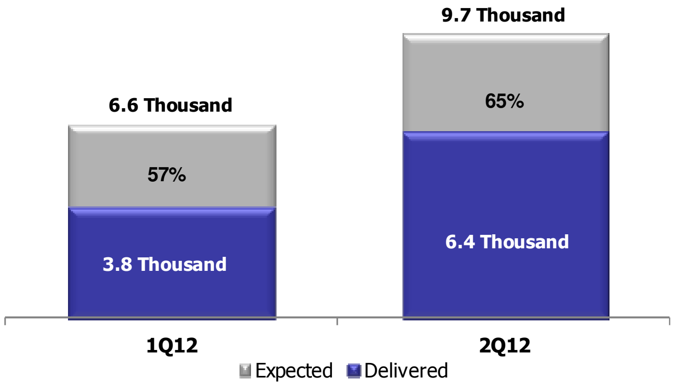
Revision in the Schedule of Units' Delivery

- The charts below show the evolution in the schedule of units delivery (chart in the left) and the units delivery in the first half of 2012 versus the deliveries' expectation (chart on the right).

Revisions in the Deliveries' Schedule PDG

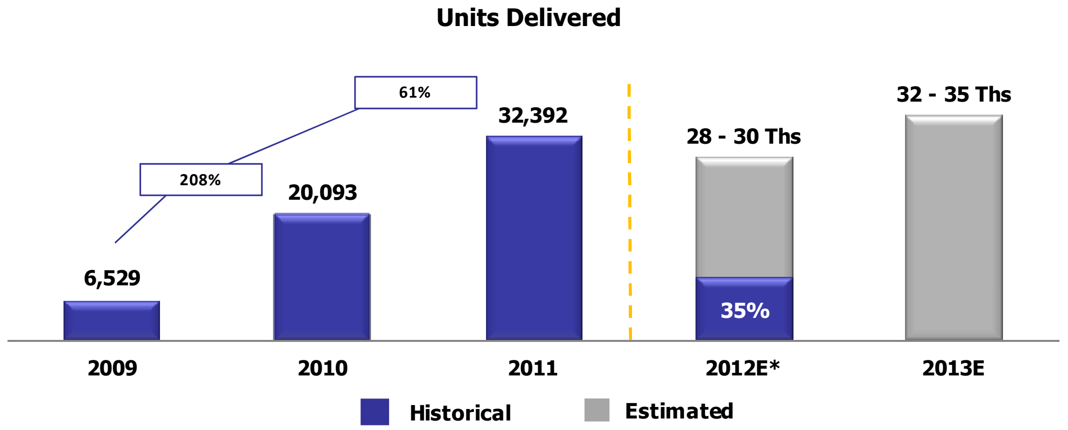


Units Delivery: Expected X Real

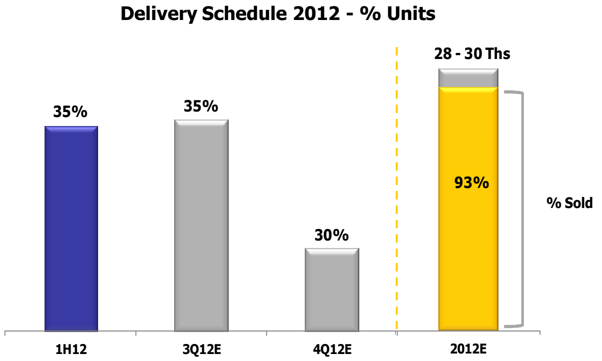


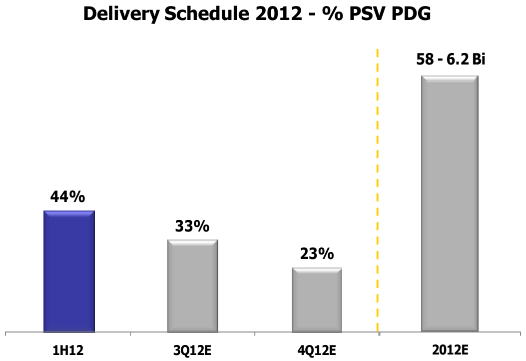
Units Delivery

- The number of units delivered until June totaled 10.2 thousand, distributed across 51 projects. Below we present the track record of delivered units and the new expected timetable of future deliveries for 2012 and 2013.



- We present below a quarterly breakdown of the units and PSV (PDG's pro rata PSV) scheduled for delivery in 2012. By the end of July, we had delivered 35% of the estimated units and 44% of PSV. It is also worth noting that 93% of the units to be delivered in 2012 have already been sold.

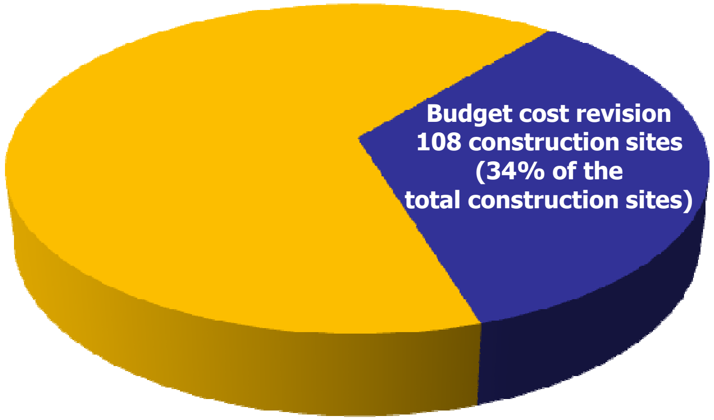




Budget Cost Revision PDG

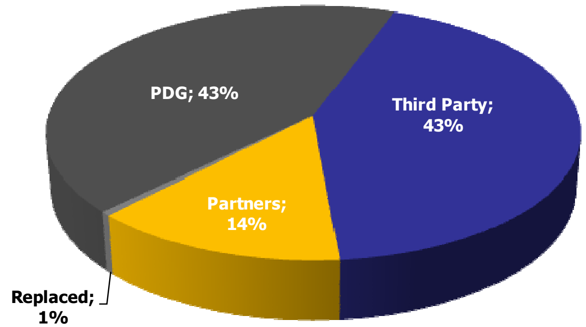
- The graphics below show the effects of the analysis of PDG's project portfolio.

Analysis of total 315 construction sites



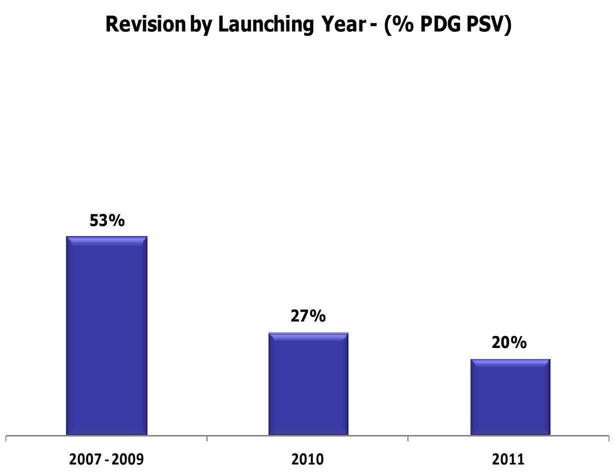
Increase in cost: R$ 478 million

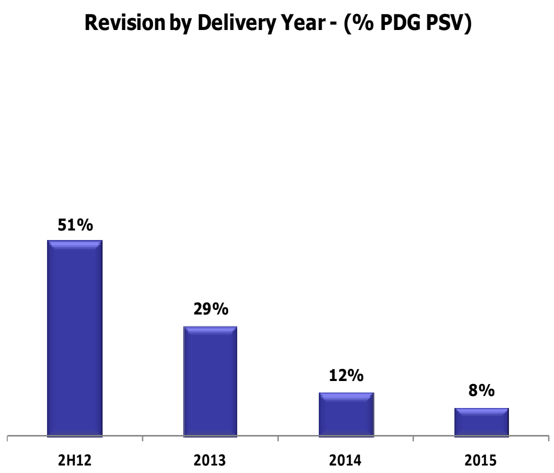
- ✓ **3.6%** of PDGs total project portfolio- R$ 13.2 billion
- ✓ **10.6%** of the total budget of the 108 projects revised



Features of Revised Projects

- Higher concentration of rebudgeted projects (51% of Total PSV) have its delivery date to the second half of 2012;





- The average incurred cost (PoC) of the rebudgeted projects reached 71%. Therefore, are projects close to conclusion, given that 53% of these projects were launched between 2007 and 2009;

- The rebudgeted projects totaled R$ 8.2 billion in PSV.

PDG

Measures

1) Higher share of own works in PDG's launches:

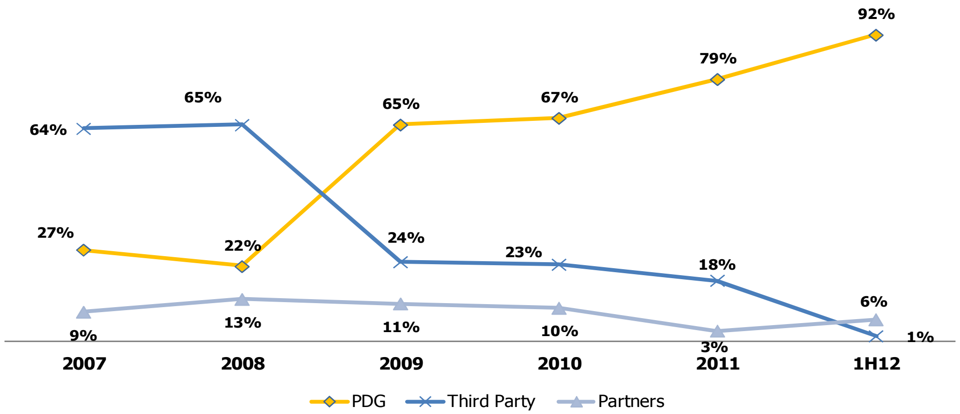
- 64% of unit delivery delays of 2012 have come from works executed by partners or third parties.

- Advantages:

  ✓ Gain greater control over our projects;

  ✓ Easier to identify deviations in budget during the constructions.

Evolution of Launched Units by Construction Contractor



Measures

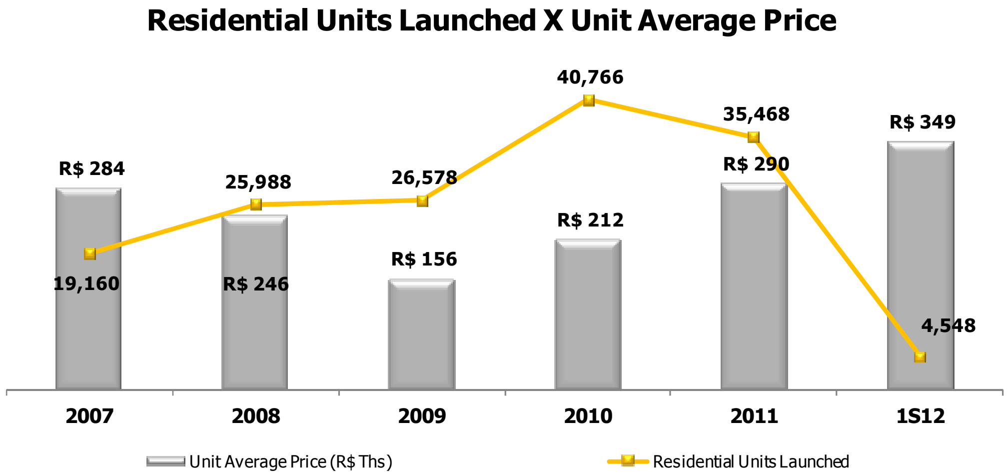
2) Reduction in the number of residential units launched:

- Reduced exposure to the low-income segment and higher share in the middle-income segment.

- Advantages:

  ✓ This strategy allowed us to increase our launched PSV in 2011, while reducing the number of units launched.

  ✓ Growth of 29% in PSV with a 13% reduction in the number of units launched when compared to 2010.



Measures

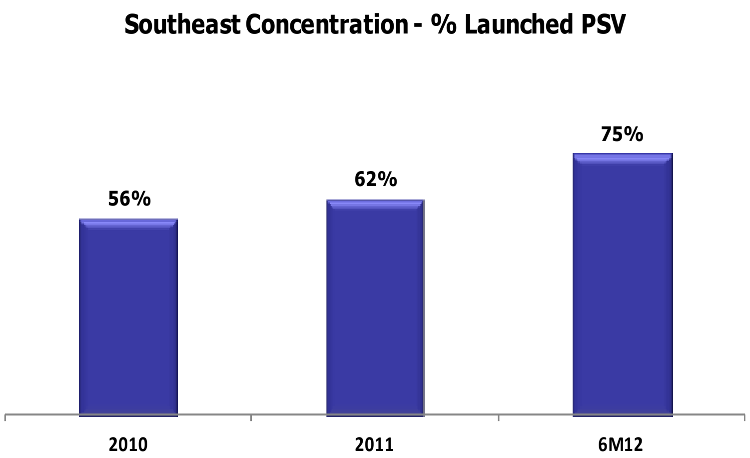
3) Greater concentration in the Southeast:

- In the first quarter of 2012, 97% of our launches were concentrated in the Southeast Region.

- Advantages:

  - ✓ Greater visibility;

  - ✓ Tighter control over our projects in order to avoid delivery delays and improve cost controls.



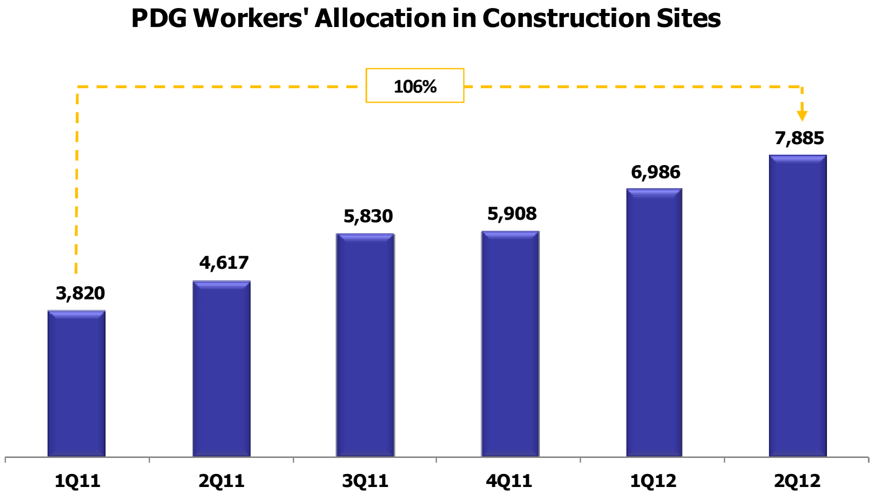
Measures

4) Revision of 2012 Launch Guidance:

- The new launch guidance for 2012 is between **R$ 4.0 billion and R$ 5.0 billion.**

5) Hiring of own personnel for execution of the works:

- Advantages:
  - ✓ Increase of our own works personnel in order to guarantee work force in a time of lower supply of workers in the Construction field.



Financial Covenants

Renogotiation of clauses that permit early maturity of the debentures in case of non-compliance with the financial covenants

- 1st Case: 1st Debenture issued
  - ✓ The clause related to the second quarter of 2012 financial information, and the financial information and statements for the 12 months thereafter, was suspended.
- 2nd Case: 3rd e 5th Issues
  - ✓ PDG was granted a waiver in regard to financial covenant (iii) in regard to the second quarter of 2012 financial information. In addition, when calculating financial covenant (iii) for the financial information and statements between third quarter of 2012 and first quarter of 2013, the results of the quarters prior to the second quarter of 2012 inclusive should be excluded from the calculation.

Financial Ratios (Financial Covenants)

(i) $$\frac{Total\ Debt - SFH\ Debt - Cash + Properties\ Payable}{Shareholder's\ Equity} \leq 70\%$$

(ii) $$\frac{Total\ Revenue\ to\ be\ Recognized + Accounts\ Receivable + Properties\ for\ Sale}{Total\ Debt - SFH\ Debt - Cash + Properties\ Payable + Costs\ and\ Expenses\ to\ be\ Recognized} \geq 1.3x\ or < 0$$

(iii) $$\frac{EBIT}{Net\ Financial\ Result} \geq 1.5x\ or < 0\ and\ EBIT > 0$$

Comparison After and Before the Revisions

INCOME STATEMENT (R$ '000)	2Q12 (Before Adjustments)	Budget Revision	Provision for Contigencies	Provision for Warranty	2Q12 (After Adjustments)
			Impactos		
Operating Net Revenue	**1.481.693**	**(421.278)**			**1.060.415**
Interest Expenses	(114.792)				(114.792)
Recognition of goodwill of identifiable assets in the acquisition of Agre	(5.355)				(5.355)
Cost of Sold Units	(1.098.289)		**(23.114)**	**(24.094)**	(1.145.497)
Gross Income	**263.257**				**(205.229)**
Gross margin	***17,8%***				***-19,4%***
Adjusted gross margin (1)	***25,9%***				***-8,0%***
Operating Revenues (expenses):					
Commercial	(75.303)				(75.303)
General and Administrative	(98.176)				(98.176)
Taxes	(10.047)				(10.047)
Financial	(5.412)				(5.412)
Depreciation & Amortization	(21.263)				(21.263)
Other	2.587				2.586
Total operating revenues (expenses)	**(207.614)**				**(207.615)**
Operating Result	**55.643**				**(412.844)**
Non operating result					
Income before taxes	**55.643**				**(412.844)**
Income Taxes and Social Contribution	(57.832)	**13.467**			(44.365)
Income before minority stake	**(2.189)**				**(457.209)**
Minority interest	7.074				7.074
Net Income (loss)	**4.886**				**(450.135)**
Net margin	***0,3%***				***-42,4%***
Adjusted Net Income *(2)*	**17.500**				**(437.521)**
Ajusted Net margin	***1,2%***				***-41,3%***

***(1)* adjusted by interest expenses in cost of sold units and recognition of goodwill**
***(2)* adjusted by stock options plan provision and recognition of goodwill**

ADJUSTED EBITDA	2Q12 (Before Adjustments)		2Q12 (After Adjustments)
Income (loss) before taxes	55.643		(412.844)
(-/+) Financial Result	5.412		5.412
(+) Depreciation and Amortization	21.263		21.263
(+) Stock Option Plan	7.259		7.259
(+) Interest Expenses - Cost of Sold Units	114.792		114.792
(+) Recognition of goodwill of identifiable assets in the acquisition of Agre	5.355		5.355
ADJUSTED EBITDA	**209.724**		**(258.763)**
AJUSTED EBITDA Margin	***14,2%***		***-24,4%***

PDG

Indebtedness

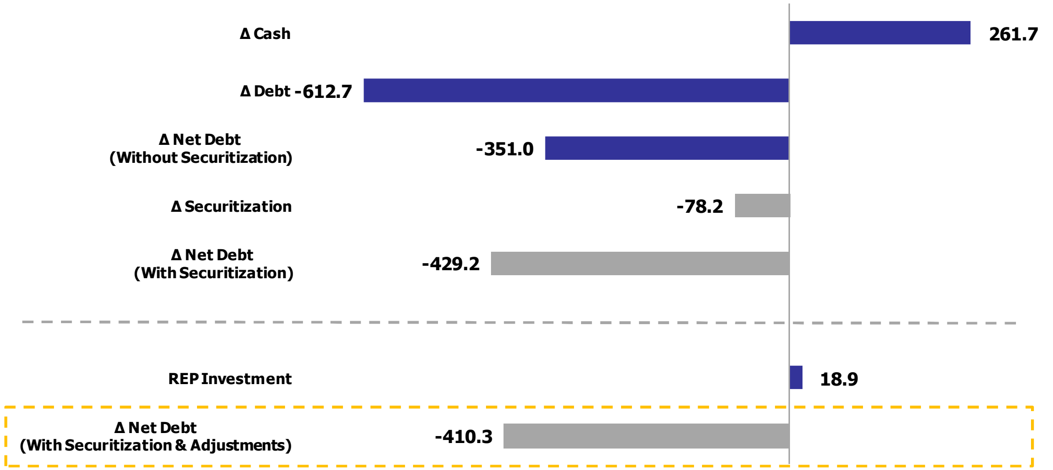
- The following table presents the Company debt ratios at the close of 2Q12:

	2Q12	2Q11
Cash	1.981.712	1.720.023
Debt	5.963.330	5.350.653
SFH Debt	*3.952.648*	*3.876.560*
Corporate Debt	*2.010.682*	*1.474.093*
Securitization (obligation)	1.557.247	1.479.040
Net debt without securitization	3.981.618	3.630.630
Net debt with securitization	5.538.865	5.109.670
Equity	6.065.724	6.519.805
Net debt to Equity	65,6%	55,7%
Debt to Equity (ex SFH)	0,5%	-3,8%
Debt to Equity (ex securitization)	91,3%	78,4%

** Scenario with funding of R$ 799 mm*

	2Q12
Cash*	2.780.712
Equity*	6.864.724
Net debt to Equity*	46,4%
Debt to Equity (ex SFH)*	-11,2%
Debt to Equity (ex securitization)*	69,0%

- Net Debt Variation (Cash Burn) – R$ millions

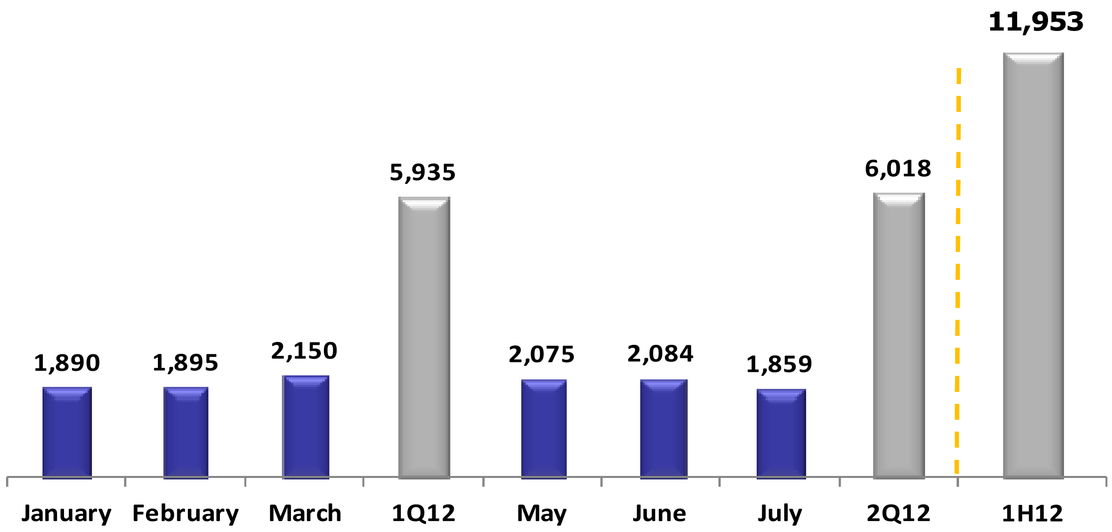


Monitoring of Clients Credit Transfers

- In line with the evolution of deliveries of the company's units, the credit transfer area has been gaining efficiency progressively. Today, the team has 320 employees dedicated exclusively to transferring clients' credits to partner banks.

- Credit transfers* on 11,953 units were made in the first half and on 6,018 units in the second quarter. The chart below gives a monthly breakdown of credit transfers by units:

Monthly Breakdown of Credit Transfers – 1H12

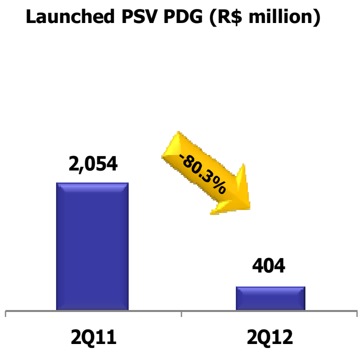


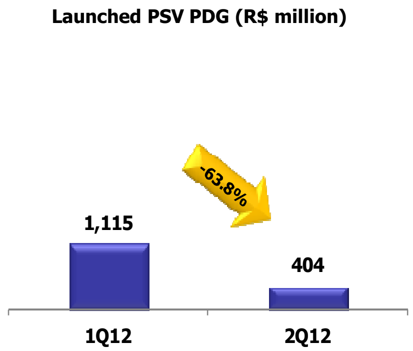
* These units exclude land parceling or units where partners are responsible for the credit transfer.

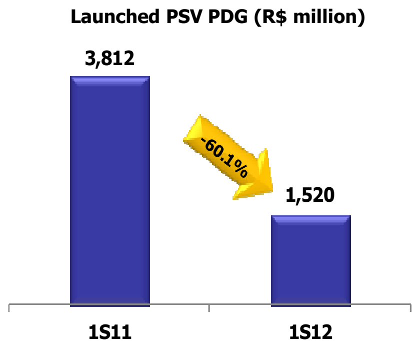
PDG

Launches & Sales 2Q12

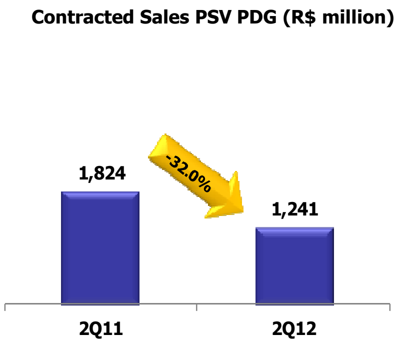
- Launched PSV (PDG´s pro rata stake) totaled R$ 404 million (total PSV of R$ 462 million) in 2Q12, distributed across 8 projects. For the first half of the year, launches totaled R$ 1.5 billion, reaching 34% of the initial point of guidance of launches for 2012 (R$4.0 - R$5.0 billions).

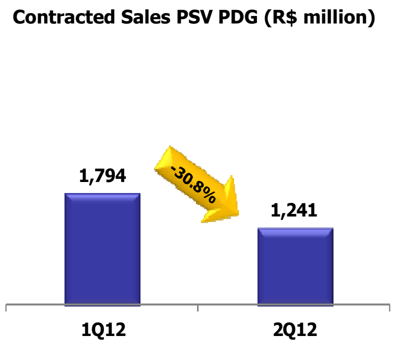


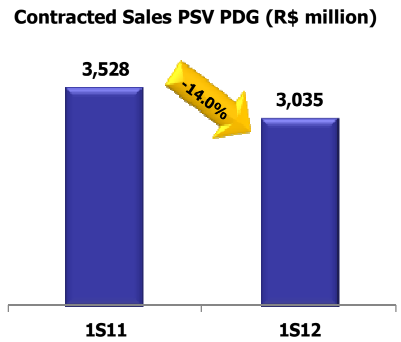




- Contracted Sales (PDG´s pro rata stake) reached R$ 1.241 billion in 2Q12 (representing a 32% reduction when compared with 2Q11), with total contracted sales reaching R$ 3.035 billion in the first quarter of 2012. From the total amount sold in the second quarter, 63% is from sales made by PDGs exclusive brokers.







PDG

Contacts:

- RI: ri@pdg.com.br
- Phone+ 5521 3504-3800
- www.pdg.com.br/ri