São Paulo, March 26, 2013: PDG Realty S.A. (PDGR3) releases its Q4 and 2012 YE results. Founded in 2003, PDG develops projects for several different segments and publics, in fully integrated fashion: development, construction and sales of residential and commercial units, in addition to land plots.

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Earnings Conference Call

Date:
Wednesday, March 27, 2013

> Portuguese

09h00 (Local Time)
08h00 (EST)

Tel.: (11) 2188-0155

Replay: (11) 2188-0155
Password: PDG

> English

10h00 (EST)
11h00 (Local Time)

Tel.: +1 (877) 344-7529
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Password: 10024823

Highlights and Recent Events

- In August, the Board of Directors elected Carlos Piani and Marco Kheirallah for the positions of CEO and CFO, respectively. Piani was previoulsy co-head of Vinci Partners´ Private Equity Fund and CEO of Equatorial Energia. Kheirallah was previously a PDG Board member and partner at Matrix and Pactual banks.
- The new management initiated a working plan with its eyes set on long term value creation for company shareholders. Strategic positioning was validated, a new organizational structure designed and the management model revisited. In addition, to the creation of an aggressive cost control culture.

Operational Highlights and Subsequent Events

- The R$1.7 billion launched in 2012, down 80% y-o-y, is net of R$475 million in recalled projects, during 2H12. This movement is in line with our strategy of minimizing execution risks and seeking projects which meet our minimum return threshold;
- The conversion rate of 70% of units eligible for mortgage transfers ("repasses"), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues generated by client transfers, was 25% above the R$2.8 billion figure reported a year earlier;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million;
- During Q4, we significantly refined our construction budgeting and controls capacity. Based on consolidated ERP systems, implementation of new processes, along with revamped procedures and controls, we fully revised our construction budgets, which led us to recognize some R$1.4 billion in overruns, representing R$1.1 billion in net earnings reversal;
- In addition, R$506 million in miscellaneous accounting adjustments were also carried out;
- The mark-to-market exercise of our inventory, carried out during the first quarter of 2013, revealed a R$1.2 billion increase over previously released figures;
- On December 31st, our cash position stood at R$1.8 billion.

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Financial and Operational Indicators

	Q411	Q412	(%) Var.	2011	2012	(%) Var.
Operational Result						
Total Launches - R$ mm	3,173	255	-92.0%	11,373	1,903	-83.3%
PDG % Launches - R$ mm	2,541	255	-90.0%	9,007	1,755	-80.5%
# of Launched Projects	47	3	-93.6%	160	36	-77.5%
# of Launched Units	10,855	751	-93.1%	40,299	6,205	-84.6%
Total Net sales - R$ mm	2,413	681	-71.8%	9,368	4,155	-55.6%
PDG % Sales - R$ mm	2,040	623	-69.5%	7,480	3,912	-47.7%
# of Sold Units	8,165	2,334	-71.4%	33,962	13,735	-59.6%
Inventory at Market - R$ mm	5,651	5,157	-8.7%	5,651	5,157	-8.7%
Average Unit price (R$ ´000)	229	267	16.6%	228	285	25.0%
Financial Result						
Net Operational Revenues - R$ mm	1,758	278	-84%	6,823	4,358	-36%
Gross Profit - R$ mm	325	-1.218	-	1,799	-808	-
Gross Margin - %	18.5	n/a	-	26.4	n/a	-
Adjusted Gross Margin(1) - %	28.7	n/a	-	34.1	n/a	-
Adjusted EBITDA Margin - %	16.0	n/a	-	22.9	n/a	-
Adjusted Net Earnings - R$ mm	32	-1,787	-	784	-2,172	-
Net Margin - %	1.8	n/a	-	11.5	n/a	-

NOTE: (1) Data for the 4Q12 and 2012 are net of cancelled sales and re-called.
(2) Financial and Operational Indicators were calculated pro forma and are unaudited.

MANAGEMENT COMMENTS

In the first half of 2012, PDG approved, at a General Meeting, the payment of dividends referring to 2011 in the amount of R$ 168.1 million, or R$ 0.14 per share.

At the same Meeting, three new members were elected for the Board of Directors, which now has 75% of independent members, in line with the best corporate governance practices.

The new stock trading policy was approved, seeking greater alignment of interests between employees and shareholders.

PDG's Shared Services Center (CSC) became operative in May, with its headquarters located in São Paulo. The CSC was implemented with the purpose of centralizing, standardizing, and streamlining processes. In this model, back-office activities gain more efficiency because they are integrated.

In the second quarter of 2012, PDG carried out the second revision of construction work budgets. This change in costs occurred chiefly because of the mismatch between the initial viability assumptions and the market reality at the time the construction works began, and also due to unexpected costs that arise upon the delivery of the units. Of all construction sites, 34% had their costs changed. The result of this reconciliation was an addition of R$ 478 million to our budgeted costs.

Given the financial difficulties faced in the first half, the Company's Management negotiated and obtained the necessary waivers for its debentures.

In July, a capital increase of nearly R$ 800 million was approved, backed by Vinci Partners. With that transaction, the Company's liquidity was strengthened, and PDG saw the return and commitment of a long time partner.

The second half was marked with an important step for the future of PDG. By the end of August, the Board elected Carlos Augusto Piani as CEO and Marco Kheirallah as Deputy CEO.

The new management team has started an extensive work plan to speed up the creation of value to the shareholders in the long term. This plan, designed with the support of contracted advisers, includes the validation of the Company's strategic positioning and the management model necessary to achieve it.

The following strategic guidelines have derived from this work plan: (i) reduced number of geographic regions of operation; (ii) focusing on the low-income and mid-income segments and an occasional exploration of the high-income segment; and (iii) supplementary operation in the commercial, urban development lots, and MCMV segments.

The operating pillars of the business were also identified as follows: (i) full integration of the acquired companies, focusing on the business's profitability and on controlling costs and expenses; (ii) organizational restructuring, addition of new talents in key positions, and redefinition of the compensation policy; (iii) structuring of regional businesses and business units; (iv) improvement of the construction works management and budgeting process; and (v) redesign of the remaining macro processes.

In order to adapt the Company to the new strategic guidelines, starting in September all launches that had not been executed until then and those executed less than 6 months before were revised. The result of this revision was that the number of launches was reduced, launches were concentrated in the Southeast, and the number of development termination notices and effective contract terminations increased proportionately in the third and fourth quarters of 2012.

In the fourth quarter, the operating model started being adjusted and integrated, resulting in the substitution of some of the Company's executive officers. Marco Kheirallah now holds the positions of CFO and Deputy CEO. Guido Lemos, former executive of VIVER and Porto Seguro, is our new Investor Relations Officer. Natalia Pires, lawyer with vast experience in the real estate industry, was promoted and now heads the Legal Department. Valdir Sobrinho, former employee of Telemar and Cemar, now heads the CSC. The first changes in the organizational structure were also implemented, including the following: (i) reduced number of executive development areas; (ii) creation of a single division for mortgage loan area, which is now responsible for contracting construction financing, on lending, and registration; and (iii) changes in and consolidation of the procurement area, which started reporting directly to the CEO.

Actions to control costs and expenses were also taken. We established a more restrictive payment policy, and new forums for the approval of financial matters related to the projects. A detailed budget for 2013 has been prepared to help control costs and expenses and integrate the different areas of the company.

The company is also working to redesign the short- and long-term compensation policy and the new structure for regional offices. These new policies and structures will be implemented throughout 2013.

MANAGEMENT COMMENTS

One of the pillars of the new operating model is the improvement of the construction works management and budgeting process. In line with that target, the new management has decided to review controls and budgets for all construction works, in order to enhance estimate precision, despite the work carried out by the former management team.

The purpose of that work was to have an updated view of costs to be incurred by (i) revising the construction works of partnerships; (ii) evaluating and possibly replacing the contracted construction companies in outsourced construction works; (iii) evaluating the construction works of the MCMV program; (iv) solving issued with the government; (v) standardizing and using a more diligent approach for the budgets of existing construction works; and (v) implementing new supervision and oversight processes. As a result of this review, the following decisions were made:

- 3 partnerships were terminated;
- some outsourced construction teams were replaced with our own teams;
- instruments of conduct adjustment (TAC) or other instruments were executed with government agencies regarding the necessary compensation for the execution of the development projects;
- the leading team responsible for MCMV projects was replaced;
- a projects area that reports to the CEO was created to supervise the physical and financial evolution of the projects, and implement the lessons learned from closed projects;
- the development projects are periodically analyzed by external advisers;
- more detailed budgets are required for the execution of existing construction works and for new projects;
- 100% of the construction works were revised and 86% of budgets were improved, based on new guidelines for material costs, services, workforce, improvements, environmental requirements, and completion deadlines;
- payment policies became stricter for construction works costs, with cross-controls involving the executive board and the CEO.

This review also included mobilization expenses necessary to take on third-party and partner projects, and resume embargoed construction works. It is important to note that no change or improvement was planned for the construction works process or for the acquisition of inputs and services; this will be attained using a new procurement management and centralization model. Therefore, we believe a conservative value has been determined for the completion of ongoing works, and we do not expect it to be further reviewed. The consolidated value for budget supplementation was estimated at R$ 1.4 billion, of which R$ 1.1 billion impacted the result for the fourth quarter of 2012.

MANAGEMENT COMMENTS

Additionally, due to this revision and changes in the tax legislation, a consolidated amount was added to the maintenance guarantee and technical assistance provisions, to cover possible fines f or delivery delays, losses in ongoing development projects, and reversal of the RET deferred tax in the amount of R$ 139 million.

The improvement in our construction works cost estimate process has also resulted in other adjustments to our financial statements. There was a reduction in assets that do not generate cash, consisting mainly of the impairment of goodwill in the acquisition of Agre and TGLT, deferred tax assets, expenses with discontinued projects, fair value of the financial liability of the convertible debentures(capitalization) under IFRS rules, which totaled R$ 367 million.

2012 was a year of change, adjustment, and new challenges for PDG. The new management team took office in September 2012 and implemented a new management model, but there is still a lot to be done. The strategic agenda for the upcoming years includes the unification of processes of the group's companies, execution decentralization, corporate restructuring, and the control and management of the Company's performance. As a consequence, the new management team expects the company to become more efficient and profitable, resuming growth on a solid basis, and adding value to the shareholders.

SUBSEQUENT EVENTS

During the first quarter of the year, we hired the services of a renowned consulting company to help us revisit our mortgage transfer and registry processes. The objective of this work is to substantially reduce the duration of our mortgage transfers, thus accelerating the return of cash to the Company. Another important step taken during the period was the consolidation of the following, under the same supervision: credit analysis, transfers and registry, thus guaranteeing total fluidity of the process, from its origin, when credit is granted, up until the last leg, registry of the mortgage transfer.

Also recently, we hired Thiago Lima, to lead the future of our Mall subsidiary, REP. Mr. Lima, is a civil engineer, with nearly 13 years of experience in the local real estate market, and was most recently, Development Director at BR Malls, where he worked from 2007-2013. Previously, he also held a finance manager position at Multiplan, during the company´s pre-IPO stage. We believe Thiago has the ideal profile to lead our Mall operation with enormous success.

CONSTRUCTION BUDGET REVISION AND ACCOUNTING ADJUSTMENTS

- The refinement of our budgeting and overall accounting processes, resulted in adjustments in the following three categories:

  1) Cost overruns of R$ 1.434 million, which negatively impacted net revenues in R$ 1.075 million;

  2) Provisions: increase in the provision for maintenance costs incurred in delivered units, establishment of a provision for losses incurred by ongoing projects, provision reversal of deferred RET benefit and increase in provision for possible fines caused by delivery delays;

  3) Non-cash adjustments: impairment of AGRE and TGLT goodwill, deferred taxes, costs incurred by the cancellation of projects, mark to market of convertible debentures.

Adjustments – 4Q12	R$ mm
(1) CONSTRUCTION BUDGET REVISION	1,075
(2) ACCOUNTING PROVISIONS	139
(3) OTHER NON-CASH ADJUSTMENTSA	367
TOTAL ADJUSTMENTS	1,581

- On December 31st, PDG had 65 sites under the RET differentiated tax regime (44 in 2011). The accounts receivable value related to these sites amount to R$1,478 million, some 10% of our total receivables figure (on & off balance). Under the RET regime, with taxes lowered by 200 bps, we manage to save R$26.3 million.

STRATEGIC GUIDE LINES

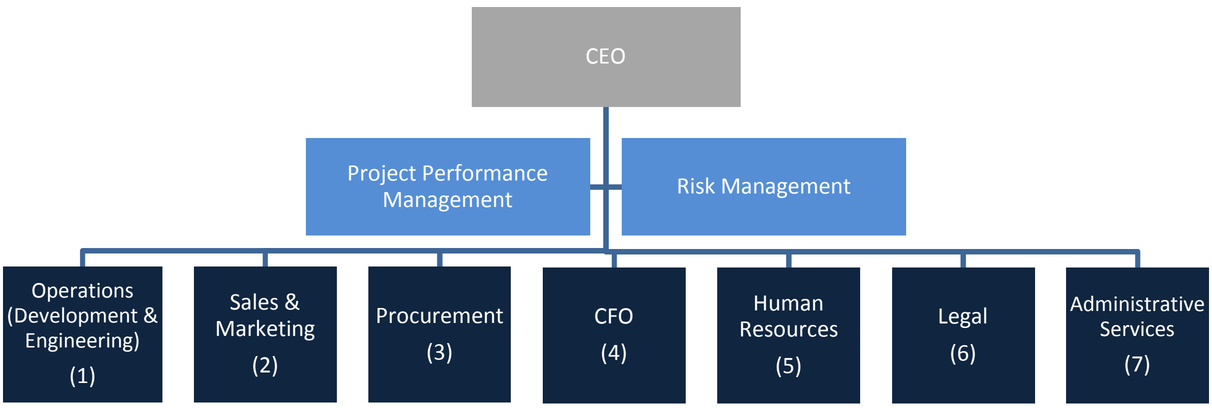
Strategic Guidelines

- Achieve sustainable leadership in the residential market in 10 selected locations;
- Main segments Economic and Medium Economy, with opportunistic stakes in High Income and *Minha Casa Minha* Vida segments, mainly in São Paulo and Rio de Janeiro.

Operational Pillars

- PDG will be a fully integrated operation, in terms of its internal processes, Guidelines and Structures;
- Geographic expansion/consolidation achieved through the establishment of regional Business Units;
- Corporate Headquarter structure will focus on key decision-making and performance control.

Organizational Chart



(1) Antonio Guedes, Civil Engineer, 25 years of experience in real estate, ex-Cyrela and Gafisa.
(2) Eduardo Telles, Civil Engineer, 7 years of experience in real estate;
(3) Julio Hornos, Business Administrator, 23 years of experience in real estate;
(4) Marco Kheirallah CFO, Business Administrator, previously PDG Board member, Matrix and Pactual partner;
(5) Luciana Domagala, Business Administrator, 18 years of experience in Human Resources; Gerdau Group, Claro and RBS;
(6) Natalia Pires, Lawyer, 15 years of experience in real estate;
(7) Valdir Barbosa, Information Technology, 25 years of Professional experience, ex-Telemar and CEMAR.

STRATEGIC GUIDE LINES

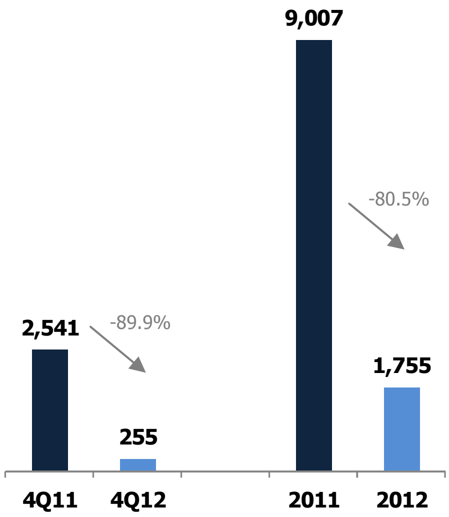
Post Revision Strategy

Newly Created Structures	**Creation of a corporate structure,** responsible for key decision making and supplying regional business units with homogeneous operating guidelines; **Creation of an Operations Vice Presidency,** with the objective of leading development and engineering in both corporate and regional levels; **Unification of our 4 pre-existing engineering structures,** leveling development and engineering hierarchies; **Creation of a performance management unit for projects,** responsible for data mining, analysis and questioning of ongoing projects, as well as partner performance. Projects will now carry specific time, cost and quality metrics.
Partnerships	**Utilization of partnerships solely to complement company skills;** **Validation of partnerships through technical, financial and reputational due diligence;** **Standardization of contracts;** **Re-balancing of proportion between own and third party construction.**
Planning, Management, Controls and Project Performance Assessment	**Tripartite collaboration between regional business units, headquarters and corporate back Office, where responsibilities are split as follows:** Regional: new business origination and execution; Corporate: feasibility approval; corporate back office: execution support; **Critical analysis of target markets,** where there are labor and supply chain obstacles; **Previous alignment with municipalities**, aiming to avoid the inclusion of additional infra structure demands.
Management, Controls and Construction Site Assessment	**Construction budgets devised utilizing standardized guidelines and executive projects**, from now on overseen by corporate headquarters; **Revised payment approval process, from now on fully controlled by finance and planning areas**, via ERP, in order to unify budget base; Monthly **monitoring** of selected sites for verification of **adherence to budgets**; **Creation of a remuneration scheme for construction site workers**, aligned with construction cycle.

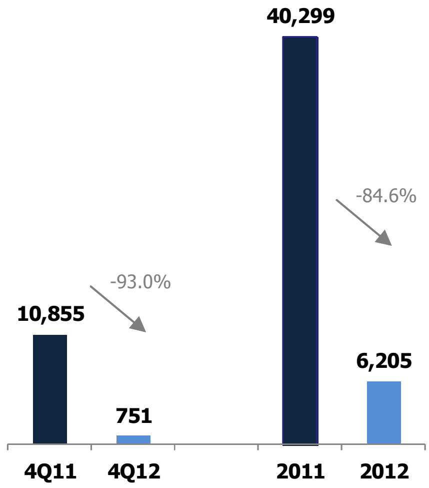
OPERATIONAL PERFORMANCE - LAUNCHES

- Total launches in Q4 amounted to R$ 255 million, split among 3 projects: two in São Paulo (economic and medium income) and one in Bahia (medium high);
- Total PSV(VGV) of R$ 1.755 million, launched in 2012, was distributed among 35 projects;
- Five projects launched in 2012 were recalled, totaling R$475,3 million in PSV (VGV).

Launches % PDG – R$mm

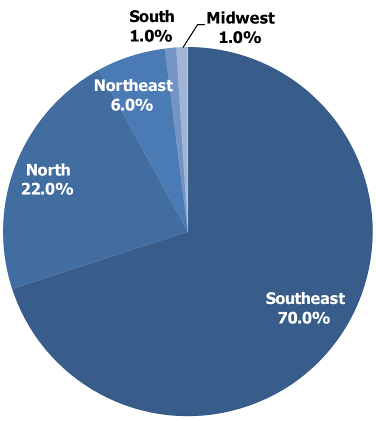


Launches – units

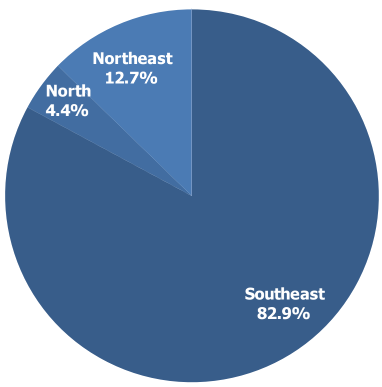


Launches by Region % PDG – R$mm

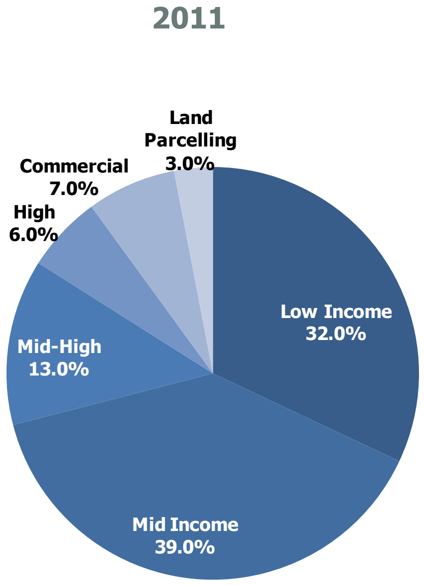
2011

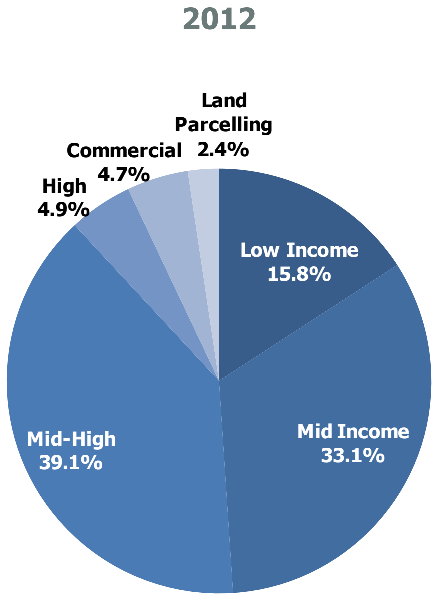


2012



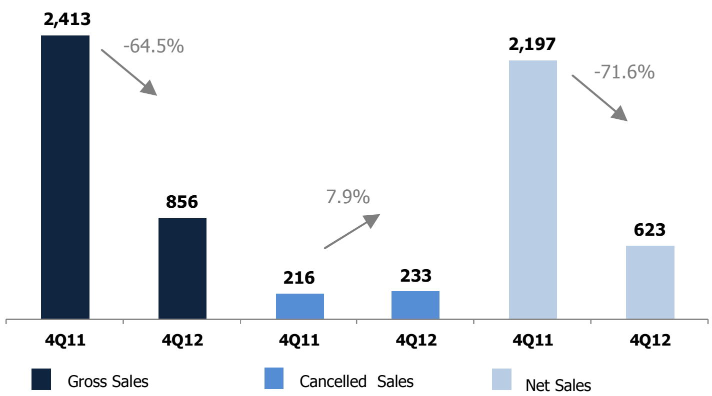
Launches by segment % PDG – R$mm



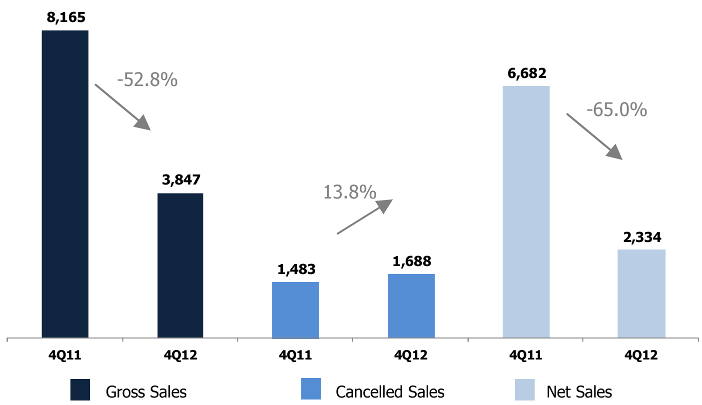


OPERATIONAL PERFORMANCE – SALES

Q411 vs. Q412 – R$ mm

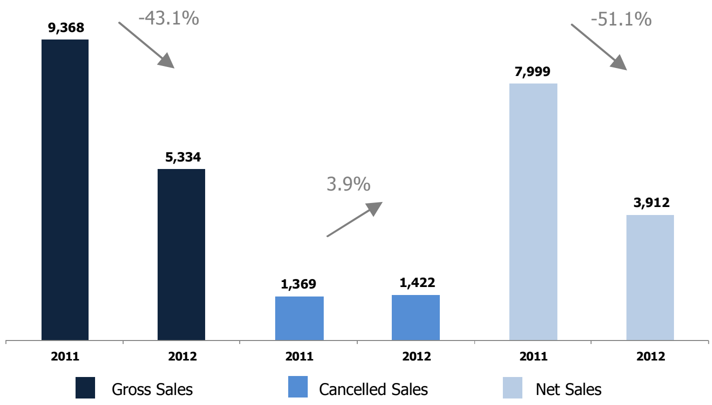


Q411 vs. Q412 – units

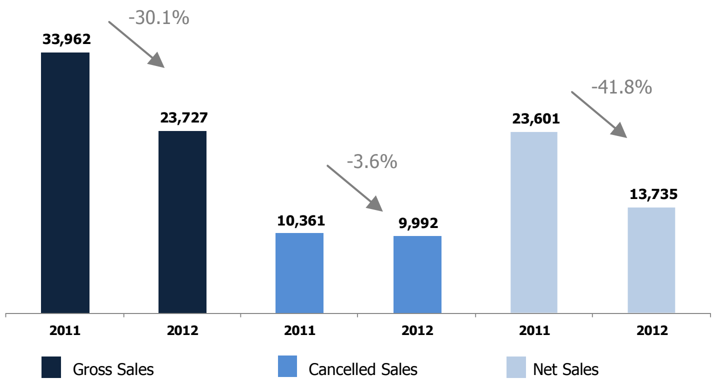


OPERATIONAL PERFORMANCE – SALES

2011 vs. 2012 – R$ mm

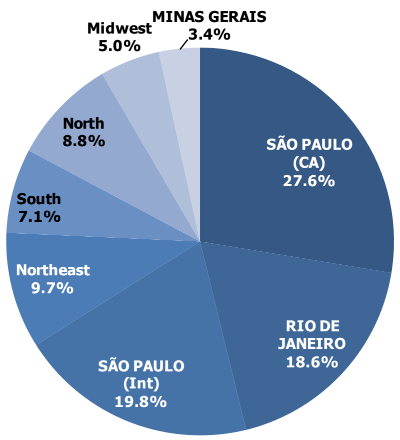


2011 vs. 2012 – units

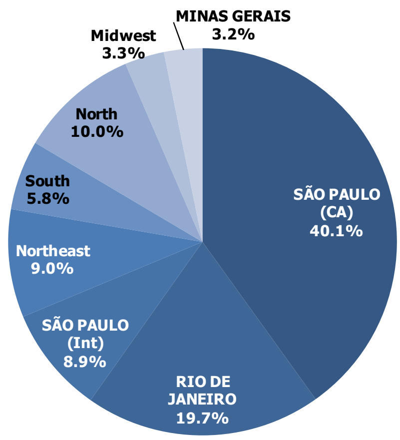


Sales by Region– %VGV

2011

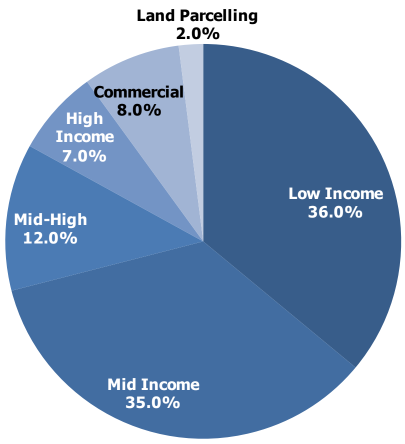


2012

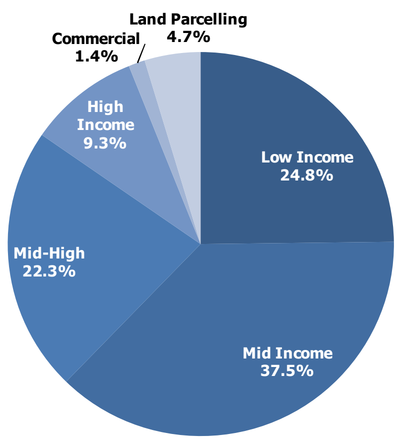


Sales by Segment – %VGV

2011

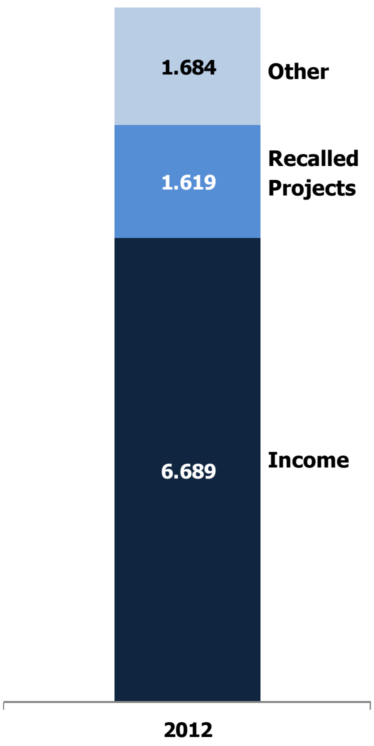


2012



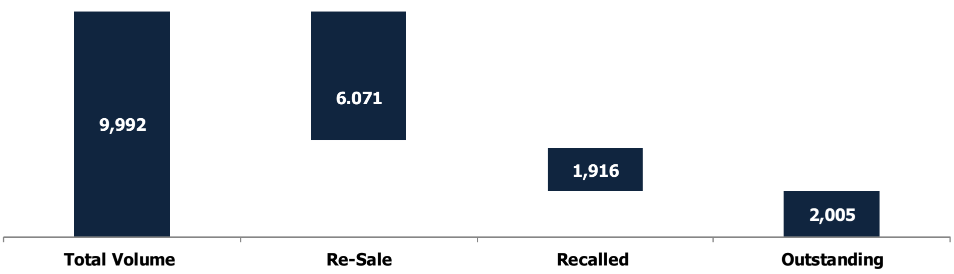
OPERATIONAL PERFORMANCE – CANCELLED SALES

Cancellation Breakdown – units



- Of a total of 9,992 cancelled units, 67% occurred due to income insufficiency, 16% recalled projects and 17% other;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million.

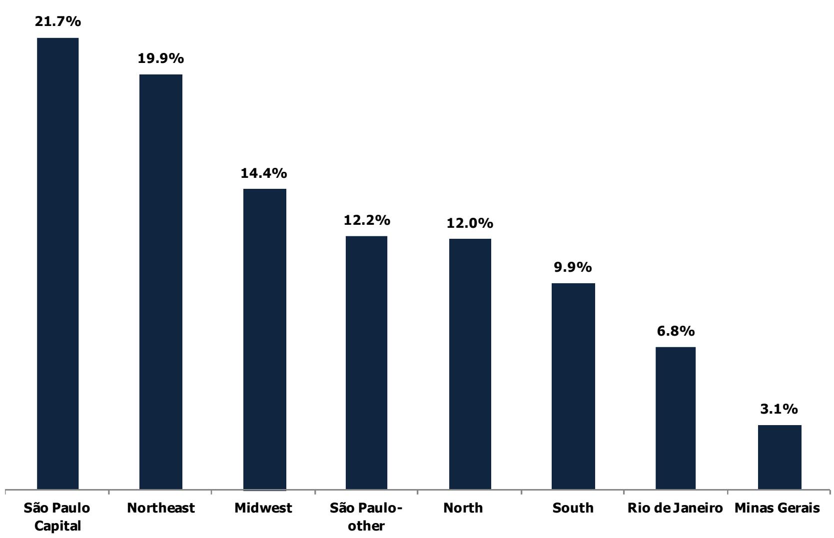
Cancelled Sales v.s Resold Units



OPERATIONAL PERFORMANCE - INVENTORY

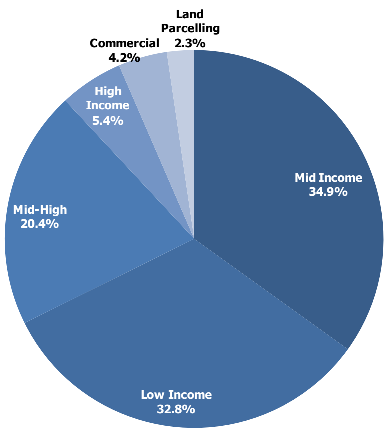
- Total inventory at market value stood at R$5,157 million or 19,347, by year end.

Inventory Breakdown by Region – % (PSV) VGV

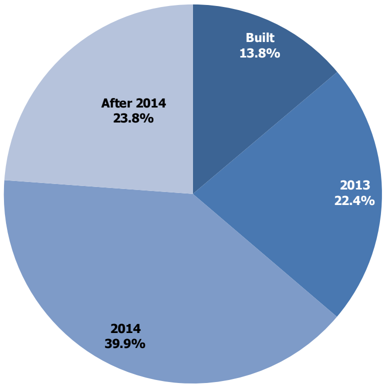


OPERATIONAL PERFORMANCE - INVENTORY

Inventory by Segment – % VGV



Inventory Delivery Schedule – % VGV



Speed of Sales (VSO)

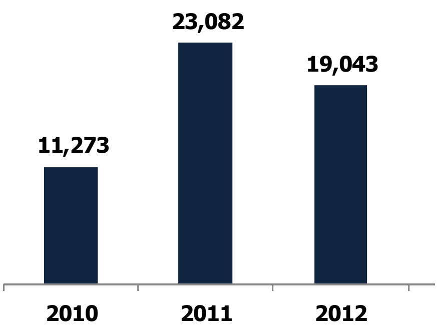
- The mark-to-market exercise of our inventory, carried out during the first quarter, revealed a R$1.2 billion increase over previously released figures;

R$ million

	Q411	Q112	Q212	Q312	Q412
INITIAL INVENTORY	6,963	7,463	6,797	6,060	5,581
(+)LAUNCHES	2,401	810	394	295	255
(-)GROSS SALES	2,102	1,707	1,456	1,268	846
(+)CANCELLED SALES	200	231	325	494	167
FINAL INVENTORY	7,463	6,797	6,060	5,581	5,157
SALES SPEED (12mos.)	**47%**	**50%**	**50%**	**49%**	**44%**

Unit Delivery Schedule

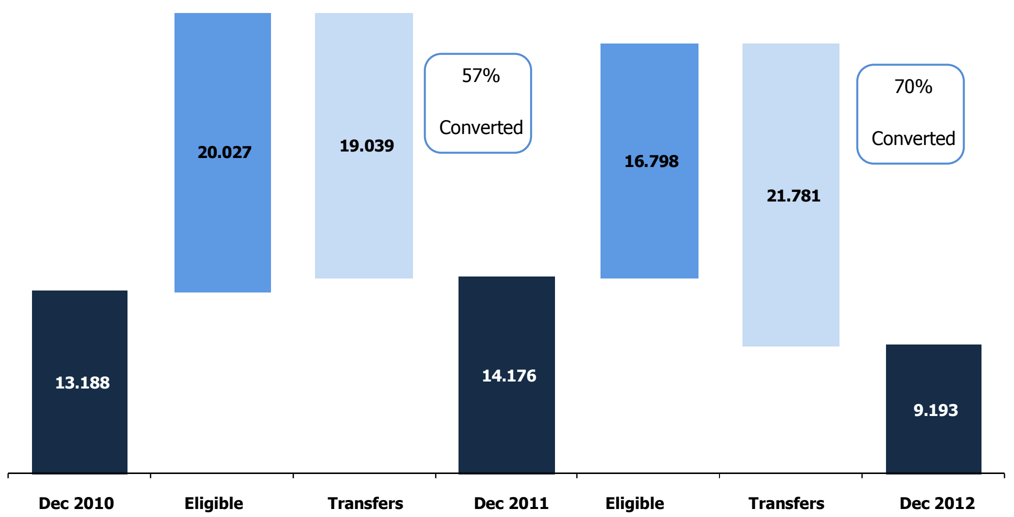
- We expect to deliver between 32,000-36,000 units in 2013 and 22,000-26,000 in 2014.



OPERATIONAL PERFORMANCE – MORTGAGE TRANSFERS (“REPASSE”)

- The conversion rate of 70% of units eligible for mortgage transfers (“repasses”), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues from bank transfers, was 25% above the R$2.8 billion figure reported a year earlier.

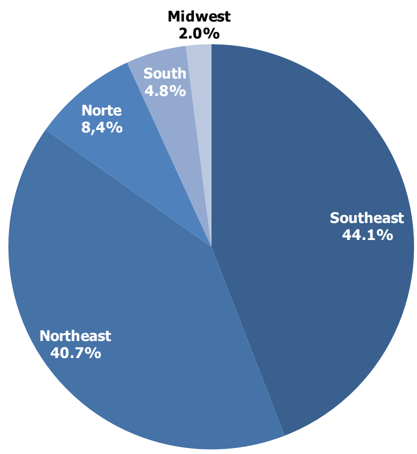
Mortgage Transfer Flux - units



LANDBANK

Segment	Nº Units	%	PSV PDG (R$ mm)	%	PSV (R$ mm)	%	Average Price (R$)
High Income	2,965	3.1%	4,234	16.5%	6,932	22.6%	1,428,162
Mid High	7,437	7.7%	5,081	19.8%	5,690	18.5%	683,187
Mid Income	21,091	21.7%	6,913	27.0%	7,676	25.0%	327,772
Low Income	39,543	40.7%	5,524	21.5%	5,757	18.7%	139,684
Residencial	**71,036**	**73.2%**	**21,752**	**84.8%**	**26,055**	**84.8%**	**306,211**
Commercial	**3,716**	**3.8%**	**1,438**	**5.6%**	**2,082**	**6.8%**	**386,914**
Land Parcelling	**22,334**	**23.0%**	**2,461**	**9.6%**	**2,576**	**8.4%**	**110,191**
Total	**97,085**	**-**	**25,650**	**-**	**30,714**	**-**	**264,207**

Landbank by Region - %VGV



FINANCIAL PERFORMANCE

Gross Margin

- The 20% drop in net revenues, which reached R$5.4 billion in 2012, was impacted by the R$1.1 billion revenue reversal occurred in Q4, stemming from cost overruns.

R$ million

Revenue Breakdown pre cost overruns	2012	2011	%Var.	Q412	Q411	%Var
Net Revenues – Income Statement	4,358	6,823		278	1,759	
Cost Overruns	(1,075)	-		(1,075)	-	
Net revenues recognized pre cost overruns	5,433	6,823	-20%	1,353	1,759	-23%
Gross Margin	**2012**	**2011**	**%Var.**	**Q412**	**Q411**	**%Var**
Net Revenues	4,358	6,823	-36%	278	1,759	-84%
Cost	(4,637)	(4,495)	3%	(1,328)	(1,254)	6%
Gross Profit(Loss)	(279)	2,328	-112%	(1,050)	505	-
(+) Capitalized Interest	(475)	(484)	-2%	(138)	(135)	2%
(+) Goodwill	(53)	(44)	20%	(30)	(44)	-32%
Adjusted Profit(Loss)	(807)	1,800	-145%	(1,218)	326	-
Gross Margin	-6.4%	34.1%	**-40.5 bps**	-	28.7%	-
Adjusted Gross Margin	-18.5%	26.4%	**-44.9 bps**	-	18.5%	-

Backlog Results (REF)

R$ million

	4Q12	3Q12	4Q11
Gross Revenues	6,497	5,704	6,332
(-) Taxes *	(246)	(212)	(241)
Net Revenues	6,251	5,492	6,091
(-) COGS	(4,558)	(3,586)	(3,945)
Gross Profit	1,693	1,906	2,146
**Gross Backlog Margin ** **	**27.1%**	**34.7%**	**35.2%**
Capitalized Interest	232	218	178
AGRE Goodwill	88	148	171
Adjusted Gross margin	**22.0%**	**28.0%**	**29.5%**

* 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
	52%	**40%**	**8%**

SG&A Expenses

- The 29% drop in commercial expenses in 2012, reflects the company´s more conservative launch stance during the period.
- The 56% growth in third party service expenses stems from the hiring of consulting services during Q4.
- The 31% drop in other expenses derives from the stock option plan reversal.
- Consolidated SG&A expenses dropped 15% y-o-y and 38% q-o-q, or R$53 million.

R$ million

Commercial Expenses	2012	2011	%Var.
Total Commercial Expenses (1)	**273.5**	**386.1**	**-29%**

G&A Expenses	2012	2011	%Var.
Salaries & Benefits	223.8	191.0	17%
Profit Sharing	0.0	45.8	n.a
Third Party Services	122.4	78.6	56%
Other Admin. EXpenses	91.1	133.0	-32%
Total G&A (2)	**437.3**	**448.4**	**-2%**
Total SG&A (1+2)	**710.8**	**834.5**	**-15%**

On & Off Balance Receivables

R$ million

	2012	2011	%Var.
Receivables	7,795	8,889	-12%
Gross Backlog Revenues - REF	6,497	6,332	3%
Total	**14,292**	**15,221**	**-6%**
ST	**6,052**	**6,701**	**-10%**
LT	**1,743**	**2,188**	**-20%**
Constructed units	2,116	1,761	20%
Units under constrcution	12,176	13,460	-10%

Financial Result

R$ million

	2012	2011	Var. %
Investment Income	80.3	175.60	-0.54
Interest and fines	136.9	61.80	1.22
Other financial revenue	47.3	23.40	1.02
Total financial revenues	**264.5**	**260.8**	**1%**
Interest	-876.0	-671.9	30%
Bank Expenses	-11.3	-9.2	23%
Other	-22.1	-57.8	-62%
Gross Financial Expenses	-909.4	-738.9	23%
Capitalized Interest on Inventory	528.2	440.7	20%
Total Financial Expenses	**-381.2**	**-298.2**	**28%**
Total Financial Result	**-116.7**	**-37.4**	**212%**

Indebtedness

R$ million

	4Q12	4Q11	Var. %	3Q12	Var. %
Cash	**1,809**	**1,722**	**5%**	**1,847**	**-2%**
Gross Debt	**7,628**	**6,785**	**12%**	**7,372**	**3%**
Project Finance(SFH)	*3,077*	*2,609*	*18%*	*2,991*	*3%*
Corporate Debt	*2,938*	*2,582*	*14%*	*2,752*	*7%*
Obligation for the issuance of CCB & CCI	*1,503*	*1,464*	*3%*	*1,524*	*-1%*
Co-obligation for the issuance of CRI	*110*	*130*	*-15%*	*105*	*5%*
Net Debt	**5,819**	**5,063**	**15%**	**5,525**	**5%**
Net Debt (ex. SFH)/ Equity	**2,742**	**2,454**	**12%**	**2,534**	**8%**
Shareholder´s Equity	**5,017**	**6,420**	**-22%**	**6,890**	**-27%**
Net Debt (ex. SFH)/ Equity	**54.7%**	**38.2%**	**17 bps**	**36.8%**	**18 bps**

Indebtedness - Profile

R$ thousand

Indebtedness	Outstanding	Index	Interest p.a.	Coupon	Amortization
Debentures - 1st Series	258,224	CDI Inflation	1.8%	Semester (Jan - Jul)	4 annual starting jul/15
Debentures - 4th Series	263,707	CDI Inflation	2.4%	Quarterly (Nov/Fev/Mai/Ago)	16 quarterlies starting Nov/12
Debentures - 6th Series	117,079	-	11.3%	Bullet (Set/16)	Sep-16
Debentures - 7th Series	150,817	IPCA Inflation	6.5%	Annual (Mar/13)	2 payments Mar/18 e Dec/18
Debentures - 8th Series*	89,508	-	-	-	Sep-16
Project Finance(SFH)**	3,940,803	TR	9.9%	-	-
Working Capital	1,194,757	CDI / Other	1.9%	-	-

Fair value on Dec/12.

*****Considering outstanding debts of 3rd and 5th Savings & Loan ("Caixa" - CEF) debenture series at R$ 245.6 MM e R$ 617.8 MM, respectively.***

Net Debt Variation

R$ million

Net Debt Variation (R$ mm)	Q1	Q2	Q3	Q4
CASH	**1,720**	**1,982**	**1,847**	**1,809**
CASH VARIATION	(2)	262	(135)	(38)
DEBT	**5,350**	**5,963**	**5,743**	**6,015**
PROJECT FINANCE(SFH)	2,973	3,028	2,991	3,077
CORPORATE DEBT	2,377	2,935	2,752	2,938
DEBT VARIATION	160	613	(220)	272
NET DEBT VARIATION(pre capital increase)	**(162)**	**(351)**	**85**	**(310)**
SECURITIZATION	**1,595**	**1,729**	**1,629**	**1,613**
Promissory Note Issue	1,479	1,557	1,524	1,503
Co- obligation	116	172	105	110
Securitization Variation	1	134	(100)	(16)
NET DEBT VARIATION(post capital increase)	**(163)**	**(485)**	**185**	**(294)**
ADJUSTMENTS	**(14)**	**19**	**(613)**	**33**
REP Investment	12	19	19	7
Stock Buy Back Program	4	-	-	48
Asset Sales	(30)	-	-	(22)
Dividends	-	-	168	-
Capital Increase (Subscription)	-	-	(800)	-
NET DEBT VARIATION (post capital increase+adjustments)	**(177)**	**(466)**	**(428)**	**(261)**

Income Statements – Pro Forma

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	Non-reccurring adjustments	2012 Pro Forma
Operating Gross Revenue			
Real State sales	4,392,680	1,656,909	6,049,589
Other Operating Revenues	113,182	-	113,182
(-) Taxes Over Sales	(147,363)	(15,174)	(162,537)
Operating Net Revenue	**4,358,499**	**1,641,735**	**6,000,234**
Interest Expenses	(474,579)	-	(474,579)
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	-	(52,920)
Cost of Sold Units	(4,637,957)	210,743	(4,427,214)
Cost of sold properties	**(5,165,456)**	**210,743**	**(4,954,713)**
Gross Income	**(806,957)**	**1,852,478**	**1,045,521**
Gross margin	***-18.5%***	***112.8%***	***17.4%***
Adjusted gross margin (1)	***-6.4%***	***112.8%***	***26.2%***
Operating Revenues (expenses):			
Commercial	(273,537)	14,000	(259,537)
General and Administrative	(437,271)	-	(437,271)
Taxes	(30,186)	-	(30,186)
Depreciation & Amortization	(175,143)	71,380	(103,763)
Other	(122,996)	50,200	(72,796)
Financial Result	(116,774)	81,590	(35,184)
Total operating revenues (expenses)	**(1,155,907)**	**217,170**	**(938,737)**
Income before taxes	**(1,962,864)**	**2,069,648**	**106,784**
Income Taxes and Social Contribution	(209,991)	55,400	(154,591)
Income before minority stake	**(2,172,855)**	**2,125,048**	**(47,807)**
Minority interest	(4,251)	-	(4,251)
Net Income (loss)	**(2,177,106)**	**2,125,048**	**(52,058)**
Net margin	***-50.0%***	***129.4%***	***-0.9%***

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

ADJUSTED EBITDA	2012	Non-reccurring adjustments	2012 Pro Forma
Income (loss) before taxes	(1,962,864)	2,069,648	106,784
(-/+) Financial Result	116,774	(81,590)	35,184
(+) Depreciation and Amortization	175,143	(71,380)	103,763
(+) Stock Option Plan	(25,655)	-	(25,655)
(+) Interest Expenses - Cost of Sold Units	474,579	-	474,579
(+) Recognition of goodwill of identifiable assets in the acquisition of Agre	52,920	-	52,920
EBITDA	**(1,169,103)**	**1,916,678**	**747,575**
AJUSTED EBITDA Margin	***-***	***-***	***12.5%***

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

Assets	2012	2011	Var.%
Current Assets			
Cash, cash equivalents and short-term investments	1,752,161	1,629,877	8%
Accounts receivable	6,052,113	6,700,571	-10%
Properties held for sale	1,994,168	3,706,220	-46%
Prepaid expenses	64,213	106,689	-40%
Advances to suppliers	109,803	74,571	47%
Accounts with related parties	51,193	-	-
Taxes to recover	120,957	101,163	20%
Receivables Acquired	-	52,831	-100%
Related Parties	-	58,421	-100%
Others	236,625	226,675	4%
Total Current Assets	**10,381,233**	**12,657,018**	**-18%**
Noncurrent Assets			
Long-Term			
Long-term investments	57,337	92,386	-38%
Accounts receivable	1,742,477	2,188,609	-20%
Properties held for sale	2,634,526	931,124	183%
Debentures	1,064	40,593	-97%
Accounts with related parties	105,444	32,648	223%
Receivables Acquired	-	57,512	-100%
Deferred income and social contribuition taxes	195	-	-
Others	160,193	165,203	-3%
Total Noncurrent Assets	**4,701,236**	**3,508,075**	**34%**
Permanent Assets			
Intangible	646,682	669,542	-3%
Property and equipment	282,104	296,466	-5%
Investments	22,917	121,978	-81%
	951,703	**1,087,986**	**-13%**
Total Permanent Assets	**5,652,939**	**4,596,061**	**23%**
Total Assets	**16,034,172**	**17,253,079**	**-7%**

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	2012	2011	Var. %
Current			
Loans and financings	1,840,885	1,872,531	-2%
Debentures	316,727	-	-
Suppliers	260,003	317,751	-18%
Property acquisition obligations	682,387	813,795	-16%
Taxes and contributions payable	131,983	158,810	-17%
Deferred taxes	357,544	338,916	5%
Co-obligation for the issuance of CRI	32,213	113,430	-72%
Advances from clients	481,310	442,438	9%
Income and social contribution taxes	34,117	37,817	-10%
Accounts with related parties	48,227	47,811	1%
Dividends	-	168,152	-100%
Obligations from acquisition of ownership	163,859	105,445	55%
Others	109,007	606,644	-82%
Total Current	**4,458,262**	**5,023,540**	**-11%**
Long-Term			
Loans and financings	2,431,170	1,738,094	40%
Debentures	1,426,113	1,580,065	-10%
Property acquisition obligations	139,990	177,665	-21%
Obligation for the issuance of CCB & CCI	1,503,234	1,464,234	3%
Co-obligation for the issuance of CRI	78,114	16,477	374%
Advances from clients	376,745	319,060	18%
Taxes and contributions payable	797	3,139	-75%
Deferred taxes	148,157	167,177	-11%
Other Provision	139,262	27,456	407%
Advances for future capital increase	-	103,010	-100%
Related parties	-	13,663	-100%
Other	302,215	182,613	65%
Total Long-Term	**6,545,797**	**5,792,653**	**13%**
Minority interest	**12,813**	**17,064**	**-25%**
Shareholders' equity			
Subscribed capital	4,907,843	4,822,038	2%
Capital reserve	887,725	137,511	546%
Equity valuation adjustments	(58,107)	(58,107)	0%
Treasury Stock	(95,424)	(33,989)	181%
Accumulated gains	(624,737)	1,552,369	-140%
Total Shareholders' equity	**5,017,300**	**6,419,822**	**-22%**
Total liabilities and shareholders' equity	**16,034,172**	**17,253,079**	**-7%**

Income Statements

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	2011	Var. %
Operating Gross Revenue			
Real State sales	4,392,680	6,904,874	-36%
Other Operating Revenues	113,182	111,814	1%
(-) Taxes Over Sales	(147,363)	(193,706)	-24%
Operating Net Revenue	**4,358,499**	**6,822,982**	**-36%**
Interest Expenses	(474,579)	(484,208)	-2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	(43,927)	20%
Cost of Sold Units	(4,637,957)	(4,495,411)	3%
Cost of sold properties	**(5,165,456)**	**(5,023,546)**	**3%**
Gross Income	**(806,957)**	**1,799,436**	**-**
Gross margin	***-***	***26.4%***	***-***
Adjusted gross margin (1)	***-***	***34.1%***	***-***
Operating Revenues (expenses):			
Commercial	(273,537)	(386,155)	-29%
General and Administrative	(437,271)	(402,532)	9%
Taxes	(30,186)	(11,991)	-
Depreciation & Amortization	(175,143)	(37,154)	-
Other	(122,996)	(8,364)	-
Financial Result	(116,774)	(37,412)	-
Total operating revenues (expenses)	**(1,155,907)**	**(883,608)**	**31%**
Income before taxes	**(1,962,864)**	**915,828**	**-**
Income Taxes and Social Contribution	(209,991)	(165,550)	27%
Income before minority stake	**(2,172,855)**	**750,278**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(4,251)	3,568	-
Net Income (loss)	**(2,177,106)**	**708,008**	**-**
Net margin	**-**	**10.4%**	**-**

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

ADJUSTED EBITDA	2012	2011	Var. %
Income (loss) before taxes	(1,962,864)	915,828	-
(-/+) Financial Result	116,774	52,277	123%
(+) Depreciation and Amortization	175,143	37,154	-
(+) Stock Option Plan	(25,655)	31,659	-
(+) Interest Expenses - Cost of Sold Units	474,579	484,208	-2%
(+) Recognition of goodwill of identifiable assets in the acquisition of	52,920	43,927	20%
EBITDA	**(1,169,103)**	**1,565,053**	-
AJUSTED EBITDA Margin	***-***	***22.9%***	***-***

Income Statements

Quarter ended on December 31st, 2011 and 2010

R$ thousand

INCOME STATEMENT	4Q12	4Q11	% Var.
Operating Gross Revenue			
Real State sales	237,368	1,759,991	-87%
Other Operating Revenues	33,969	27,665	23%
(-) Taxes Over Sales	6,781	(29,100)	-
Operating Net Revenue	**278,118**	**1,758,556**	**-84%**
Interest Expenses	(138,121)	(135,159)	2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(30,000)	(43,927)	-32%
Cost of Sold Units	(1,328,046)	(1,254,152)	6%
Cost of sold properties	**(1,496,167)**	**(1,433,238)**	**4%**
Gross Income	**(1,218,049)**	**325,318**	**-**
Gross margin	***-***	***18.5%***	***-***
Adjusted gross margin (1)	***-***	***28.7%***	***-***
Operating Revenues (expenses):			
Commercial	(65,477)	(97,797)	-33%
General and Administrative	(85,511)	(122,817)	-30%
Taxes	5,810	(2,426)	-
Depreciation & Amortization	(60,304)	5,861	-
Other	(114,025)	(19,018)	-
Financial Result	(125,631)	(7,085)	-
Total operating revenues (expenses)	**(445,138)**	**(243,282)**	**83%**
Income before taxes	**(1,663,187)**	**82,036**	**-**
Income Taxes and Social Contribution	(110,277)	(72,187)	53%
Income before minority stake	**(1,773,464)**	**9,849**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(13,037)	16,181	-
Net Income (loss)	**(1,786,501)**	**(19,808)**	**-**
Net margin	**-**	**-**	**-**

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

ADJUSTED EBITDA	4Q12	4Q11	Var. %
Income (loss) before taxes	(1,663,187)	82,036	-
(-/+) Financial Result	125,631	19,018	-
(+) Depreciation and Amortization	60,304	(5,861)	-
(+) Stock Option Plan	(47,842)	7,691	-
(+) Interest Expenses - Cost of Sold Units	138,121	135,159	2%
(+) Recognition of goodwill of identifiable assets in the	30,000	43,927	-32%
EBITDA	**(1,356,973)**	**281,970**	**-**
AJUSTED EBITDA Margin	**-**	**16.0%**	**-**

São Paulo, March 26, 2013: PDG Realty S.A. (PDGR3) releases its Q4 and 2012 YE results. Founded in 2003, PDG develops projects for several different segments and publics, in fully integrated fashion: development, construction and sales of residential and commercial units, in addition to land plots.

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Earnings Conference Call

Date:
Wednesday, March 27, 2013

> Portuguese

09h00 (Local Time)
08h00 (EST)

Tel.: (11) 2188-0155

Replay: (11) 2188-0155
Password: PDG

> English

10h00 (EST)
11h00 (Local Time)

Tel.: +1 (877) 344-7529
+1 (412) 317-0088

Replay: +1 (877)344-7529
Password: 10024823

Highlights and Recent Events

- In August, the Board of Directors elected Carlos Piani and Marco Kheirallah for the positions of CEO and CFO, respectively. Piani was previoulsy co-head of Vinci Partners´ Private Equity Fund and CEO of Equatorial Energia. Kheirallah was previously a PDG Board member and partner at Matrix and Pactual banks.
- The new management initiated a working plan with its eyes set on long term value creation for company shareholders. Strategic positioning was validated, a new organizational structure designed and the management model revisited. In addition, to the creation of an aggressive cost control culture.

Operational Highlights and Subsequent Events

- The R$1.7 billion launched in 2012, down 80% y-o-y, is net of R$475 million in recalled projects, during 2H12. This movement is in line with our strategy of minimizing execution risks and seeking projects which meet our minimum return threshold;
- The conversion rate of 70% of units eligible for mortgage transfers ("repasses"), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues generated by client transfers, was 25% above the R$2.8 billion figure reported a year earlier;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million;
- During Q4, we significantly refined our construction budgeting and controls capacity. Based on consolidated ERP systems, implementation of new processes, along with revamped procedures and controls, we fully revised our construction budgets, which led us to recognize some R$1.4 billion in overruns, representing R$1.1 billion in net earnings reversal;
- In addition, R$506 million in miscellaneous accounting adjustments were also carried out;
- The mark-to-market exercise of our inventory, carried out during the first quarter of 2013, revealed a R$1.2 billion increase over previously released figures;
- On December 31st, our cash position stood at R$1.8 billion.

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Financial and Operational Indicators

	Q411	Q412	(%) Var.	2011	2012	(%) Var.
Operational Result						
Total Launches - R$ mm	3,173	255	-92.0%	11,373	1,903	-83.3%
PDG % Launches - R$ mm	2,541	255	-90.0%	9,007	1,755	-80.5%
# of Launched Projects	47	3	-93.6%	160	36	-77.5%
# of Launched Units	10,855	751	-93.1%	40,299	6,205	-84.6%
Total Net sales - R$ mm	2,413	681	-71.8%	9,368	4,155	-55.6%
PDG % Sales - R$ mm	2,040	623	-69.5%	7,480	3,912	-47.7%
# of Sold Units	8,165	2,334	-71.4%	33,962	13,735	-59.6%
Inventory at Market - R$ mm	5,651	5,157	-8.7%	5,651	5,157	-8.7%
Average Unit price (R$ ´000)	229	267	16.6%	228	285	25.0%
Financial Result						
Net Operational Revenues - R$ mm	1,758	278	-84%	6,823	4,358	-36%
Gross Profit - R$ mm	325	-1.218	-	1,799	-808	-
Gross Margin - %	18.5	n/a	-	26.4	n/a	-
Adjusted Gross Margin(1) - %	28.7	n/a	-	34.1	n/a	-
Adjusted EBITDA Margin - %	16.0	n/a	-	22.9	n/a	-
Adjusted Net Earnings - R$ mm	32	-1,787	-	784	-2,172	-
Net Margin - %	1.8	n/a	-	11.5	n/a	-

NOTE: (1) Data for the 4Q12 and 2012 are net of cancelled sales and re-called.
(2) Financial and Operational Indicators were calculated pro forma and are unaudited.

In the first half of 2012, PDG approved, at a General Meeting, the payment of dividends referring to 2011 in the amount of R$ 168.1 million, or R$ 0.14 per share.

At the same Meeting, three new members were elected for the Board of Directors, which now has 75% of independent members, in line with the best corporate governance practices.

The new stock trading policy was approved, seeking greater alignment of interests between employees and shareholders.

PDG's Shared Services Center (CSC) became operative in May, with its headquarters located in São Paulo. The CSC was implemented with the purpose of centralizing, standardizing, and streamlining processes. In this model, back-office activities gain more efficiency because they are integrated.

In the second quarter of 2012, PDG carried out the second revision of construction work budgets. This change in costs occurred chiefly because of the mismatch between the initial viability assumptions and the market reality at the time the construction works began, and also due to unexpected costs that arise upon the delivery of the units. Of all construction sites, 34% had their costs changed. The result of this reconciliation was an addition of R$ 478 million to our budgeted costs.

Given the financial difficulties faced in the first half, the Company's Management negotiated and obtained the necessary waivers for its debentures.

In July, a capital increase of nearly R$ 800 million was approved, backed by Vinci Partners. With that transaction, the Company's liquidity was strengthened, and PDG saw the return and commitment of a long time partner.

The second half was marked with an important step for the future of PDG. By the end of August, the Board elected Carlos Augusto Piani as CEO and Marco Kheirallah as Deputy CEO.

The new management team has started an extensive work plan to speed up the creation of value to the shareholders in the long term. This plan, designed with the support of contracted advisers, includes the validation of the Company's strategic positioning and the management model necessary to achieve it.

The following strategic guidelines have derived from this work plan: (i) reduced number of geographic regions of operation; (ii) focusing on the low-income and mid-income segments and an occasional exploration of the high-income segment; and (iii) supplementary operation in the commercial, urban development lots, and MCMV segments.

The operating pillars of the business were also identified as follows: (i) full integration of the acquired companies, focusing on the business's profitability and on controlling costs and expenses; (ii) organizational restructuring, addition of new talents in key positions, and redefinition of the compensation policy; (iii) structuring of regional businesses and business units; (iv) improvement of the construction works management and budgeting process; and (v) redesign of the remaining macro processes.

In order to adapt the Company to the new strategic guidelines, starting in September all launches that had not been executed until then and those executed less than 6 months before were revised. The result of this revision was that the number of launches was reduced, launches were concentrated in the Southeast, and the number of development termination notices and effective contract terminations increased proportionately in the third and fourth quarters of 2012.

In the fourth quarter, the operating model started being adjusted and integrated, resulting in the substitution of some of the Company's executive officers. Marco Kheirallah now holds the positions of CFO and Deputy CEO. Guido Lemos, former executive of VIVER and Porto Seguro, is our new Investor Relations Officer. Natalia Pires, lawyer with vast experience in the real estate industry, was promoted and now heads the Legal Department. Valdir Sobrinho, former employee of Telemar and Cemar, now heads the CSC. The first changes in the organizational structure were also implemented, including the following: (i) reduced number of executive development areas; (ii) creation of a single division for mortgage loan area, which is now responsible for contracting construction financing, on lending, and registration; and (iii) changes in and consolidation of the procurement area, which started reporting directly to the CEO.

Actions to control costs and expenses were also taken. We established a more restrictive payment policy, and new forums for the approval of financial matters related to the projects. A detailed budget for 2013 has been prepared to help control costs and expenses and integrate the different areas of the company.

The company is also working to redesign the short- and long-term compensation policy and the new structure for regional offices. These new policies and structures will be implemented throughout 2013.

One of the pillars of the new operating model is the improvement of the construction works management and budgeting process. In line with that target, the new management has decided to review controls and budgets for all construction works, in order to enhance estimate precision, despite the work carried out by the former management team.

The purpose of that work was to have an updated view of costs to be incurred by (i) revising the construction works of partnerships; (ii) evaluating and possibly replacing the contracted construction companies in outsourced construction works; (iii) evaluating the construction works of the MCMV program; (iv) solving issued with the government; (v) standardizing and using a more diligent approach for the budgets of existing construction works; and (v) implementing new supervision and oversight processes. As a result of this review, the following decisions were made:

- 3 partnerships were terminated;
- some outsourced construction teams were replaced with our own teams;
- instruments of conduct adjustment (TAC) or other instruments were executed with government agencies regarding the necessary compensation for the execution of the development projects;
- the leading team responsible for MCMV projects was replaced;
- a projects area that reports to the CEO was created to supervise the physical and financial evolution of the projects, and implement the lessons learned from closed projects;
- the development projects are periodically analyzed by external advisers;
- more detailed budgets are required for the execution of existing construction works and for new projects;
- 100% of the construction works were revised and 86% of budgets were improved, based on new guidelines for material costs, services, workforce, improvements, environmental requirements, and completion deadlines;
- payment policies became stricter for construction works costs, with cross-controls involving the executive board and the CEO.

This review also included mobilization expenses necessary to take on third-party and partner projects, and resume embargoed construction works. It is important to note that no change or improvement was planned for the construction works process or for the acquisition of inputs and services; this will be attained using a new procurement management and centralization model. Therefore, we believe a conservative value has been determined for the completion of ongoing works, and we do not expect it to be further reviewed. The consolidated value for budget supplementation was estimated at R$ 1.4 billion, of which R$ 1.1 billion impacted the result for the fourth quarter of 2012.

MANAGEMENT COMMENTS

Additionally, due to this revision and changes in the tax legislation, a consolidated amount was added to the maintenance guarantee and technical assistance provisions, to cover possible fines f or delivery delays, losses in ongoing development projects, and reversal of the RET deferred tax in the amount of R$ 139 million.

The improvement in our construction works cost estimate process has also resulted in other adjustments to our financial statements. There was a reduction in assets that do not generate cash, consisting mainly of the impairment of goodwill in the acquisition of Agre and TGLT, deferred tax assets, expenses with discontinued projects, fair value of the financial liability of the convertible debentures(capitalization) under IFRS rules, which totaled R$ 367 million.

2012 was a year of change, adjustment, and new challenges for PDG. The new management team took office in September 2012 and implemented a new management model, but there is still a lot to be done. The strategic agenda for the upcoming years includes the unification of processes of the group's companies, execution decentralization, corporate restructuring, and the control and management of the Company's performance. As a consequence, the new management team expects the company to become more efficient and profitable, resuming growth on a solid basis, and adding value to the shareholders.

SUBSEQUENT EVENTS

During the first quarter of the year, we hired the services of a renowned consulting company to help us revisit our mortgage transfer and registry processes. The objective of this work is to substantially reduce the duration of our mortgage transfers, thus accelerating the return of cash to the Company. Another important step taken during the period was the consolidation of the following, under the same supervision: credit analysis, transfers and registry, thus guaranteeing total fluidity of the process, from its origin, when credit is granted, up until the last leg, registry of the mortgage transfer.

Also recently, we hired Thiago Lima, to lead the future of our Mall subsidiary, REP. Mr. Lima, is a civil engineer, with nearly 13 years of experience in the local real estate market, and was most recently, Development Director at BR Malls, where he worked from 2007-2013. Previously, he also held a finance manager position at Multiplan, during the company´s pre-IPO stage. We believe Thiago has the ideal profile to lead our Mall operation with enormous success.

CONSTRUCTION BUDGET REVISION AND ACCOUNTING ADJUSTMENTS

- The refinement of our budgeting and overall accounting processes, resulted in adjustments in the following three categories:

  1) Cost overruns of R$ 1.434 million, which negatively impacted net revenues in R$ 1.075 million;

  2) Provisions: increase in the provision for maintenance costs incurred in delivered units, establishment of a provision for losses incurred by ongoing projects, provision reversal of deferred RET benefit and increase in provision for possible fines caused by delivery delays;

  3) Non-cash adjustments: impairment of AGRE and TGLT goodwill, deferred taxes, costs incurred by the cancellation of projects, mark to market of convertible debentures.

Adjustments – 4Q12	R$ mm
(1) CONSTRUCTION BUDGET REVISION	1,075
(2) ACCOUNTING PROVISIONS	139
(3) OTHER NON-CASH ADJUSTMENTSA	367
TOTAL ADJUSTMENTS	1,581

- On December 31st, PDG had 65 sites under the RET differentiated tax regime (44 in 2011). The accounts receivable value related to these sites amount to R$1,478 million, some 10% of our total receivables figure (on & off balance). Under the RET regime, with taxes lowered by 200 bps, we manage to save R$26.3 million.

STRATEGIC GUIDE LINES

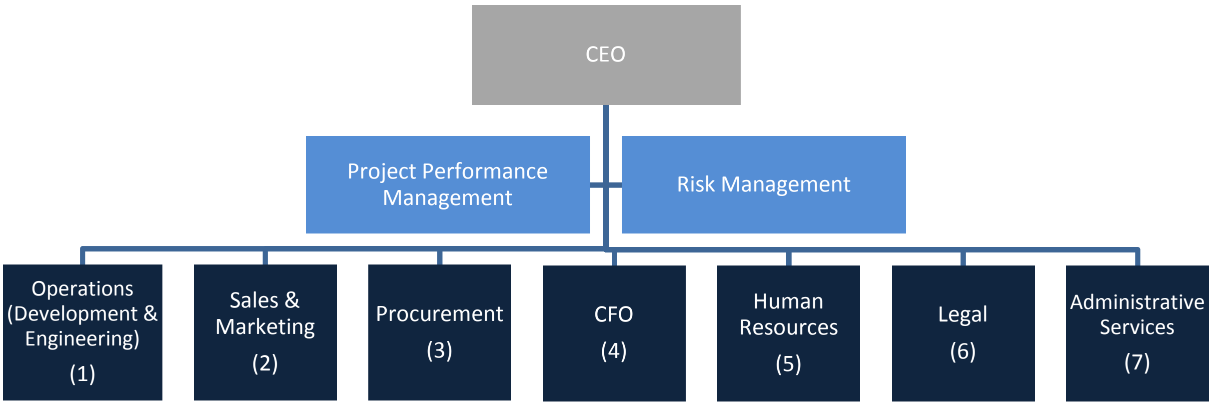
Strategic Guidelines

- Achieve sustainable leadership in the residential market in 10 selected locations;
- Main segments Economic and Medium Economy, with opportunistic stakes in High Income and *Minha Casa Minha* Vida segments, mainly in São Paulo and Rio de Janeiro.

Operational Pillars

- PDG will be a fully integrated operation, in terms of its internal processes, Guidelines and Structures;
- Geographic expansion/consolidation achieved through the establishment of regional Business Units;
- Corporate Headquarter structure will focus on key decision-making and performance control.

Organizational Chart



(1) Antonio Guedes, Civil Engineer, 25 years of experience in real estate, ex-Cyrela and Gafisa.

(2) Eduardo Telles, Civil Engineer, 7 years of experience in real estate;

(3) Julio Hornos, Business Administrator, 23 years of experience in real estate;

(4) Marco Kheirallah CFO, Business Administrator, previously PDG Board member, Matrix and Pactual partner;

(5) Luciana Domagala, Business Administrator, 18 years of experience in Human Resources; Gerdau Group, Claro and RBS;

(6) Natalia Pires, Lawyer, 15 years of experience in real estate;

(7) Valdir Barbosa, Information Technology, 25 years of Professional experience, ex-Telemar and CEMAR.

STRATEGIC GUIDE LINES

Post Revision Strategy

Newly Created Structures

- **Creation of a corporate structure,** responsible for key decision making and supplying regional business units with homogeneous operating guidelines;
- **Creation of an Operations Vice Presidency,** with the objective of leading development and engineering in both corporate and regional levels;
- **Unification of our 4 pre-existing engineering structures,** leveling development and engineering hierarchies;
- **Creation of a performance management unit for projects,** responsible for data mining, analysis and questioning of ongoing projects, as well as partner performance. Projects will now carry specific time, cost and quality metrics.

Partnerships

- **Utilization of partnerships solely to complement company skills;**
- **Validation of partnerships through technical, financial and reputational due diligence;**
- **Standardization of contracts;**
- **Re-balancing of proportion between own and third party construction.**

Planning, Management, Controls and Project Performance Assessment

- **Tripartite collaboration between regional business units, headquarters and corporate back Office, where responsibilities are split as follows:** Regional: new business origination and execution; Corporate: feasibility approval; corporate back office: execution support;
- **Critical analysis of target markets,** where there are labor and supply chain obstacles;
- **Previous alignment with municipalities**, aiming to avoid the inclusion of additional infra structure demands.

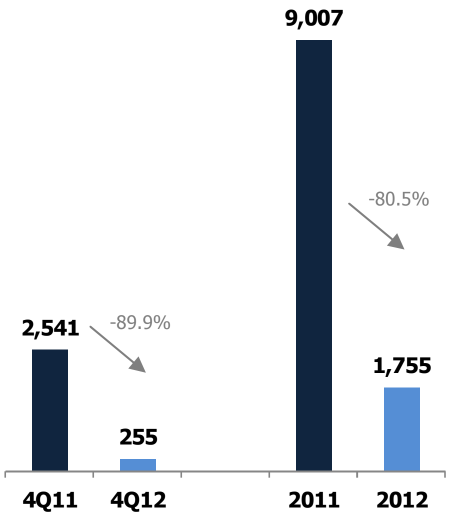
Management, Controls and Construction Site Assessment

- **Construction budgets devised utilizing standardized guidelines and executive projects**, from now on overseen by corporate headquarters;
- **Revised payment approval process, from now on fully controlled by finance and planning areas**, via ERP, in order to unify budget base;
- Monthly **monitoring** of selected sites for verification of **adherence to budgets**;
- **Creation of a remuneration scheme for construction site workers**, aligned with construction cycle.

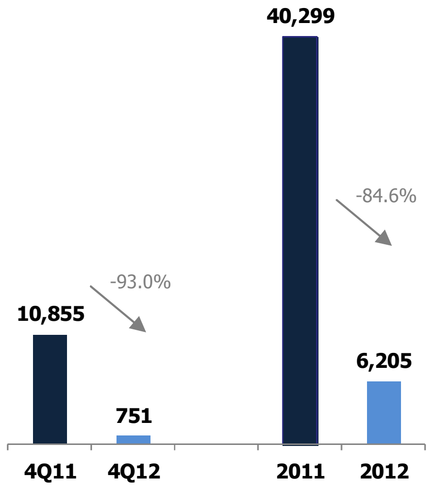
OPERATIONAL PERFORMANCE - LAUNCHES

- Total launches in Q4 amounted to R$ 255 million, split among 3 projects: two in São Paulo (economic and medium income) and one in Bahia (medium high);
- Total PSV(VGV) of R$ 1.755 million, launched in 2012, was distributed among 35 projects;
- Five projects launched in 2012 were recalled, totaling R$475,3 million in PSV (VGV).

Launches % PDG – R$mm

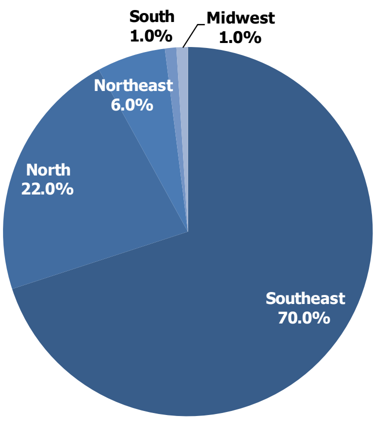


Launches – units

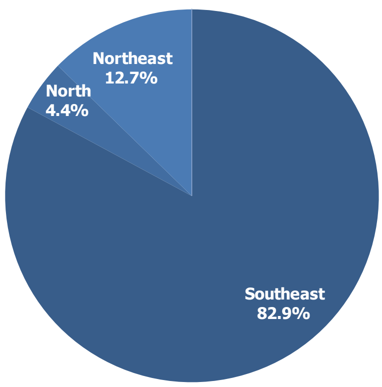


Launches by Region % PDG – R$mm

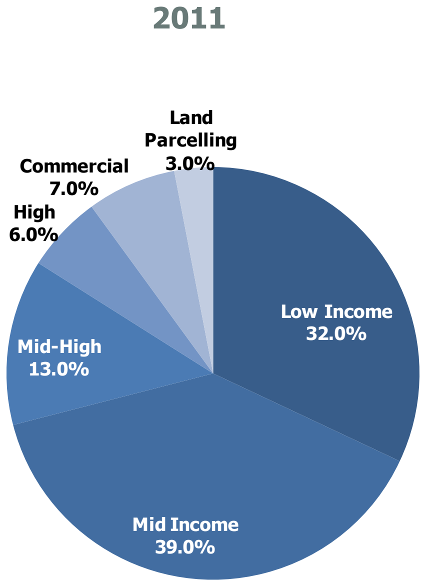
2011

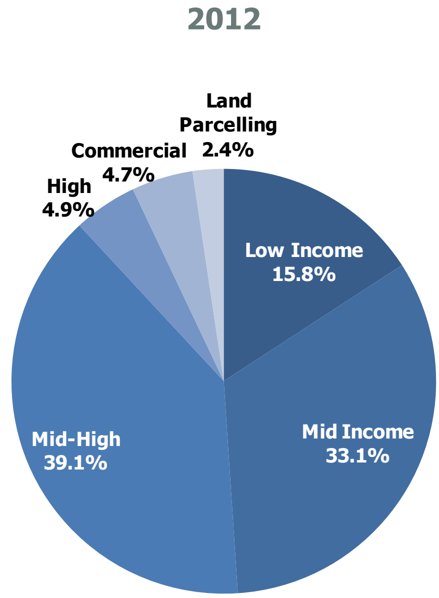


2012



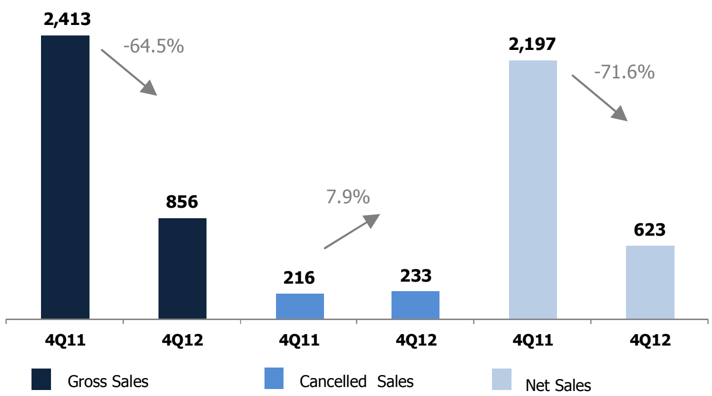
Launches by segment % PDG – R$mm



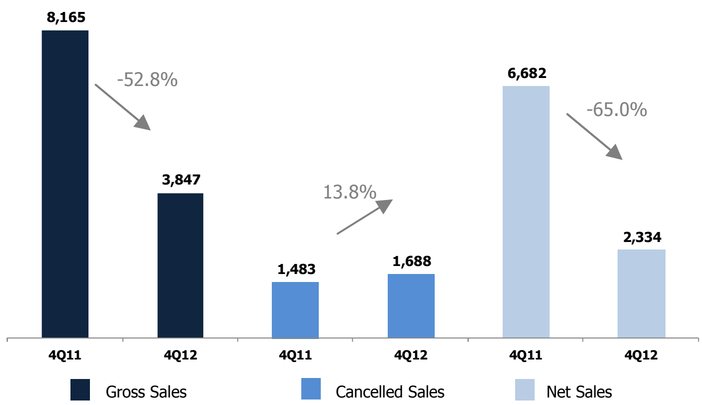


OPERATIONAL PERFORMANCE – SALES

Q411 vs. Q412 – R$ mm

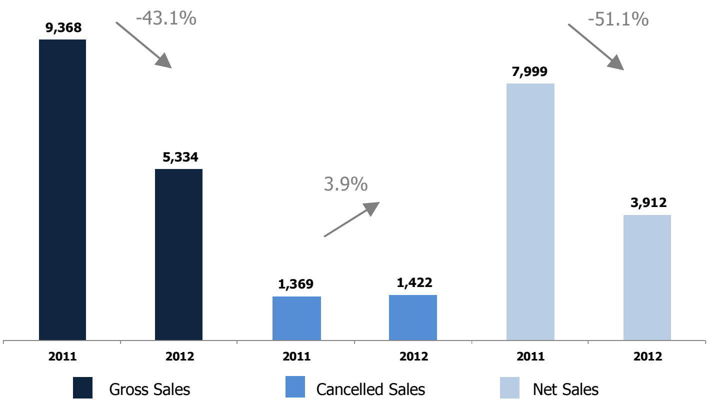


Q411 vs. Q412 – units

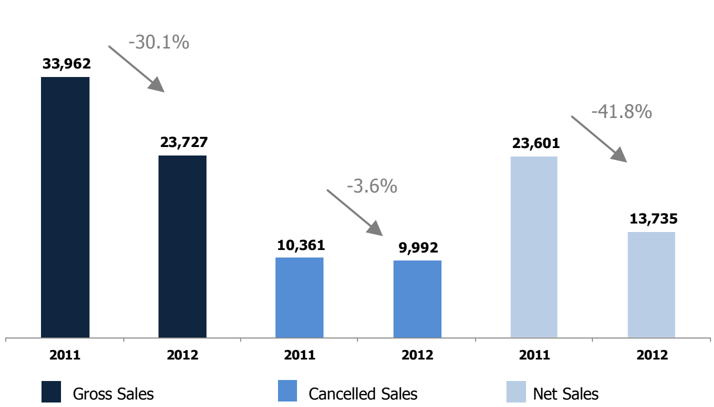


OPERATIONAL PERFORMANCE – SALES

2011 vs. 2012 – R$ mm

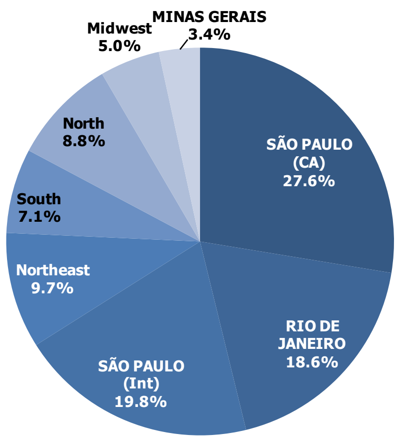


2011 vs. 2012 – units

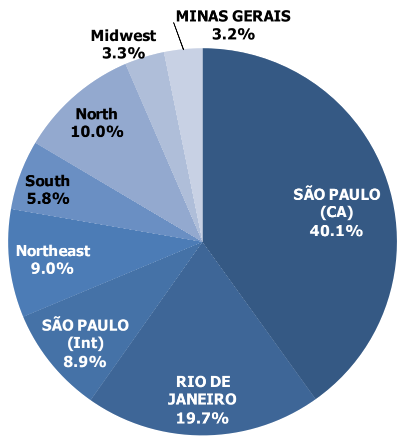


Sales by Region– %VGV

2011

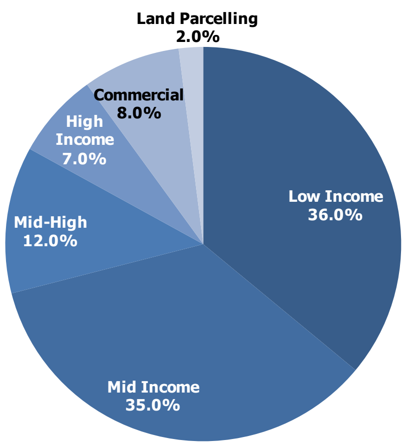


2012

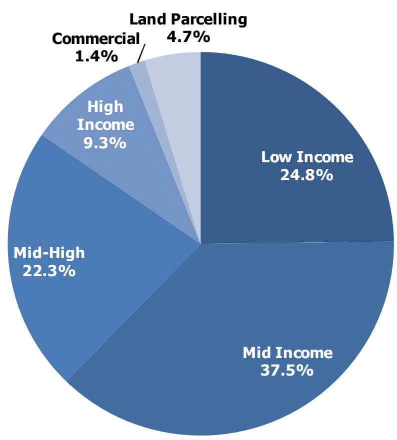


Sales by Segment – %VGV

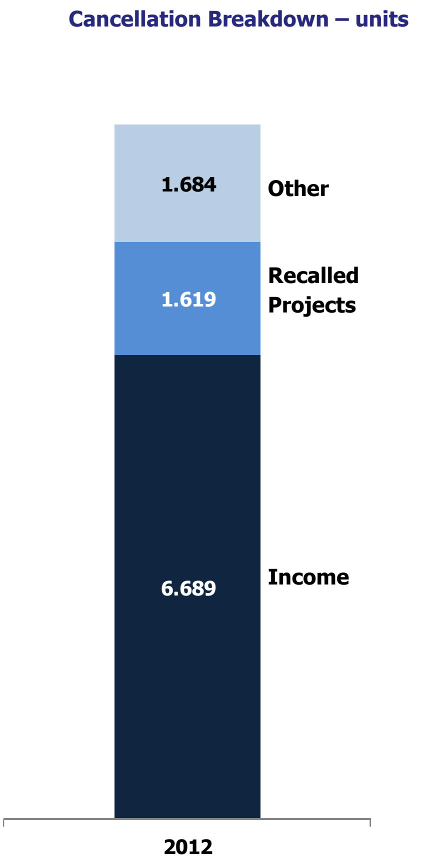
2011



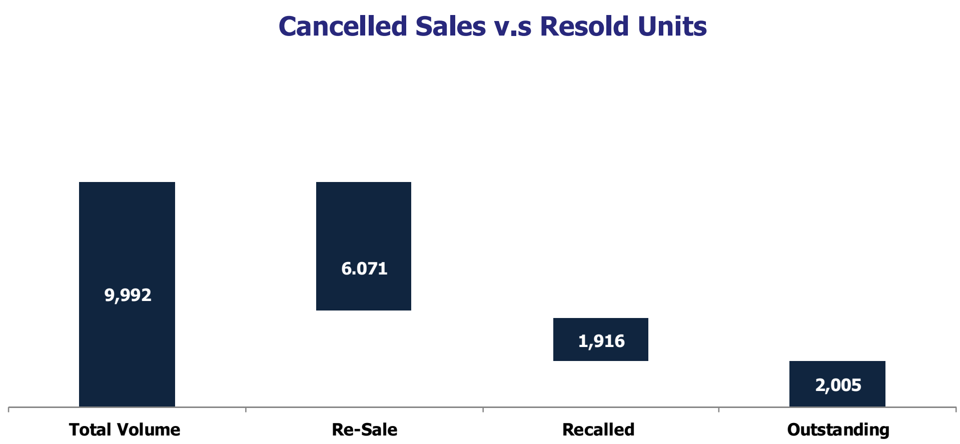
2012



OPERATIONAL PERFORMANCE – CANCELLED SALES

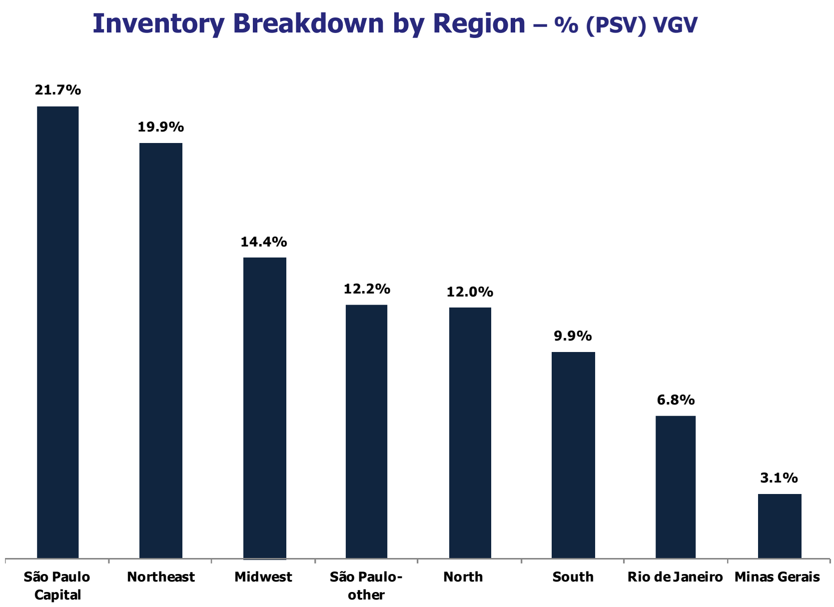


- Of a total of 9,992 cancelled units, 67% occurred due to income insufficiency, 16% recalled projects and 17% other;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million.



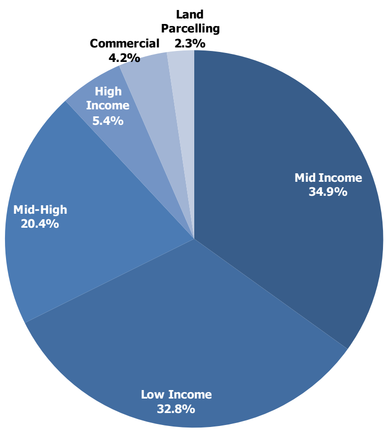
OPERATIONAL PERFORMANCE - INVENTORY

- Total inventory at market value stood at R$5,157 million or 19,347, by year end.

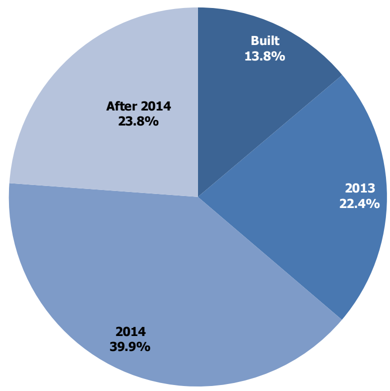


OPERATIONAL PERFORMANCE - INVENTORY

Inventory by Segment – % VGV



Inventory Delivery Schedule – % VGV



Speed of Sales (VSO)

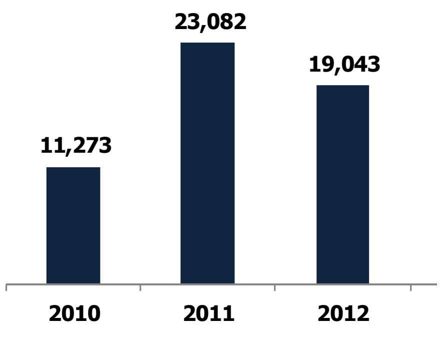
- The mark-to-market exercise of our inventory, carried out during the first quarter, revealed a R$1.2 billion increase over previously released figures;

R$ million

	Q411	Q112	Q212	Q312	Q412
INITIAL INVENTORY	6,963	7,463	6,797	6,060	5,581
(+)LAUNCHES	2,401	810	394	295	255
(-)GROSS SALES	2,102	1,707	1,456	1,268	846
(+)CANCELLED SALES	200	231	325	494	167
FINAL INVENTORY	7,463	6,797	6,060	5,581	5,157
SALES SPEED (12mos.)	**47%**	**50%**	**50%**	**49%**	**44%**

Unit Delivery Schedule

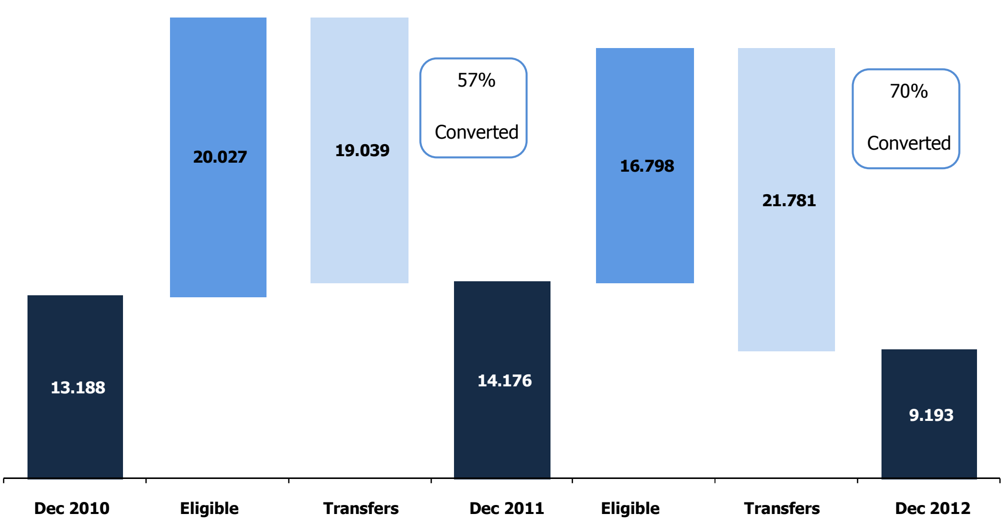
- We expect to deliver between 32,000-36,000 units in 2013 and 22,000-26,000 in 2014.



OPERATIONAL PERFORMANCE – MORTGAGE TRANSFERS ("REPASSE")

- The conversion rate of 70% of units eligible for mortgage transfers ("repasses"), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues from bank transfers, was 25% above the R$2.8 billion figure reported a year earlier.

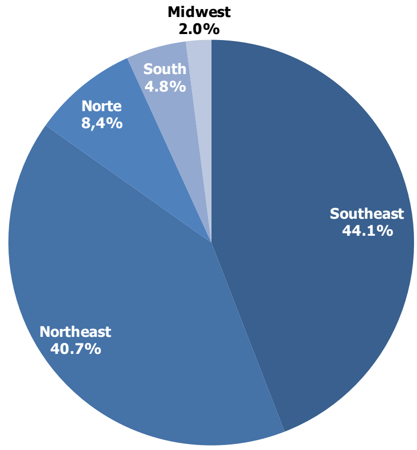
Mortgage Transfer Flux - units



LANDBANK

Segment	Nº Units	%	PSV PDG (R$ mm)	%	PSV (R$ mm)	%	Average Price (R$)
High Income	2,965	3.1%	4,234	16.5%	6,932	22.6%	1,428,162
Mid High	7,437	7.7%	5,081	19.8%	5,690	18.5%	683,187
Mid Income	21,091	21.7%	6,913	27.0%	7,676	25.0%	327,772
Low Income	39,543	40.7%	5,524	21.5%	5,757	18.7%	139,684
Residencial	**71,036**	**73.2%**	**21,752**	**84.8%**	**26,055**	**84.8%**	**306,211**
Commercial	**3,716**	**3.8%**	**1,438**	**5.6%**	**2,082**	**6.8%**	**386,914**
Land Parcelling	**22,334**	**23.0%**	**2,461**	**9.6%**	**2,576**	**8.4%**	**110,191**
Total	**97,085**	**-**	**25,650**	**-**	**30,714**	**-**	**264,207**

Landbank by Region - %VGV



FINANCIAL PERFORMANCE

Gross Margin

- The 20% drop in net revenues, which reached R$5.4 billion in 2012, was impacted by the R$1.1 billion revenue reversal occurred in Q4, stemming from cost overruns.

R$ million

Revenue Breakdown pre cost overruns	2012	2011	%Var.	Q412	Q411	%Var
Net Revenues – Income Statement	4,358	6,823		278	1,759	
Cost Overruns	(1,075)	-		(1,075)	-	
Net revenues recognized pre cost overruns	5,433	6,823	-20%	1,353	1,759	-23%
Gross Margin	**2012**	**2011**	**%Var.**	**Q412**	**Q411**	**%Var**
Net Revenues	4,358	6,823	-36%	278	1,759	-84%
Cost	(4,637)	(4,495)	3%	(1,328)	(1,254)	6%
Gross Profit(Loss)	(279)	2,328	-112%	(1,050)	505	-
(+) Capitalized Interest	(475)	(484)	-2%	(138)	(135)	2%
(+) Goodwill	(53)	(44)	20%	(30)	(44)	-32%
Adjusted Profit(Loss)	(807)	1,800	-145%	(1,218)	326	-
Gross Margin	-6.4%	34.1%	**-40.5 bps**	-	28.7%	-
Adjusted Gross Margin	-18.5%	26.4%	**-44.9 bps**	-	18.5%	-

Backlog Results (REF)

R$ million

	4Q12	3Q12	4Q11
Gross Revenues	6,497	5,704	6,332
(-) Taxes *	(246)	(212)	(241)
Net Revenues	6,251	5,492	6,091
(-) COGS	(4,558)	(3,586)	(3,945)
Gross Profit	1,693	1,906	2,146
**Gross Backlog Margin ** **	**27.1%**	**34.7%**	**35.2%**
Capitalized Interest	232	218	178
AGRE Goodwill	88	148	171
Adjusted Gross margin	**22.0%**	**28.0%**	**29.5%**

* 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
	52%	**40%**	**8%**

SG&A Expenses

- The 29% drop in commercial expenses in 2012, reflects the company´s more conservative launch stance during the period.
- The 56% growth in third party service expenses stems from the hiring of consulting services during Q4.
- The 31% drop in other expenses derives from the stock option plan reversal.
- Consolidated SG&A expenses dropped 15% y-o-y and 38% q-o-q, or R$53 million.

R$ million

Commercial Expenses	2012	2011	%Var.
Total Commercial Expenses (1)	**273.5**	**386.1**	**-29%**

G&A Expenses	2012	2011	%Var.
Salaries & Benefits	223.8	191.0	17%
Profit Sharing	0.0	45.8	n.a
Third Party Services	122.4	78.6	56%
Other Admin. EXpenses	91.1	133.0	-32%
Total G&A (2)	**437.3**	**448.4**	**-2%**
Total SG&A (1+2)	**710.8**	**834.5**	**-15%**

On & Off Balance Receivables

R$ million

	2012	2011	%Var.
Receivables	7,795	8,889	-12%
Gross Backlog Revenues - REF	6,497	6,332	3%
Total	**14,292**	**15,221**	**-6%**
ST	**6,052**	**6,701**	**-10%**
LT	**1,743**	**2,188**	**-20%**
Constructed units	2,116	1,761	20%
Units under constrcution	12,176	13,460	-10%

Financial Result

R$ million

	2012	2011	Var. %
Investment Income	80.3	175.60	-0.54
Interest and fines	136.9	61.80	1.22
Other financial revenue	47.3	23.40	1.02
Total financial revenues	**264.5**	**260.8**	**1%**
Interest	-876.0	-671.9	30%
Bank Expenses	-11.3	-9.2	23%
Other	-22.1	-57.8	-62%
Gross Financial Expenses	-909.4	-738.9	23%
Capitalized Interest on Inventory	528.2	440.7	20%
Total Financial Expenses	**-381.2**	**-298.2**	**28%**
Total Financial Result	**-116.7**	**-37.4**	**212%**

Indebtedness

R$ million

	4Q12	4Q11	Var. %	3Q12	Var. %
Cash	**1,809**	**1,722**	**5%**	**1,847**	**-2%**
Gross Debt	**7,628**	**6,785**	**12%**	**7,372**	**3%**
Project Finance(SFH)	*3,077*	*2,609*	*18%*	*2,991*	*3%*
Corporate Debt	*2,938*	*2,582*	*14%*	*2,752*	*7%*
Obligation for the issuance of CCB & CCI	*1,503*	*1,464*	*3%*	*1,524*	*-1%*
Co-obligation for the issuance of CRI	*110*	*130*	*-15%*	*105*	*5%*
Net Debt	**5,819**	**5,063**	**15%**	**5,525**	**5%**
Net Debt (ex. SFH)/ Equity	**2,742**	**2,454**	**12%**	**2,534**	**8%**
Shareholder´s Equity	**5,017**	**6,420**	**-22%**	**6,890**	**-27%**
Net Debt (ex. SFH)/ Equity	**54.7%**	**38.2%**	**17 bps**	**36.8%**	**18 bps**

Indebtedness - Profile

R$ thousand

Indebtedness	Outstanding	Index	Interest p.a.	Coupon	Amortization
Debentures - 1st Series	258,224	CDI Inflation	1.8%	Semester (Jan - Jul)	4 annual starting jul/15
Debentures - 4th Series	263,707	CDI Inflation	2.4%	Quarterly (Nov/Fev/Mai/ Ago)	16 quarterlies starting Nov/12
Debentures - 6th Series	117,079	-	11.3%	Bullet (Set/16)	Sep-16
Debentures - 7th Series	150,817	IPCA Inflation	6.5%	Annual (Mar/13)	2 payments Mar/18 e Dec/18
Debentures - 8th Series*	89,508	-	-	-	Sep-16
Project Finance(SFH)**	3,940,803	TR	9.9%	-	-
Working Capital	1,194,757	CDI / Other	1.9%	-	-

Fair value on Dec/12.

****Considering outstanding debts of 3rd and 5th Savings & Loan ("Caixa" - CEF) debenture series at R$ 245.6 MM e R$ 617.8 MM, respectively.***

Net Debt Variation

R$ million

Net Debt Variation (R$ mm)	Q1	Q2	Q3	Q4
CASH	**1,720**	**1,982**	**1,847**	**1,809**
CASH VARIATION	(2)	262	(135)	(38)
DEBT	**5,350**	**5,963**	**5,743**	**6,015**
PROJECT FINANCE(SFH)	2,973	3,028	2,991	3,077
CORPORATE DEBT	2,377	2,935	2,752	2,938
DEBT VARIATION	160	613	(220)	272
NET DEBT VARIATION(pre capital increase)	**(162)**	**(351)**	**85**	**(310)**
SECURITIZATION	**1,595**	**1,729**	**1,629**	**1,613**
Promissory Note Issue	1,479	1,557	1,524	1,503
Co- obligation	116	172	105	110
Securitization Variation	1	134	(100)	(16)
NET DEBT VARIATION(post capital increase)	**(163)**	**(485)**	**185**	**(294)**
ADJUSTMENTS	**(14)**	**19**	**(613)**	**33**
REP Investment	12	19	19	7
Stock Buy Back Program	4	-	-	48
Asset Sales	(30)	-	-	(22)
Dividends	-	-	168	-
Capital Increase (Subscription)	-	-	(800)	-
NET DEBT VARIATION (post capital increase+adjustments)	**(177)**	**(466)**	**(428)**	**(261)**

Income Statements – Pro Forma

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	Non-reccurring adjustments	2012 Pro Forma
Operating Gross Revenue			
Real State sales	4,392,680	1,656,909	6,049,589
Other Operating Revenues	113,182	-	113,182
(-) Taxes Over Sales	(147,363)	(15,174)	(162,537)
Operating Net Revenue	**4,358,499**	**1,641,735**	**6,000,234**
Interest Expenses	(474,579)	-	(474,579)
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	-	(52,920)
Cost of Sold Units	(4,637,957)	210,743	(4,427,214)
Cost of sold properties	**(5,165,456)**	**210,743**	**(4,954,713)**
Gross Income	**(806,957)**	**1,852,478**	**1,045,521**
Gross margin	***-18.5%***	***112.8%***	***17.4%***
Adjusted gross margin (1)	***-6.4%***	***112.8%***	***26.2%***
Operating Revenues (expenses):			
Commercial	(273,537)	14,000	(259,537)
General and Administrative	(437,271)	-	(437,271)
Taxes	(30,186)	-	(30,186)
Depreciation & Amortization	(175,143)	71,380	(103,763)
Other	(122,996)	50,200	(72,796)
Financial Result	(116,774)	81,590	(35,184)
Total operating revenues (expenses)	**(1,155,907)**	**217,170**	**(938,737)**
Income before taxes	**(1,962,864)**	**2,069,648**	**106,784**
Income Taxes and Social Contribution	(209,991)	55,400	(154,591)
Income before minority stake	**(2,172,855)**	**2,125,048**	**(47,807)**
Minority interest	(4,251)	-	(4,251)
Net Income (loss)	**(2,177,106)**	**2,125,048**	**(52,058)**
Net margin	***-50.0%***	***129.4%***	***-0.9%***

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

ADJUSTED EBITDA	2012	Non-reccurring adjustments	2012 Pro Forma
Income (loss) before taxes	(1,962,864)	2,069,648	106,784
(-/+) Financial Result	116,774	(81,590)	35,184
(+) Depreciation and Amortization	175,143	(71,380)	103,763
(+) Stock Option Plan	(25,655)	-	(25,655)
(+) Interest Expenses - Cost of Sold Units	474,579	-	474,579
(+) Recognition of goodwill of identifiable assets in the acquisition of Agre	52,920	-	52,920
EBITDA	**(1,169,103)**	**1,916,678**	**747,575**
AJUSTED EBITDA Margin	***-***	***-***	***12.5%***

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

Assets	2012	2011	Var.%
Current Assets			
Cash, cash equivalents and short-term investments	1,752,161	1,629,877	8%
Accounts receivable	6,052,113	6,700,571	-10%
Properties held for sale	1,994,168	3,706,220	-46%
Prepaid expenses	64,213	106,689	-40%
Advances to suppliers	109,803	74,571	47%
Accounts with related parties	51,193	-	-
Taxes to recover	120,957	101,163	20%
Receivables Acquired	-	52,831	-100%
Related Parties	-	58,421	-100%
Others	236,625	226,675	4%
Total Current Assets	**10,381,233**	**12,657,018**	**-18%**
Noncurrent Assets			
Long-Term			
Long-term investments	57,337	92,386	-38%
Accounts receivable	1,742,477	2,188,609	-20%
Properties held for sale	2,634,526	931,124	183%
Debentures	1,064	40,593	-97%
Accounts with related parties	105,444	32,648	223%
Receivables Acquired	-	57,512	-100%
Deferred income and social contribuition taxes	195	-	-
Others	160,193	165,203	-3%
Total Noncurrent Assets	**4,701,236**	**3,508,075**	**34%**
Permanent Assets			
Intangible	646,682	669,542	-3%
Property and equipment	282,104	296,466	-5%
Investments	22,917	121,978	-81%
	951,703	**1,087,986**	**-13%**
Total Permanent Assets	**5,652,939**	**4,596,061**	**23%**
Total Assets	**16,034,172**	**17,253,079**	**-7%**

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	2012	2011	Var. %
Current			
Loans and financings	1,840,885	1,872,531	-2%
Debentures	316,727	-	-
Suppliers	260,003	317,751	-18%
Property acquisition obligations	682,387	813,795	-16%
Taxes and contributions payable	131,983	158,810	-17%
Deferred taxes	357,544	338,916	5%
Co-obligation for the issuance of CRI	32,213	113,430	-72%
Advances from clients	481,310	442,438	9%
Income and social contribution taxes	34,117	37,817	-10%
Accounts with related parties	48,227	47,811	1%
Dividends	-	168,152	-100%
Obligations from acquisition of ownership	163,859	105,445	55%
Others	109,007	606,644	-82%
Total Current	**4,458,262**	**5,023,540**	**-11%**
Long-Term			
Loans and financings	2,431,170	1,738,094	40%
Debentures	1,426,113	1,580,065	-10%
Property acquisition obligations	139,990	177,665	-21%
Obligation for the issuance of CCB & CCI	1,503,234	1,464,234	3%
Co-obligation for the issuance of CRI	78,114	16,477	374%
Advances from clients	376,745	319,060	18%
Taxes and contributions payable	797	3,139	-75%
Deferred taxes	148,157	167,177	-11%
Other Provision	139,262	27,456	407%
Advances for future capital increase	-	103,010	-100%
Related parties	-	13,663	-100%
Other	302,215	182,613	65%
Total Long-Term	**6,545,797**	**5,792,653**	**13%**
Minority interest	**12,813**	**17,064**	**-25%**
Shareholders' equity			
Subscribed capital	4,907,843	4,822,038	2%
Capital reserve	887,725	137,511	546%
Equity valuation adjustments	(58,107)	(58,107)	0%
Treasury Stock	(95,424)	(33,989)	181%
Accumulated gains	(624,737)	1,552,369	-140%
Total Shareholders' equity	**5,017,300**	**6,419,822**	**-22%**
Total liabilities and shareholders' equity	**16,034,172**	**17,253,079**	**-7%**

Income Statements

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	2011	Var. %
Operating Gross Revenue			
Real State sales	4,392,680	6,904,874	-36%
Other Operating Revenues	113,182	111,814	1%
(-) Taxes Over Sales	(147,363)	(193,706)	-24%
Operating Net Revenue	**4,358,499**	**6,822,982**	**-36%**
Interest Expenses	(474,579)	(484,208)	-2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	(43,927)	20%
Cost of Sold Units	(4,637,957)	(4,495,411)	3%
Cost of sold properties	**(5,165,456)**	**(5,023,546)**	**3%**
Gross Income	**(806,957)**	**1,799,436**	**-**
Gross margin	***-***	***26.4%***	***-***
Adjusted gross margin (1)	***-***	***34.1%***	***-***
Operating Revenues (expenses):			
Commercial	(273,537)	(386,155)	-29%
General and Administrative	(437,271)	(402,532)	9%
Taxes	(30,186)	(11,991)	-
Depreciation & Amortization	(175,143)	(37,154)	-
Other	(122,996)	(8,364)	-
Financial Result	(116,774)	(37,412)	-
Total operating revenues (expenses)	**(1,155,907)**	**(883,608)**	**31%**
Income before taxes	**(1,962,864)**	**915,828**	**-**
Income Taxes and Social Contribution	(209,991)	(165,550)	27%
Income before minority stake	**(2,172,855)**	**750,278**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(4,251)	3,568	-
Net Income (loss)	**(2,177,106)**	**708,008**	**-**
Net margin	**-**	**10.4%**	**-**

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

ADJUSTED EBITDA	2012	2011	Var. %
Income (loss) before taxes	(1,962,864)	915,828	-
(-/+) Financial Result	116,774	52,277	123%
(+) Depreciation and Amortization	175,143	37,154	-
(+) Stock Option Plan	(25,655)	31,659	-
(+) Interest Expenses - Cost of Sold Units	474,579	484,208	-2%
(+) Recognition of goodwill of identifiable assets in the acquisition of	52,920	43,927	20%
EBITDA	**(1,169,103)**	**1,565,053**	-
AJUSTED EBITDA Margin	***-***	***22.9%***	***-***

Income Statements

Quarter ended on December 31st, 2011 and 2010

R$ thousand

INCOME STATEMENT	4Q12	4Q11	% Var.
Operating Gross Revenue			
Real State sales	237,368	1,759,991	-87%
Other Operating Revenues	33,969	27,665	23%
(-) Taxes Over Sales	6,781	(29,100)	-
Operating Net Revenue	**278,118**	**1,758,556**	**-84%**
Interest Expenses	(138,121)	(135,159)	2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(30,000)	(43,927)	-32%
Cost of Sold Units	(1,328,046)	(1,254,152)	6%
Cost of sold properties	**(1,496,167)**	**(1,433,238)**	**4%**
Gross Income	**(1,218,049)**	**325,318**	**-**
Gross margin	***-***	***18.5%***	**-**
Adjusted gross margin (1)	***-***	***28.7%***	**-**
Operating Revenues (expenses):			
Commercial	(65,477)	(97,797)	-33%
General and Administrative	(85,511)	(122,817)	-30%
Taxes	5,810	(2,426)	-
Depreciation & Amortization	(60,304)	5,861	-
Other	(114,025)	(19,018)	-
Financial Result	(125,631)	(7,085)	-
Total operating revenues (expenses)	**(445,138)**	**(243,282)**	**83%**
Income before taxes	**(1,663,187)**	**82,036**	**-**
Income Taxes and Social Contribution	(110,277)	(72,187)	53%
Income before minority stake	**(1,773,464)**	**9,849**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(13,037)	16,181	-
Net Income (loss)	**(1,786,501)**	**(19,808)**	**-**
Net margin	**-**	**-**	**-**

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

ADJUSTED EBITDA	4Q12	4Q11	Var. %
Income (loss) before taxes	(1,663,187)	82,036	-
(-/+) Financial Result	125,631	19,018	-
(+) Depreciation and Amortization	60,304	(5,861)	-
(+) Stock Option Plan	(47,842)	7,691	-
(+) Interest Expenses - Cost of Sold Units	138,121	135,159	2%
(+) Recognition of goodwill of identifiable assets in the	30,000	43,927	-32%
EBITDA	**(1,356,973)**	**281,970**	**-**
AJUSTED EBITDA Margin	**-**	**16.0%**	**-**

São Paulo, March 26, 2013: PDG Realty S.A. (PDGR3) releases its Q4 and 2012 YE results. Founded in 2003, PDG develops projects for several different segments and publics, in fully integrated fashion: development, construction and sales of residential and commercial units, in addition to land plots.

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Earnings Conference Call

Date:
Wednesday, March 27, 2013

> Portuguese

09h00 (Local Time)
08h00 (EST)

Tel.: (11) 2188-0155

Replay: (11) 2188-0155
Password: PDG

> English

10h00 (EST)
11h00 (Local Time)

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Password: 10024823

Highlights and Recent Events

- In August, the Board of Directors elected Carlos Piani and Marco Kheirallah for the positions of CEO and CFO, respectively. Piani was previoulsy co-head of Vinci Partners´ Private Equity Fund and CEO of Equatorial Energia. Kheirallah was previously a PDG Board member and partner at Matrix and Pactual banks.
- The new management initiated a working plan with its eyes set on long term value creation for company shareholders. Strategic positioning was validated, a new organizational structure designed and the management model revisited. In addition, to the creation of an aggressive cost control culture.

Operational Highlights and Subsequent Events

- The R$1.7 billion launched in 2012, down 80% y-o-y, is net of R$475 million in recalled projects, during 2H12. This movement is in line with our strategy of minimizing execution risks and seeking projects which meet our minimum return threshold;
- The conversion rate of 70% of units eligible for mortgage transfers ("repasses"), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues generated by client transfers, was 25% above the R$2.8 billion figure reported a year earlier;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million;
- During Q4, we significantly refined our construction budgeting and controls capacity. Based on consolidated ERP systems, implementation of new processes, along with revamped procedures and controls, we fully revised our construction budgets, which led us to recognize some R$1.4 billion in overruns, representing R$1.1 billion in net earnings reversal;
- In addition, R$506 million in miscellaneous accounting adjustments were also carried out;
- The mark-to-market exercise of our inventory, carried out during the first quarter of 2013, revealed a R$1.2 billion increase over previously released figures;
- On December 31st, our cash position stood at R$1.8 billion.

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Financial and Operational Indicators

	Q411	Q412	(%) Var.	2011	2012	(%) Var.
Operational Result						
Total Launches - R$ mm	3,173	255	-92.0%	11,373	1,903	-83.3%
PDG % Launches - R$ mm	2,541	255	-90.0%	9,007	1,755	-80.5%
# of Launched Projects	47	3	-93.6%	160	36	-77.5%
# of Launched Units	10,855	751	-93.1%	40,299	6,205	-84.6%
Total Net sales - R$ mm	2,413	681	-71.8%	9,368	4,155	-55.6%
PDG % Sales - R$ mm	2,040	623	-69.5%	7,480	3,912	-47.7%
# of Sold Units	8,165	2,334	-71.4%	33,962	13,735	-59.6%
Inventory at Market - R$ mm	5,651	5,157	-8.7%	5,651	5,157	-8.7%
Average Unit price (R$ ´000)	229	267	16.6%	228	285	25.0%
Financial Result						
Net Operational Revenues - R$ mm	1,758	278	-84%	6,823	4,358	-36%
Gross Profit - R$ mm	325	-1.218	-	1,799	-808	-
Gross Margin - %	18.5	n/a	-	26.4	n/a	-
Adjusted Gross Margin(1) - %	28.7	n/a	-	34.1	n/a	-
Adjusted EBITDA Margin - %	16.0	n/a	-	22.9	n/a	-
Adjusted Net Earnings - R$ mm	32	-1,787	-	784	-2,172	-
Net Margin - %	1.8	n/a	-	11.5	n/a	-

NOTE: (1) Data for the 4Q12 and 2012 are net of cancelled sales and re-called.
(2) Financial and Operational Indicators were calculated pro forma and are unaudited.

MANAGEMENT COMMENTS

In the first half of 2012, PDG approved, at a General Meeting, the payment of dividends referring to 2011 in the amount of R$ 168.1 million, or R$ 0.14 per share.

At the same Meeting, three new members were elected for the Board of Directors, which now has 75% of independent members, in line with the best corporate governance practices.

The new stock trading policy was approved, seeking greater alignment of interests between employees and shareholders.

PDG's Shared Services Center (CSC) became operative in May, with its headquarters located in São Paulo. The CSC was implemented with the purpose of centralizing, standardizing, and streamlining processes. In this model, back-office activities gain more efficiency because they are integrated.

In the second quarter of 2012, PDG carried out the second revision of construction work budgets. This change in costs occurred chiefly because of the mismatch between the initial viability assumptions and the market reality at the time the construction works began, and also due to unexpected costs that arise upon the delivery of the units. Of all construction sites, 34% had their costs changed. The result of this reconciliation was an addition of R$ 478 million to our budgeted costs.

Given the financial difficulties faced in the first half, the Company's Management negotiated and obtained the necessary waivers for its debentures.

In July, a capital increase of nearly R$ 800 million was approved, backed by Vinci Partners. With that transaction, the Company's liquidity was strengthened, and PDG saw the return and commitment of a long time partner.

The second half was marked with an important step for the future of PDG. By the end of August, the Board elected Carlos Augusto Piani as CEO and Marco Kheirallah as Deputy CEO.

The new management team has started an extensive work plan to speed up the creation of value to the shareholders in the long term. This plan, designed with the support of contracted advisers, includes the validation of the Company's strategic positioning and the management model necessary to achieve it.

The following strategic guidelines have derived from this work plan: (i) reduced number of geographic regions of operation; (ii) focusing on the low-income and mid-income segments and an occasional exploration of the high-income segment; and (iii) supplementary operation in the commercial, urban development lots, and MCMV segments.

The operating pillars of the business were also identified as follows: (i) full integration of the acquired companies, focusing on the business's profitability and on controlling costs and expenses; (ii) organizational restructuring, addition of new talents in key positions, and redefinition of the compensation policy; (iii) structuring of regional businesses and business units; (iv) improvement of the construction works management and budgeting process; and (v) redesign of the remaining macro processes.

In order to adapt the Company to the new strategic guidelines, starting in September all launches that had not been executed until then and those executed less than 6 months before were revised. The result of this revision was that the number of launches was reduced, launches were concentrated in the Southeast, and the number of development termination notices and effective contract terminations increased proportionately in the third and fourth quarters of 2012.

In the fourth quarter, the operating model started being adjusted and integrated, resulting in the substitution of some of the Company's executive officers. Marco Kheirallah now holds the positions of CFO and Deputy CEO. Guido Lemos, former executive of VIVER and Porto Seguro, is our new Investor Relations Officer. Natalia Pires, lawyer with vast experience in the real estate industry, was promoted and now heads the Legal Department. Valdir Sobrinho, former employee of Telemar and Cemar, now heads the CSC. The first changes in the organizational structure were also implemented, including the following: (i) reduced number of executive development areas; (ii) creation of a single division for mortgage loan area, which is now responsible for contracting construction financing, on lending, and registration; and (iii) changes in and consolidation of the procurement area, which started reporting directly to the CEO.

Actions to control costs and expenses were also taken. We established a more restrictive payment policy, and new forums for the approval of financial matters related to the projects. A detailed budget for 2013 has been prepared to help control costs and expenses and integrate the different areas of the company.

The company is also working to redesign the short- and long-term compensation policy and the new structure for regional offices. These new policies and structures will be implemented throughout 2013.

One of the pillars of the new operating model is the improvement of the construction works management and budgeting process. In line with that target, the new management has decided to review controls and budgets for all construction works, in order to enhance estimate precision, despite the work carried out by the former management team.

The purpose of that work was to have an updated view of costs to be incurred by (i) revising the construction works of partnerships; (ii) evaluating and possibly replacing the contracted construction companies in outsourced construction works; (iii) evaluating the construction works of the MCMV program; (iv) solving issued with the government; (v) standardizing and using a more diligent approach for the budgets of existing construction works; and (v) implementing new supervision and oversight processes. As a result of this review, the following decisions were made:

- 3 partnerships were terminated;
- some outsourced construction teams were replaced with our own teams;
- instruments of conduct adjustment (TAC) or other instruments were executed with government agencies regarding the necessary compensation for the execution of the development projects;
- the leading team responsible for MCMV projects was replaced;
- a projects area that reports to the CEO was created to supervise the physical and financial evolution of the projects, and implement the lessons learned from closed projects;
- the development projects are periodically analyzed by external advisers;
- more detailed budgets are required for the execution of existing construction works and for new projects;
- 100% of the construction works were revised and 86% of budgets were improved, based on new guidelines for material costs, services, workforce, improvements, environmental requirements, and completion deadlines;
- payment policies became stricter for construction works costs, with cross-controls involving the executive board and the CEO.

This review also included mobilization expenses necessary to take on third-party and partner projects, and resume embargoed construction works. It is important to note that no change or improvement was planned for the construction works process or for the acquisition of inputs and services; this will be attained using a new procurement management and centralization model. Therefore, we believe a conservative value has been determined for the completion of ongoing works, and we do not expect it to be further reviewed. The consolidated value for budget supplementation was estimated at R$ 1.4 billion, of which R$ 1.1 billion impacted the result for the fourth quarter of 2012.

MANAGEMENT COMMENTS

Additionally, due to this revision and changes in the tax legislation, a consolidated amount was added to the maintenance guarantee and technical assistance provisions, to cover possible fines f or delivery delays, losses in ongoing development projects, and reversal of the RET deferred tax in the amount of R$ 139 million.

The improvement in our construction works cost estimate process has also resulted in other adjustments to our financial statements. There was a reduction in assets that do not generate cash, consisting mainly of the impairment of goodwill in the acquisition of Agre and TGLT, deferred tax assets, expenses with discontinued projects, fair value of the financial liability of the convertible debentures(capitalization) under IFRS rules, which totaled R$ 367 million.

2012 was a year of change, adjustment, and new challenges for PDG. The new management team took office in September 2012 and implemented a new management model, but there is still a lot to be done. The strategic agenda for the upcoming years includes the unification of processes of the group's companies, execution decentralization, corporate restructuring, and the control and management of the Company's performance. As a consequence, the new management team expects the company to become more efficient and profitable, resuming growth on a solid basis, and adding value to the shareholders.

SUBSEQUENT EVENTS

During the first quarter of the year, we hired the services of a renowned consulting company to help us revisit our mortgage transfer and registry processes. The objective of this work is to substantially reduce the duration of our mortgage transfers, thus accelerating the return of cash to the Company. Another important step taken during the period was the consolidation of the following, under the same supervision: credit analysis, transfers and registry, thus guaranteeing total fluidity of the process, from its origin, when credit is granted, up until the last leg, registry of the mortgage transfer.

Also recently, we hired Thiago Lima, to lead the future of our Mall subsidiary, REP. Mr. Lima, is a civil engineer, with nearly 13 years of experience in the local real estate market, and was most recently, Development Director at BR Malls, where he worked from 2007-2013. Previously, he also held a finance manager position at Multiplan, during the company´s pre-IPO stage. We believe Thiago has the ideal profile to lead our Mall operation with enormous success.

CONSTRUCTION BUDGET REVISION AND ACCOUNTING ADJUSTMENTS

- The refinement of our budgeting and overall accounting processes, resulted in adjustments in the following three categories:

  1) Cost overruns of R$ 1.434 million, which negatively impacted net revenues in R$ 1.075 million;

  2) Provisions: increase in the provision for maintenance costs incurred in delivered units, establishment of a provision for losses incurred by ongoing projects, provision reversal of deferred RET benefit and increase in provision for possible fines caused by delivery delays;

  3) Non-cash adjustments: impairment of AGRE and TGLT goodwill, deferred taxes, costs incurred by the cancellation of projects, mark to market of convertible debentures.

Adjustments – 4Q12	R$ mm
(1) CONSTRUCTION BUDGET REVISION	1,075
(2) ACCOUNTING PROVISIONS	139
(3) OTHER NON-CASH ADJUSTMENTSA	367
TOTAL ADJUSTMENTS	1,581

- On December 31st, PDG had 65 sites under the RET differentiated tax regime (44 in 2011). The accounts receivable value related to these sites amount to R$1,478 million, some 10% of our total receivables figure (on & off balance). Under the RET regime, with taxes lowered by 200 bps, we manage to save R$26.3 million.

STRATEGIC GUIDE LINES

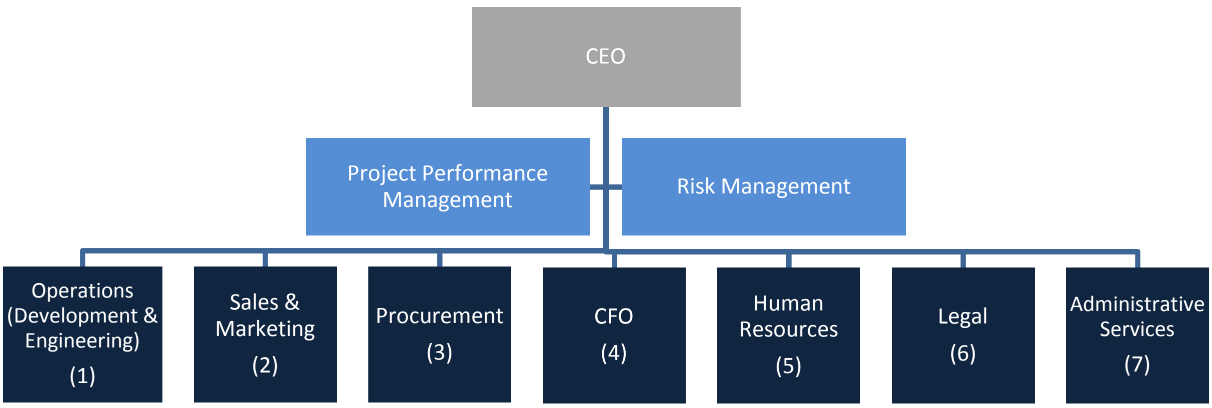
Strategic Guidelines

- Achieve sustainable leadership in the residential market in 10 selected locations;
- Main segments Economic and Medium Economy, with opportunistic stakes in High Income and *Minha Casa Minha* Vida segments, mainly in São Paulo and Rio de Janeiro.

Operational Pillars

- PDG will be a fully integrated operation, in terms of its internal processes, Guidelines and Structures;
- Geographic expansion/consolidation achieved through the establishment of regional Business Units;
- Corporate Headquarter structure will focus on key decision-making and performance control.

Organizational Chart



(1) Antonio Guedes, Civil Engineer, 25 years of experience in real estate, ex-Cyrela and Gafisa.

(2) Eduardo Telles, Civil Engineer, 7 years of experience in real estate;

(3) Julio Hornos, Business Administrator, 23 years of experience in real estate;

(4) Marco Kheirallah CFO, Business Administrator, previously PDG Board member, Matrix and Pactual partner;

(5) Luciana Domagala, Business Administrator, 18 years of experience in Human Resources; Gerdau Group, Claro and RBS;

(6) Natalia Pires, Lawyer, 15 years of experience in real estate;

(7) Valdir Barbosa, Information Technology, 25 years of Professional experience, ex-Telemar and CEMAR.

STRATEGIC GUIDE LINES

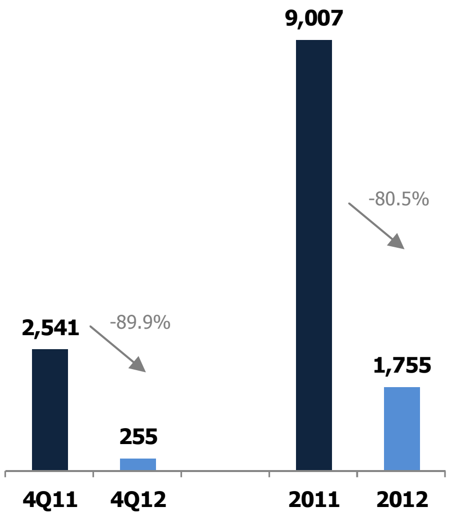
Post Revision Strategy

Newly Created Structures	- **Creation of a corporate structure,** responsible for key decision making and supplying regional business units with homogeneous operating guidelines; - **Creation of an Operations Vice Presidency,** with the objective of leading development and engineering in both corporate and regional levels; - **Unification of our 4 pre-existing engineering structures,** leveling development and engineering hierarchies; - **Creation of a performance management unit for projects,** responsible for data mining, analysis and questioning of ongoing projects, as well as partner performance. Projects will now carry specific time, cost and quality metrics.
Partnerships	- **Utilization of partnerships solely to complement company skills;** - **Validation of partnerships through technical, financial and reputational due diligence;** - **Standardization of contracts;** - **Re-balancing of proportion between own and third party construction.**
Planning, Management, Controls and Project Performance Assessment	- **Tripartite collaboration between regional business units, headquarters and corporate back Office, where responsibilities are split as follows:** Regional: new business origination and execution; Corporate: feasibility approval; corporate back office: execution support; - **Critical analysis of target markets,** where there are labor and supply chain obstacles; - **Previous alignment with municipalities**, aiming to avoid the inclusion of additional infra structure demands.
Management, Controls and Construction Site Assessment	- **Construction budgets devised utilizing standardized guidelines and executive projects**, from now on overseen by corporate headquarters; - **Revised payment approval process, from now on fully controlled by finance and planning areas**, via ERP, in order to unify budget base; - Monthly **monitoring** of selected sites for verification of **adherence to budgets**; - **Creation of a remuneration scheme for construction site workers**, aligned with construction cycle.

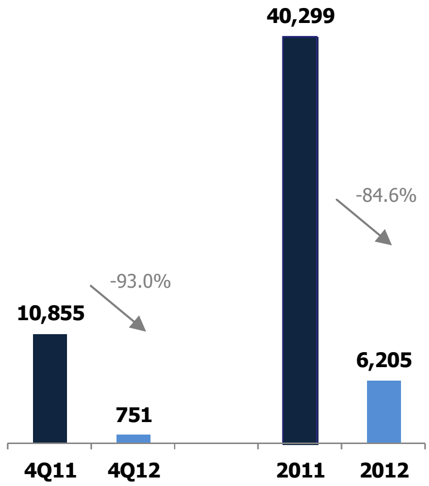
OPERATIONAL PERFORMANCE - LAUNCHES

- Total launches in Q4 amounted to R$ 255 million, split among 3 projects: two in São Paulo (economic and medium income) and one in Bahia (medium high);
- Total PSV(VGV) of R$ 1.755 million, launched in 2012, was distributed among 35 projects;
- Five projects launched in 2012 were recalled, totaling R$475,3 million in PSV (VGV).

Launches % PDG – R$mm

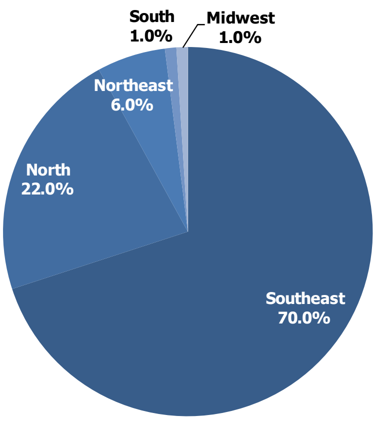


Launches – units

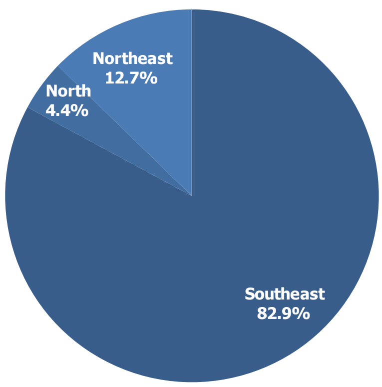


Launches by Region % PDG – R$mm

2011

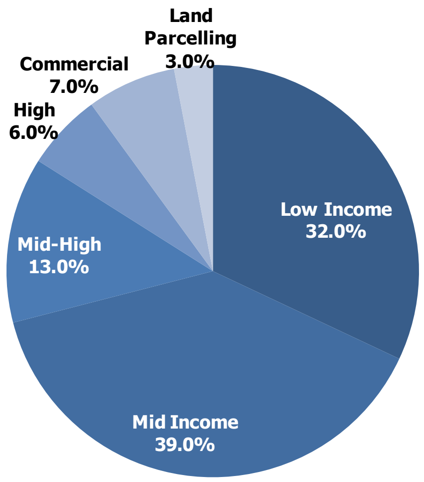


2012

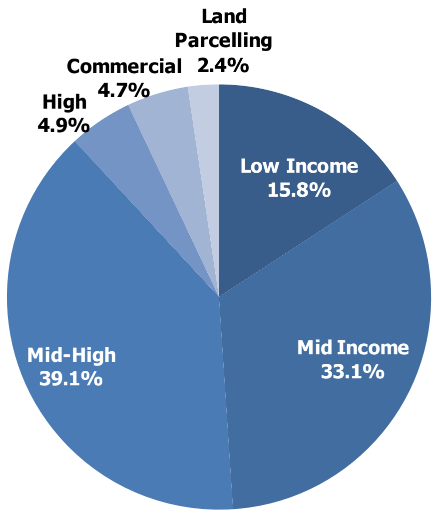


Launches by segment % PDG – R$mm

2011

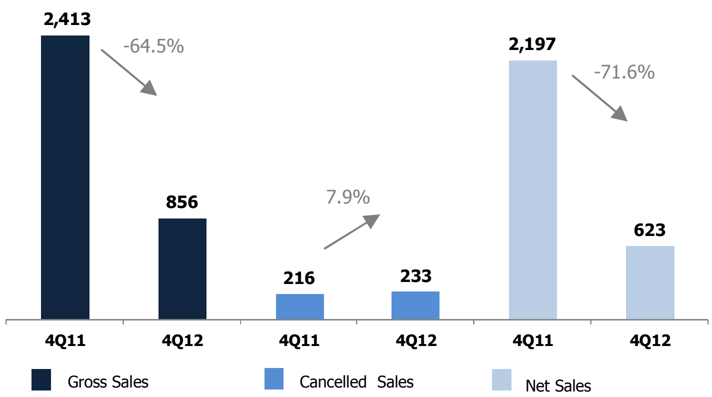


2012

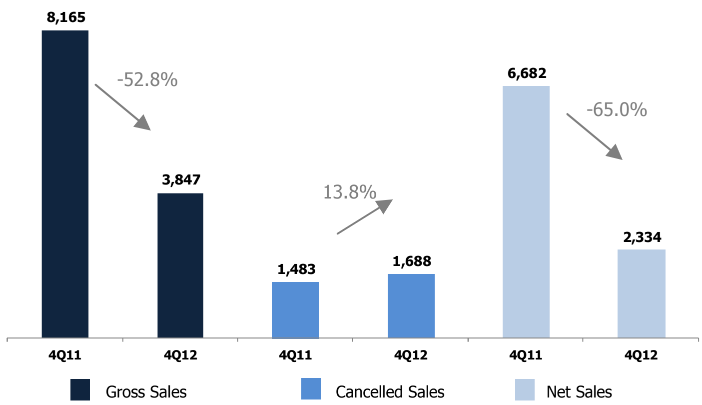


OPERATIONAL PERFORMANCE – SALES

Q411 vs. Q412 – R$ mm

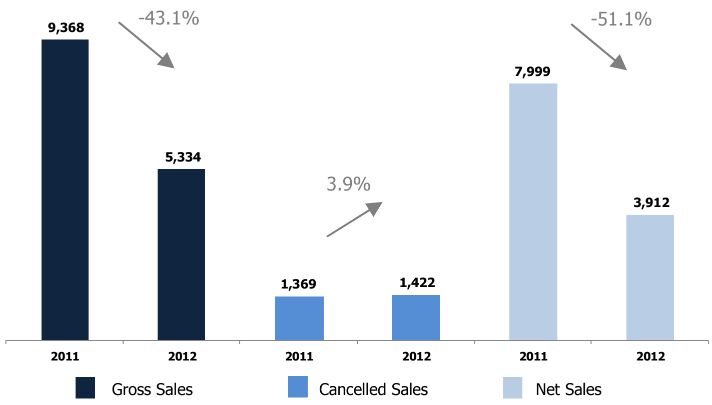


Q411 vs. Q412 – units

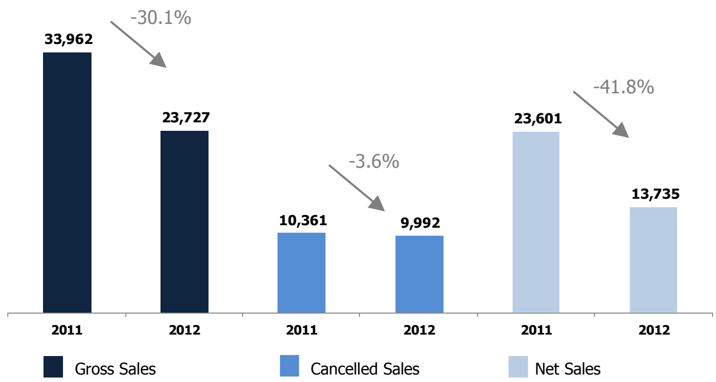


OPERATIONAL PERFORMANCE – SALES

2011 vs. 2012 – R$ mm

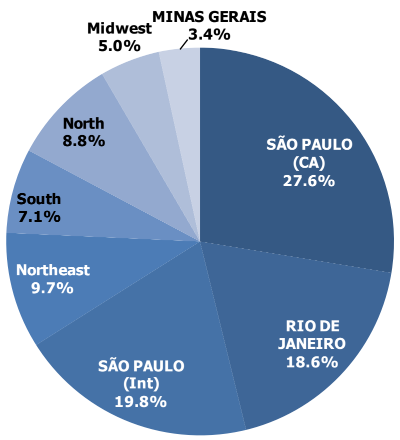


2011 vs. 2012 – units

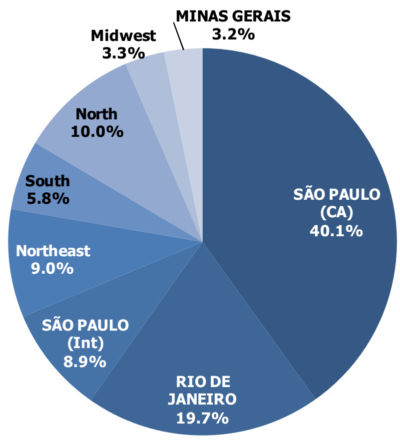


Sales by Region– %VGV

2011

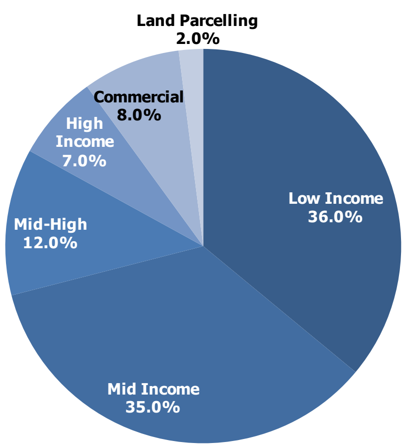


2012

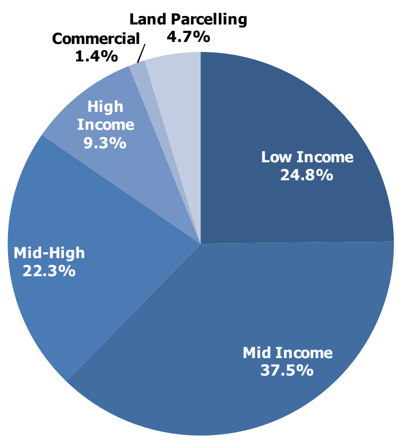


Sales by Segment – %VGV

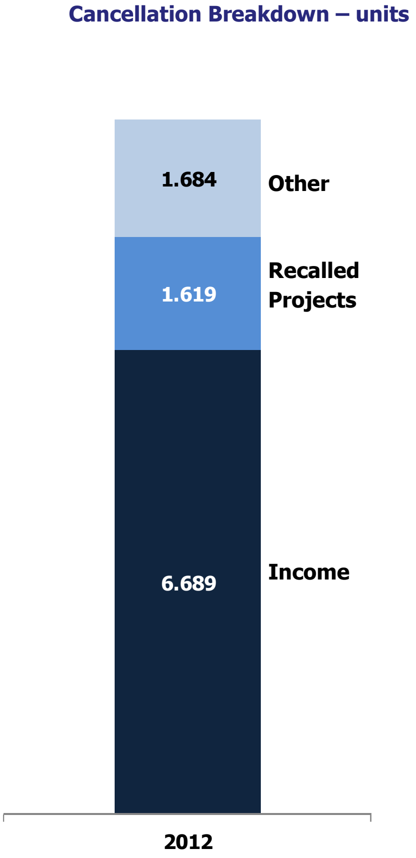
2011



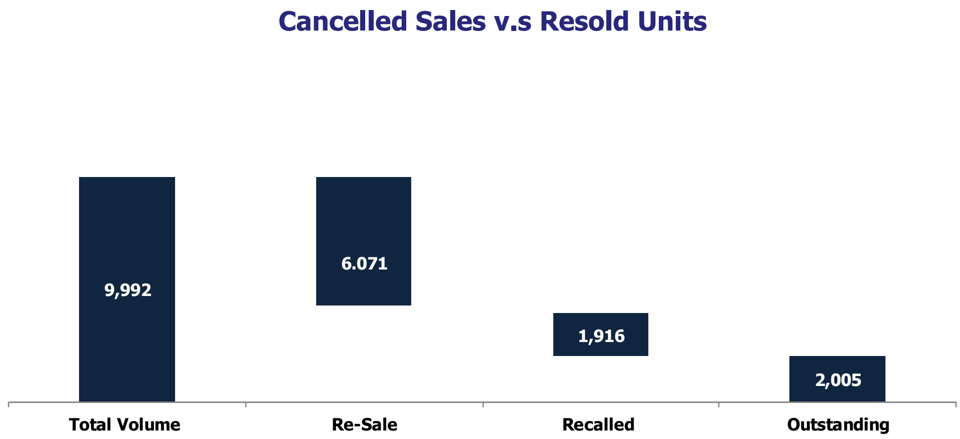
2012



OPERATIONAL PERFORMANCE – CANCELLED SALES

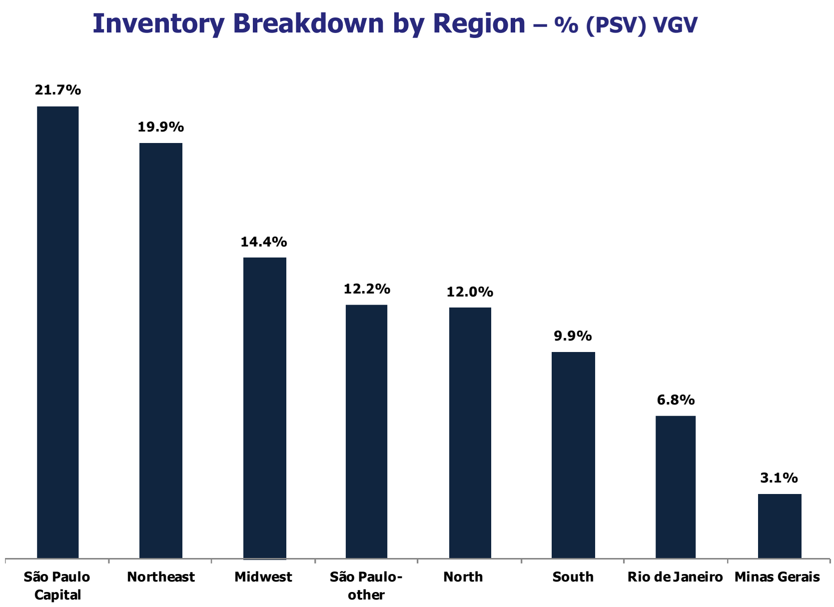


- Of a total of 9,992 cancelled units, 67% occurred due to income insufficiency, 16% recalled projects and 17% other;
- 75% of cancelled units during 2012, were resold during the period, generating a 17% PSV ("VGV") gain or R$125 million.



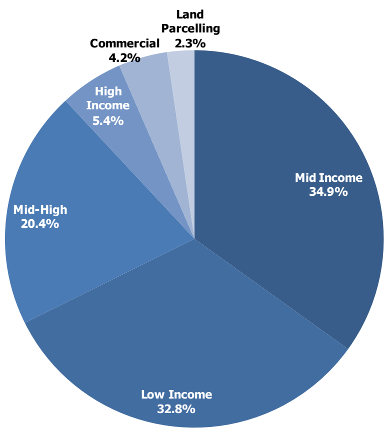
OPERATIONAL PERFORMANCE - INVENTORY

- Total inventory at market value stood at R$5,157 million or 19,347, by year end.

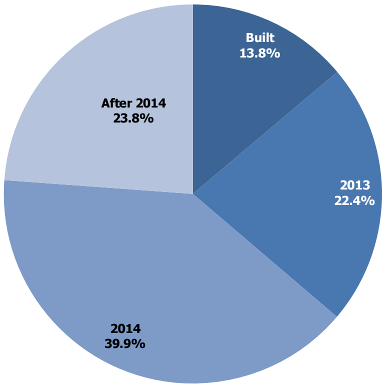


OPERATIONAL PERFORMANCE - INVENTORY

Inventory by Segment – % VGV



Inventory Delivery Schedule – % VGV



Speed of Sales (VSO)

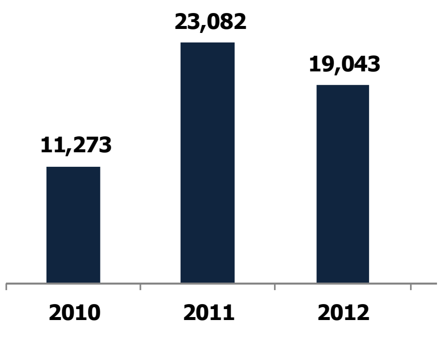
- The mark-to-market exercise of our inventory, carried out during the first quarter, revealed a R$1.2 billion increase over previously released figures;

R$ million

	Q411	Q112	Q212	Q312	Q412
INITIAL INVENTORY	6,963	7,463	6,797	6,060	5,581
(+)LAUNCHES	2,401	810	394	295	255
(-)GROSS SALES	2,102	1,707	1,456	1,268	846
(+)CANCELLED SALES	200	231	325	494	167
FINAL INVENTORY	7,463	6,797	6,060	5,581	5,157
SALES SPEED (12mos.)	**47%**	**50%**	**50%**	**49%**	**44%**

Unit Delivery Schedule

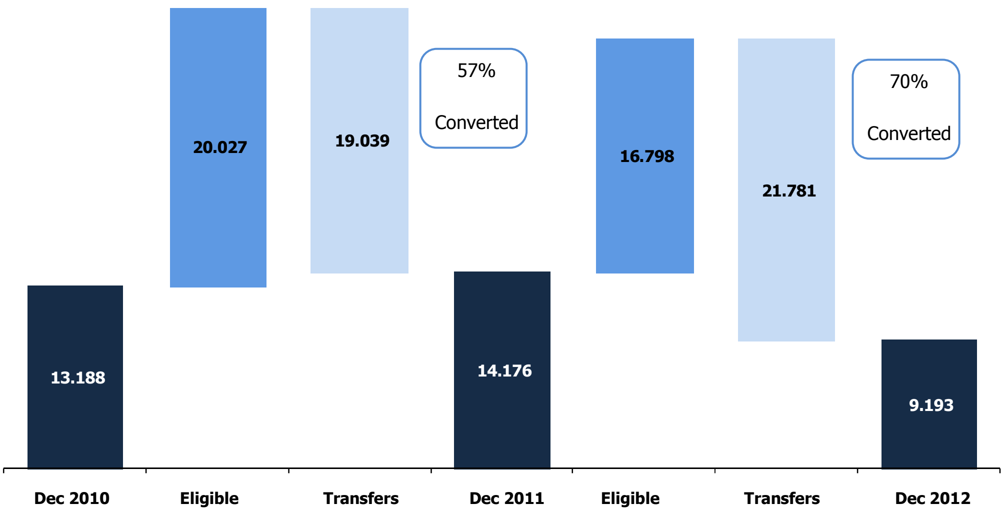
- We expect to deliver between 32,000-36,000 units in 2013 and 22,000-26,000 in 2014.



OPERATIONAL PERFORMANCE – MORTGAGE TRANSFERS ("REPASSE")

- The conversion rate of 70% of units eligible for mortgage transfers ("repasses"), was significantly higher v. the 57% achieved in 2011. The R$3.5 billion in revenues from bank transfers, was 25% above the R$2.8 billion figure reported a year earlier.

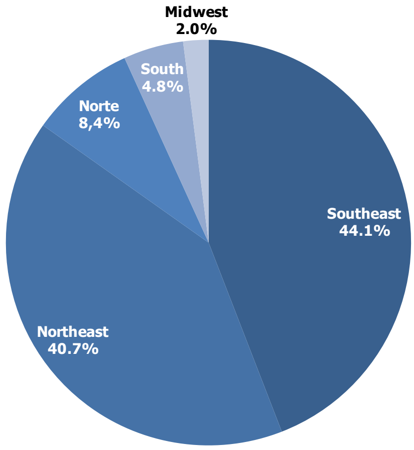
Mortgage Transfer Flux - units



LANDBANK

Segment	Nº Units	%	PSV PDG (R$ mm)	%	PSV (R$ mm)	%	Average Price (R$)
High Income	2,965	3.1%	4,234	16.5%	6,932	22.6%	1,428,162
Mid High	7,437	7.7%	5,081	19.8%	5,690	18.5%	683,187
Mid Income	21,091	21.7%	6,913	27.0%	7,676	25.0%	327,772
Low Income	39,543	40.7%	5,524	21.5%	5,757	18.7%	139,684
Residencial	**71,036**	**73.2%**	**21,752**	**84.8%**	**26,055**	**84.8%**	**306,211**
Commercial	**3,716**	**3.8%**	**1,438**	**5.6%**	**2,082**	**6.8%**	**386,914**
Land Parcelling	**22,334**	**23.0%**	**2,461**	**9.6%**	**2,576**	**8.4%**	**110,191**
Total	**97,085**	**-**	**25,650**	**-**	**30,714**	**-**	**264,207**

Landbank by Region - %VGV



FINANCIAL PERFORMANCE

Gross Margin

- The 20% drop in net revenues, which reached R$5.4 billion in 2012, was impacted by the R$1.1 billion revenue reversal occurred in Q4, stemming from cost overruns.

R$ million

Revenue Breakdown pre cost overruns	2012	2011	%Var.	Q412	Q411	%Var
Net Revenues – Income Statement	4,358	6,823		278	1,759	
Cost Overruns	(1,075)	-		(1,075)	-	
Net revenues recognized pre cost overruns	5,433	6,823	-20%	1,353	1,759	-23%
Gross Margin	**2012**	**2011**	**%Var.**	**Q412**	**Q411**	**%Var**
Net Revenues	4,358	6,823	-36%	278	1,759	-84%
Cost	(4,637)	(4,495)	3%	(1,328)	(1,254)	6%
Gross Profit(Loss)	(279)	2,328	-112%	(1,050)	505	-
(+) Capitalized Interest	(475)	(484)	-2%	(138)	(135)	2%
(+) Goodwill	(53)	(44)	20%	(30)	(44)	-32%
Adjusted Profit(Loss)	(807)	1,800	-145%	(1,218)	326	-
Gross Margin	-6.4%	34.1%	**-40.5 bps**	-	28.7%	-
Adjusted Gross Margin	-18.5%	26.4%	**-44.9 bps**	-	18.5%	-

Backlog Results (REF)

R$ million

	4Q12	3Q12	4Q11
Gross Revenues	6,497	5,704	6,332
(-) Taxes *	(246)	(212)	(241)
Net Revenues	6,251	5,492	6,091
(-) COGS	(4,558)	(3,586)	(3,945)
Gross Profit	1,693	1,906	2,146
Gross Backlog Margin **	**27.1%**	**34.7%**	**35.2%**
Capitalized Interest	232	218	178
AGRE Goodwill	88	148	171
Adjusted Gross margin	**22.0%**	**28.0%**	**29.5%**

* 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
	52%	**40%**	**8%**

SG&A Expenses

- The 29% drop in commercial expenses in 2012, reflects the company´s more conservative launch stance during the period.
- The 56% growth in third party service expenses stems from the hiring of consulting services during Q4.
- The 31% drop in other expenses derives from the stock option plan reversal.
- Consolidated SG&A expenses dropped 15% y-o-y and 38% q-o-q, or R$53 million.

R$ million

Commercial Expenses	2012	2011	%Var.
Total Commercial Expenses (1)	**273.5**	**386.1**	**-29%**

G&A Expenses	2012	2011	%Var.
Salaries & Benefits	223.8	191.0	17%
Profit Sharing	0.0	45.8	n.a
Third Party Services	122.4	78.6	56%
Other Admin. EXpenses	91.1	133.0	-32%
Total G&A (2)	**437.3**	**448.4**	**-2%**
Total SG&A (1+2)	**710.8**	**834.5**	**-15%**

On & Off Balance Receivables

R$ million

	2012	2011	%Var.
Receivables	7,795	8,889	-12%
Gross Backlog Revenues - REF	6,497	6,332	3%
Total	**14,292**	**15,221**	**-6%**
ST	**6,052**	**6,701**	**-10%**
LT	**1,743**	**2,188**	**-20%**
Constructed units	2,116	1,761	20%
Units under constrcution	12,176	13,460	-10%

Financial Result

R$ million

	2012	2011	Var. %
Investment Income	80.3	175.60	-0.54
Interest and fines	136.9	61.80	1.22
Other financial revenue	47.3	23.40	1.02
Total financial revenues	**264.5**	**260.8**	**1%**
Interest	-876.0	-671.9	30%
Bank Expenses	-11.3	-9.2	23%
Other	-22.1	-57.8	-62%
Gross Financial Expenses	-909.4	-738.9	23%
Capitalized Interest on Inventory	528.2	440.7	20%
Total Financial Expenses	**-381.2**	**-298.2**	**28%**
Total Financial Result	**-116.7**	**-37.4**	**212%**

Indebtedness

R$ million

	4Q12	4Q11	Var. %	3Q12	Var. %
Cash	**1,809**	**1,722**	**5%**	**1,847**	**-2%**
Gross Debt	**7,628**	**6,785**	**12%**	**7,372**	**3%**
Project Finance(SFH)	*3,077*	*2,609*	*18%*	*2,991*	*3%*
Corporate Debt	*2,938*	*2,582*	*14%*	*2,752*	*7%*
Obligation for the issuance of CCB & CCI	*1,503*	*1,464*	*3%*	*1,524*	*-1%*
Co-obligation for the issuance of CRI	*110*	*130*	*-15%*	*105*	*5%*
Net Debt	**5,819**	**5,063**	**15%**	**5,525**	**5%**
Net Debt (ex. SFH)/ Equity	**2,742**	**2,454**	**12%**	**2,534**	**8%**
Shareholder´s Equity	**5,017**	**6,420**	**-22%**	**6,890**	**-27%**
Net Debt (ex. SFH)/ Equity	**54.7%**	**38.2%**	**17 bps**	**36.8%**	**18 bps**

Indebtedness - Profile

R$ thousand

Indebtedness	Outstanding	Index	Interest p.a.	Coupon	Amortization
Debentures - 1st Series	258,224	CDI Inflation	1.8%	Semester (Jan - Jul)	4 annual starting jul/15
Debentures - 4th Series	263,707	CDI Inflation	2.4%	Quarterly (Nov/Fev/Mai/ Ago)	16 quarterlies starting Nov/12
Debentures - 6th Series	117,079	-	11.3%	Bullet (Set/16)	Sep-16
Debentures - 7th Series	150,817	IPCA Inflation	6.5%	Annual (Mar/13)	2 payments Mar/18 e Dec/18
Debentures - 8th Series*	89,508	-	-	-	Sep-16
Project Finance(SFH)**	3,940,803	TR	9.9%	-	-
Working Capital	1,194,757	CDI / Other	1.9%	-	-

Fair value on Dec/12.

****Considering outstanding debts of 3rd and 5th Savings & Loan ("Caixa" - CEF) debenture series at R$ 245.6 MM e R$ 617.8 MM, respectively.***

Net Debt Variation

R$ million

Net Debt Variation (R$ mm)	Q1	Q2	Q3	Q4
CASH	**1,720**	**1,982**	**1,847**	**1,809**
CASH VARIATION	(2)	262	(135)	(38)
DEBT	**5,350**	**5,963**	**5,743**	**6,015**
PROJECT FINANCE(SFH)	2,973	3,028	2,991	3,077
CORPORATE DEBT	2,377	2,935	2,752	2,938
DEBT VARIATION	160	613	(220)	272
NET DEBT VARIATION(pre capital increase)	**(162)**	**(351)**	**85**	**(310)**
SECURITIZATION	**1,595**	**1,729**	**1,629**	**1,613**
Promissory Note Issue	1,479	1,557	1,524	1,503
Co- obligation	116	172	105	110
Securitization Variation	1	134	(100)	(16)
NET DEBT VARIATION(post capital increase)	**(163)**	**(485)**	**185**	**(294)**
ADJUSTMENTS	**(14)**	**19**	**(613)**	**33**
REP Investment	12	19	19	7
Stock Buy Back Program	4	-	-	48
Asset Sales	(30)	-	-	(22)
Dividends	-	-	168	-
Capital Increase (Subscription)	-	-	(800)	-
NET DEBT VARIATION (post capital increase+adjustments)	**(177)**	**(466)**	**(428)**	**(261)**

Income Statements – Pro Forma

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	Non-reccurring adjustments	2012 Pro Forma
Operating Gross Revenue			
Real State sales	4,392,680	1,656,909	6,049,589
Other Operating Revenues	113,182	-	113,182
(-) Taxes Over Sales	(147,363)	(15,174)	(162,537)
Operating Net Revenue	**4,358,499**	**1,641,735**	**6,000,234**
Interest Expenses	(474,579)	-	(474,579)
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	-	(52,920)
Cost of Sold Units	(4,637,957)	210,743	(4,427,214)
Cost of sold properties	**(5,165,456)**	**210,743**	**(4,954,713)**
Gross Income	**(806,957)**	**1,852,478**	**1,045,521**
Gross margin	***-18.5%***	***112.8%***	***17.4%***
Adjusted gross margin (1)	***-6.4%***	***112.8%***	***26.2%***
Operating Revenues (expenses):			
Commercial	(273,537)	14,000	(259,537)
General and Administrative	(437,271)	-	(437,271)
Taxes	(30,186)	-	(30,186)
Depreciation & Amortization	(175,143)	71,380	(103,763)
Other	(122,996)	50,200	(72,796)
Financial Result	(116,774)	81,590	(35,184)
Total operating revenues (expenses)	**(1,155,907)**	**217,170**	**(938,737)**
Income before taxes	**(1,962,864)**	**2,069,648**	**106,784**
Income Taxes and Social Contribution	(209,991)	55,400	(154,591)
Income before minority stake	**(2,172,855)**	**2,125,048**	**(47,807)**
Minority interest	(4,251)	-	(4,251)
Net Income (loss)	**(2,177,106)**	**2,125,048**	**(52,058)**
Net margin	***-50.0%***	***129.4%***	***-0.9%***

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

ADJUSTED EBITDA	2012	Non-reccurring adjustments	2012 Pro Forma
Income (loss) before taxes	(1,962,864)	2,069,648	106,784
(-/+) Financial Result	116,774	(81,590)	35,184
(+) Depreciation and Amortization	175,143	(71,380)	103,763
(+) Stock Option Plan	(25,655)	-	(25,655)
(+) Interest Expenses - Cost of Sold Units	474,579	-	474,579
(+) Recognition of goodwill of identifiable assets in the acquisition of Agre	52,920	-	52,920
EBITDA	**(1,169,103)**	**1,916,678**	**747,575**
AJUSTED EBITDA Margin	***-***	***-***	***12.5%***

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

Assets	2012	2011	Var.%
Current Assets			
Cash, cash equivalents and short-term investments	1,752,161	1,629,877	8%
Accounts receivable	6,052,113	6,700,571	-10%
Properties held for sale	1,994,168	3,706,220	-46%
Prepaid expenses	64,213	106,689	-40%
Advances to suppliers	109,803	74,571	47%
Accounts with related parties	51,193	-	-
Taxes to recover	120,957	101,163	20%
Receivables Acquired	-	52,831	-100%
Related Parties	-	58,421	-100%
Others	236,625	226,675	4%
Total Current Assets	**10,381,233**	**12,657,018**	**-18%**
Noncurrent Assets			
Long-Term			
Long-term investments	57,337	92,386	-38%
Accounts receivable	1,742,477	2,188,609	-20%
Properties held for sale	2,634,526	931,124	183%
Debentures	1,064	40,593	-97%
Accounts with related parties	105,444	32,648	223%
Receivables Acquired	-	57,512	-100%
Deferred income and social contribuition taxes	195	-	-
Others	160,193	165,203	-3%
Total Noncurrent Assets	**4,701,236**	**3,508,075**	**34%**
Permanent Assets			
Intangible	646,682	669,542	-3%
Property and equipment	282,104	296,466	-5%
Investments	22,917	121,978	-81%
	951,703	**1,087,986**	**-13%**
Total Permanent Assets	**5,652,939**	**4,596,061**	**23%**
Total Assets	**16,034,172**	**17,253,079**	**-7%**

CONSOLIDATED BALANCE SHEET

Quarter ended on December 31st, 2011 and 2010

R$ thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	2012	2011	Var. %
Current			
Loans and financings	1,840,885	1,872,531	-2%
Debentures	316,727	-	-
Suppliers	260,003	317,751	-18%
Property acquisition obligations	682,387	813,795	-16%
Taxes and contributions payable	131,983	158,810	-17%
Deferred taxes	357,544	338,916	5%
Co-obligation for the issuance of CRI	32,213	113,430	-72%
Advances from clients	481,310	442,438	9%
Income and social contribution taxes	34,117	37,817	-10%
Accounts with related parties	48,227	47,811	1%
Dividends	-	168,152	-100%
Obligations from acquisition of ownership	163,859	105,445	55%
Others	109,007	606,644	-82%
Total Current	**4,458,262**	**5,023,540**	**-11%**
Long-Term			
Loans and financings	2,431,170	1,738,094	40%
Debentures	1,426,113	1,580,065	-10%
Property acquisition obligations	139,990	177,665	-21%
Obligation for the issuance of CCB & CCI	1,503,234	1,464,234	3%
Co-obligation for the issuance of CRI	78,114	16,477	374%
Advances from clients	376,745	319,060	18%
Taxes and contributions payable	797	3,139	-75%
Deferred taxes	148,157	167,177	-11%
Other Provision	139,262	27,456	407%
Advances for future capital increase	-	103,010	-100%
Related parties	-	13,663	-100%
Other	302,215	182,613	65%
Total Long-Term	**6,545,797**	**5,792,653**	**13%**
Minority interest	**12,813**	**17,064**	**-25%**
Shareholders' equity			
Subscribed capital	4,907,843	4,822,038	2%
Capital reserve	887,725	137,511	546%
Equity valuation adjustments	(58,107)	(58,107)	0%
Treasury Stock	(95,424)	(33,989)	181%
Accumulated gains	(624,737)	1,552,369	-140%
Total Shareholders' equity	**5,017,300**	**6,419,822**	**-22%**
Total liabilities and shareholders' equity	**16,034,172**	**17,253,079**	**-7%**

Income Statements

Twelve months ended on December 31st, 2012 and 2011

R$ thousand

INCOME STATEMENT	2012	2011	Var. %
Operating Gross Revenue			
Real State sales	4,392,680	6,904,874	-36%
Other Operating Revenues	113,182	111,814	1%
(-) Taxes Over Sales	(147,363)	(193,706)	-24%
Operating Net Revenue	**4,358,499**	**6,822,982**	**-36%**
Interest Expenses	(474,579)	(484,208)	-2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(52,920)	(43,927)	20%
Cost of Sold Units	(4,637,957)	(4,495,411)	3%
Cost of sold properties	**(5,165,456)**	**(5,023,546)**	**3%**
Gross Income	**(806,957)**	**1,799,436**	**-**
Gross margin	***-***	***26.4%***	***-***
Adjusted gross margin (1)	***-***	***34.1%***	***-***
Operating Revenues (expenses):			
Commercial	(273,537)	(386,155)	-29%
General and Administrative	(437,271)	(402,532)	9%
Taxes	(30,186)	(11,991)	-
Depreciation & Amortization	(175,143)	(37,154)	-
Other	(122,996)	(8,364)	-
Financial Result	(116,774)	(37,412)	-
Total operating revenues (expenses)	**(1,155,907)**	**(883,608)**	**31%**
Income before taxes	**(1,962,864)**	**915,828**	**-**
Income Taxes and Social Contribution	(209,991)	(165,550)	27%
Income before minority stake	**(2,172,855)**	**750,278**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(4,251)	3,568	-
Net Income (loss)	**(2,177,106)**	**708,008**	**-**
Net margin	**-**	**10.4%**	**-**

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

ADJUSTED EBITDA	2012	2011	Var. %
Income (loss) before taxes	(1,962,864)	915,828	-
(-/+) Financial Result	116,774	52,277	123%
(+) Depreciation and Amortization	175,143	37,154	-
(+) Stock Option Plan	(25,655)	31,659	-
(+) Interest Expenses - Cost of Sold Units	474,579	484,208	-2%
(+) Recognition of goodwill of identifiable assets in the acquisition of	52,920	43,927	20%
EBITDA	**(1,169,103)**	**1,565,053**	-
AJUSTED EBITDA Margin	***-***	***22.9%***	***-***

Income Statements

Quarter ended on December 31st, 2011 and 2010

R$ thousand

INCOME STATEMENT	4Q12	4Q11	% Var.
Operating Gross Revenue			
Real State sales	237,368	1,759,991	-87%
Other Operating Revenues	33,969	27,665	23%
(-) Taxes Over Sales	6,781	(29,100)	-
Operating Net Revenue	**278,118**	**1,758,556**	**-84%**
Interest Expenses	(138,121)	(135,159)	2%
Recognition of goodwill of identifiable assets in the acquisition of Agre	(30,000)	(43,927)	-32%
Cost of Sold Units	(1,328,046)	(1,254,152)	6%
Cost of sold properties	**(1,496,167)**	**(1,433,238)**	**4%**
Gross Income	**(1,218,049)**	**325,318**	**-**
Gross margin	***-***	***18.5%***	***-***
Adjusted gross margin (1)	***-***	***28.7%***	***-***
Operating Revenues (expenses):			
Commercial	(65,477)	(97,797)	-33%
General and Administrative	(85,511)	(122,817)	-30%
Taxes	5,810	(2,426)	-
Depreciation & Amortization	(60,304)	5,861	-
Other	(114,025)	(19,018)	-
Financial Result	(125,631)	(7,085)	-
Total operating revenues (expenses)	**(445,138)**	**(243,282)**	**83%**
Income before taxes	**(1,663,187)**	**82,036**	**-**
Income Taxes and Social Contribution	(110,277)	(72,187)	53%
Income before minority stake	**(1,773,464)**	**9,849**	**-**
Employees' Stake	-	(45,838)	-
Minority interest	(13,037)	16,181	-
Net Income (loss)	**(1,786,501)**	**(19,808)**	**-**
Net margin	**-**	**-**	**-**

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

ADJUSTED EBITDA	4Q12	4Q11	Var. %
Income (loss) before taxes	(1,663,187)	82,036	-
(-/+) Financial Result	125,631	19,018	-
(+) Depreciation and Amortization	60,304	(5,861)	-
(+) Stock Option Plan	(47,842)	7,691	-
(+) Interest Expenses - Cost of Sold Units	138,121	135,159	2%
(+) Recognition of goodwill of identifiable assets in the	30,000	43,927	-32%
EBITDA	**(1,356,973)**	**281,970**	**-**
AJUSTED EBITDA Margin	**-**	**16.0%**	**-**