



4Q08 & 2008 Results

March, 2009

4Q08 & 2008 Highlights



OPERATIONAL HIGHLIGHTS 4Q08

- ✓ CONTRACTED SALES PRO RATA PDG REALTY REACHED R\$425 MILLION;
- ✓ LAUNCHINGS PRO RATA PDG REALTY TOTALED R\$738 MILLION;
- ✓ PDG REALTY SOLD 50% OF THE UNITS LAUNCHED WITHIN THE 4Q08;
- ✓ CONTRACTED SALES OVER TOTAL SUPPLY (“VSO”) REACHED 24%;
- ✓ LAUNCHING OF INITIAL PROJECT IN ARGENTINA (PRO RATA VGV OF R\$67.3 AND 42% PRE SOLD);
- ✓ 75% OF LAUNCHINGS OCCURRED IN THE LOW INCOME SEGMENT.

OPERATIONAL HIGHLIGHTS 2008

- ✓ CONTRACTED SALES PRO RATA PDG REALTY REACHED R\$1.81 BILLION;
- ✓ 59% OF THE UNITS LAUNCHED IN 2008 HAVE BEEN SOLD UNTIL THE END OF THE 4Q08;
- ✓ CONTRACTED SALES OVER TOTAL SUPPLY (“VSO”) REACHED 57%;
- ✓ LAUNCHINGS PRO RATA PDG REALTY AMOUNTED TO R\$2.61 BILLION, IN LINE WITH OUR GUIDANCE.

4Q08 & 2008 Highlights



FINANCIAL HIGHLIGHTS 4Q08 & 2008	<ul style="list-style-type: none">✓ NET REVENUE REACHED R\$347.2 MILLION IN THE 4Q08. IN 2008, TOTALED R\$1.2 BILLION, INCREASING 119% WHEN COMPARED TO 2007;✓ ADJUSTED EBITDA REACHED R\$76.9 MILLION IN 4Q08 WITH 22,2% OF MARGIN. IN 2008 TOTALED R\$317.8 MILLION WITH 26.3% MARGIN;✓ ADJUSTED NET INCOME REACHED R\$66,8 MILLION IN 4Q08 WITH 19.2% MARGIN. IN 2008 TOTALED R\$250.6 MILLION WITH 20.7% MARGIN.
HIGHLIGHTS	<ul style="list-style-type: none">✓ EARLY OPTION EXERCISE OF GOLDFARB, REACHING 100% STAKE IN THE COMPANY;✓ CASH POSITION: R\$256.4 MILLIONS;✓ BACK OFFICE INTEGRATION;✓ RATING REAFFIRMATION BY S&P;✓ SUCCESSFUL DIFFERENTIATED MARKETING CAMPAIGN.

Recent Events



✓PDG Realty reaches 100% stake in Goldfarb:

- We have recently early exercised our option of the remaining 20% stake in Goldfarb, increasing our stake to 100%. Below we highlight the rationale of the deal:
 - ✓ Total consolidation of Goldfarb as an operational branch for PDG Realty;
 - ✓ PDG Realty will increase its exposure in the low income segment;
 - ✓ Reduction in the "Minority Interest" line of our Income Statement;
 - ✓ The terms from the MOU (as of 22/Nov/07) will be preserved. The future payments will continue to be calculated by the original formula;
 - ✓ Goldfarb's management team continues in a long term commitment and subject to exclusivity and non-compete clauses;
 - ✓ Accretive valuation.

✓Shares buyback program:

- As released in October 21st, 2008, we have launched a buyback program, witch is valid for 365 days and is limited to 8,142,064 common shares, corresponding to 10% of the free-float. Below we breakdown the buyback position at the end of the 4Q08:

Shares				
	Buybacked	Average Price	Volume - R\$	
Total	580,600	R\$ 9.11	5,287,584	

Recent Events



✓ **Back Office and System integration**

- In chase of cost control, higher efficiency and resources optimization we started our BO and system integration process.
- A fundamental step in this major process is the implementation of a common system platform, which in our case will be SAP.

✓ **Differentiated marketing strategy:**

- In face of a more adverse fourth quarter, we chose to implement differentiated market strategies that proved to be successful, as follow:
 - ✓ "Goldfarb Commitment" – guaranteed repurchase of unit in case of proven job loss during the construction period;
 - ✓ "Buy a apartment and also win a car" promotion (Goldfarb & CHL);
 - ✓ "Caminhão de prêmios" - furniture and appliances (Goldfarb & CHL).

✓ **Rating reaffirmation by Standard & Poors**

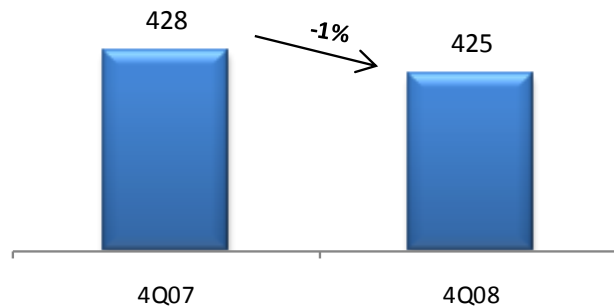
- In March 19th, 2009, Standard & Poors reaffirmed PDG Realty's BBB+ rating with stable perspective. It's important to highlight that we were the only company within the real estate sector that kept it's original rating, while all other companies suffered downgrade in their ratings.

Operational Highlights - Sales

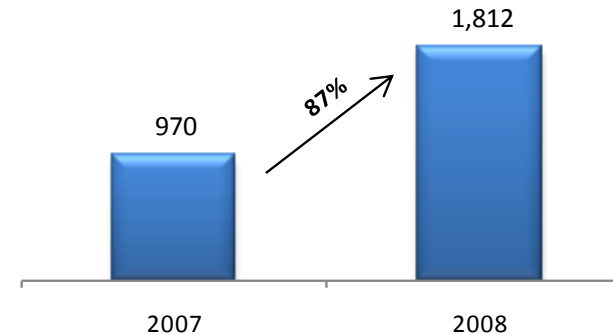


- ✓ Contracted Sales reached R\$2.83 billion in FY08 (4Q08: R\$579m). PDG Realty's pro rata stake amounted to R\$1.81 billion (4Q08: R\$425m).
- ✓ We sold R\$340 million from 4Q08 launchings and R\$85 from previous quarters (total sales of R\$425 million in 4Q08).

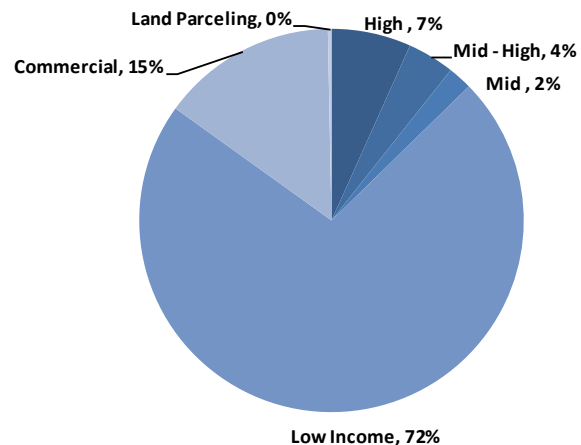
Contracted Sales pro rata (R\$ mln)



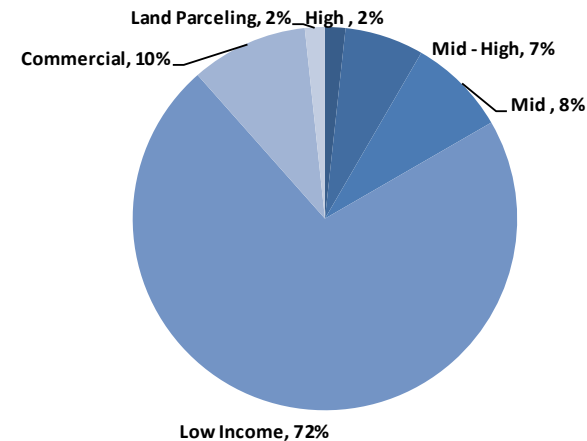
Contracted Sales pro rata (R\$ mln)



Contracted Sales 4Q08 - Segmentation



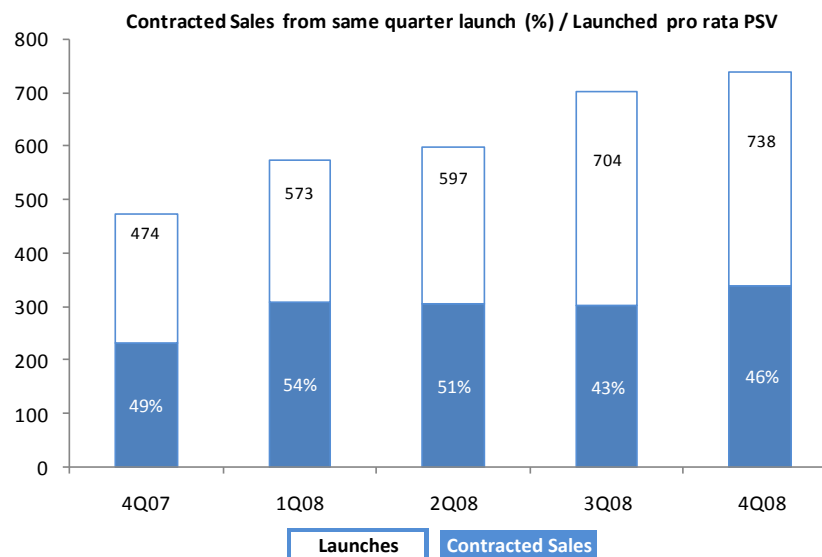
Contracted Sales 2008 - Segmentation



Operational Highlights - Sales



✓The chart below demonstrates the sales speed reached by the developments within its quarter of launch.



✓Below we demonstrate the calculation of our Sales Over Supply indicator and our final inventory position:

	1Q08	2Q08	3Q08	4Q08	2008
Beginning Inventory – R\$ mln (a)	579.42	685.33	810.33	1,066	579
Launched PSV PDG Realty – R\$ mln (b)	573.07	597.09	703.67	738	2,612
Contracted Sales PDG Realty – R\$ mln (c)	467.16	472.09	447.89	425	1,812
Final Inventory – R\$ mln	685.33	810.33	1,066.11	1,379	1,379
Sales (c) / Total Supply (a+b) - %	41%	37%	30%	24%	57%

Operational Highlights - Sales



✓The table below shows PDG Realty's historical track record of launches and its respective sales position and aging of the units in inventory. We can notice that 77% of all the units launched so far have been sold until the end of the 4Q08 and that approximately 82% of the total inventory value comes from units launched in 2008.

Launch	Units Launched	Units Sold	% Sold	% of Total Inventory
2003	296	296	100%	0.0%
3Q2003	188	188	100%	0.0%
4Q2003	108	108	100%	0.0%
2004	882	869	99%	0.1%
1Q2004	-	-	-	0.0%
2Q2004	69	61	88%	0.1%
3Q2004	176	174	99%	0.0%
4Q2004	637	634	100%	0.0%
2005	2,731	2,640	97%	1.0%
1Q2005	26	26	100%	0.0%
2Q2005	649	602	93%	0.5%
3Q2005	54	54	100%	0.0%
4Q2005	2,002	1,958	98%	0.5%
2006	4,173	3,985	95%	2.1%
1Q2006	1,032	1,032	100%	0.0%
2Q2006	418	418	100%	0.0%
3Q2006	486	458	94%	0.3%
4Q2006	2,237	2,077	93%	1.8%
2007	12,820	11,487	90%	15.1%
1Q2007	1,591	1,448	91%	1.6%
2Q2007	2,641	2,435	92%	2.3%
3Q2007	4,759	4,555	96%	2.3%
4Q2007	3,829	3,049	80%	8.8%
2008	18,200	10,762	59%	81.6%
1Q2008	4,006	2,967	74%	11.8%
2Q2008	4,521	2,597	57%	19.2%
3Q2008	4,816	2,747	57%	23.4%
4Q2008	4,857	2,451	50%	27.2%
Total	39,102	30,039	77%	

Operational Highlights - Sales



✓The table below shows the main figures for the projects launched in 4Q08, 50% of the units launched were sold in the quarter of launch:

Project	PSV (R\$ mln)	% Total PDG	PSV Pro-rata PDG (R\$ mln)	Units	Units Sold (%) *	Sold pro rata PSV	Segment
São Paulo - Capital							
1 Terrazza Marina fase 2	33.3	90.00%	29.9	173	20%	6.1	Low Income
2 Reserva dos Lagos fase 2	34.6	90.00%	31.1	175	21%	6.6	Low Income
3 Refúgio Marajoara	35.0	90.00%	31.5	156	34%	10.7	Low Income
4 Prime Residence 1a fase	49.3	90.00%	44.3	217	38%	17.0	Low Income
5 Ápice Freguesia	55.8	90.00%	50.2	232	52%	26.0	Low Income
6 Morada do Sol	16.0	90.00%	14.4	151	100%	14.4	Low Income
7 360°	50.1	26.10%	13.1	62	42%	5.5	Mid High
8 Win Work Pinheiros	62.7	19.90%	12.5	73	41%	5.1	Commercial
9 Haddock x Santos	48.2	19.90%	9.6	105	58%	5.6	Mid
São Paulo - Other Cities							
1 Pratical Life fase 2	19.0	90.00%	17.1	350	23%	4.0	Low Income
2 Bella Città fase 2	36.5	90.00%	32.8	184	29%	9.6	Low Income
3 Practice - 1º fase	79.3	90.00%	71.4	360	53%	37.5	Low Income
4 Alpha View 1º fase	103.5	90.00%	93.2	567	40%	36.8	Low Income
5 Novo Horizonte 1º fase	20.9	90.00%	18.8	150	100%	18.8	Low Income
6 Residencial Cordoba	35.1	90.00%	31.5	299	29%	9.3	Low Income
7 Bellicittà - Fase III - Villagio	12.8	19.90%	2.5	167	68%	1.7	Land Parceling
Rio de Janeiro							
1 Charitas Office	14.6	70.00%	10.2	57	75%	7.7	Commercial
2 Plaza Office	66.8	70.00%	46.8	410	86%	40.0	Commercial
3 Bella Dona	27.2	70.00%	19.0	35	37%	7.1	Mid High
Mato Grosso							
1 Residencial San Marino	26.8	45.00%	12.1	272	100%	12.1	Low Income
Goiás							
1 New Park - 1a fase	72.7	90.00%	65.4	384	32%	21.0	Low Income
Espírito Santo							
1 Solar das Ilhas - Recanto das Ilhas	13.7	94.00%	12.9	118	73%	9.4	Low Income
Argentina							
1 Forum Puerto Norte	108.5	62.00%	67.3	160	42%	28.2	High
23 Total	1,022.3		737.7	4,857	50%	340.1	

* Sold until the end of the 4Q08

Operational Highlights - Sales



✓Below, we highlight some projects launched with different partners in 4Q08:



RESIDENCIAL SAN MARINO

Partner	Goldfarb
Location	Cuiabá/ MT
Launch	November/2008
Total PSV	R\$ 27 mln
Units	272
% sales	100%



FORUM PUERTO NORTE - Phase 1

Partner	TGLT
Location	Rosário / Argentina
Launch	October/2008
Total PSV	R\$ 109 mln
Units	160
% sales	42%



PLAZA OFFICE

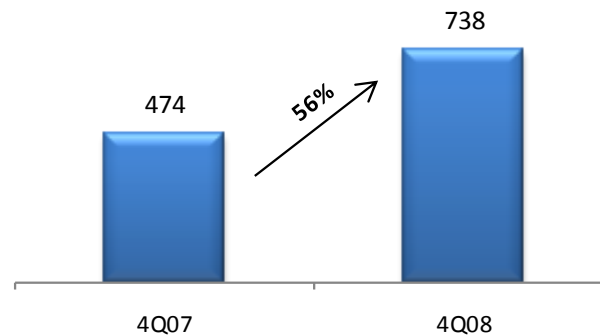
Partner	CHL
Location	Rio de Janeiro / RJ
Launch	November/2008
Total PSV	R\$ 67 mln
Units	410
% sales	86%

Operational Highlights - Launches

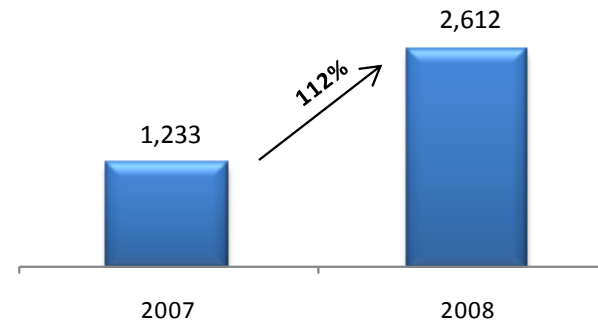


✓ Total Launched PSV reached R\$3.78 billion in 2008 (4Q08: R\$1.02 billion). PDG Realty stake totaled R\$2.61 billion (4Q08: R\$738m), distributed across 85 projects (4Q08: 23 projects).

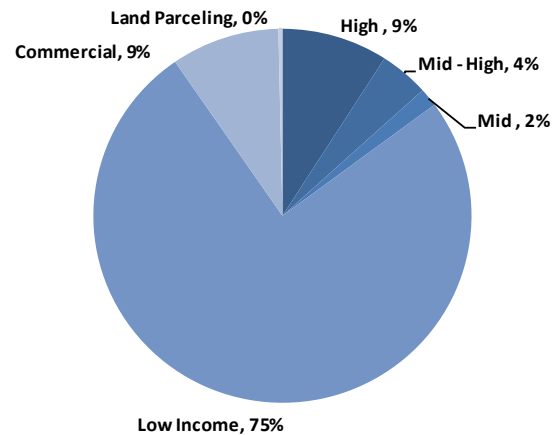
Launched pro rata PSV (R\$ mln)



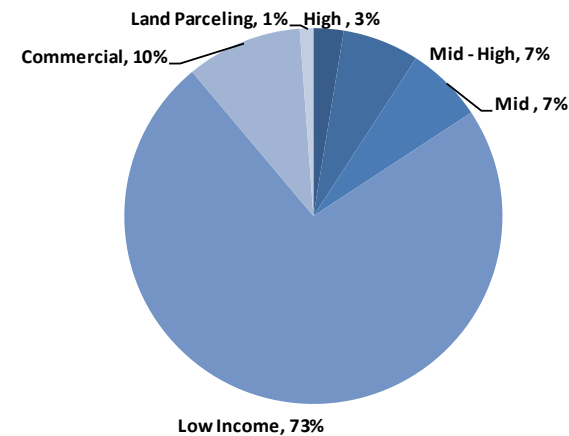
Launched pro rata PSV (R\$ mln)



Launched pro rata PSV - 4Q08



Launched pro rata PSV - 2008

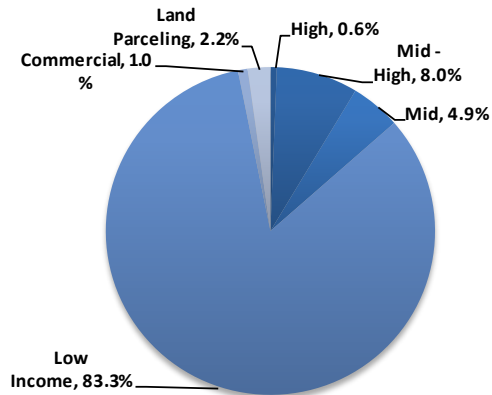


Operational Highlights - Landbank

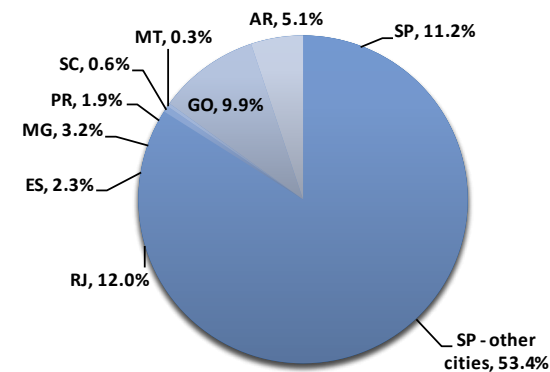


✓ Our current pro rata landbank reaches R\$6.2 billion (distributed across 207 projects), representing a 12% increase when compared to the 4Q07 and a decrease of 16% when compared to 3Q08.

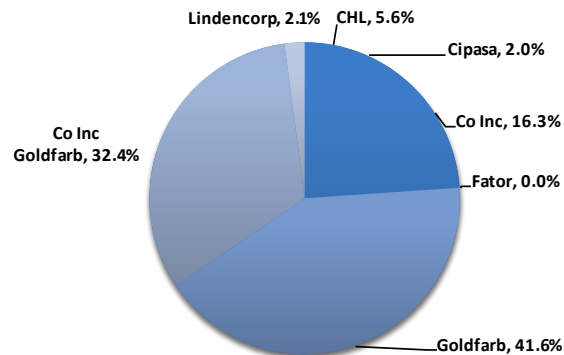
Landbank Segmentation - Pro Rata PSV



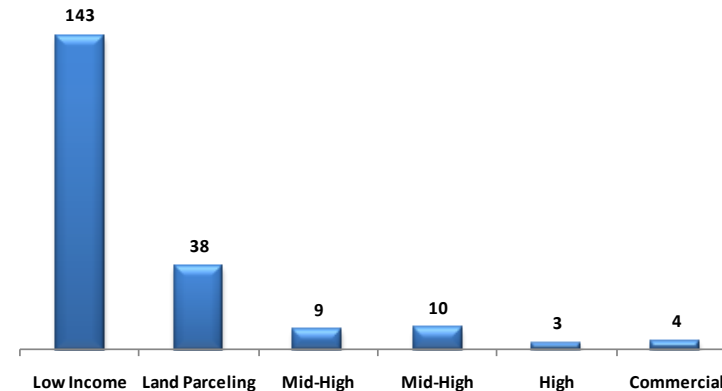
Landbank Geographic Distribution - Pro rata PSV



Landbank Distribution by Partner



Landbank Projects Segmentation

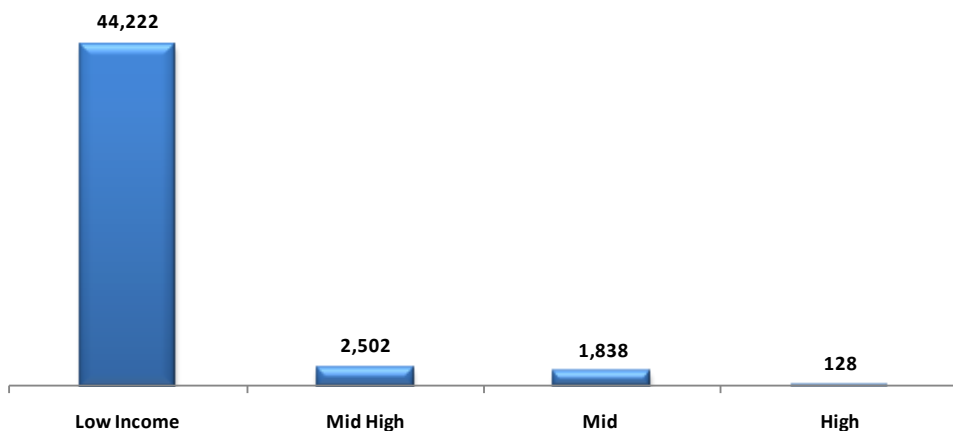


Operational Highlights - Landbank



- ✓The residential landbank (excluding commercial and land parceling units) totals 49 thousand units, with 44 thousand units in the low income segment (units up to R\$250k).
- ✓In the chart below, we present the breakdown of the residential units in PDG Realty's landbank by price range:

Landbank Units per Segment

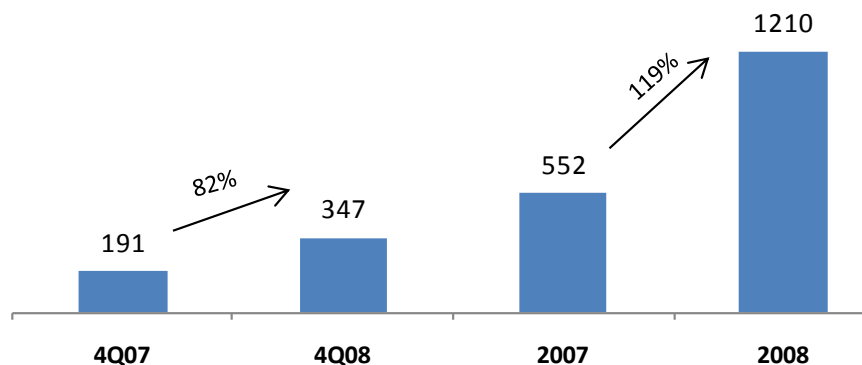


Unit Price	Nº Units	%	Main Source of Funding
up to R\$ 100 ths	15,996	32.9%	Credito Associativo + SFH
from R\$ 100 ths to R\$ 130 ths	8,084	16.6%	Credito Associativo + SFH
from R\$ 130 ths to R\$ 150 ths	6,554	13.5%	SFH
from R\$ 150 ths to R\$ 250 ths	13,588	27.9%	SFH
from R\$ 250 ths to R\$ 350 ths	1,438	3.0%	SFH
over R\$ 350 ths	3,030	6.2%	Market rates
Total	48,690	100.0%	

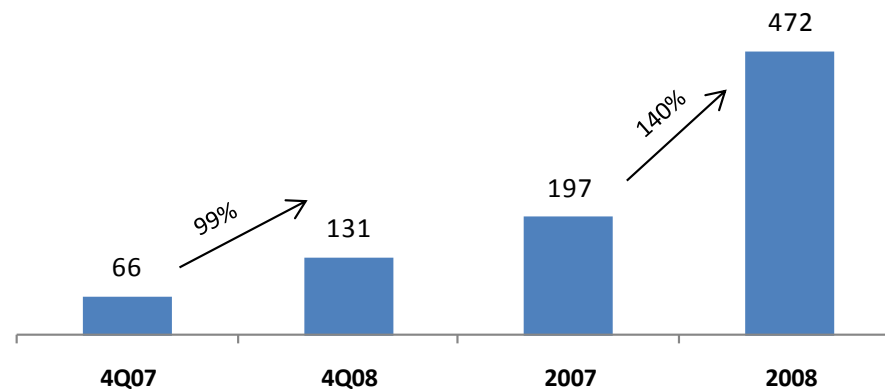
Financial Highlights 4Q08 & 2009



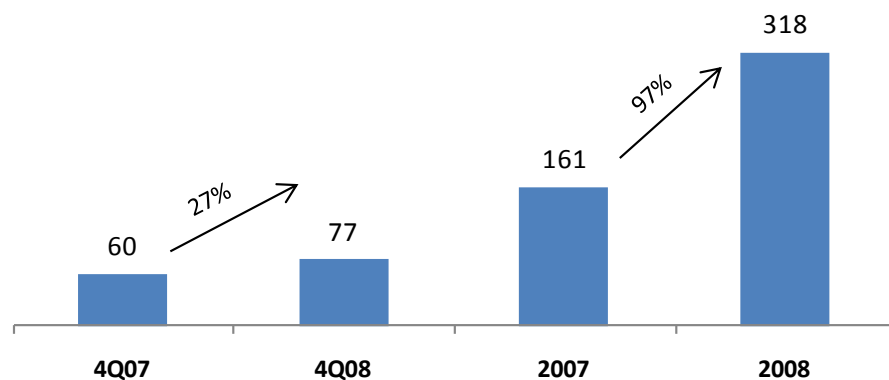
Net Revenues - R\$ mln



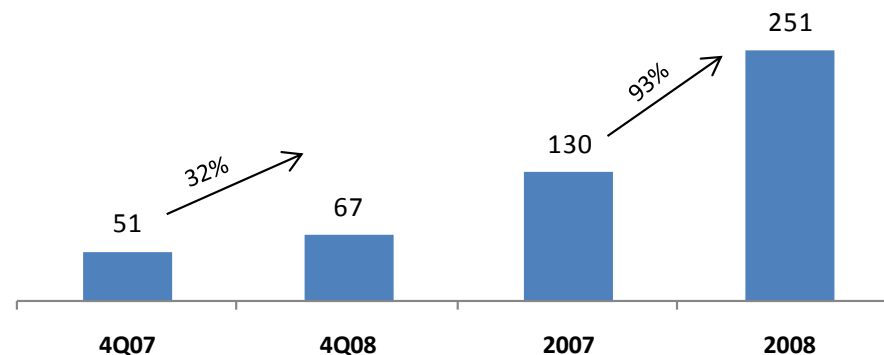
Gross Profit - R\$ mln



Adjusted EBITDA - R\$ mln



Adjusted Net Income - R\$ mln



Financial Highlights: 11.638 Adjustments and Dividends Calculation



Financial Statement (R\$ '000)

	2008 after 11.638 adjustments	Receivables adjustments (PV)	Interest capitalization - corporate debts	Swaps	Sales Stand	Stock Options Plan	FX reversion	Provision for guarantees	Others	2008 before 11.638 adjustments	2007 - Reported	Var.
Operating Net Revenue	1,231,159	(14,714)	-	35,924	-	-	-	-	-	1,209,949	552,018	119%
Cost of Sold Units	(797,799)	-	(18,867)	(39,114)	-	-	-	(1,742)	-	(738,076)	(355,336)	108%
Gross Income	433,360	(14,714)	(18,867)	(3,190)	-	-	-	(1,742)	-	471,873	196,682	140%
Operating Revenues (expenses):												
Equity Income	9,463	-	-	-	-	-	-	-	-	9,463	23,693	-60%
Capital Gains	19,628	-	-	-	-	-	-	-	(494)	20,121	11,965	68%
Commercial	(105,214)	-	-	-	(11,409)	-	-	-	(547)	(93,258)	(27,308)	242%
General and Administrative	(109,417)	-	-	-	-	(11,468)	-	-	(2,541)	(95,408)	(55,798)	71%
Taxes	(2,586)	-	-	-	-	-	-	-	583	(3,169)	(956)	231%
Financial	28,712	-	24,275	-	-	-	(8,837)	-	3,837	9,437	(36,202)	-126%
Depreciation and goodwill amortization	(28,197)	-	-	-	(3,301)	-	-	-	-	(24,896)	(15,442)	61%
Other	1,479	-	-	-	-	-	-	-	(3,105)	4,584	(904)	-607%
Total operating revenues (expenses)	(186,132)	-	24,275	-	(14,710)	(11,468)	(8,837)	-	(2,267)	(173,126)	(100,952)	71%
Operating Result	247,228	(14,714)	5,408	(3,190)	(14,710)	(11,468)	(8,837)	(1,742)	(2,267)	298,747	95,730	212%
Non operating result	-	-	-	-	-	-	-	-	-	-	12,597	-100%
Income before taxes	247,228	(14,714)	5,408	(3,190)	(14,710)	(11,468)	(8,837)	(1,742)	(2,267)	298,747	108,327	176%
Income Taxes and Social Contribution	(33,247)	-	-	-	-	-	-	-	(818)	(32,429)	(19,060)	70%
Income before minority stake	213,981	(14,714)	5,408	(3,190)	(14,710)	(11,468)	(8,837)	(1,742)	(3,085)	266,318	89,267	198%
Minority Shareholders' Stake	(31,518)	-	-	-	-	-	-	-	12,707	(44,225)	(18,110)	144%
Net Income (loss)	182,463	(14,714)	5,408	(3,190)	(14,710)	(11,468)	(8,837)	(1,742)	9,622	222,093	71,157	212%

Dividends Calculation	2008
Net Income*	182,463
Legal reserve	(9,123)
Earnings Basis for Dividends	173,339
Dividends	43,335
Interest on net equity	(14,969)
Payable Dividends	28,366
Dividends per Share	R\$ 0.19

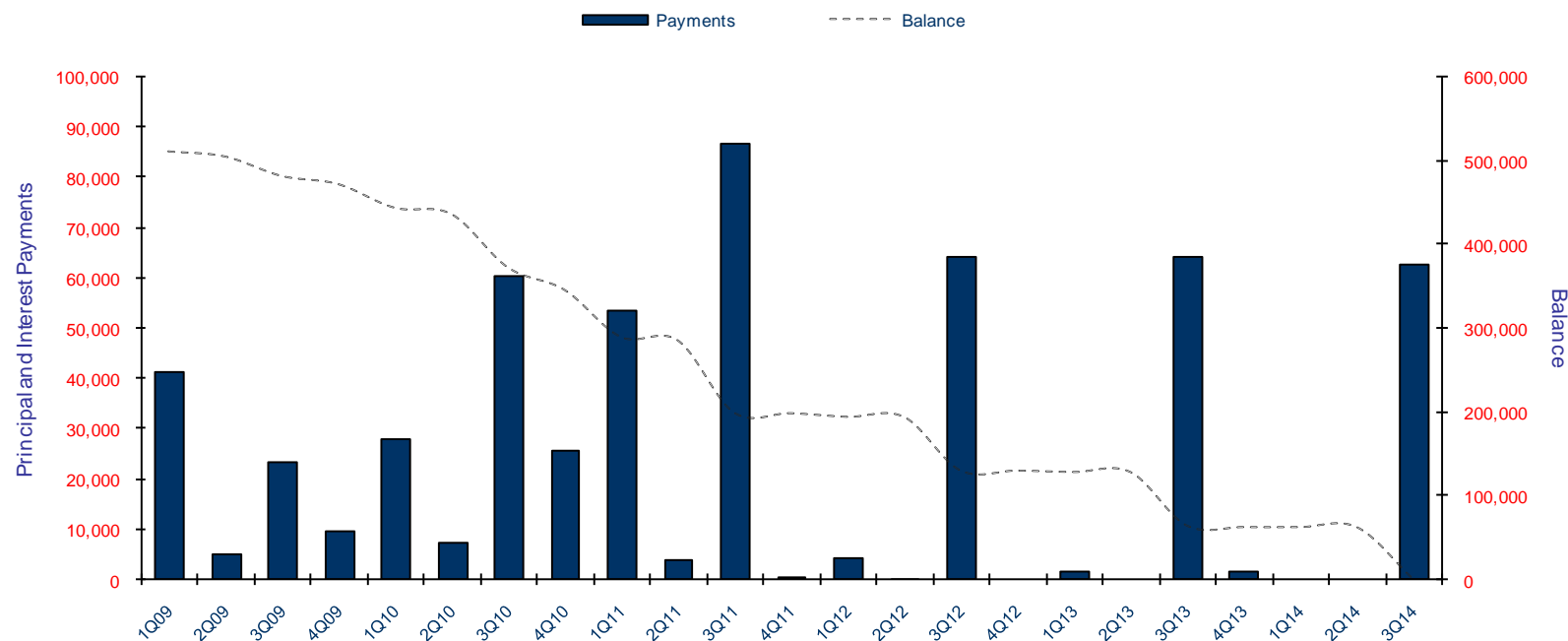
* Net Income after 11.638 Adjustments

Financial Highlights 4Q08 & 2008

Indebtedness



Debt (excludes SFH and partners in projects - already considered into SPC's cash flow) - schedule after 4Q08 and position in the end of period (R\$ thousand)



Debt Ratios (R\$ thousand)	
Cash and Cash equivalents	256,428
Indebtness	(866,768)
Net Debt	610,341
Equity	1,476,437
Debt to Equity	58.7%
Net debt to Equity	41.3%

Financial Highlights 4Q08 & 2008

Indebtedness



✓Below we present the Indebtedness breakdown in the end of 4Q08 (R\$ thousand):

SFH		Debentures		Consolidated per Creditor	
Position:	286,202	Position:	267,680	Total:	866,768
Index:	TR	Index:	CDI	Debt holders	30.88%
Interest per year:	10.68%	Interest per year:	0.90%	Votorantim	11.38%
Creditor:	Others	Creditor:	Bradesco BBI	Unibanco	10.89%
Duration:	13 months	Duration:	49 months	Bradesco	10.14%
Coupon:	Monthly	Coupon:	Semi Annual (jan/jul)	Others	36.71%
Principal on project's maturity		Principal in 4 annual payments since july, 2011		Duration:	26 meses
Projects Partners		Corporate Debts		Consolidated per Index	
Position:	9,224	Position:	303,662	Total:	866,768
Index:	IGPM / INCC	Index:	CDI	% of CDI	65.92%
Interest per year:	12.00%	Interest per year:	1.88%	TR	33.02%
Creditor:	Partners	Creditor:	Others	IGPM / INCC	1.06%
Duration:	31 months	Duration:	19 months	Duration:	26 months

Contacts:



- ✓ For any additional information, please contact :
- Michel Wurman - CFO and Investor Relations Officer
- João Mallet, CFA - Investor Relations Manager
- Gustavo Janer – Financial and Investor Relations Analyst
- IR Team: ri@pdgrealty.com.br
- Phone: + 5521 3504-3800
- www.pdgrealty.com.br