Financial Statements

PDG Realty S.A. Empreendimentos e Participações

December 31, 2012 with Independent Auditors' Report on the Financial Statements

Balance Sheets - Assets

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
1	Total assets	8,400,523	9,895,354	8,147,613
1.01	Current assets	786,809	1,136,242	1,332,624
1.01.01	Cash and cash equivalents	489,504	765,516	1,047,514
1.01.01.01	Bank checking account	0	0	0
1.01.02	Interest earning bank deposits	0	0	0
1.01.02.01	Interest earning bank deposits measured at fair value	0	0	0
1.01.02.01.01	Trading securities	0	0	0
1.01.02.01.02	Securities available for sale	0	0	0
1.01.02.01.03	Securities	0	0	0
1.01.02.02	Interest earning bank deposits measured at amortized cost	0	0	0
1.01.02.02.01	Securities held to maturity	0	0	0
1.01.03	Accounts receivable	102,766	163,431	157,181
1.01.03.01	Trade accounts receivable	102,766	163,431	157,181
1.01.03.02	Other accounts receivable	0	0	0
1.01.04	Inventories	38,847	54,698	43,760
1.01.04.01	Real estate inventories for sale	38,847	54,698	43,760
1.01.05	Biological assets	0	0	0
1.01.06	Recoverable taxes	55,393	54,260	39,620
1.01.06.01	Current taxes recoverable	55,393	54,260	39,620
1.01.07	Prepaid expenses	8,106	8,622	846
1.01.07.01	Unrecognized expenses	8,106	8,622	846
1.01.08	Other current assets	92,193	89,715	43,703
1.01.08.01	Non-current assets held for sale	0	0	0
1.01.08.02	Assets from discontinued operations	0	0	0
1.01.08.03	Other	92,193	89,715	43,703
1.01.08.03.01	Advances	0	0	0
1.01.08.03.02	Current accounts with partners of the ventures	92,193	65,457	11,660
1.01.08.03.03	Advances for future capital increase	0	0	0
1.01.08.03.04	Credit receivables purchased	0	18,888	26,383
1.01.08.03.05	Advances to suppliers	0	589	56
1.01.08.03.06	Securities	0	0	0
1.01.08.03.07	Other credits	0	4,781	5,604
1.02	Non-current assets	7,613,714	8,759,112	6,814,989
1.02.01	Long term assets	1,659,937	1,326,346	1,569,659
1.02.01.01	Interest earning bank deposits measured at fair value	0	0	0
1.02.01.01.01	Trading securities	0	0	0
1.02.01.01.02	Securities available for sale	0	0	0
1.02.01.01.03	Securities	0	0	0
1.02.01.02	Interest earning bank deposits measured at amortized cost	0	0	0
1.02.01.02.01	Securities held to maturity	0	0	0

Balance Sheets - Assets

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
1.02.01.03	Accounts receivable	25,406	85,089	12,460
1.02.01.03.01	Trade accounts receivable	25,406	85,089	12,460
1.02.01.03.02	Other accounts receivable	0	0	0
1.02.01.04	Inventories	16,025	13,446	16,238
1.02.01.04.01	Real estate inventories for sale	16,025	13,446	16,238
1.02.01.05	Biological assets	0	0	0
1.02.01.06	Deferred taxes	0	0	19,341
1.02.01.06.01	Deferred income and social contribution taxes	0	0	19,341
1.02.01.07	Prepaid expenses	0	0	0
1.02.01.08	Related party credits	18,547	182,628	208,684
1.02.01.08.01	Receivables with associated companies	0	0	0
1.02.01.08.02	Receivables with subsidiary companies	18,547	182,628	208,684
1.02.01.08.03	Receivables from controlling shareholders	0	0	0
1.02.01.08.04	Other related party credits	0	0	0
1.02.01.09	Other non-current assets	1,599,959	1,045,183	1,312,936
1.02.01.09.01	Non-current assets held for sale	0	0	0
1.02.01.09.02	Assets from discontinued operations	0	0	0
1.02.01.09.03	C/A with Partners in Projects	107,083	127,084	37,622
1.02.01.09.04	Advances for future capital increase	826,777	400,334	433,326
1.02.01.09.05	Dividends receivable	50,212	122,076	101,257
1.02.01.09.06	Loan agreements	118,616	54,175	13,496
1.02.01.09.07	Credit receivables purchased	366,480	204,529	173,592
1.02.01.09.08	Advance for new businesses	0	0	7,435
1.02.01.09.09	Debentures	25,548	61,135	514,476
1.02.01.09.10	Other credits	105,243	75,850	31,732
1.02.02	Investments	5,917,028	7,427,240	5,240,564
1.02.02.01	Equity interest	5,917,028	7,427,240	5,211,288
1.02.02.01.01	Interest in associated companies	0	0	0
1.02.02.01.02	Interest in subsidiaries	5,916,102	7,426,127	5,208,521
1.02.02.01.03	Joint ownership	0	0	0
1.02.02.01.04	Other equity interest	926	1,113	2,767
1.02.02.02	Investment property	0	0	29,276
1.02.03	Property, plant and equipment	5,271	5,526	4,766
1.02.03.01	Fixed assets in operation	5,271	5,526	4,766
1.02.03.02	Leased property, plant and equipment	0	0	0
1.02.03.03	Constructions in progress	0	0	0
1.02.04	Intangible assets	31,478	0	0
1.02.04.01	Intangible assets	31,478	0	0
1.02.04.01.01	Concession contract	0	0	0
1.02.05	Deferred assets	0	0	0

Balance Sheets - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2	Total Liabilities	8,400,523	9,895,354	8,147,613
2.01	Current liabilities	482,759	550,894	321,551
2.01.01	Social and labor obligations	5,338	20,513	24,545
2.01.01.01	Social charges	0	0	0
2.01.01.02	Labor obligations	5,338	20,513	24,545
2.01.02	Suppliers	3,668	2,305	8,542
2.01.02.01	Domestic suppliers	3,668	2,305	8,542
2.01.02.02	Foreign suppliers	0	0	0
2.01.03	Tax liabilities	25,779	12,398	0
2.01.03.01	Federal tax liabilities	25,779	12,398	0
2.01.03.01.01	Income and social contribution tax payable	0	0	0
2.01.03.01.02	Deferred tax liabilities	25,779	12,398	0
2.01.03.02	State tax liabilities	0	0	0
2.01.03.03	Municipal tax liabilities	0	0	0
2.01.04	Loans and financing	389,310	65,049	26,157
2.01.04.01	Loans and financing	72,583	65,049	26,157
2.01.04.01.01	In local currency	72,583	65,049	26,157
2.01.04.01.02	In foreign currency	0	0	0
2.01.04.02	Debentures	316,727	0	0
2.01.04.03	Financial leases	0	0	0
2.01.05	Other liabilities	58,628	450,629	262,307
2.01.05.01	Liabilities with related parties	40,024	160,127	7,026
2.01.05.01.01	Debts with associated companies	0	0	0
2.01.05.01.02	Debts with subsidiaries	40,024	160,127	7,026
2.01.05.01.03	Debts with controlling shareholders	0	0	0
2.01.05.01.04	Debts with other related parties	0	0	0
2.01.05.02	Other	18,604	290,502	255,281
2.01.05.02.01	Dividends and interest on own capital	0	168,152	187,519
2.01.05.02.02	Minimum compulsory dividend payable	0	0	0
2.01.05.02.03	Obligations arising from share-based payments	0	0	0
2.01.05.02.04	Liabilities for acquisition of real estate	0	32,271	31,419
2.01.05.02.05	Advances from clients	9,614	10,323	7,134
2.01.05.02.06	Current accounts with project partners of the third-party's ventures	0	0	2,580
2.01.05.02.07	Co-obligation in the assignment of receivables	7,894	3,960	18,909
2.01.05.02.08	Liability regarding the acquisition of equity interest	0	9,983	2,224
2.01.05.02.09	Other liabilities	1,096	65,813	5,496
2.01.06	Provisions	36	0	0
2.01.06.01	Tax, social security, labor and civil provisions	0	0	0
2.01.06.01.01	Tax provisions	0	0	0
2.01.06.01.02	Social security and labor provisions	0	0	0
2.01.06.01.03	Provisions to employee benefits	0	0	0
2.01.06.01.04	Civil provisions	0	0	0

Balance Sheets - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2.01.06.02	Other provisions	36	0	0
2.01.06.02.01	Provisions for guarantees	36	0	0
2.01.06.02.02	Provision to restructuring	0	0	0
2.01.06.02.03	Provisions for environmental and decommissioning Liabilities	0	0	0
2.01.07	Losses on non-current assets held for sale and discontinued assets	0	0	0
2.01.07.01	Losses on non-current assets held for sale	0	0	0
2.01.07.02	Losses on assets from discontinued operations	0	0	0
2.02	Non-current liabilities	2,900,464	2,924,638	1,938,395
2.02.01	Loans and financing	1,845,988	1,824,473	1,696,180
2.02.01.01	Loans and financing	419,875	244,408	234,762
2.02.01.01.01	In local currency	419,875	244,408	234,762
2.02.01.01.02	In foreign currency	0	0	0
2.02.01.02	Debentures	1,426,113	1,580,065	1,461,418
2.02.01.03	Financial leases	0	0	0
2.02.02	Other liabilities	1,054,476	1,061,516	242,215
2.02.02.01	Liabilities with related parties	0	0	0
2.02.02.01.01	Debits with associated companies	0	0	0
2.02.02.01.02	Debits with subsidiaries	0	0	0
2.02.02.01.03	Debts with controlling shareholders	0	0	0
2.02.02.01.04	Debts with other related parties	0	0	0
2.02.02.02	Other	1,054,476	1,061,516	242,215
2.02.02.02.01	Obligations arising from share-based payments	0	0	0
2.02.02.02.02	Advances for future capital increase	0	3,264	0
2.02.02.02.03	Related party transactions	0	116,466	19,324
2.02.02.02.04	Liabilities for acquisition of real estate	2,927	0	3,745
2.02.02.02.05	Deferred tax liabilities	42,815	0	11,258
2.02.02.02.06	Provision with guarantee	277	170	0
2.02.02.02.07	Co-obligation in the assignment of receivables	43,127	73,276	207,399
2.02.02.02.08	Current accounts with project partners of the ventures	83,050	22,557	0
2.02.02.02.09	Liabilities from CCB issuance	882,280	839,663	0
2.02.02.02.10	Other liabilities	0	6,120	489
2.02.03	Deferred taxes	0	38,649	0
2.02.03.01	Deferred income and social contribution taxes	0	38,649	0
2.02.04	Provisions	0	0	0
2.02.04.01	Tax, social security, labor and civil provisions	0	0	0
2.02.04.01.01	Tax provisions	0	0	0
2.02.04.01.02	Social security and labor provisions	0	0	0
2.02.04.01.03	Provisions to employee benefits	0	0	0
2.02.04.01.04	Civil provisions	0	0	0
2.02.04.02	Other provisions	0	0	0
2.02.04.02.01	Provisions for guarantees	0	0	0
2.02.04.02.02	Provision to restructuring	0	0	0

Balance Sheets - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2.02.04.02.03	Provisions for environmental and decommissioning Liabilities	0	0	0
2.02.05	Losses on non-current assets held for sale and discontinued assets	0	0	0
2.02.05.01	Losses on non-current assets held for sale	0	0	0
2.02.05.02	Losses on assets from discontinued operations	0	0	0
2.02.06	Unappropriated profits and incomes	0	0	0
2.02.06.01	Unappropriated profit	0	0	0
2.02.06.02	Unearned income	0	0	0
2.02.06.03	Unrecognized Investment subsidies	0	0	0
2.03	Shareholders' equity	5,017,300	6,419,822	5,887,667
2.03.01	Realized capital	4,907,843	4,822,038	4,757,859
2.03.02	Capital reserves	792,301	103,522	153,087
2.03.02.01	Goodwill in the issue of shares	887,725	137,511	0
2.03.02.02	Goodwill special reserve in the merger	0	0	0
2.03.02.03	Disposal of subscription bonus	0	0	0
2.03.02.04	Options granted	0	0	0
2.03.02.05	Treasury shares	-95,424	-33,989	0
2.03.02.06	Advances for future capital increase	0	0	0
2.03.03	Revaluation Reserve	0	0	0
2.03.04	Profit reserves	0	1,552,369	1,012,185
2.03.04.01	Legal reserve	0	105,501	70,101
2.03.04.02	Statutory reserve	0	0	0
2.03.04.03	Contingency reserve	0	0	0
2.03.04.04	Unrealized profit reserve	0	0	0
2.03.04.05	Profit retention reserve	0	1,446,868	942,084
2.03.04.06	Special Reserve for Undistributed Dividends	0	0	0
2.03.04.07	Fiscal incentive reserve	0	0	0
2.03.04.08	Additional dividend proposed	0	0	0
2.03.04.09	Treasury shares	0	0	0
2.03.05	Retained Earnings/Losses	-624,737	0	0
2.03.06	Adjustments to asset valuation	-58,107	-58,107	-35,464
2.03.07	Accumulated translation adjustments	0	0	0
2.03.08	Other comprehensive income	0	0	0

Income Statements

In thousands of Reais

Account	Description	01/01/2012	01/01/2011	01/01/2010
3.01	Income from sales of goods and/or services	63,687	104,342	142,634
3.02	Cost of goods and/or services sold	-75,186	-113,444	-97,165
3.03	Gross income	-11,499	-9,102	45,469
3.04	Operating expenses/income	-1,810,127	707,432	688,910
3.04.01	Sales expenses	-6,701	-8,181	-8,312
3.04.02	General and administrative expenses	-18,458	-79,591	-88,237
3.04.02.01	General and administrative	-18,458	0	0
3.04.02.02	Profit sharing - Employees	0	0	0
3.04.03	Loss due to the non-recoverability of assets	0	0	0
3.04.04	Other operating income	28,421	21,352	12,640
3.04.05	Other operating expenses	-134,217	-58,064	3,553
3.04.05.01	Amortized goodwill	0	0	0
3.04.05.02	Tax	-5,586	-3,963	-1,404
3.04.05.03	Capital losses in subsidiaries	-31,448	-12,202	-786
3.04.05.04	Depreciation/Amortization	-97,183	-41,899	5,743
3.04.05.05	Other operating expenses	0	0	0
3.04.06	Equity income (loss)	-1,679,172	831,916	769,266
3.05	Income (loss) before financial income (loss) and taxes	-1,821,626	698,330	734,379
3.06	Financial income (loss)	-341,043	-5,258	55,173
3.06.01	Financial income	67,991	208,303	166,559
3.06.02	Financial expenses	-409,034	-213,561	-111,386
3.07	Income (loss) before income tax	-2,162,669	693,072	789,552
3.08	Income and social contribution taxes	-14,437	14,935	0
3.08.01	Current	0	0	0
3.08.02	Deferred assets	-14,437	14,935	0
3.09	Net income (loss) of continued operations	-2,177,106	708,007	789,552
3.10	Net income (loss) of discontinued operations	0	0	0
3.10.01	Net income (loss) of discontinued operations	0	0	0
3.10.02	Net gains/losses on assets from discontinued operations	0	0	0
3.11	Net Income (loss) for the period	-2,177,106	708,007	789,552
3.99	Earning per share - (Reais / Shares)	0	0	0
3.99.01	Basic earnings per share	0	0	0
3.99.01.01	ON	-1.76890	0.63010	0.71370
3.99.02	Diluted earning per share	0	0	0
3.99.02.01	ON	-1.50980	0.63010	0.71370

Comprehensive Income Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
4.01	Net income for the period	-2,177,106	708,007	789,552
4.02	Other comprehensive income			
4.03	Comprehensive income for the period	-2,177,106	708,007	789,552

Cash Flow Statements

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
6.01	Net cash from operational activities	-1,035,178	1,201,250	-490,520
6.01.01	Cash generated in operations	-273,522	-23,956	64,841
6.01.01.01	Net income for the period	-2,177,106	708,007	789,552
6.01.01.02	Depreciation and amortization	3,784	3,942	-4,463
6.01.01.03	Impairment	93,399	40,449	0
6.01.01.04	Equity in net income of subsidiaries and associated companies	1,679,172	-831,916	-769,266
6.01.01.05	Capital gains/losses in subsidiaries	31,448	12,202	786
6.01.01.06	Profit sharing	0	19,782	23,968
6.01.01.07	Deferred taxes	17,547	-14,935	0
6.01.01.08	Financial expenses, Interest paid and monetary variation	100,652	44,710	24,364
6.01.01.09	Provision for contingencies and guarantees	312	401	0
6.01.01.10	Adjustments in the income – Mark-to-Market	-200	-6,598	-100
6.01.01.11	Adjustment to present value	3,125	0	0
6.01.01.12	Reversal of expenses with SOP adjustments	-25,655	0	0
6.01.01.13	Prior-year adjustments	0	0	0
6.01.02	Changes in assets and liabilities	-761,656	1,225,206	-555,361
6.01.02.01	Advances granted	589	-533	-660
6.01.02.02	Loan agreement receivable	-64,441	-40,679	2,374
6.01.02.03	Accounts receivable	117,223	-79,474	-88,647
6.01.02.04	Dividends receivable	71,864	-20,819	-60,204
6.01.02.05	Recoverable taxes	-1,133	-14,640	-21,647
6.01.02.06	Real estate inventories for sale	13,272	-8,146	-5,655
6.01.02.07	Current accounts with project partners of the ventures	53,758	1,007,134	-176,249
6.01.02.08	Related party transactions	-72,488	0	0
6.01.02.09	Advances for future capital increase	-429,707	32,992	-180,255
6.01.02.10	Active debentures	35,587	453,341	-56,606
6.01.02.11	Suppliers	1,363	-6,238	6,081
6.01.02.12	Other credits	-24,612	-48,899	-7,562
6.01.02.13	Liabilities for acquisition of real estate	-29,344	-2,894	23,210
6.01.02.14	Deferred tax liabilities	0	74,065	8,113
6.01.02.15	Fiscal and labor obligations	-15,175	-23,814	-13,057
6.01.02.16	Investments available for sale	0	0	0
6.01.02.17	Liabilities from credit right operations	0	-23,442	4,609
6.01.02.18	Liability regarding the acquisition of equity interest	-9,983	9,983	2,224
6.01.02.19	Dividends payable	0	0	0
6.01.02.20	Other accounts payable	-408,429	-82,731	8,570
6.01.03	Other	0	0	0
6.02	Net cash used in investment activities	-328,814	-370,748	-465,528
6.02.01	Acquisition of interest in associates and subsidiaries	-293,807	-316,061	-159,459
6.02.02	Acquisition of interest in associates and subsidiaries	0	0	74,131
6.02.03	Dividends declared	0	-19,367	0
6.02.04	Acquisition/write-off of other investments	0	1,654	79,099

Cash Flow Statements

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
6.02.05	Acquisition and write-off of Property, Plant and Equipment	-3,529	-4,701	5,592
6.02.06	Intangible assets	-31,478	-32,273	-464,891
6.02.07	Advances for future capital increase	0	0	0
6.03	Net cash generated (consumed) in financing activities	1,087,980	-1,112,500	1,046,754
6.03.01	Loans and financing	169,868	48,538	242,074
6.03.02	Fund raising with Issuance of securities	117,873	-963,986	880,000
6.03.03	Interest paid upon fund raising	0	0	-69,523
6.03.04	Capital increase	861,675	64,179	65,311
6.03.05	Subscription of shares	0	0	9,523
6.03.06	Profit reserve	0	0	0
6.03.07	Treasury shares	-61,436	-33,989	0
6.03.08	Goodwill in the issue of shares	0	-47,233	0
6.03.09	Dividends payable	0	-180,009	-80,631
6.03.10	Advances for future capital increase	0	0	0
6.04	Exchange variation on cash and cash equivalents	0	0	0
6.05	Increase (decrease) in cash and cash equivalents	-276,012	-281,998	90,706
6.05.01	Opening balance of cash and cash equivalents	765,516	1,047,514	956,808
6.05.02	Closing balance of cash and cash equivalents	489,504	765,516	1,047,514

Statement of Changes in Shareholders' Equity 2012

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,822,038	103,522	1,552,369	0	-58,107	6,419,822
5.02	Prior-year adjustments	0	0	0	0	0	0
5.03	Adjusted opening balances	4,822,038	103,522	1,552,369	0	-58,107	6,419,822
5.04	Capital transactions with partners	85,805	714,434	0	0	0	800,239
5.04.01	Capital increases	85,805	775,870	0	0	0	861,675
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0
5.04.03	Recognized options granted	0	0	0	0	0	0
5.04.04	Treasury shares acquired	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0
5.04.06	Dividends	0	0	0	0	0	0
5.04.07	Interest on own capital	0	0	0	0	0	0
5.04.08	Acquisition of own shares	0	-61,436	0	0	0	-61,436
5.05	Total comprehensive income	0	0	0	-2,177,106	0	-2,177,106
5.05.01	Net income for the period	0	0	0	-2,177,106	0	-2,177,106
5.05.02	Other comprehensive income	0	0	0	0	0	0
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0
5.05.02.03	Equity income (loss) on compreh. income - subsidiaries and associates	0	0	0	0	0	0
5.05.02.04	Adjustments of translation in the period	0	0	0	0	0	0
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	-25,655	-1,552,369	1,552,369	0	-25,655
5.06.01	Constitution of reserves	0	0	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0
5.06.04	Breakdown of Reserves – Option Grant	0	-25,655	0	0	0	-25,655
5.06.05	Offsetting of accumulated losses	0	0	-1,552,369	1,552,369	0	0
5.07	Closing balances	4,907,843	792,301	0	-624,737	-58,107	5,017,300

Statement of Changes in Shareholders' Equity 2011

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,757,859	153,086	1,012,511	0	-35,464	5,887,992
5.02	Prior-year adjustments	0	0	0	0	0	0
5.03	Adjusted opening balances	4,757,859	153,086	1,012,511	0	-35,464	5,887,992
5.04	Capital transactions with partners	64,180	-15,575	-33,988	-168,152	0	-153,535
5.04.01	Capital increases	64,180	-47,234	0	0	0	16,946
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0
5.04.03	Recognized options granted	0	31,659	0	0	0	31,659
5.04.04	Treasury shares acquired	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0
5.04.06	Dividends	0	0	0	-168,152	0	-168,152
5.04.07	Interest on own capital	0	0	0	0	0	0
5.04.08	Acquisition of own shares	0	0	-33,988	0	0	-33,988
5.05	Total comprehensive income	0	0	0	685,365	0	685,365
5.05.01	Net income for the period	0	0	0	708,007	0	708,007
5.05.02	Other comprehensive income	0	0	0	-22,642	0	-22,642
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0
5.05.02.03	Equity income (loss) on compreh. income - subsidiaries and assoc	0	0	0	0	0	0
5.05.02.04	Adjustments of translation in the period	0	0	0	0	0	0
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0
5.05.02.06	Adjustments to asset valuation - Law 11638	0	0	0	-22,642	0	-22,642
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	0	517,213	-517,213	0	0
5.06.01	Constitution of reserves	0	0	481,812	-481,812	0	0
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0
5.06.04	Formation of legal reserve	0	0	35,401	-35,401	0	0
5.07	Closing balances	4,822,039	137,511	1,495,736	0	-35,464	6,419,822

Statement of Changes in Shareholders' Equity 2010

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	2,393,585	143,565	383,103	0	-6,807	2,913,446
5.02	Prior-year adjustments	0	0	27,373	0	0	27,373
5.03	Adjusted opening balances	2,393,585	143,565	410,476	0	-6,807	2,940,819
5.04	Capital transactions with partners	2,364,274	0	-187,518	0	0	2,176,756
5.04.01	Capital increases	2,364,274	0	0	0	0	2,364,274
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0
5.04.03	Recognized options granted	0	0	0	0	0	0
5.04.04	Treasury shares acquired	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0
5.04.06	Dividends	0	0	-187,518	0	0	-187,518
5.04.07	Interest on own capital	0	0	0	0	0	0
5.05	Total comprehensive income	0	0	789,552	0	-28,657	760,895
5.05.01	Net income for the period	0	0	789,552	0	0	789,552
5.05.02	Other comprehensive income	0	0	0	0	-28,657	-28,657
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0
5.05.02.03	Equity income (loss) on compreh. income - subsidiaries and assoc	0	0	0	0	0	0
5.05.02.04	Adjustments of translation in the period	0	0	0	0	0	0
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0
5.05.02.06	Adjustments to asset valuation - Law 11638	0	0	0	0	-28,657	-28,657
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	9,522	-325	0	0	9,197
5.06.01	Constitution of reserves	0	9,522	-325	0	0	9,197
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0
5.07	Closing balances	4,757,859	153,087	1,012,185	0	-35,464	5,887,667

Value Added Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
7.01	Income	114,248	136,479	157,415
7.01.01	Sale of merchandise, products and services	72,830	115,402	157,176
7.01.02	Other income	41,418	21,077	239
7.01.02.01	Income (loss) on the disposal of investments	39,042	14,414	0
7.01.02.02	Reversal of provision - Profit sharing	15	15	0
7.01.02.04	Others	2,361	6,648	0
7.01.03	Income from construction of own assets	0	0	0
7.01.04	Formation/reversal of allowance for doubtful accounts	0	0	0
7.02	Inputs acquired from third parties	-135,069	-184,294	-154,810
7.02.01	Cost of goods, merchandise and services Sold	-75,186	-113,444	-97,165
7.02.02	Materials, Energy, Third-party services and other	-15,369	-58,648	-57,645
7.02.03	Loss/recovery of asset values	-31,448	-12,202	0
7.02.04	Other	-13,066	0	0
7.02.04.01	Loss in the sale of investment	-7,464	0	0
7.02.04.02	Loss FIP-PDG	-5,602	0	0
7.03	Gross added value	-20,821	-47,815	2,605
7.04	Retentions	-99,242	-44,391	-364
7.04.01	Depreciation, amortization and depletion	-5,843	-3,942	-364
7.04.02	Others	-93,399	-40,449	0
7.04.02.01	Amortization of goodwill	-93,399	-40,449	0
7.05	Net added value produced	-120,063	-92,206	2,241
7.06	Added value received as transfer	-1,610,905	1,040,494	953,786
7.06.01	Equity income (loss)	-1,679,172	831,916	769,266
7.06.02	Financial income	67,991	208,303	166,559
7.06.03	Other	276	275	17,961
7.06.03.01	Deferred taxes	0	0	0
7.06.03.02	Dividends - Cost method	276	275	0
7.06.03.03	Others	0	0	17,961
7.07	Total added value payable	-1,730,968	948,288	956,027
7.08	Distribution of added value	-1,730,968	948,288	956,027
7.08.01	Personnel	5,450	24,796	38,516
7.08.01.01	Direct remuneration	4,736	24,094	37,769
7.08.01.02	Benefits	352	423	513
7.08.01.03	Severance Pay Fund (FGTS)	362	279	234
7.08.01.04	Other	0	0	0
7.08.02	Taxes, duties and contributions	30,325	1,211	16,185
7.08.02.01	Federal	30,325	1,211	15,973
7.08.02.02	State	0	0	0
7.08.02.03	Municipal	0	0	212

Value Added Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
7.08.03	Third-party capital remuneration	410,363	214,274	111,774
7.08.03.01	Interest	363,168	213,561	111,386
7.08.03.02	Rents	1,328	713	388
7.08.03.03	Others	45,867	0	0
7.08.04	Remuneration of own capital	-2,177,106	708,007	789,552
7.08.04.01	Interest on own capital	0	0	0
7.08.04.02	Dividends	0	168,151	187,519
7.08.04.03	Retained earnings / Loss for the period	-2,177,106	539,856	602,033
7.08.05	Other	0	0	0

Consolidated Balance Sheets - Assets

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
1	Total assets	16,034,172	17,253,079	15,386,410
1.01	Current assets	10,381,233	12,657,018	11,520,847
1.01.01	Cash and cash equivalents	1,752,161	1,629,877	1,716,557
1.01.02	Interest earning bank deposits	0	0	0
1.01.02.01	Interest earning bank deposits measured at fair value	0	0	0
1.01.02.01.01	Trading securities	0	0	0
1.01.02.01.02	Securities available for sale	0	0	0
1.01.02.01.03	Securities	0	0	0
1.01.02.02	Interest earning bank deposits measured at amortized cost	0	0	0
1.01.02.02.01	Securities held to maturity	0	0	0
1.01.03	Accounts receivable	6,052,113	6,700,571	5,777,827
1.01.03.01	Trade accounts receivable	6,052,113	6,700,571	5,777,827
1.01.03.02	Other accounts receivable	0	0	0
1.01.04	Inventories	1,994,168	3,706,220	3,316,805
1.01.05	Biological assets	0	0	0
1.01.06	Recoverable taxes	120,957	101,163	88,263
1.01.06.01	Current taxes recoverable	120,957	101,163	88,263
1.01.07	Prepaid expenses	64,213	106,689	66,864
1.01.08	Other current assets	397,621	412,498	554,531
1.01.08.01	Non-current assets held for sale	0	0	0
1.01.08.02	Assets from discontinued operations	0	0	0
1.01.08.03	Other	397,621	412,498	554,531
1.01.08.03.01	Advances	0	0	265,260
1.01.08.03.02	Current accounts with project partners of the ventures	0	0	88,869
1.01.08.03.03	Advances for future capital increase	0	0	13,437
1.01.08.03.04	Credit receivables purchased	0	52,831	94,394
1.01.08.03.05	Related party transactions	0	58,421	29,604
1.01.08.03.06	Loan agreement	51,193	13,295	14,218
1.01.08.03.07	Advances to suppliers	109,803	74,571	0
1.01.08.03.08	Dividends receivable	0	0	0
1.01.08.03.09	Securities	0	0	0
1.01.08.03.10	Other credits	236,625	213,380	48,749
1.02	Non-current assets	5,652,939	4,596,061	3,865,563
1.02.01	Long term assets	4,701,236	3,508,075	2,776,561
1.02.01.01	Interest earning bank deposits measured at fair value	57,337	92,386	4,159
1.02.01.01.01	Trading securities	0	0	0
1.02.01.01.02	Securities available for sale	57,337	51,648	0
1.02.01.01.03	Securities	0	40,738	4,159
1.02.01.02	Interest earning bank deposits measured at amortized cost	0	0	0
1.02.01.02.01	Securities held to maturity	0	0	0
1.02.01.03	Accounts receivable	1,742,477	2,188,609	1,115,020
1.02.01.03.01	Trade accounts receivable	1,742,477	2,188,609	1,115,020
1.02.01.03.02	Other accounts receivable	0	0	0

Consolidated Balance Sheets - Assets

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
1.02.01.04	Inventories	2,634,526	931,124	954,420
1.02.01.05	Biological assets	0	0	0
1.02.01.06	Deferred taxes	195	83,480	45,348
1.02.01.06.01	Deferred income and social contribution taxes	195	83,480	45,348
1.02.01.07	Prepaid expenses	43,665	69	26
1.02.01.08	Related party credits	0	32,648	35,289
1.02.01.08.01	Receivables with associated companies	0	0	0
1.02.01.08.03	Receivables from controlling shareholders	0	32,648	0
1.02.01.08.04	Other related party credits	0	0	35,289
1.02.01.09	Other non-current assets	223,036	179,759	622,299
1.02.01.09.01	Non-current assets held for sale	0	0	0
1.02.01.09.02	Assets from discontinued operations	0	0	0
1.02.01.09.03	Debentures	1,064	40,593	19,157
1.02.01.09.04	Current accounts with project partners of the ventures	105,444	0	333,896
1.02.01.09.05	Credit receivables purchased	0	57,512	137,192
1.02.01.09.06	Advance for new businesses	0	1,297	7,435
1.02.01.09.07	Advances for future capital increase	0	0	28,075
1.02.01.09.08	Dividends receivable	0	0	1,728
1.02.01.09.09	Loan agreement	0	41,450	13,796
1.02.01.09.10	Investment available for sale	0	0	66,016
1.02.01.09.11	Recoverable taxes	6,364	6,025	0
1.02.01.09.12	Other credits	110,164	32,882	15,004
1.02.02	Investments	22,917	121,978	56,881
1.02.02.01	Equity interest	22,917	121,978	56,881
1.02.02.01.01	Interest in associated companies	0	0	46,866
1.02.02.01.04	Other equity interest	22,917	121,978	10,015
1.02.02.02	Investment property	0	0	0
1.02.03	Property, plant and equipment	282,104	296,466	204,924
1.02.03.01	Fixed assets in operation	282,104	296,466	204,924
1.02.03.02	Leased property, plant and equipment	0	0	0
1.02.03.03	Constructions in progress	0	0	0
1.02.04	Intangible assets	646,682	669,542	827,197
1.02.04.01	Intangible assets	646,682	669,542	29,152
1.02.04.01.01	Concession contract	0	0	0
1.02.04.01.02	Software/Other	0	0	29,152
1.02.04.02	Goodwill	0	0	798,045

Consolidated Balance Sheet - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2	Total Liabilities	16,034,172	17,253,079	15,386,410
2.01	Current liabilities	4,458,262	5,023,540	4,586,234
2.01.01	Social and labor obligations	131,983	158,810	146,598
2.01.01.01	Social charges	0	0	0
2.01.01.02	Labor obligations	131,983	158,810	146,598
2.01.02	Suppliers	260,003	317,751	337,714
2.01.02.01	Domestic suppliers	260,003	317,751	337,714
2.01.02.02	Foreign suppliers	0	0	0
2.01.03	Tax liabilities	391,661	377,723	426,052
2.01.03.01	Federal tax liabilities	391,661	377,723	426,052
2.01.03.01.01	Income and social contribution tax payable	30,969	37,817	35,910
2.01.03.01.02	Tax installments	3,148	990	1,295
2.01.03.01.03	Deferred income and social contribution taxes	181,014	173,673	177,957
2.01.03.01.04	Deferred PIS and COFINS	176,530	165,243	210,890
2.01.03.02	State tax liabilities	0	0	0
2.01.03.03	Municipal tax liabilities	0	0	0
2.01.04	Loans and financing	2,157,612	1,872,531	1,626,566
2.01.04.01	Loans and financing	1,840,885	1,872,531	1,626,566
2.01.04.01.01	In local currency	1,840,885	1,872,531	1,626,566
2.01.04.01.02	In foreign currency	0	0	0
2.01.04.02	Debentures	316,727	0	0
2.01.04.03	Financial leases	0	0	0
2.01.05	Other liabilities	1,423,499	2,271,129	2,049,304
2.01.05.01	Liabilities with related parties	0	3,269	11,786
2.01.05.01.01	Debits with associated companies	0	0	0
2.01.05.01.03	Debts with controlling shareholders	0	3,269	0
2.01.05.01.04	Debts with other related parties	0	0	11,786
2.01.05.02	Other	1,423,499	2,267,860	2,037,518
2.01.05.02.01	Dividends and interest on own capital	0	168,152	187,519
2.01.05.02.02	Minimum compulsory dividend payable	0	0	0
2.01.05.02.03	Obligations arising from share-based payments	0	0	0
2.01.05.02.04	Liabilities for acquisition of real estate	682,387	813,795	786,391
2.01.05.02.05	Advances from clients	481,310	442,438	405,369
2.01.05.02.06	Liabilities from CRI issuance	0	0	101,179
2.01.05.02.07	Current accounts with project partners of the ventures - Group	48,227	7,044	106,132
2.01.05.02.08	Current accounts with project partners of the third-party’s ventures	0	37,498	0
2.01.05.02.09	Co-obligation in the assignment of receivables	32,213	113,430	8,517
2.01.05.02.10	Liability regarding the acquisition of equity interest	163,859	105,445	45,850
2.01.05.02.12	Other liabilities	15,503	580,058	396,561
2.01.06	Provisions	93,504	25,596	0
2.01.06.01	Tax, social security, labor and civil provisions	0	0	0
2.01.06.01.01	Tax provisions	0	0	0
2.01.06.01.02	Social security and labor provisions	0	0	0
2.01.06.01.03	Provisions to employee benefits	0	0	0
2.01.06.01.04	Civil provisions	0	0	0

Consolidated Balance Sheet - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2.01.06.02	Other provisions	93,504	25,596	0
2.01.06.02.01	Provisions for guarantees	93,504	25,596	0
2.01.06.02.02	Provision to restructuring	0	0	0
2.01.06.02.03	Provisions for environmental and decommissioning Liabilities	0	0	0
2.01.07	Losses on non-current assets held for sale and discontinued assets	0	0	0
2.01.07.01	Losses on non-current assets held for sale	0	0	0
2.01.07.02	Losses on assets from discontinued operations	0	0	0
2.02	Non-current liabilities	6,545,797	5,792,653	4,835,328
2.02.01	Loans and financing	3,857,283	3,318,159	3,171,688
2.02.01.01	Loans and financing	2,431,170	1,738,094	1,710,270
2.02.01.01.01	In local currency	2,431,170	1,738,094	1,710,270
2.02.01.01.02	In foreign currency	0	0	0
2.02.01.02	Debentures	1,426,113	1,580,065	1,461,418
2.02.01.03	Financial leases	0	0	0
2.02.02	Other liabilities	2,400,775	2,213,886	1,577,469
2.02.02.01	Liabilities with related parties	0	13,663	47,879
2.02.02.01.01	Debits with associated companies	0	0	0
2.02.02.01.03	Debts with controlling shareholders	0	0	0
2.02.02.01.04	Debts with other related parties	0	13,663	47,879
2.02.02.02	Other	2,400,775	2,200,223	1,529,590
2.02.02.02.01	Obligations arising from share-based payments	0	0	0
2.02.02.02.02	Advances for future capital increase	0	103,010	31,735
2.02.02.02.03	Liabilities for acquisition of real estate	139,990	177,665	402,827
2.02.02.02.04	Current accounts with project partners of the ventures	0	0	29,809
2.02.02.02.05	Advances from clients	376,745	319,060	262,954
2.02.02.02.06	Suppliers	209	248	51
2.02.02.02.07	Co-obligation in the assignment of receivables	78,114	16,477	23,598
2.02.02.02.08	Liabilities from CRI issuance	0	0	766,082
2.02.02.02.09	Fiscal and labor obligations	749	485	0
2.02.02.02.10	Tax installments	48	2,654	0
2.02.02.02.11	Deferred PIS and COFINS	0	0	0
2.02.02.02.12	Dividends payable	0	0	0
2.02.02.02.13	Liabilities from CCB issuance	1,503,234	1,464,234	0
2.02.02.02.14	Other liabilities	301,686	116,390	12,534
2.02.03	Deferred taxes	148,157	205,826	43,879
2.02.03.01	Deferred income and social contribution taxes	148,157	205,826	43,879
2.02.04	Provisions	139,582	54,782	42,292
2.02.04.01	Tax, social security, labor and civil provisions	0	0	0
2.02.04.01.01	Tax provisions	0	0	0
2.02.04.01.02	Social security and labor provisions	0	0	0
2.02.04.01.03	Provisions to employee benefits	0	0	0
2.02.04.01.04	Civil provisions	0	0	0
2.02.04.01.05	Tax installments	0	0	0
2.02.04.02	Other provisions	139,582	54,782	42,292
2.02.04.02.01	Provisions for guarantees	320	27,326	13,639

Consolidated Balance Sheet - Liabilities

In thousands of Reais

Account	Description	12/31/2012	12/31/2011	12/31/2010
2.02.04.02.02	Provision to restructuring	0	0	0
2.02.04.02.03	Provisions for environmental and decommissioning Liabilities	0	0	0
2.02.04.02.04	Provision for contingencies	139,262	27,456	20,542
2.02.04.02.05	Provision with promotions	0	0	8,111
2.02.05	Losses on non-current assets held for sale and discontinued assets	0	0	0
2.02.05.01	Losses on non-current assets held for sale	0	0	0
2.02.05.02	Losses on assets from discontinued operations	0	0	0
2.02.06	Unappropriated profits and incomes	0	0	0
2.02.06.01	Unappropriated profit	0	0	0
2.02.06.02	Unearned income	0	0	0
2.02.06.03	Unrecognized Investment subsidies	0	0	0
2.03	Consolidated shareholders' equity	5,030,113	6,436,886	5,964,848
2.03.01	Realized capital	4,907,843	4,822,038	4,757,859
2.03.02	Capital reserves	792,301	137,511	153,087
2.03.02.01	Goodwill in the issue of shares	887,725	137,511	0
2.03.02.02	Goodwill special reserve in the merger	0	0	0
2.03.02.03	Disposal of subscription bonus	0	0	0
2.03.02.04	Options granted	0	0	0
2.03.02.05	Treasury shares	-95,424	0	0
2.03.02.06	Advances for future capital increase	0	0	0
2.03.03	Revaluation Reserve	0	0	0
2.03.04	Profit reserves	0	1,518,380	984,812
2.03.04.01	Legal reserve	0	105,501	70,101
2.03.04.02	Statutory reserve	0	0	0
2.03.04.03	Contingency reserve	0	0	0
2.03.04.04	Unrealized profit reserve	0	0	0
2.03.04.05	Profit retention reserve	0	1,446,868	914,711
2.03.04.06	Special Reserve for Undistributed Dividends	0	0	0
2.03.04.07	Fiscal incentive reserve	0	0	0
2.03.04.08	Additional dividend proposed	0	0	0
2.03.04.09	Treasury shares	0	-33,989	0
2.03.05	Retained Earnings/Losses	-624,737	0	0
2.03.06	Adjustments to asset valuation	-58,107	-58,107	-8,091
2.03.07	Accumulated translation adjustments	0	0	0
2.03.08	Other comprehensive income	0	0	0
2.03.09	Interest of non-controlling shareholders	12,813	17,064	77,181

Consolidated Statement of Income

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
3.01	Income from sales of goods and/or services	4,358,499	6,877,380	5,229,815
3.02	Cost of goods and/or services sold	-5,165,456	-5,083,594	-3,704,872
3.03	Gross income	-806,957	1,793,786	1,524,943
3.04	Operating expenses/income	-1,039,133	-886,385	-663,044
3.04.01	Sales expenses	-273,537	-386,155	-300,820
3.04.02	General and administrative expenses	-437,271	-448,370	-346,244
3.04.02.01	General and administrative	-437,234	0	0
3.04.02.02	Profit sharing - Employees	-37	0	0
3.04.03	Loss due to the non-recoverability of assets	0	0	0
3.04.04	Other operating income	0	18,947	6,729
3.04.05	Other operating expenses	-326,461	-70,807	-37,365
3.04.05.01	Amortized goodwill	0	0	0
3.04.05.02	Tax	-30,186	-11,991	-6,447
3.04.05.03	Capital losses in subsidiaries	-90,337	-21,662	-5,963
3.04.05.04	Depreciation/amortization	-175,143	-37,154	-24,955
3.04.05.05	Other operating expenses	-30,795	0	0
3.04.06	Equity income (loss)	-1,864	0	14,656
3.05	Income (loss) before financial income (loss) and taxes	-1,846,090	907,401	861,899
3.06	Financial income (loss)	-116,774	-37,409	52,544
3.06.01	Financial income	264,451	260,836	273,263
3.06.02	Financial expenses	-381,225	-298,245	-220,719
3.07	Income (loss) before income tax	-1,962,864	869,992	914,443
3.08	Income and social contribution taxes	-209,991	-165,553	-113,595
3.08.01	Current	-138,508	-210,482	-59,528
3.08.02	Deferred assets	-71,483	44,929	-54,067
3.09	Net income (loss) of continued operations	-2,172,855	704,439	800,848
3.10	Net income (loss) of discontinued operations	0	0	0
3.10.01	Net income (loss) of discontinued operations	0	0	0
3.10.02	Net gains/losses on assets from discontinued operations	0	0	0
3.11	Income/loss for the period	-2,172,855	704,439	800,848
3.11.01	Attributed to the Parent company's partners	-2,177,106	708,007	789,552
3.11.02	Attributed to non-controlling partners	4,251	-3,568	11,296
3.99	Earning per share - (Reais / Shares)	0	0	0
3.99.01	Basic earnings per share	0	0	0
3.99.01.01	ON	-1.76890	0.67237	0.73180
3.99.02	Diluted earning per share	0	0	0
3.99.02.01	ON	-1.50980	0.67237	0.73180

Consolidated Comprehensive Income Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
4.01	Consolidated net income for the period	-2,172,855	708,007	789,552
4.02	Other comprehensive income	0	0	0
4.03	Consolidated comprehensive income for the period	-2,172,855	708,007	789,552
4.03.01	Attributed to the Parent company's partners	-2,177,106	704,439	789,552
4.03.02	Attributed to non-controlling partners	4,251	3,568	0

Consolidated Cash Flow Statements

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
6.01	Net cash from operational activities	-1,322,580	-546,443	-723,722
6.01.01	Cash generated in operations	-1,761,129	1,127,153	1,095,777
6.01.01.01	Net income for the period	-2,177,106	708,007	789,552
6.01.01.02	Depreciation and amortization	23,641	90,016	97,146
6.01.01.03	Gains/losses in subsidiaries	90,337	33,864	5,963
6.01.01.04	Profit sharing	0	65,620	58,322
6.01.01.05	Deferred taxes	44,244	44,931	54,066
6.01.01.06	Commercial expenses - write-off of stand	0	0	0
6.01.01.07	Financial expenses, interest paid and liability monetary variation	87,519	51,733	49,966
6.01.01.08	Provisions for guarantee and contingencies	66,479	49,312	29,466
6.01.01.09	Interest of non-controlling shareholders	-4,251	3,568	11,296
6.01.01.10	Reversal of SOP expenses	-25,655	31,658	0
6.01.01.11	Amortization of goodwill and negative goodwill in the acquisition	151,502	55,637	0
6.01.01.12	Adjustments in the income – Mark-to-Market	0	-7,193	0
6.01.01.13	Equity Method Adj. Result	1,864	0	0
6.01.01.14	Adjustment to present value	-19,703	0	0
6.01.01.15	Prior-year adjustments	0	0	0
6.01.02	Changes in assets and liabilities	438,549	-1,673,596	-1,819,499
6.01.02.01	Advances to suppliers	-35,232	190,689	-242,300
6.01.02.02	Accounts receivable	1,114,293	-2,020,002	-2,430,318
6.01.02.03	Loans - Loan agreement	3,552	-13,436	-11,609
6.01.02.04	Assignment of credit right operations	0	89,128	595,685
6.01.02.05	Dividends receivable	0	1,728	1,494
6.01.02.06	Recoverable taxes	-20,133	-18,925	-64,551
6.01.02.07	Real estate inventories for sale	8,650	-366,119	-814,252
6.01.02.08	Unrecognized expenses	-1,120	-39,868	-35,963
6.01.02.09	Current accounts with project partners of the ventures	-101,759	331,366	-118,959
6.01.02.10	Advances for future capital increase	-103,010	112,787	-46,524
6.01.02.11	Debentures	39,529	-12,586	144,549
6.01.02.12	Related party transactions	74,137	-68,909	43,828
6.01.02.13	Advances from clients	96,557	93,175	165,118
6.01.02.14	Liabilities from CCB issuance	0	0	0
6.01.02.15	Liabilities for acquisition of real estate	-169,083	-197,759	171,578
6.01.02.16	Deferred taxes	0	28,953	78,951
6.01.02.17	Tax liabilities/Taxes payable	-26,563	-56,011	818
6.01.02.18	Suppliers	-57,787	-19,765	134,655
6.01.02.19	Liability regarding the acquisition of interest	58,414	59,595	45,850
6.01.02.20	Other accounts payable	-441,896	232,363	562,451
6.01.03	Other	0	0	0
6.02	Net cash used in investment activities	-131,061	-178,500	126,646
6.02.01	Acquisition of interest in associates/subsidiaries	6,860	46,866	57,950
6.02.02	Acquisitions and write-offs of property, plant and equipment	-9,279	-181,558	-146,959
6.02.03	Intangible assets	-128,642	102,018	-53,398

Consolidated Cash Flow Statements

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
6.02.04	Advances for future capital increase	0	0	0
6.02.05	Acquisition of other investments	0	-145,826	0
6.02.06	Acquisitions and write-offs of deferred assets	0	0	0
6.02.07	Balances acquired in investments of cash and cash equivalents	0	0	269,053
6.03	Net cash generated (consumed) in financing activities	1,575,925	638,263	1,212,654
6.03.01	Loans and financing	661,430	117,596	1,005,356
6.03.02	Fund Raising with Issuance of Debentures	75,256	147,209	371,630
6.03.03	Interest paid upon fund raising	0	-32,295	-107,303
6.03.04	Capital increase	861,675	32,520	68,603
6.03.05	Interest of non-controlling shareholders	0	-63,686	-25,866
6.03.06	Equity evaluation adjustments	0	0	-1,284
6.03.07	Amortization of loans	0	-1,836	0
6.03.08	Advances for future capital increase	0	0	0
6.03.09	Goodwill in the issue of shares	0	-15,576	0
6.03.10	(-) Treasury shares	-61,436	-33,989	0
6.03.11	Prior-year adjustments	0	0	0
6.03.12	Profit reserves	0	0	-17,851
6.03.13	Dividends declared	0	-209,832	-80,631
6.03.14	Liabilities from CCB issuance	39,000	698,152	0
6.04	Exchange variation on cash and cash equivalents	0	0	0
6.05	Increase (decrease) in cash and cash equivalents	122,284	-86,680	615,578
6.05.01	Opening balance of cash and cash equivalents	1,629,877	1,716,557	1,100,979
6.05.02	Closing balance of cash and cash equivalents	1,752,161	1,629,877	1,716,557

Consolidated Value Added Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
7.01	Income	4,475,066	7,090,034	5,420,029
7.01.01	Sale of merchandise, products and services	4,379,764	6,959,273	5,314,579
7.01.02	Other income	95,302	130,761	105,450
7.01.03	Income from construction of own assets	0	0	0
7.01.04	Allowance for /reversal of Doubtful accounts	0	0	0
7.02	Inputs acquired from third parties	-5,616,912	-5,639,838	-4,053,082
7.02.01	Cost of goods, merchandise and services Sold	-5,165,456	-5,083,592	-3,704,872
7.02.02	Materials, Energy, Third-party services and other	-361,119	-534,584	-342,247
7.02.03	Loss/recovery of asset values	-90,337	-21,662	-5,963
7.02.04	Other	0	0	0
7.03	Gross added value	-1,141,846	1,450,196	1,366,947
7.04	Retentions	-244,400	-101,262	-103,254
7.04.01	Depreciation, amortization and depletion	-92,898	-86,074	-103,254
7.04.02	Others	-151,502	-15,188	0
7.04.02.01	Amortization of goodwill	-151,502	-15,188	0
7.05	Net added value produced	-1,386,246	1,348,934	1,263,693
7.06	Added value received as transfer	258,336	264,403	282,732
7.06.01	Equity income (loss)	-1,864	0	14,656
7.06.02	Financial income	264,451	260,835	273,263
7.06.03	Other	-4,251	3,568	-5,187
7.06.03.01	Negative goodwill amortization	0	0	6,109
7.06.03.02	Interest of non-controlling shareholders	-4,251	0	-11,296
7.07	Total added value payable	-1,127,910	1,613,337	1,546,425
7.08	Distribution of added value	-1,127,910	1,613,337	1,546,425
7.08.01	Personnel	219,256	193,824	195,297
7.08.01.01	Direct remuneration	172,486	163,580	173,636
7.08.01.02	Benefits	34,149	20,098	13,615
7.08.01.03	Severance Pay Fund (FGTS)	12,621	10,146	8,046
7.08.01.04	Other	0	0	0
7.08.02	Taxes, duties and contributions	424,282	397,213	326,536
7.08.02.01	Federal	424,103	396,512	323,964
7.08.02.02	State	106	3	1,293
7.08.02.03	Municipal	73	698	1,279
7.08.03	Third-party capital remuneration	405,658	314,293	235,040
7.08.03.01	Interest	381,224	298,247	220,718
7.08.03.02	Rents	24,434	16,046	14,322
7.08.03.03	Others	0	0	0
7.08.04	Remuneration of own capital	-2,177,106	708,007	789,552
7.08.04.01	Interest on own capital	0	0	0
7.08.04.02	Dividends	0	168,151	187,519
7.08.04.03	Retained earnings / Loss for the period	-2,177,106	539,856	602,033

Consolidated Value Added Statement

In thousands of Reais

Account	Description	01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011	01/01/2010 to 12/31/2010
7.08.04.04	Interest of non-controlling shareholders in retained earnings	0	0	0
7.08.05	Other	0	0	0

Statement of Changes in Shareholders' Equity 2012

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity	Interest of non-controlling parent companies	Shareholders' equity Consolidated
5.01	Opening balances	4,822,038	103,522	1,552,369	0	-58,107	6,419,822	17,064	6,436,886
5.02	Prior-year adjustments	0	0	0	0	0	0	0	0
5.03	Adjusted opening balances	4,822,038	103,522	1,552,369	0	-58,107	6,419,822	17,064	6,436,886
5.04	Capital transactions with partners	85,805	714,434	0	0	0	800,239	0	800,239
5.04.01	Capital increases	85,805	775,870	0	0	0	861,675	0	861,675
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0	0	0
5.04.03	Recognized options granted	0	0	0	0	0	0	0	0
5.04.04	Treasury shares acquired	0	0	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0	0	0
5.04.06	Dividends	0	0	0	0	0	0	0	0
5.04.07	Interest on own capital	0	0	0	0	0	0	0	0
5.04.08	Acquisition of own shares	0	-61,436	0	0	0	-61,436	0	-61,436
5.05	Total comprehensive income	0	0	0	-2,177,106	0	-2,177,106	0	-2,177,106
5.05.01	Net income for the period	0	0	0	-2,177,106	0	-2,177,106	0	-2,177,106
5.05.02	Other comprehensive income	0	0	0	0	0	0	0	0
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.03	Equity in Investees Comprehensive - Associates	0	0	0	0	0	0	0	0
5.05.02.04	Adjustments of translation in the period	0	0	0	0	0	0	0	0
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0	0	0
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	-25,655	-1,552,369	1,552,369	0	-25,655	-4,251	-29,906
5.06.01	Constitution of reserves	0	0	0	0	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0	0	0
5.06.04	Breakdown of Reserves – Option Grant	0	-25,655	0	0	0	-25,655	0	-25,655
5.06.05	Offsetting of accumulated losses	0	0	-1,552,369	1,552,369	0	0	-4,251	-4,251
5.07	Closing balances	4,907,843	792,301	0	-624,737	-58,107	5,017,300	12,813	5,030,113

Statement of Changes in Shareholders' Equity 2011

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity	Interest of non-controlling parent companies	Shareholders' equity Consolidated
5.01	Opening balances	4,757,859	153,086	1,012,511	0	-35,464	5,887,992	-11,296	5,876,696
5.02	Prior-year adjustments	0	0	0	0	0	0	0	0
5.03	Adjusted opening balances	4,757,859	153,086	1,012,511	0	-35,464	5,887,992	-11,296	5,876,696
5.04	Capital transactions with partners	64,180	-15,575	-33,988	-168,152	0	-153,535	0	-153,535
5.04.01	Capital increases	64,180	-47,234	0	0	0	16,946	0	16,946
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0	0	0
5.04.03	Recognized options granted	0	31,659	0	0	0	31,659	0	31,659
5.04.04	Treasury shares acquired	0	0	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0	0	0
5.04.06	Dividends	0	0	0	-168,152	0	-168,152	0	-168,152
5.04.07	Interest on own capital	0	0	0	0	0	0	0	0
5.04.08	Acquisition of own shares	0	0	-33,988	0	0	-33,988	0	-33,988
5.05	Total comprehensive income	0	0	0	685,365	0	685,365	28,360	713,725
5.05.01	Net income for the period	0	0	0	708,007	0	708,007	0	708,007
5.05.02	Other comprehensive income	0	0	0	-22,642	0	-22,642	28,360	5,718
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.03	Equity in Investees Comprehensive - Associates	0	0	0	0	0	0	28,360	28,360
5.05.02.04	Adjustments of translation in the period	0	0	0	0	0	0	0	0
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0	0	0
5.05.02.06	Adjustments to asset valuation - Law 11638	0	0	0	-22,642	0	-22,642	0	-22,642
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	0	517,213	-517,213	0	0	0	0
5.06.01	Constitution of reserves	0	0	481,812	-481,812	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0	0	0
5.06.04	Formation of legal reserve	0	0	35,401	-35,401	0	0	0	0
5.07	Closing balances	4,822,039	137,511	1,495,736	0	-35,464	6,419,822	17,064	6,436,886

Statement of Changes in Shareholders' Equity 2010

In thousands of Reais

Account	Description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (losses)	Other comprehensive income	Shareholders' equity	Interest of non-controlling parent companies	Shareholders' equity Consolidated
5.01	Opening balances	2,393,585	143,565	383,103	0	-6,807	2,913,446	20,178	2,933,624
5.02	Prior-year adjustments	0	0	27,373	0	0	27,373	0	27,373
5.03	Adjusted opening balances	2,393,585	143,565	410,476	0	-6,807	2,940,819	20,178	2,960,997
5.04	Capital transactions with partners	2,364,274	0	-187,518	0	0	2,176,756	0	2,176,756
5.04.01	Capital increases	2,364,274	0	0	0	0	2,364,274	0	2,364,274
5.04.02	Expenses with issuance of shares	0	0	0	0	0	0	0	0
5.04.03	Recognized options granted	0	0	0	0	0	0	0	0
5.04.04	Treasury shares acquired	0	0	0	0	0	0	0	0
5.04.05	Treasury shares sold	0	0	0	0	0	0	0	0
5.04.06	Dividends	0	0	-187,518	0	0	-187,518	0	-187,518
5.04.07	Interest on own capital	0	0	0	0	0	0	0	0
5.05	Total comprehensive income	0	0	789,552	0	-28,657	760,895	-31,474	729,421
5.05.01	Net income for the period	0	0	789,552	0	0	789,552	0	789,552
5.05.02	Other comprehensive income	0	0	0	0	-28,657	-28,657	-31,474	-60,131
5.05.02.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	0	0	0	0
5.05.02.03	Equity in Investees Comprehensive - Associates	0	0	0	0	0	0	-31,474	-31,474
5.05.02.04	Adjustments of translation in the period	0	0	0	0	-28,657	-28,657	0	-28,657
5.05.02.05	Taxes on adjustments of translation in the period	0	0	0	0	0	0	0	0
5.05.03	Reclassifications to income (loss)	0	0	0	0	0	0	0	0
5.05.03.01	Financial instruments' adjustments	0	0	0	0	0	0	0	0
5.06	Internal changes in shareholders' equity	0	9,522	-325	0	0	9,197	0	9,197
5.06.01	Constitution of reserves	0	9,522	-325	0	0	9,197	0	9,197
5.06.02	Realization of revaluation reserve	0	0	0	0	0	0	0	0
5.06.03	Taxes on the realization of the revaluation reserve	0	0	0	0	0	0	0	0
5.07	Closing balances	4,757,859	153,087	1,012,185	0	-35,464	5,887,667	-11,296	5,876,371

Management Comments (DFP-2012)

Corporate Events

During 2012 first semester, in Annual General Meeting, occurred in May, 8th, PDG approved the payment of dividends related to 2011 results, in the amount of R$ 168.151.258,63, representing R$0,1484 per preferred share. The amount was paid in July 5th based on the equity position of May 9th.

At the time of the Meeting, the shareholders approved the election of following administrative council: Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, José Antonio Tornaghi Grabowsky, Alexandre Gonçalves Silva, Paulo Roberto Nunes Guedes, Milton Goldfarb, João da Rocha Lima Jr. e João Cox Neto. The change in the council included the entrance of three new members, with the objective of aggregate external experience, different pointing views and a more independent management to the Company. The changes made 75% of the administrative council members, as independent members, as generally used as best practices of Corporate Management.

On May 11th we received de resignation of Michel Wurman from his duties as Director Vice-president and Investors Relationship, and Frederico Marinho Carneiro da Cunha, from his duties as Director of Investments and Planning. As the occasion, the Administrative Council elected João Mallet for the post of Director of Investors Relationship cumulatively to the post of Financial Director already occupied, Pedro Thompson to the post of Director of Investments and Planning, and Saulo Lara as Director with no specific designation. The post of Director Vice-president remained available. Beyond that, was repeated the permanence of the Director President, Zeca Grabowsky, to his duties.

New policies of equity negotiation

In May, during the Administrative Council Meeting, was approved the new policies of equity negotiation, with the objective of reinforce the Company`s Corporate Management. The new policies increased negotiations restrictions, seeking greater alignment of interests between employees and shareholders. Major policy changes were:

Negotiations involving options and other equity derivatives and any other Company security is prohibited;

- It was established a annual restriction calendar for equity negotiation (¨*blackout period*¨), where the restriction period was increased to 60 days before the financial statements release and 45 days before the ITRs release.

Shared Services Center

In 2011 the Company decided for the adoption of a Shared Services Center (CSC). The Project was structured in two fases: (1) conception, and (2) implementation. Along with hired consultants, a multidisciplinary team with over 100 employees of different business units dedicated to the Project reviewing over 300 process with the objective to choose the best internal and external practices. The great differential of the CSC is the service management and monitoring: while the centralization and standardization deliver significant short range benefits, the excellence on services management holds the added value in the business on long range.

PDG`s CSC started its activities on May, 2012 based in São Paulo, counting with a team of over 900 employees. The CSC was implemented with the objective of centralize, simplify the processes and consequently increase the quality of services rendered and ease with they are performed. In that model, the support activities to the business, gain efficiency, once integrated.

Below, presented the main objectives o four CSC:

- simplify and standardize processes;
- increase the delivery quality to internal and external clients;
- keep the focus of executives in the core business/incorporation and engineering;
- support new business;
- share business practices among units.

With this model, all operational activities of IT, Human Resources, Credit Analysis, Payables, Receivables, Treasury, Administrative, Mortgage, Contracts, Registration and Real Estate Operations, Accounting, Law and Clients Relationship, which up to this date were executed independently among the business units of PDG, integrated in CSC, which were a huge step to the Company and a milestone to business integration.

Ventures Budget Review – 2nd quarter of 2012

During the second quarter of 2012, PDG realized its second ventures budget review, occasion in which the Company faced delay problems that consequently increased indirect costs of its ventures. The variation on costs occurred mainly because of the misalignment of the initial feasibility with the market reality as the beginning of the execution and unexpected costs in units delivery. In the beginning of 2012, the expectation for the "Habite-se" for the year, was 38 thousand units, but because of the below expected performance that number was reviewed to 34 to 35 thousand units.

Even with the unfavorable result in the first quarter (3.8 thousand delivered units against an expectation of 6.6 thousand units), we expected recover these units on the following quarters. Unfortunately, we had "Habite-se" of just 6.4 thousand units in the second quarter, totaling 10.2 thousand units in the semester, representing 62% of the initial goal for the year regarding to delivered units. Because of that, we opted for the review of our units delivery schedule to 28 to 30 thousand units in 2012, the other units were repositioned to 2013.

On reconsidering the units delivery schedule and the difficulties faced on delivery, the periodic budget review of our engineering team took us to reconsider the budget of many Ventures. From all, 34% of the working-shells had change of costs. The result of that detailed budget procedure and review of financial costs to incur versus the physical evolution o four Ventures caused na increase of R$ 478 million in our budgeted coast.

Creditors negotiation and new emissions – 2nd quarter of 2012

Company`s Management, because of the difficulties of the first semester, preemptively negotiated, and obtained the *waivers* necessary, related to terms of 1st, 3rd e 5th debentures emissions, that presented the possibility of anticipated maturity on the covenants noncompliance.

In the May 2012 we liquidated the issues of CCB (Bank Credit Security) from PDG with BTG Pactual, worth R$ 200 million. This issue has deadline of 36 months, depreciation concentrated between the 18th and 24th months, and IGPM rate + 7.4% for year.

On June 28, 2012 we liquidated the issues of CCB with CEF in the amount of R$ 350 million. This issue has deadline of 48 months, with 12 months grace period with quarterly amortization of principal, and rate of CDI + 0.12% per month.

The funds are intended to strengthen the Company's cash position, investment in real estate projects in general and corporate purposes. The transaction was recorded in our financial statements for the 2nd quarter of 2012.

Equity Increase

In July, it was approved a capital increase of approximately R$ 800 million, anchored by Vinci Partners. With this, the Company's liquidity was enhanced and there was a return and commitment from a partner's historic PDG.

New Management

2012 second semester was marked by an important step for the future of PDG. By late August, the Board of Directors of the Company elected Mr. Carlos Augusto Piani for the position of CEO of the Company, replacing Mr. Jose Antonio Grabowsky, who resigned. Additionally, the Board elected Mr. Marco Kheirallah to the position of Executive Vice President.

- Carlos Piani served as co-responsible for the area of Private Equity at Vinci Partners Investimentos Ltda. since April 2010. Additionally, Mr. Piani is a member of the Boards of Directors of CEMAR, CMAA, Equatorial Energia, Burger King Brasil and Le Biscuit SA. In Equatorial, was CEO between March 2007 and April 2010. In CEMAR was also Vice-President Financial Administrative between May 2004 and March 2006 and Chief Executive Officer between March 2006 and April 2010. Previously he was a partner of Banco Pactual. Between 2000 and 2004, he worked in the area of long-term investments, and during the period from 1998 to 2000, he served in the corporate finance department of the bank. Before Banco Pactual analyst was business valuation department of Ernst & Young. He graduated in Computer Science from the Catholic University of Rio de Janeiro and in Business Administration IBMEC-RJ. In addition, specialized in Business Management from Harvard Business School and is certified Chartered Financial Analyst (CFA).

- Marco Kheirallah was a member of the Board of PDG October 2006 to December 2008. In 2010 he founded the SIP Capital, an asset management company based in Sao Paulo. He was a member of the investment team at UBS Pactual Alternative Resource Management Alternative Ltda. in Rio de Janeiro until 2009. Previously, Mr. Kheirallah was a member of the area of alternative investments at Banco Pactual in New York until 2006, at which institution he joined as a partner in 2001. In November 1996, as a partner of Banco Matrix SA, worked as chief operating officer (head trader) activities of application resource owners and also as treasurer of the institution. From October 1994 to October 1996, was a trader in fixed income and foreign exchange at Banco Opportunity SA from July 1992 to September 1994, he worked as a fixed income trader at Banco BCN SA Mr. Kheirallah a degree in Business Administration from Fundação Getulio Vargas in São Paulo, FGV-SP.

New Management - Strategy

With the support of the Board, the new management began an extensive work plan forecasting for the acceleration of generating value for shareholders over the long term. This plan, created in conjunction with outside consultants, addresses validation of the strategic positioning of the company and the management model must reach it.

This work led to the following strategic guidelines for the company: (i) reducing the number of operating regions, (ii) concentration of focus on economic segments and timely exploration of the medium and high society, and (iii) additional activities in the commercial, subdivisions and MCMV.

Additionally identified, were the mainstays operational procedures to provide the company with capacity management and execution to achieve their goals. The main pillars were identified: (i) full integration of acquired businesses, through a culture with clear focus on business profitability and control costs and expenses, (ii) restructuring of the organizational structure, adding new talent in key roles and redefinition of political compensation, (iii) structuring as regional business units, (iv) improving the process of managing and budgeting works, and (v) redesign of other macro-processes.

Starting the adequacy of the company's new strategic direction to, from September on were revised every release still uncommitted and held for less than 6 months. The result of this study was a reduction in the number of launches, the concentration of launches in the southeast and the proportional increase in the number of complaints of incorporation and rescissions in the third and fourth quarters of 2012.

From the fourth quarter, the operating model began to be adjusted and integrated, which resulted in exchange of some executive directors of the company during the period. John Mallet resigned as CFO and Investor Relations and Marco Kheirallah accumulated the Finance Board to the position of Vice-President. Guido Lemos, former Viver and Porto Seguro took the Board of Investor Relations. Peter Thompson, Director of Investments and Management Planning, resigned and the position became vacant. Cauê Cardoso, General Counsel, resigned and Natalia Pires, a lawyer with extensive experience in real estate, was promoted and took over the department. Marcos Vinicius de Sá resigned as Managing Director and Operating office became vacant, but Valdir Sobrinho, professional stints with Telemar, Cemar and Milk Good, assumed the Shared Services Center, the main responsibility of the board. There was also the first changes in the organizational structure with emphasis on:

- reducing the number of boards from four to two incorporating as part of the integration process;

- creation of a unique board to mortgage loans subject to CFO, which became responsible for all hiring of financing the production, transfer and record in office properties, and

- Exchange of subordination and consolidation of supply area, which failed to respond to the boards engineering and went on to respond to the consolidated presidency;

Initiatives to control costs and expenses were also confirmed. It has established a policy more restrictive remit payments and new forums for approval of matters relating to financial ventures. A detailed budget for 2013 is designed to help control costs and expenses and integration between different areas of the company.

The company is working on the redesign of remuneration policy for short and long term and the new regional structure. The implementation of these new policies and structures occur throughout 2013.

New Management - Improving Process Management and Budgeting Works

One of the pillars in the new operating model is the operational process improvement management and budgeting works. Therefore, the new administration decided to review the controls and budgets of all the works, in order to increase the accuracy of estimates. This work was possible because all four engineering units began to use the same system to control the cost of works (SAP) in 2012, which allowed for greater comparability between them.

In this study, we attempted to get a fresh view of the costs incurred by (i) reviewing the works result of partnerships, (ii) review and possible replacement of the construction works on outsourced contractors, (iii) review of the works devoted to the unit MCMV projects, (iv) the resolution of problems with the government, (iv) standardization and greater rigor in the budgets of existing works and (v) implementation of new processes of supervision and inspection. In conclusion, the following decisions were taken:

- creation of a directorate of operations, in order to seamlessly manage the engineering units;
- definition of guidelines and unique criteria to all corporate engineering, that were individualized for each unit;
- termination of 4 partnerships;

- further exchanges of works of others by our own team;
- conclusion of conduct adjustment terms (CAT) or other commitments to government in relation to counter-parties necessary for the implementation of projects;
- exchange of leadership responsible for unit developments MCMV;
- establishment of a project office on the presidency to oversee the physical and financial progress of projects and provide feedback on the viability of the lessons learned from projects concluded;
- Periodic monitoring of the progress of projects with external consultants;
- requiring more detailed budgets for conducting existing works and new releases, and
- review of 100% of the construction and improvement of 241 budgets, accounting for 86% of the works in progress, based on new guidelines for costs of materials, services, labor, improvements, environmental requirements and deadline for completion of works; and
- greater stiffness in payment's jurisdiction of the costs of works, with the controls crossed with CFO and the presidency.

In this review also included the mobilization expenses required to undertake projects and third-party partners and resume works embargoed. The consolidated value of additions budget was estimated at R$ 1.4 billion, of which approximately R$ $ 1.1 billion impacted the outcome of the 4th quarter of 2012. Importantly, we can improve the process of execution of works or the purchase of supplies and services given the new management model and the centralization of supply and therefore incur lower costs than estimated. So, it is believed to have set a conservative value for the completion of work in progress, from which new revisions are not expected.

Additionally, according to this review, we conducted a consolidated increase in provisions for warranty maintenance and technical support for possible fines for late delivery of R$ 93 million.

The process improvement as cost of labor, also resulted in further adjustments in the financial statements. There was a reduction of assets that do not generate cash impact, encompassing mainly the impairment of goodwill and purchased Agre TGLT, deferred tax assets, expenditures on discontinued projects, the fair value of the financial liability of the capitalization rule da Vinci as the IFRS, which in full reached R$ 341 million.

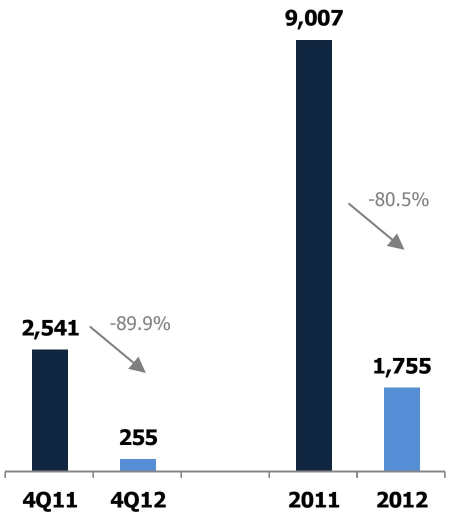
Adjustments – 4Q12	R$ mm
(1) CONSTRUCTION BUDGET REVISION	1,075
(2) ACCOUNTING PROVISIONS	139
(3) OTHER NON-CASH ADJUSTMENTSA	367
TOTAL ADJUSTMENTS	1,581

The year 2012 was marked by many changes, adjustments and new challenges for PDG. The new management took over in September 2012 and has initiated a new management model in the company, but there is still much to do. The strategic agenda for the coming years include the unification process of the group companies, decentralization of implementation, with a greater degree of autonomy given the regional business units, corporate restructuring, and control and management of the company's performance. As a result, the new administration expects the company to become more efficient and profitable, and can grow again on solid foundations and creating value for its shareholders.

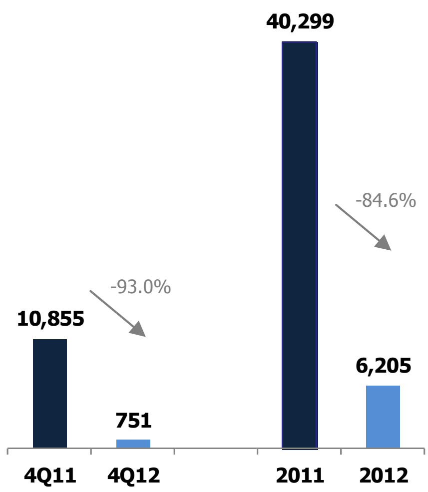
OPERATIONAL PERFORMANCE - LAUNCHES

- 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

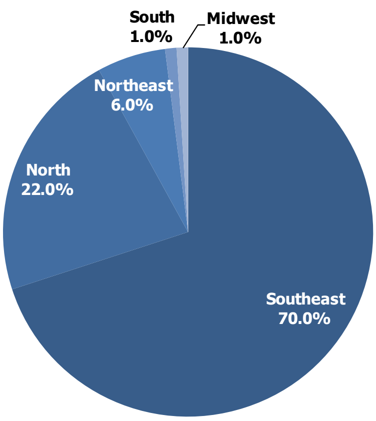


Launches – units

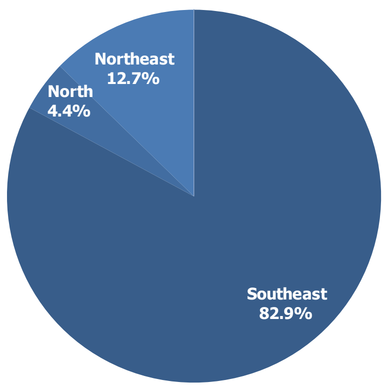


Launches by Region % PDG – R$mm

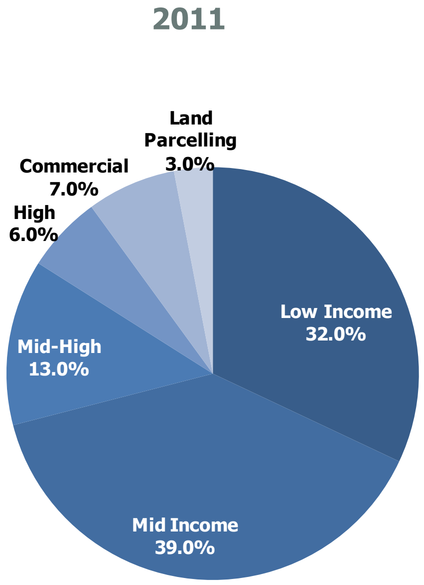
2011

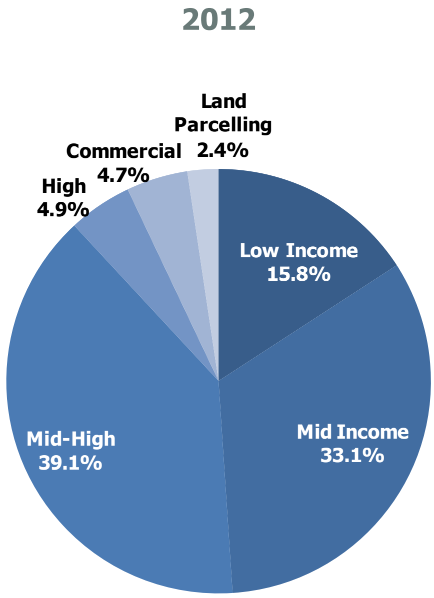


2012



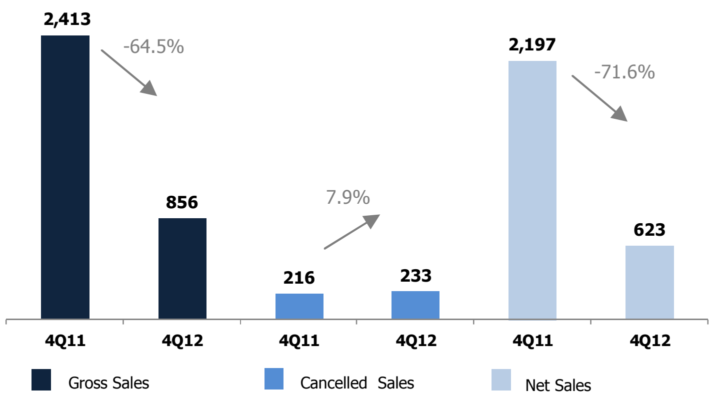
Launches by segment % PDG – R$mm



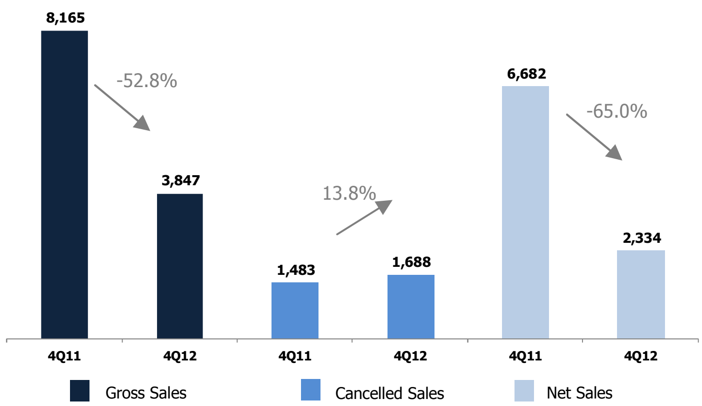


OPERATIONAL PERFORMANCE – SALES

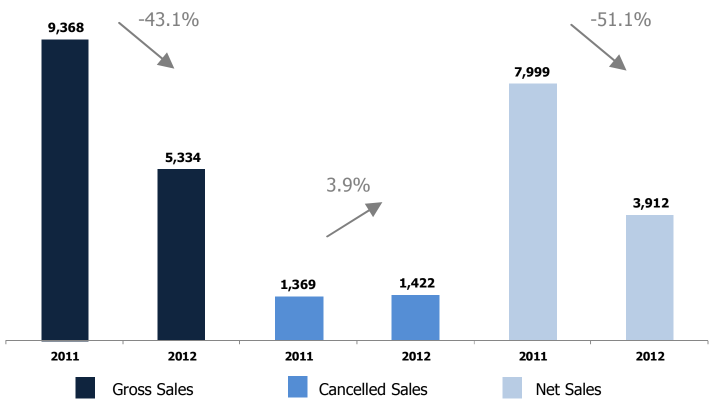
Q411 vs. Q412 – R$ mm



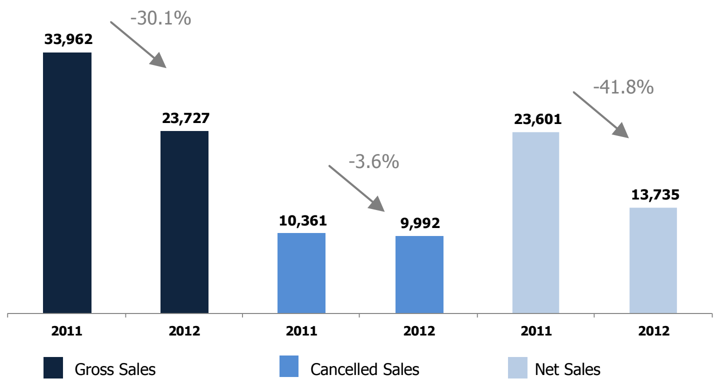
Q411 vs. Q412 – units



2011 vs. 2012 – R$ mm

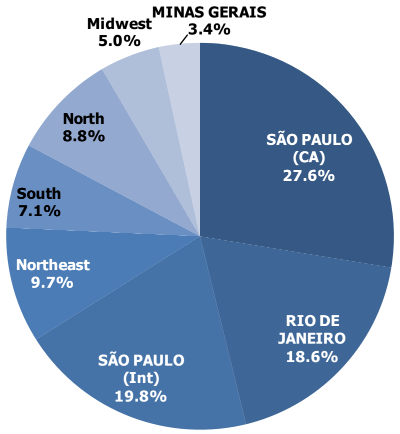


2011 vs. 2012 – units

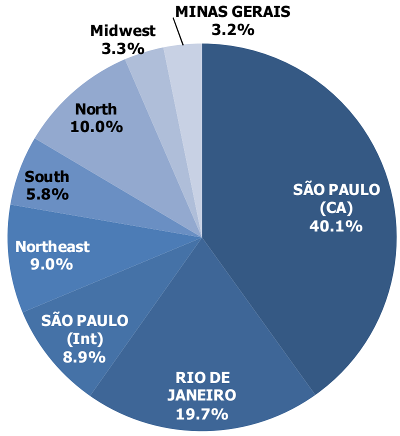


Sales by Region– %VGV

2011

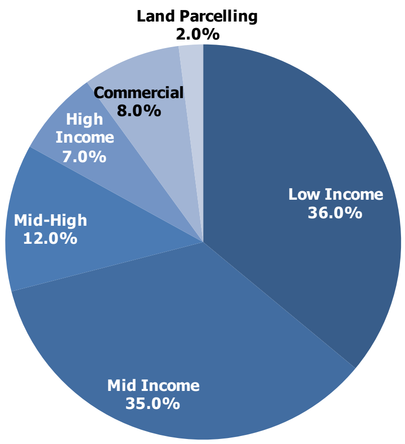


2012

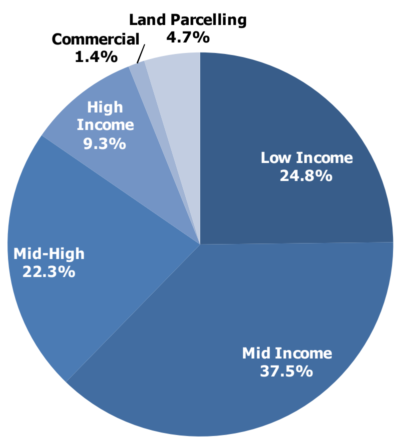


Sales by Segment – %VGV

2011

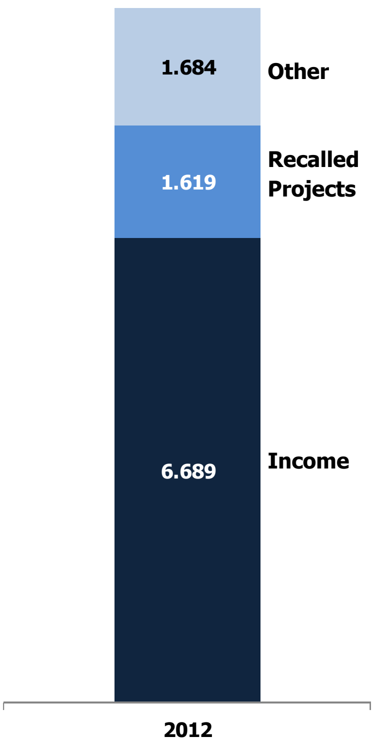


2012



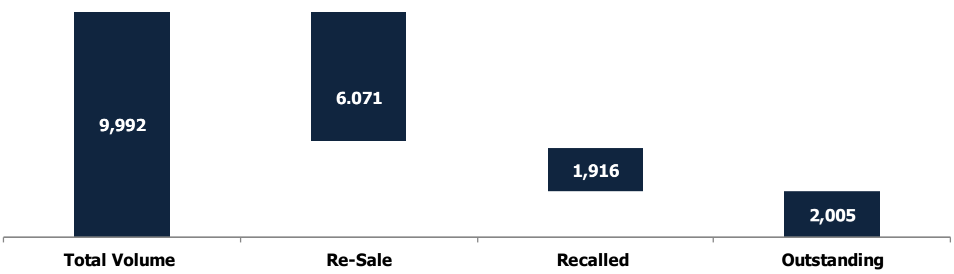
OPERATIONAL PERFORMANCE – CANCELLED SALES

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.

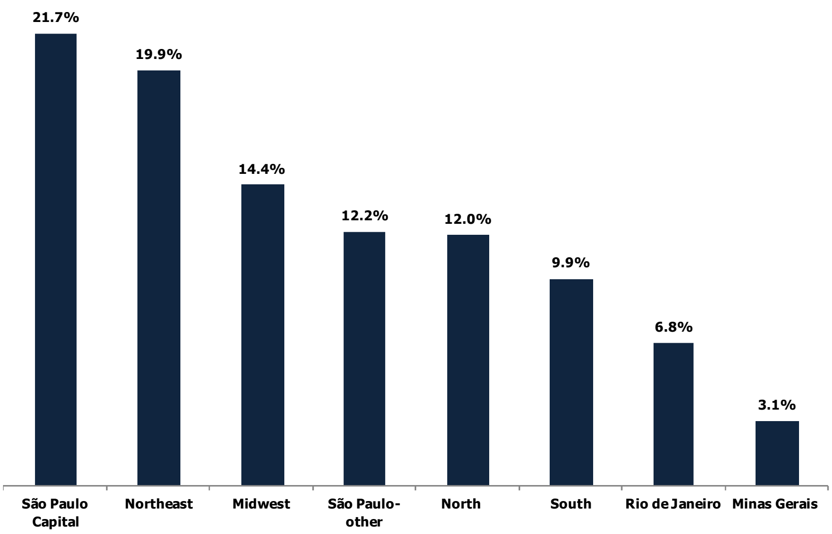
Cancelled Sales v.s Resold Units



OPERATIONAL PERFORMANCE - INVENTORY

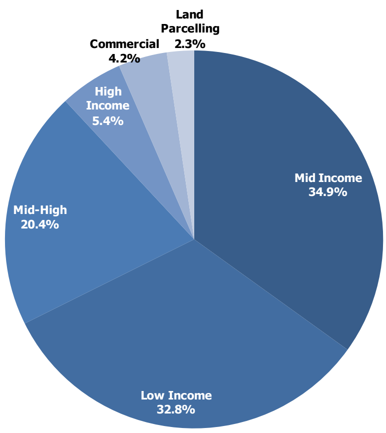
- Total inventory at market value stood at R$5,157 million or 19,347, by year end.

Inventory Breakdown by Region – % (PSV) VGV

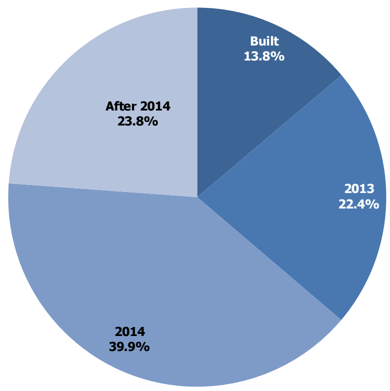


OPERATIONAL PERFORMANCE - INVENTORY

Inventory by Segment – % VGV



Inventory Delivery Schedule – % VGV



Speed of Sales (VSO)

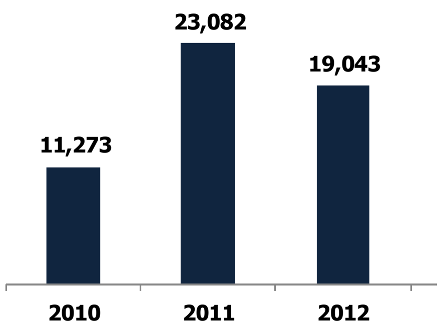
- The mark-to-market exercise of our inventory, carried out during the first quarter, revealed a R$1.2 billion increase over previously released figures;

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

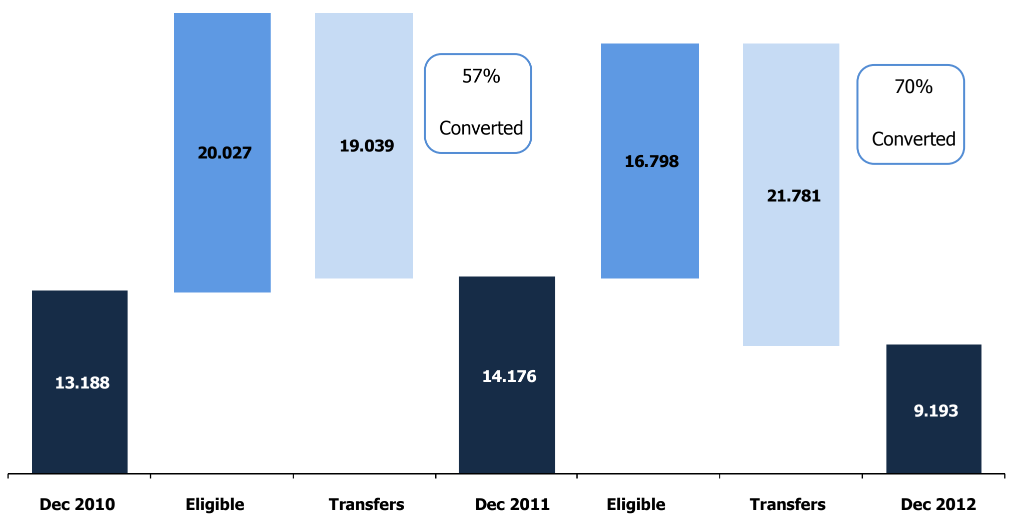
- We expect to deliver between 32,000-36,000 units in 2013 and 22,000-26,000 in 2014.



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.

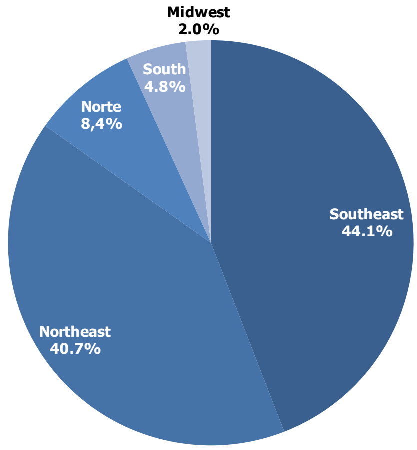
Mortgage Transfer Flux - units



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



1. Operations

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

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

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

All amounts presented in these financial statements are expressed in thousands of Reais, except when otherwise indicated.

2. Accounting policies

2.1. Compliance Statement

The parent company's financial statements for the year ended December 31, 2012 and , 2011 has been prepared in accordance with the accounting practices adopted in Brazil that comprise the standards of the Brazilian Securities Commission (CVM) and pronouncements, interpretations and guidance of the Accounting Pronouncement Committee (CPC), by the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC), including the OCPC 04 Guideline - Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil - regarding the revenue recognition and respective costs and expenses from real estate development operations during the progress of construction work (percentage of completion method - POC), as described in details in Note 2.11.

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

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

2. Accounting policies – Continued

2.1. Compliance Statement - Continued

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

The issue of these financial statements of the Company was authorized by its Management on March 26, 2013.

2.2 Basis of presentation

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

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

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

2.3. Presentation of segment information

Information per operating segment is presented consistently with the internal report provided to the main operating decision maker, the executive responsible for the finance and inventors relations offices.

2. Accounting policies – Continued

2.4. Financial instruments

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

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

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

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

Financial assets at fair value through profit or loss

a) Cash and cash equivalents

Cash equivalents are held in order to meet short-term cash commitments rather than for investment or other purposes. In accordance with CPC 03 (R2) – IAS 7 - Statement of Cash Flows, the Company considers as cash equivalent financial investments that are immediately convertible into a known cash amount. The Company's financial investments are represented by DI funds, Bank Deposit Certificates (CDB) and repurchase and resale commitments with redemption period lower than 90 days of respective transactions dates.

b) Securities

Securities must be classified into the following categories: securities held to maturity, securities available for sale and securities held for trading at fair value recognized as a contraentry in income/loss (trading securities). Classification depends on the purpose for which investment was acquired. When the purpose of investment acquisition is to invest funds to obtain short-term gains, these are classified as trading securities; when intention is to invest funds to maintain investments up to maturity, these are classified as securities held to maturity, provided that Management intends and has financial conditions to maintain financial investment up to maturity. When, upon investment, intention is none of the above, these investments are classified as securities available for sale.

2. Accounting policies – Continued

2.4. Financial instruments – Continued

Financial assets at fair value through profit or loss - Continued

b) Securities - Continued

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

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

Receivables and loans

c) Account receivables

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

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

d) Financial liabilities

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

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

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

2. Accounting policies – Continued

2.4. Financial instruments – Continued

Receivables and loans - Continued

e) Derivative financial instruments (liabilities)

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

Classification as debt or equity

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

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

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

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

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

Transaction Costs and Premiums in the Issuance of Securities

The Company states the debts at the value of purchase less transaction costs, discounts and premiums, according to CPC 08 (R1) - IAS 32 – Financial Instruments Presentation.

f) Property acquisition liabilities

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

2. Accounting policies – Continued

2.5. Property for sale

a) Land, Property under construction, and Developed Property

Property under construction or the properties already to be marketed are recorded at construction cost incurred, which does not exceed its net realizable value.

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

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

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

b) Physical exchanges recorded at fair value

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

2. Accounting policies – Continued

2.6 Intangible assets

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

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

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

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

2.7. Present value Adjustment

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

2.8 Provisions

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

a) Provision for guarantees

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

2. Accounting policies – Continued

2.8. Provisions - Continued

b) Income tax and social contribution taxes

Current taxes

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

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

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

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

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

As of December 31, 2012, the Company has 65 constructions (44 as of December 31, 2011) enrolled in the RET as allowed by Law 10931/04. The receivable balances related to those enterprises amount to R$ 1,478,000, which represents 10.4% of the Company’s total accounts receivable.

2. Accounting policies – Continued

2.8. Provisions – Continued

b) Income and social contribution taxes - Continued

Current taxes - Continued

With the enactment of Provisional Measure No. 601 of December 28, 2012 we reviewed the amounts of deferred taxes considering the taxation of 4% of gross sales and the effect on the book balances were R$ 26,300, of which R$ 13,400 was related to PIS and COFINS (taxes on revenue) and R$ 12,900 was related to corporate income tax and social contribution on net income, recorded as a provision reversal against income.

The Company intends to use the governmental incentive and has started the analysis work for enrolling, in the RET, other constructions that either will be launched or are in progress.

Deferred tax assets

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

The book value of deferred income tax assets is reviewed at the end of the year and written off to the extent that it is more likely that taxable profits will be available to allow that all or part of deferred income tax assets to be used. Deferred tax assets are reviewed at year end and are recognized to the extent in which it is probable that future taxable income will permit that deferred tax assets are recovered. Further details on deferred taxes are described in Note 16.

c) Profit sharing - Employees and Management

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

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

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions

a) Fair value of derivative financial instruments

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

b) Provisions for tax, civil and labor risks

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

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

c) Share-based payment

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

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

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

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions - Continued

d) Impairment of assets

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

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

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

e) Contingent assets and liabilities and legal obligations

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

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

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

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

2. Accounting policies – Continued

2.9. Significant accounting judgments, estimates and assumptions - Continued

f) Operating lease commitments

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

g) Construction budget

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

2.11. Revenue recognition

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

Recognition of income from real estate sales is as follows:

(i) On credit sales of completed unit: at the time sale is completed, regardless of contract value receipt period; and

(ii) In the sales of the units not concluded, in conformity with the criteria established by the OCPC – 01 – Real Estate Development Entities in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM Resolution No.561 dated December 17, 2008, as well as by the OCPC – 04 – Interpretation of the Technical Guidance ICPC 02 to Brazilian Real estate development entities issued by CPC, approved by CVM Resolution No.653 dated December 16, 2010 as follows:

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

2. Accounting policies – Continued

2.10. Revenue recognition – Continued

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

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

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

Unrecorded sales expenses

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

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

2.11. Property and equipment

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

2. Accounting policies - Continued

2.12. Investments in subsidiaries and jointly – Controlled Subsidiaries

In the financial statements, the Company's investments in subsidiaries and jointly-controlled subsidiaries are accounted based on the equity accounting method. A subsidiary is an entity whose activities are financially and operationally managed by the Company.

Based on the equity accounting method, the investments in the subsidiary are recorded on the balance sheet at cost, plus changes after the acquisition of equity interest in the subsidiary.

The subsidiaries are fully presented in the Company's consolidated financial statements, and the jointly-controlled subsidiaries are proportionally presented.

The financial statements of the subsidiaries and jointly-controlled subsidiaries are prepared for the same reporting period that the Company. Where necessary, adjustments are made so that the accounting policies are consistent with those adopted by the Company.

2.13. Other income and costs

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

2.14. Statements of Added Value, Comprehensive Income and Cash Flow

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

2. Accounting policies - Continued

2.14. Statements of Added Value, Comprehensive Income and Cash Flow - Continued

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

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

2.15. Basic and diluted earnings per share

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

2.16. Dividends

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

2.17. New standards and interpretations not yet adopted

Several news Standards, amendments to standards and interpretations are effective for the years started after January 1, 2013, and have not been adopted to the preparation of these consolidated financial statements. Those that may be relevant to the Company are listed below.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces a new requirement for classification and measurement of financial assets. Under IFRS 9 (2009) financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions in relation to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment loss of financial assets and hedge accounting.

2. Accounting policies - Continued

2.17. New standards and interpretations not yet adopted - Continued

IFRS 9 (2010 and 2009) is effective for periods beginning on or after January 1, 2015. The adoption of IFRS 9 (2010) may have an impact on the Company's financial assets, but no impact on the Company's financial liabilities.

The Accounting Pronouncements Committee has not yet issued any accounting pronouncement or amendments in current pronouncements corresponding to this standard.

IFRS 10 Consolidated Financial Statements , IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities

IFRS 10 / CPC 36(R2) introduces a single control model to determine whether an investment should be consolidated. As a result, the Company may change its consolidation conclusion regarding investees, that can generate changes in the current way of accounting for such investees.

According to IFRS 11 / CPC 19 (R2), the structure of a joint arrangement, although it is still an important consideration, is no longer the main factor in determining the type of joint arrangement, and hence the subsequent accounting.

The Company's interest in a joint arrangement that is an agreement in which the parties have rights to the assets and obligations on the liabilities, will be recorded based on the Company's interest on these assets and liabilities.

The Company’s interest in a joint venture that is an agreement in which the parties have rights to net assets, will be recorded under the equity method.

The Company is evaluating the impact of that new pronouncement on some of its joint ventures (SPEs), and changes may be required in the current accounting of those stakes.

IFRS 12 / CPC 45 consolidates all disclosure requirements on the interest of an entity in subsidiaries, joint arrangements, associate and unconsolidated structured entities into a single standard. The Company is currently evaluating the disclosure requirements in its subsidiaries, interests in joint ventures and associates and unconsolidated structured entities compared with existing disclosures. IFRS 12 / CPC 45 requires disclosure of information on the nature, risks and financial effects of such interest.

Such standards are effective for annual periods started as of or after January 1, 2013.

2. Accounting policies – Continued

2.18. Foreign currency transactions

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

3. Consolidation of subsidiaries

The subsidiaries were fully consolidated since the acquisition date, defined as the date when the Company obtains control over it, and continue being consolidated until that control is no longer in effect. The financial statements of subsidiaries usually are prepared for the same reporting period that the parent company, using consistent accounting policies. All intra-group balances, including unrealized income, expenses, gains and losses are eliminated.

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

4. Cash and cash equivalents and securities

4.1. Cash and cash equivalents

Refer substantially to bank balances and marketable securities maturing in less than 90 days without any penalty on redemption, relating to bank deposit certificates and fixed income funds. The Company has investment policies that determine which financial investments are concentrated in low-risk securities and investments in prime financial institutions, and paid on average 101.0% of Interbank Certificate Deposit (CDI):

	Parent company		*Consolidated*	
	12/31/2012	*12/31/2011*	*12/31/2012*	*12/31/2011*
Cash	**20,539**	**73,312**	***1,041,203***	***760,645***
Financial investments				
Fixed-income investment funds	*66,602*	*236,420*	*100,322*	*270,097*
Bank Deposit Certificates (CDB)	*345,660*	*409,659*	*508,757*	*488,534*
Purchase and sale commitments	*43,439*	*36,560*	*81,798*	*88,134*
Banks	*13,264*	*9,565*	*20,081*	*22,467*
Total financial investments	**468,965**	**692,204**	**710,958**	**869,232**
Total	**489,504**	**765,516**	***1,752,161***	***1,629,877***

4. Cash and cash equivalents and securities - Continued

4.2. Securities

They are composed of:

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Bank Deposit Certificates (CDB)	-	-	-	40,738
Total securities	**-**	**-**	**-**	**40,738**
Current	-	-	-	-
Non-current	-	-	-	40,738

Investments in CDB's and repurchase and resale commitments are contracted at pre-established income and, as a rule, are higher than CDI, and stated at invested value plus contracted remunerations and recognized proportionately up to balance sheet date, and are adjusted to respective market values, when applicable.

5. Accounts receivables

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Development and property sale	129,275	249,436	7,952,844	9,014,816
(-) Allowance for doubtful debts	-	-	(18,362)	(5,446)
(-) Present value adjustment	(1,103)	(916)	(139,892)	(120,190)
Total accounts receivable	**128,172**	**248,520**	**7,794,590**	**8,889,180**
Current	102,766	163,431	6,052,113	6,700,571
Non-current	25,406	85,089	1,742,477	2,188,609

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

As of December 31, 2012 and 2011, the Company had balances in its consolidated account receivables, in the current portion, distributed as follows:

	12/31/2012			12/31/2011		
	In transfer process	Past due	Total	In transfer process	Past due	Total
falling due	4,373,622	-	4,373,622	4,993,223	-	4,993,223
overdue	**1,623,399**	**55,092**	**1,678,491**	**1,625,590**	**81,758**	**1,707,348**
from 0 to 30 days	382,279	6,929	389,208	266,548	7,852	274,400
from 31 to 60 days	179,604	3,107	182,711	78,534	9,523	88,057
from 61 to 90 days	322,958	2,534	325,492	221,277	2,158	223,435
91 to 120 days	219,524	1,929	221,453	155,230	15,416	170,646
from 121 to 360 days	414,010	23,749	437,759	482,086	19,844	501,930
over 360 days	105,024	16,844	121,868	421,915	26,965	448,880
Total	**5,997,021**	**55,092**	**6,052,113**	**6,618,813**	**81,758**	**6,700,571**

5. Account receivables - Continued

In transfer process

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

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

Balances of account receivables from units completed or in construction

The consolidated balances of account receivables for completed units, as of December 31, 2012, amounted to R$ 2,116,167 (R$ 1,761,251 as of December 31, 2011) and for enterprises under construction, as of December 31, 2012 amounted to R$ 5,678,423 (R$ 7,127,929 as of December 31, 2011).

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

	Parent company		Consolidated	
Year of maturity	12/31/2012	12/31/2011	12/31/2012	12/31/2011
2013	-	33,344	-	857,674
2014	13,487	14,945	925,025	384,414
2015	5,199	10,345	356,569	266,099
2016	1,503	5,918	103,105	152,218
2017	1,376	5,416	94,359	139,306
2018	1,127	4,436	77,284	114,098
2019 onwards	2,714	10,685	186,135	274,800
Total	**25,406**	**85,089**	**1,742,477**	**2,188,609**

5. Account receivables - Continued

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

Present value adjustment – AVP

Present value adjustment - AVP of accounts receivable from units not completed and recognized on a proportional basis at criterion described in Note 2.11 is calculated by using an average discount rate of 4.65% in the year ended December 31, 2012 (5.50% in the year ended December 31, 2011), calculated at the average rate of the Company's and its subsidiaries' loan raising less inflation (IPC-A) projected for 2013. The discount rate is periodically reviewed by the Company's Management.

Allowance for doubtful debts

The Company, on December 31, complemented its allowance for doubtful debts by the amount of R$ 12,916 referring to balances in connection to units passed on to customers who had debts with the Company. Out of the total amount in arrears, the Company expects to be unable to recover 33% and, for that reason, complemented the allowance as of December 31, 2012.

Cancelled units

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

The Company, during the year ended December 31, 2012, recorded a volume of 9,992 units for which the contracts were rescinded, 67% of them due to income insufficiency, 16% due to project termination, and 17% for several other reasons Out of the amount of rescissions, 61% of the balance was resold in the same year at a price that was 17% higher than the rescinded amounts.

6. Real estate inventories for sale

	Parent company		*Consolidated*	
	12/31/2012	**12/31/2011**	**12/31/2012**	**12/31/2011**
Property under construction	*13,328*	*16,302*	*1,782,795*	*2,115,293*
Property concluded	*-*	*-*	*564,573*	*222,731*
Lands for future developments	*41,544*	*51,842*	*1,962,089*	*2,299,320*
Capitalized charges	*-*	*-*	*232,026*	*-*
Goodwill allocated to inventories	*-*	*-*	*87,211*	*-*
Total	***54,872***	***68,144***	***4,628,694***	***4,637,344***
Current	*38,847*	*54,698*	*1,994,168*	*3,706,220*
Non-current	*16,025*	*13,446*	*2,634,526*	*931,124*

6. Real estate inventories for sale - Continued

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

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

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

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

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

Allocation of financial charges

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

	Parent company		***Consolidated***	
	12/31/2012	***12/31/2011***	***12/31/2012***	***12/31/2011***
Gross financial charges	*(542,224)*	*(248,153)*	*(876,021)*	*(258,504)*
Capitalized finance costs	*160,081*	*166,715*	*528,179*	*440,697*
Financial charges recorded at cost of property sold	*-*	*(132,123)*	*-*	*(480,440)*
Amounts recorded in financial income	***(382,143)***	***(213,561)***	***(347,842)***	***(298,247)***

Financial charges included in "Property under construction":

	12/31/2012	
	Parent company	***Consolidated***
Opening balance	***70,680***	***218,169***
Capitalized finance costs related to:		
Loans and financing	*-*	*269,499*
Debentures	*160,081*	*171,198*
Total capitalized financial costs	***160,081***	***440,697***
Charges appropriated to the statement of income in the cost of properties	*(166,687)*	*(480,440)*
Total balance	***64,074***	***178,426***
Reclassification for investments (Note 8)	***(64,074)***	***-***
Balance in Inventories	***-***	***178,426***

7. Active debentures

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

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Fator Amazon Empreendimentos S.A.	4,533	9,915	1,064	61
Fator Icone Empreendimentos S.A.	5,964	5,595	-	2,814
Jazz 2006 participações S.A.	15,051	45,625	-	22,913
ZMF 22 Incorporações S.A.	-	-	-	14,805
Total	**25,548**	**61,135**	**1,064**	**40,593**
Non-current	25,548	61,135	1,064	40,593

The main characteristics, rates and issuance periods of outstanding debentures on December 31, 2012 are as follows:

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

In the period ended December 31, 2012, the amounts of R$4,288 (R$94,187 in the period ended December 31, 2011) were accounted for under “Financial revenues” as debentures interest and remuneration.

8. Investments

Investment in shares

FIP PDG

The Company, through its subsidiary Agra Empreendimentos Imobiliários S.A., maintains an exclusive investment fund whose main assets are Brasil Brokers Participações S.A.(Br Brokers) shares and CDB’s. This fund is recorded under “Securities available for sale” in the consolidated balance sheet. Fund shares are measured at market value and their earnings are recognized in the subsidiary’s income.

The balance as of December 31, 2012 from this FIP is R$ 57,337 (R$ 51,648 as of December 31, 2011) and is recorded under “Securities available for sale”.

8. Investments - Continued

Investments in subsidiaries and subsidiaries under jointly controlled subsidiaries

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Investments in subsidiaries (Note 8b)	*5,352,793*	*6,805,953*	-	-
Capitalized charges	*64,074*	-	-	-
Goodwill on land appreciation	*87,210*	-	-	-
Intangible assets (Note 10)	*412,025*	*620,174*	*646,682*	*669,542*
Investments in subsidiaries	***5,916,102***	***7,426,127***	***646,682***	***669,542***
Indirect associates	*926*	*1,113*	*22,917*	*121,978*
Indirect associates	***926***	***1,113***	***22,917***	***121,978***
Total	***5,917,028***	***7,427,240***	***669,599***	***791,520***

a) Information on subsidiaries and jointly-controlled subsidiaries on December 31, 2012

Interest in subsidiaries and jointly – controlled subsidiaries, valued using the equity method, are determined according to the balance sheets of the respective investees on the base date of December 31, 2012 and 2011.

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

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

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

Foreign currency translation - TGLT

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

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

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
interest in subsidiaries and subsidiaries under joint ownership								
Subsidiaries								
Agra Empreendimentos Imobiliários S.A.	**45,425**	20,448	-	-	-	-	(27,773)	**38,100**
AGRE Empreendimentos Imobiliários S.A.	**2,759,872**	-	-	-	-	1	(892,539)	**1,867,334**
Amazon empreendimentos imobiliários Ltda	**11,744**	10,846	-	-	-	-	(7,642)	**14,948**
ATP Adelaide participações S.A.	**11,711**	-	-	-	-	-	21,881	**33,592**
CHL Desenvolvimento imobiliários S.A.	**573,437**	71,623	-	-	-	(7,187)	(52,738)	**585,135**
Clube Tuiuti empreendimentos S.A.	**343**	-	-	-	-	-	36	**379**
Companhia de Serviços Compartilhados S.A.	**16**	-	-	-	-	-	(6)	**10**
Ecolife Butantã Empreendimentos Imobiliários S.A.	**1,386**	-	-	-	-	-	(3,390)	**(2,004)**
Fator Aquarius Empreendimento Imobiliário Ltda	**5,102**	13,492	3,688	-	-	-	(760)	**21,522**
Fator Ícone Empreendimentos Imobiliários S.A.	**1,724**	-	-	-	-	-	1,782	**3,506**
Fator Sky Empreendimentos Imobiliários Ltda	**12,044**	-	(3)	-	(260)	-	2,410	**14,191**
Giardino Empreendimentos Imobiliários S.A.	**287**	-	-	-	-	-	(3)	**284**
Goldfarb Incorporações e Construções S.A.	**1,186,643**	-	-	-	-	-	(498,609)	**688,034**
PDG Araxá Income S.A.	**26,537**	-	-	-	-	-	(2,105)	**24,432**
PDG Companhia Loteadora S.A.	**(15)**	1,299	-	-	-	(5)	(9)	**1,270**
PDG Companhia Securitizadora S.A.	**16,113**	1,850	-	-	-	-	65	**18,028**
PDG Desenvolvimento Imobiliário S.A.	**406,864**	-	-	-	-	-	(31,036)	**375,828**
Sardenha empreendimentos imobiliários S.A.	**3,230**	-	-	-	(104)	-	54	**3,180**
Jointly-controlled subsidiaries								
Administradora de Bens Avante Ltda.	**10,237**	-	-	-	-	-	(870)	**9,367**
Alves Pedroso Empreendimentos Imobiliários Ltda.	**3,025**	-	-	-	-	-	(54)	**2,971**
América Piqueri Incorporadora S.A.	**81**	-	-	-	-	(9)	125	**197**
Amsterdam Empreendimentos Imobiliários SPE Ltda.	**5,054**	-	-	-	-	-	342	**5,396**
Api Spe 72 Planej Desenv Empreend Imob Ltda.	**2,413**	-	-	-	-	-	(7)	**2,406**
Aztronic Engenharia de Softwares Ltda.	**2,089**	-	-	-	(2,089)	-	3,357	**3,357**
Baguary Empreendimentos Imobiliários SPE Ltda.	**23,589**	-	-	-	-	-	(69)	**23,520**
Bandeirantes Empreendimento Imobiliário S.A.	**3,870**	1,729	-	-	(165)	(2,358)	33	**3,109**
Bento Lisboa Participações Ltda.	**6,886**	-	-	-	-	-	843	**7,729**
Boa Viagem Empreendimento Imobiliário S.A.	**532**	179	-	-	(70)	3	(22)	**622**
Bruxelas Empreendimentos Imobiliários SPE Ltda.	**3,173**	-	-	-	-	-	(629)	**2,544**
Camburiu Empreendimento Imobiliário S.A.	**1,816**	-	-	-	(110)	-	461	**2,167**
CHP 1000 2 Empreend. Ltda.	**7,455**	-	-	(7,455)	-	-	-	**-**
Clube Felicitá empreendimentoiImobiliário S.A.	**6,265**	885	-	-	-	-	(1,744)	**5,406**
Clube Florença Empreendimento Imobiliário S.A.	**4,572**	197	-	-	-	-	(112)	**4,657**
Cyrela Milão Empreendimentos Imobiliários S.A.	**23,012**	-	(3,650)	-	(3,900)	(5,803)	(1,198)	**8,461**
Cyrela Tennessee Empreendimentos Imobiliários S.A.	**8,677**	-	(1,025)	-	(1,148)	(2,763)	777	**4,518**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Dom Pedro Empreendimento Imobiliário Ltda.	**2,074**	-	-	-	-	-	(4)	**2,070**
Ecolife Campestre Empreendimentos Imobiliários SPE Ltda.	**14,716**	-	-	-	-	-	(8,560)	**6,156**
Ecolife Cidade Universitária Empreend imob. S.A.	**199**	-	-	-	-	-	43	**242**
Ecolife Independência Empreendimento Imobiliário S.A.	**12,026**	650	(650)	-	-	(199)	(9,637)	**2,190**
Ecolife Jaguaré Empreendimento Imobiliário S.A.	**4,426**	23,467	(130)	-	-	352	4,461	**32,576**
Ecolife Recreio Empreendimento Imobiliário S.A.	**18,594**	32	-	-	-	38	(4,309)	**14,355**
Ecolife Santana Empreendimento Imobiliário S.A.	**(1,010)**	-	-	-	-	-	(555)	**(1,565)**
Ecolife Parque Prado Empreendimento Imobiliário S.A.	**-**	-	-	-	-	-	(2,666)	**(2,666)**
Ecolife Vila Leopoldina Empreendimento Imobiliário S.A.	**878**	-	-	-	-	-	(2,004)	**(1,126)**
Finlândia Empreendimentos Imobiliários SPE Ltda.	**1,233**	-	-	-	-	-	(22)	**1,211**
Gardênia participações S.A.	**1,539**	-	-	-	-	(22)	177	**1,694**
Giardino Desenvolvimento Imobiliário S.A.	**241**	-	-	-	-	-	(2)	**239**
Girassol - Vila Madalena Empreendimentos Imobiliários S.A.	**122**	-	-	-	-	10	(7)	**125**
Gold Acre Empreendimentos Imobiliários SPE Ltda.	**131,296**	-	-	-	-	(19)	(5,015)	**126,262**
Gold Alabama empreend. Imobil SPE Ltda	**75**	-	-	-	-	-	(1)	**74**
Gold Alaska empreendimentos imobiliários SPE Ltda.	**44,244**	-	-	-	-	-	(5,685)	**38,559**
Gold Antiparos Empreendimentos Imobiliários Ltda.	**2,325**	-	-	-	-	-	(28)	**2,297**
Gold Bahamas empreendimentos imobiliários SPE Ltda.	**7,402**	-	-	-	-	-	25	**7,427**
Gold Black empreendimentos imobiliários SPE Ltda.	**3,975**	1,740	-	-	(1,887)	1,649	(12,443)	**(6,966)**
Gold Blue empreend. imob. SPE Ltda.	**28,593**	1	-	-	-	4	(9,226)	**19,372**
Gold Boston empreendimentos imobiliários SPE Ltda.	**27,219**	2,019	-	(19,046)	-	-	(10,192)	**-**
Gold Califórnia empreend. Imobil SPE Ltda	**1,816**	226	-	-	-	-	276	**2,318**
Gold Canadá empreendimentos imobiliários SPE Ltda.	**5,705**	4,110	-	-	-	(27)	(354)	**9,434**
Gold Cancun empreend. Imobil. SPE Ltda	**2,847**	-	(1,233)	-	-	-	(5)	**1,609**
Gold Celestino Bourruol empreendimentos imob. SPE Ltda.	**3,124**	-	-	-	-	-	(261)	**2,863**
Gold Chile empreendimentos imobiliários SPE Ltda.	**7,122**	-	-	-	-	(129)	(1,408)	**5,585**
Gold China empreendimentos imobiliários SPE Ltda.	**3,265**	587	-	-	-	-	144	**3,996**
Gold Colômbia empreendimentos imobiliários SPE Ltda.	**4,808**	243	-	-	-	-	(4)	**5,047**
Gold Cuba empreend. Imobil SPE Ltda	**5,065**	7,534	-	-	-	34	(5,002)	**7,631**
Gold Delos empreendimentos imobiliários SPE Ltda.	**12,286**	-	-	-	-	-	(7,502)	**4,784**
Gold Donoussa empreendimentos imobiliários Ltda.	**(5)**	-	-	-	-	-	(1)	**(6)**
Gold Fiji empreend. Imobil SPE Ltda.	**6,491**	3,347	-	-	-	-	(4,400)	**5,438**
Gold Flórida empreendimentos imobiliários SPE Ltda.	**8,438**	-	-	-	-	-	(2,056)	**6,382**
Gold Gana empreend. Imobil SPE Ltda.	**3,742**	-	-	-	-	(6)	1,079	**4,815**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Gold Geneva empreendimentos imobiliários SPE Ltda.	**1,026**	110	-	-	-	-	(180)	**956**
Gold Gray empreend. Imobil SPE Ltda	**1,891**	94	(94)	-	-	-	(1)	**1,890**
Gold Havana empreendimentos imobiliários SPE Ltda.	**3,274**	242	-	-	-	-	-	**3,516**
Gold Holanda empreendimentos imobiliários SPE Ltda.	**1,793**	-	-	-	-	-	(50)	**1,743**
Gold India empreend. Imobil. SPE Ltda.	**9,019**	-	-	-	-	-	(6,937)	**2,082**
Gold Irlanda empreend. Imobil. SPE Ltda	**4,768**	-	-	-	-	-	339	**5,107**
Gold Japão empreendimentos imobiliários SPE Ltda.	**2,175**	-	-	-	-	-	(48)	**2,127**
Gold Kimolos empreendimentos imobiliários Ltda.	**143**	95	-	-	-	-	(4)	**234**
Gold Leucada empreendimentos imobiliários Ltda.	**876**	-	-	-	-	-	(940)	**(64)**
Gold Limoges empreendimentos imobiliários SPE Ltda.	**770**	-	-	-	-	-	(3)	**767**
Gold Linhares empreendimentos imobiliários Ltda.	**292**	-	-	-	-	-	-	**292**
Gold Lisboa empreendimentos imobiliários SPE Ltda.	**5,403**	-	-	-	-	-	63	**5,466**
Gold Los Angeles empreendimentos imobiliários Ltda.	**2,173**	-	-	-	-	-	(995)	**1,178**
Gold Lyon empreend. Imobil SPE Ltda.	**2,975**	-	-	-	-	(25)	228	**3,178**
Gold Madri empreendimentos imobiliários SPE Ltda.	**2,053**	286	-	-	-	-	(93)	**2,246**
Gold Mali empreendimentos imobiliários SPE Ltda.	**17,812**	-	-	-	-	-	49	**17,861**
Gold Marília empreendimentos imobiliários SPE Ltda.	**80,829**	-	-	-	-	-	(1,791)	**79,038**
Gold Marrocos empreendimentos imobiliários SPE Ltda.	**2,231**	-	-	-	-	-	(72)	**2,159**
Gold Milano empreendimentos imobiliários SPE Ltda.	**4,398**	-	-	-	-	-	168	**4,566**
Gold Minas Gerais empreendimentos imobiliários SPE Ltda.	**6,788**	-	-	-	-	-	(112)	**6,676**
Gold Mônaco empreendimentos imobiliários SPE Ltda.	**4,970**	-	-	-	-	-	59	**5,029**
Gold Mykonos empreendimentos imobiliários Ltda.	**1**	494	-	-	-	-	(13)	**482**
Gold New York empreendimentos imobiliários SPE Ltda.	**1,777**	-	-	-	-	-	(49)	**1,728**
Gold Oregon empreendimentos imobiliários SPE Ltda.	**3,474**	-	-	-	-	(6)	(125)	**3,343**
Gold Palmares empreendimentos imobiliários SPE Ltda.	**340**	-	-	-	-	-	-	**340**
Gold Panamá empreendimentos imobiliários SPE Ltda.	**4,550**	-	-	-	-	-	(84)	**4,466**
Gold Paraíba Empreendimentos Imobiliários SPE Ltda.	**2,190**	-	-	-	-	-	(43)	**2,147**
Gold Pelotas empreendimentos imobiliários Ltda.	**1,848**	-	-	-	-	-	(2)	**1,846**
Gold Porto Alegre empreendimentos imobiliários SPE Ltda.	**8,275**	-	-	-	-	-	(51)	**8,224**
Gold Roraima mpreend. Imobil. SPE Ltda.	**8,338**	-	-	-	-	-	(224)	**8,114**
Gold Salvador empreendimentos imobiliários SPE Ltda.	**26,859**	-	-	-	-	-	419	**27,278**
Gold Santa Catarina empreend. Imobil. Ltda	**5,229**	-	-	-	-	(23)	(1,062)	**4,144**
Gold Santiago empreendimentos imobiliários SPE Ltda.	**3,232**	-	-	-	-	-	(801)	**2,431**
Gold Santorini empreendimentos imobiliários Ltda.	**16,564**	-	-	-	-	-	(10,544)	**6,020**
Gold São Paulo empreendimentos imobiliários SPE Ltda.	**7,576**	-	-	-	-	-	161	**7,737**
Gold Sidney empreendimentos imobiliários SPE Ltda.	**5,126**	-	-	-	-	-	42	**5,168**
Gold Sikinos empreendimentos imobiliários Ltda.	**12,981**	-	-	-	-	2	(5,824)	**7,159**
Gold Singapura empreendimentos imobiliários SPE Ltda.	**8,631**	-	-	-	-	-	(442)	**8,189**
Gold Suécia empreendimentos imobiliários SPE Ltda.	**7,593**	-	-	-	-	-	1	**7,594**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Gold Vênice empreendimentos imobiliários SPE Ltda.	**2,470**	327	-	-	-	-	(62)	**2,735**
Gold Vietnã empreend. Imobil SPE Ltda	**(82)**	-	-	-	-	-	-	**(82)**
Gold Yellow empreendimentos imobiliários SPE Ltda.	**12,077**	-	-	-	(8,547)	1,055	(12,555)	**(7,970)**
Goldfarb 1 empreendimentos imobiliários Ltda.	**1,346**	-	-	-	-	(2)	(1,102)	**242**
Goldfarb 10 empreendimento Imobiliário Ltda.	**1,401**	403	-	-	-	-	(2)	**1,802**
Goldfarb 11 empreendimento Imobiliário Ltda.	**(3)**	-	-	-	-	-	-	**(3)**
Goldfarb 12 empreendimento Imobiliário Ltda.	**3,465**	8,378	-	-	-	202	(3,478)	**8,567**
Goldfarb 13 empreendimento Imobiliário Ltda.	**11,791**	-	-	-	-	(18)	(2,858)	**8,915**
Goldfarb 14 empreendimento Imobiliário Ltda.	**2,153**	478	-	-	-	-	(13)	**2,618**
Goldfarb 15 empreendimento Imobiliário Ltda.	**1,251**	62	(62)	-	-	-	(6)	**1,245**
Goldfarb 16 empreendimento Imobiliário Ltda.	**3,243**	-	-	-	-	(115)	75	**3,203**
Goldfarb 18 empreendimento Imobiliário Ltda.	**(2)**	-	-	-	-	-	2	**-**
Goldfarb 19 empreendimento Imobiliário Ltda.	**13,240**	-	-	-	-	(39)	(1,528)	**11,673**
Goldfarb 2 empreendimento Imobiliário Ltda.	**2,241**	-	-	-	-	20	(680)	**1,581**
Goldfarb 20 empreendimento Imobiliário Ltda.	**4,086**	-	-	-	-	(119)	670	**4,637**
Goldfarb 21 empreendimento Imobiliário Ltda.	**7,210**	-	-	-	-	(153)	1,157	**8,214**
Goldfarb 22 empreendimento Imobiliário Ltda.	**1,947**	3,049	-	-	-	5	(582)	**4,419**
Goldfarb 23 empreendimento Imobiliário Ltda.	**313**	66	-	-	-	-	(1)	**378**
Goldfarb 24 empreendimento Imobiliário Ltda.	**195**	42	(42)	-	-	-	-	**195**
Goldfarb 27 empreendimento Imobiliário Ltda.	**3,091**	120	(120)	-	-	-	(1)	**3,090**
Goldfarb 28 empreendimento Imobiliário Ltda.	**(2)**	-	-	-	-	-	(1)	**(3)**
Goldfarb 29 empreendimento Imobiliário Ltda.	**(1)**	1,277	-	-	-	-	(10)	**1,266**
Goldfarb 3 empreendimento Imobiliário Ltda.	**3**	-	-	-	-	-	-	**3**
Goldfarb 30 empreendimento Imobiliário Ltda.	**1,500**	646	(646)	-	-	-	(5)	**1,495**
Goldfarb 31 empreendimento Imobiliário Ltda.	**(27)**	695	-	-	-	-	(1)	**667**
Goldfarb 34 empreendimento Imobiliário Ltda.	**(10)**	29	-	-	-	-	(19)	**-**
Goldfarb 35 empreendimento Imobiliário Ltda.	**5,430**	1,873	-	-	-	-	(1,160)	**6,143**
Goldfarb 36 empreendimento Imobiliário Ltda.	**5,154**	-	-	-	-	-	(477)	**4,677**
Goldfarb 37 empreendimento Imobiliário Ltda.	**(1)**	-	-	-	-	-	-	**(1)**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Goldfarb 38 empreendimento Imobiliário Ltda.	**6,588**	-	-	-	-	(96)	(768)	**5,724**
Goldfarb 39 empreendimento Imobiliário Ltda.	**1,109**	53	-	-	-	-	(1)	**1,161**
Goldfarb 4 empreendimento Imobiliário Ltda.	**585**	-	-	-	-	-	-	**585**
Goldfarb 40 empreendimento Imobiliário Ltda.	**5,378**	1,919	-	-	-	-	(2)	**7,295**
Goldfarb 49 empreendimento Imobiliário Ltda.	**9,912**	-	-	-	-	(396)	1,283	**10,799**
Goldfarb 5 empreendimento Imobiliário Ltda.	**2,034**	-	-	-	-	(1)	(117)	**1,916**
Goldfarb 6 empreendimento Imobiliário Ltda.	**35,992**	-	-	-	-	-	(2,889)	**33,103**
Goldfarb 7 empreendimento Imobiliário Ltda.	**3,034**	-	-	-	-	1	(919)	**2,116**
Goldfarb 8 empreendimento Imobiliário Ltda.	**4,373**	-	-	-	-	-	(2,586)	**1,787**
Goldfarb 9 empreendimento Imobiliário Ltda.	**1,310**	2,244	-	-	-	-	40	**3,594**
Goldfarb PDG 3 Incorporações Ltda.	**10,566**	6,345	-	-	(6,248)	2,150	(13,972)	**(1,159)**
Goldfarb PDG 4 Incorporações Ltda.	**2,699**	688	(688)	-	-	-	(1)	**2,698**
Goldfarb PDG 5 incorp. e Constr. Ltda.	**30,704**	-	-	-	-	-	(7,906)	**22,798**
GPSPE2006-A participações S.A.	**69**	-	-	-	-	-	(7)	**62**
Habiarte Barc Olhos Dágua Incorporação S.A.	**2,571**	257	437	(3,257)	-	-	(7)	**1**
Habiarte Barc PDG Cidade Madri Incorporação S.A.	**6,356**	392	-	-	(750)	-	(4,597)	**1,401**
Habiarte Barc PDG Porto Búzios Incorporação S.A.	**10,847**	-	-	-	(1,500)	-	(4,323)	**5,024**
HB3 SPE empreendimentos imobiliários S.A.	**1,179**	790	-	-	(800)	-	1,655	**2,824**
HB9 SPE empreendimentos imobiliários S.A.	**944**	-	-	-	-	-	2,305	**3,249**
HL empreendimentos S.A.	**30**	-	(26)	-	-	-	-	**4**
Jardim Morumbi empreendimento Imobiliário S.A.	**14,212**	-	(1,500)	-	(600)	-	584	**12,696**
Jazz 2006 participações S.A.	**(360)**	17,827	(5,243)	-	-	-	(12,225)	**(1)**
Kirmayr Negócios imobiliários SPE Ltda.	**2,893**	-	-	-	-	-	(14)	**2,879**
KS Morumbi empreendimento Imobiliário S.A.	**3,457**	-	-	-	-	-	-	**3,457**
Lapin Incorporações SPE Ltda.	**789**	343	-	-	-	-	(2)	**1,130**
Luxemburgo empreendimentos imobiliários SPE Ltda.	**1,413**	-	-	-	-	-	(108)	**1,305**
Marpal empreendimentos e participações Ltda.	**45**	-	-	-	-	-	-	**45**
Moinho empreendimento Imobiliário S.A.	**5,002**	297	-	-	(256)	(75)	196	**5,164**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Nova Água Rasa empreendimentos imobiliários SPE Ltda.	**5,880**	-	-	-	-	-	(296)	**5,584**
Nova Tatuapé Negócios imobiliários SPE Ltda.	**2,386**	-	-	-	-	-	(62)	**2,324**
Oswaldo Lussac empreendimentos imobiliários S.A.	**1,549**	1,117	-	-	-	(445)	(94)	**2,127**
PDG – LN 2 Incorporação e empreendimentos S.A.	**3,084**	1,262	-	-	-	-	(792)	**3,554**
PDG – LN 7 Incorporação e empreendimentos S.A.	**11,468**	-	-	-	-	-	(1,933)	**9,535**
PDG – LN 8 Incorporação e empreendimentos S.A.	**1**	-	-	-	-	-	-	**1**
PDG – LN 9 Incorporação e empreendimentos S.A.	**1,946**	1,000	-	-	-	-	(354)	**2,592**
PDG – LN Incorporação e empreendimentos S.A.	**557**	-	-	-	-	-	(1)	**556**
PDG BH Incorporações S.A.	**17,744**	1,105	-	-	(2,800)	-	(6,249)	**9,800**
PDG Jet Casa S.A.	**7,347**	-	-	(6,646)	-	(3)	(698)	**-**
PDG LN Incorporações e Construções S.A.	**53,370**	-	-	(56,371)	-	(1,970)	4,971	**-**
PDG Nova Lima Incorporações S.A.	**17,278**	1,499	-	-	-	-	7,268	**26,045**
PDG São Paulo Incorporações S.A.	**209,171**	-	-	-	-	-	(20,301)	**188,870**
PDG SPE 2 empreendimentos imobiliários Ltda.	**520**	-	(521)	-	-	-	49	**48**
Performance BR empreendimentos imobiliários S.A.	**24,554**	3,943	-	-	-	-	19,634	**48,131**
Premier da Serra Incorporações Imobiliárias S.A.	**11,436**	2,818	(186)	(7,592)	(1,920)	-	1,667	**6,223**
Prunus empreendimentos S.A	**9,348**	-	(8,541)	-	-	(155)	186	**838**
Queiroz Galvão Cyrela empreendimentos imobiliários S.A	**1,472**	-	-	-	(40)	(483)	18	**967**
Queiroz Galvão Cyrela Mac Veneza empreendimento Imobiliário S.A.	**17,835**	-	(9)	-	-	1,657	1,047	**20,530**
Saint Hilaire Incorporação SPE S.A.	**16**	-	-	-	-	-	(15)	**1**
São João Climaco empreendimentos imobiliários. Ltda.	**2,385**	-	-	-	-	-	(107)	**2,278**
Serra Bella empreendimento Imobiliário S.A.	**42,349**	-	-	-	-	-	2,511	**44,860**
Splendore empreendimentos imobiliários S.A.	**2,266**	-	-	-	-	-	(1,255)	**1,011**
Tagipuru empreendimentos imobiliários S.A.	**4,067**	4,311	127	-	(3,172)	(3,138)	1,139	**3,334**
TGLT S.A.	**49,835**	-	-	-	-	-	-	**49,835**
Tibouchina empreendimento S.A.	**9,104**	-	-	-	-	-	(37)	**9,067**
TP 1000 empreendimentos imobiliários Ltda.	**7,224**	-	-	-	-	-	(7)	**7,217**
Três Rios empreendimento Imobiliário S.A.	**1,870**	-	-	-	-	-	(1,766)	**104**
Tutóia empreendimento Imobiliário S.A.	**155**	-	(120)	-	-	-	6	**41**
Vista do Sol empreendimentos imobiliários S.A.	**2,795**	2,481	-	-	-	-	362	**5,638**
ZMF 22 Incorporações S.A.	**79,146**	-	-	-	(11,451)	(7,242)	1,582	**62,035**
ZMF5 Incorporações S.A.	**19,307**	942	-	-	-	-	(230)	**20,019**
ZMF9 Incorporações S.A.	**752**	-	-	-	-	-	(1,104)	**(352)**
ZMF 16 Incorporações S.A.	**(5)**	-	-	-	-	-	-	**(5)**
ZMF 10 Incorporações S.A.	**230**	-	-	-	-	(51)	1,487	**1,666**
ZMF 11 Incorporações S.A.	**(2)**	-	-	-	-	-	-	**(2)**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
Gold Ikralia empreend. imob. SPE Ltda.	**7,315**	1,783	-	-	-	(21)	(6,546)	**2,531**
Gold Angola empreend. imob. SPE Ltda.	**8,859**	2,642	-	-	-	-	(5,168)	**6,333**
Gold Bósnia empreend. imob. SPE Ltda.	**901**	546	-	-	-	-	(3)	**1,444**
Gold Congo empreend. imob. SPE Ltda.	**103**	-	-	-	-	-	(1)	**102**
Gold Líbia empreend. imob. SPE Ltda.	**6**	-	-	-	-	-	(1)	**5**
Gold Málaga empreend. imob. SPE Ltda.	**1,690**	-	-	(1,690)	-	-	(1)	**(1)**
Gold Senegal empreend. imob. SPE Ltda.	**614**	152	-	-	-	-	(2)	**764**
Gold Sevilla empreend. imob. SPE Ltda.	**1,675**	1,176	-	-	-	-	554	**3,405**
Construtora DPG Ltda.	**220**	-	-	-	-	-	(1)	**219**
ZMF 19 Incorporações S.A.	**(624)**	-	-	-	-	(13)	279	**(358)**
PDG SPE 41 empreend. imob. Ltda.	**(1)**	-	-	-	-	-	(1)	**(2)**
Goldfarb 41 empreend. imob. Ltda.	**1,929**	601	(601)	-	-	-	(4)	**1,925**
Goldfarb 42 empreend. imob. Ltda.	**(2)**	-	-	-	-	-	-	**(2)**
ZMF 8 Incorporações S.A.	**(1)**	-	-	-	-	-	-	**(1)**
PDG SPE 3 empreend. imob. Ltda.	**114**	135	(135)	-	-	-	(1)	**113**
PDG SPE 31 empreend. imob. Ltda.	**(56)**	-	-	-	-	-	(21)	**(77)**
PDG SPE 34 empreend. imob. Ltda.	**-**	-	-	-	-	-	(13)	**(13)**
PDG SPE 36 empreend. imob. Ltda.	**-**	-	-	-	-	-	(1)	**(1)**
PDG SPE 17 empreend. imob. Ltda.	**2,749**	-	-	-	-	(169)	1,318	**3,898**
PDG SPE 18 empreend. imob. Ltda.	**(171)**	-	-	-	-	82	589	**500**
PDG SPE 19 empreend. imob. Ltda.	**(36)**	-	-	-	-	36	4,469	**4,469**
Ilhas Gregas Incorporadora SPE Ltda	**967**	-	-	-	-	(456)	785	**1,296**
Green Village - SPE GOLDFARB	**-**	-	-	-	-	-	(98)	**(98)**
Arona RJ participações S.A.	**1**	-	-	-	-	-	-	**1**
Haia RJ participações S.A.	**1**	-	-	-	-	-	-	**1**
Varese RJ participações S.A.	**1**	-	-	-	-	-	-	**1**
Agre Urbanismo S.A.	**26,871**	-	-	-	-	(92)	1,391	**28,170**
Gold Noruega empreend. imob. SPE Ltda.	**-**	64,926	-	-	-	-	(4,610)	**60,316**
REP DI Desenvolvimento Imobiliário S.A.	**66,855**	48,032	-	-	-	1,178	(12,724)	**103,341**
PDG SPE 21 empreend. imob. Ltda.	**-**	-	-	-	-	-	(2)	**(2)**
PDG SPE 24 empreend. imob. Ltda.	**-**	-	-	-	-	-	-	**-**
PDG-LN 21 incorp. e empreend. S.A.	**-**	621	-	-	-	(35)	(11)	**575**
PDG-LN 32 incorp. e empreend. S.A.	**-**	1,126	-	-	-	(93)	(29)	**1,004**
PDG-LN 33 incorp. e empreend. S.A.	**-**	2,549	-	-	-	22	(31)	**2,540**
PDG-LN 34 incorp. e empreend. S.A.	**-**	6,006	-	-	-	(417)	1,209	**6,798**
PDG-LN 35 incorp. e empreend. S.A.	**-**	3,200	-	-	-	(573)	(2)	**2,625**
PDG-LN 36 incorp. e empreend. S.A.	**-**	4,855	-	-	-	(110)	(845)	**3,900**
PDG-LN 37 incorp. e empreend. S.A.	**-**	369	-	-	-	(1)	(1)	**367**
PDG-LN 38 incorp. e empreend. S.A.	**-**	2	-	-	-	(1)	-	**1**
LN 8 incorp. e empreend. Ltda.	**-**	6,400	-	-	-	(121)	6,850	**13,129**
PDG-LN 10 incorp. e empreend. S.A.	**-**	-	-	-	-	(2)	-	**(2)**
PDG-LN 3 incorp. e empreend. S.A.	**-**	400	-	-	-	(400)	-	**-**
PDG-LN 4 incorp. e empreend. S.A.	**-**	41	-	-	-	(28)	-	**13**
SPE PDG LN 11 incorp. Ltda.	**-**	171	-	-	-	60	(12)	**219**
SPE PDG LN 14 incorp. Ltda.	**-**	171	-	-	-	(170)	-	**1**
LN 39 incorp. e empreend. Ltda.	**-**	6,348	-	-	-	(3,450)	-	**2,898**
PDG-LN 6 incorp. e empreend. S.A.	**-**	7,201	-	-	-	(6,554)	(2)	**645**
PDG-LN 28 incorp. e empreend. S.A.	**-**	10,765	-	-	-	-	407	**11,172**

8. Investments – Continued

b) Changes in investments at the year ended December 31, 2012 – Continued

Investments	Balances at December 31, 2011	New capital investments	Capital reduction	Write-offs	Dividends	Capital gain (loss)	Equity result	Balances at December 31, 2012
PDG-LN 29 incorp. e empreend. S.A.	**-**	9,364	-	-	-	846	(3,842)	**6,368**
PDG-LN 31 incorp. e empreend. S.A.	**-**	4,397	-	-	-	4,907	(867)	**8,437**
Parque Milênio II empreend. imob. S.A.	**-**	1,608	-	-	-	3	(4)	**1,607**
Parque Milênio III empreend. imob. S.A.	**-**	1,197	-	-	-	23	1,467	**2,687**
Quadrade empreend. imob. Ltda.	**-**	1,992	-	-	-	-	-	**1,992**
Espaço Fator empreend. imob. S.A.	**-**	2,628	-	-	-	-	-	**2,628**
Total investments in subsidiaries	***6,805,953***	***428,307***	***(20,973)***	***(102,057)***	***(47,817)***	***(31,448)***	***(1,679,172)***	***5,352,793***

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
AGRE emp. imob. Ltda	**100%**	**-**	**Full**	**1,004,177**	**377,446**	**2,759,872**	**(659,548)**	**-**	**2,603,630**	**5**	**May/10**
PDG Incorporadora, Construtora, Urbanizadora e Corretora Ltda	99.9%	0.01%	Full	10,000	10	89,265	4,636	-	333,605	31,905	Sept/09
Alive Morumbi emp. imob. S.A.	50%	50%	Full	6,857,999	6,857	7,747	57	3,685	9,829	195	Sept/09
Boa Viagem emp. imob. S.A.	50%	50%	Full	128,966,024	1,290	1,245	(43)	(2,211)	1,370	51	Mar/04
Tagipuru emp. imob. S.A.	45%	55%	Full	1,874,313,285	18,743	6,665	2,277	(36,469)	28,756	(661)	Aug/07
Bento Lisboa Part. S.A.	**40%**	**60%**	**Full**	**40,900,000**	**900**	**19,323**	**2,108**	**(10,643)**	**67,711**	**3,242**	**Sept/05**
CHL desenv. imob. S.A.	**100%**	**-**	**Full**	**282,414,043**	**519,985**	**753,452**	**(72,456)**	**(850)**	**1,837,074**	**730,923**	**Jan/07**
Bandeirantes emp. imob. S.A.	20%	40%	Proportional	17,833,178	17,833	15,545	163	-	20,942	1,783	Nov/07
CHI Desenv. Imob. Ltda.	0.1%	99.9%	Full	2,144,190	2,144	860	(1,337)	-	154	-	Nov/06
Oswaldo Lussac emp. imob. S.A.	20%	40%	Proportional	14,068,322	14,068	11,149	(468)	-	14,537	1,044	Jul/11
Goldfarb incorp. e Construções S.A.	**100%**	**-**	**Full**	**206,154,432**	**831,503**	**1,186,641**	**(498,607)**	**-**	**-**		**Feb/06**
Alves Pedroso emp. imob. Ltda.	50%	50%	Full	6,400,000	6,400	5,944	(107)	-	6,586	65	Jul/07
Amsterdan emp. imob. SPE Ltda.	50%	50%	Full	16,850,736	16,851	10,792	683	-	15,896	1,724	Dec/06
API SPE 60 Planej. e desenv. de emp. imob. Ltda.	0.1%	99.9%	Full	3,525,523	3,525	4,107	2,525	-	22,325	12,845	Sept/10
API SPE 72 Planej. e desenv. de emp. imob. Ltda	50%	50%	Full	5,167,404	5,167	4,813	(14)	-	6,221	-	Sept/10
Baguary emp. imob. SPE Ltda.	50%	50%	Full	37,827,244	37,827	47,040	(138)	-	64,652	4,303	Jul/07
Bruxelas emp. imob. SPE Ltda.	50%	50%	Full	17,987,200	17,987	5,089	(1,258)	-	13,943	93	Dec/06
Finlândia emp. imob. SPE Ltda.	50%	50%	Full	4,400,000	4,400	2,421	(45)	-	3,123	63	Jul/07
Gold Acre emp. imob. SPE Ltda.	50%	50%	Full	161,312,422	161,312	252,523	(10,030)	-	403,916	65,362	Dec/07
Gold Alabama emp. imob. SPE Ltda.	50%	50%	Full	175,900	176	147	(2)	-	155	-	Apr/08
Gold Alaska emp. imob. SPE Ltda.	50%	50%	Full	61,327,262	61,327	77,118	(11,371)	-	107,907	6,302	Dec/07
Gold Angola emp. imob. SPE Ltda.	50%	50%	Full	19,762,200	19,762	12,666	(10,337)	-	191,067	27,195	Jul/09
Gold Antiparos emp. imob. SPE Ltda.	50%	50%	Full	4,926,300	4,926	4,594	(55)	-	7,106	-	Jul/08
Gold Bahamas emp. imob. SPE Ltda.	50%	50%	Full	11,295,582	11,296	14,854	50	-	14,463	129	Mar/07
Gold Black emp. imob. SPE Ltda.	50%	50%	Full	12,428,126	12,428	10,953	(24,486)	-	35,011	2,748	Dec/07
Gold Blue emp. imob. SPE Ltda.	50%	50%	Full	45,458,802	45,459	38,748	(18,453)	-	138,238	22,079	Dec/07
Gold Bósnia emp. imob. SPE Ltda.	50%	50%	Full	2,900,000	2,900	2,889	(5)	-	9,875	-	Jul/09
Gold Califórnia emp. imob. SPE Ltda.	50%	50%	Full	11,875,700	11,876	4,635	552	-	4,593	88	Apr/08
Gold Canadá emp. imob. SPE Ltda.	50%	50%	Full	13,571,982	18,849	18,869	(707)	-	32,057	2,609	Nov/07
Gold Cancun emp. imob. SPE Ltda.	50%	50%	Full	5,682,640	3,217	3,218	(10)	-	31,858	-	Dec/07
Gold Celestino Bourruol emp. imob. SPE Ltda.	50%	50%	Full	6,611,298	6,611	5,724	(523)	-	8,899	(356)	Dec/06
Gold Chile emp. imob. SPE Ltda.	50%	50%	Full	3,097,000	3,097	11,168	(2,818)	-	118,234	28,279	Mar/08
Gold China emp. imob. SPE Ltda.	50%	50%	Full	18,761,880	18,762	7,994	290	-	38,453	(3,771)	May/07
Gold Colômbia emp. imob. SPE Ltda.	50%	50%	Full	11,486,500	10,395	10,096	(7)	-	11,277	-	Aug/07
Gold Congo emp. imob. SPE Ltda.	50%	50%	Full	255,000	255	204	(3)	-	282	-	Jul/09
Gold Cuba emp. imob. SPE Ltda.	50%	50%	Full	19,175,800	19,176	15,265	(10,002)	-	36,194	(18,382)	Apr/08
Gold Delos emp. imob. SPE Ltda.	50%	50%	Full	2,698,400	2,698	9,566	(15,005)	-	109,977	16,861	Jul/08
Gold Donoussa emp. imob. SPE Ltda.	50%	50%	Full	8,000	8	(12)	(2)	-	2	-	Jul/08
Gold Fiji emp. imob. SPE Ltda.	50%	50%	Full	13,699,756	13,700	10,877	(8,800)	-	20,222	1,455	Jul/09
Gold Flórida emp. imob. SPE Ltda.	50%	50%	Full	6,797,606	6,798	12,766	(4,111)	-	32,487	2,640	Apr/08
Gold Gana emp. imob. SPE Ltda.	50%	50%	Full	3,793,900	3,794	9,628	2,157	-	34,564	10,418	Jul/09
Gold Geneva emp. imob. SPE Ltda.	50%	50%	Full	5,600,000	5,600	1,914	(358)	-	5,709	(89)	May/07
Gold Gray emp. imob. SPE Ltda.	50%	50%	Full	3,822,000	3,822	3,781	(1)	-	4,006	-	Dec/07
Gold Havana emp. imob. SPE Ltda.	50%	50%	Full	7,098,014	7,098	7,031	(1)	-	7,274	-	May/07
Gold Holanda emp. imob. Ltda.	50%	50%	Full	3,796,634	3,797	3,488	(99)	-	4,979	52	Jan/07

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation - Continued

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
Gold Ikralia emp. imob. SPE Ltda.	50%	50%	Full	9,091,900	9,092	5,063	(13,092)	-	25,266	(2,337)	Sept/08
Gold India emp. imob. SPE Ltda.	50%	50%	Full	7,958,878	7,959	4,167	(13,872)	-	49,683	1,130	Dec/07
Gold Irlanda emp. imob. SPE Ltda.	50%	50%	Full	12,586,262	12,586	10,212	677	-	18,296	4,245	May/07
Gold Japão emp. imob. SPE Ltda.	50%	50%	Full	3,886,254	3,886	4,251	(98)	-	5,665	25	Jul/07
Gold Kimolos emp. imob. SPE Ltda.	50%	50%	Full	509,900	510	471	(7)	-	1,139	-	Sept/08
Gold Leucada emp. imob. SPE Ltda.	50%	50%	Full	76,900	877	(128)	(1,879)	-	7,916	(4,009)	Sept/08
Gold Líbia emp. imob. SPE Ltda.	50%	50%	Full	14,000	14	10	(2)	-	4,514	-	Jul/09
Gold Limoges emp. imob. SPE Ltda.	50%	50%	Full	1,541,998	1,542	1,534	(6)	-	12,339	-	Jul/09
Gold Lisboa emp. imob. SPE Ltda.	50%	50%	Full	10,983,800	10,984	10,930	124	-	9,888	534	Apr/07
Gold Los Angeles emp. imob. SPE Ltda.	50%	50%	Full	4,526,266	4,526	2,356	(1,989)	-	31,398	(1,556)	Dec/07
Gold Lyon emp. imob. SPE Ltda.	50%	50%	Full	5,473,300	5,473	6,356	456	-	26,448	7,540	Jul/09
Gold Madri emp. imob. SPE Ltda.	50%	50%	Full	2,830,460	2,830	4,488	(188)	-	4,070	87	Jul/07
Gold Mali emp. imob. SPE Ltda.	50%	50%	Full	21,684,518	21,685	35,724	99	-	36,013	736	Mar/08
Gold Marília emp. imob. SPE Ltda.	50%	50%	Full	85,844,762	115,643	158,077	(3,581)	-	144,697	15,901	Dec/07
Gold Mykonos emp. imob. SPE Ltda.	50%	50%	Full	1,013,500	1,014	966	(25)	-	1,213	-	Sept/08
Gold New York emp. imob. SPE Ltda.	50%	50%	Full	4,968,000	4,968	3,454	(99)	-	3,913	46	Sept/07
Gold Noruega emp. imob. SPE Ltda.	50%	50%	Full	116,712,614	116,713	120,633	(9,220)	-	178,140	31,467	Mar/07
Gold Marrocos emp. imob. SPE Ltda.	50%	50%	Full	3,400,000	3,284	4,318	(145)	-	7,022	251	Jul/07
Gold Milano emp. imob. SPE Ltda.	50%	50%	Full	7,428,130	72,428	8,795	337	-	15,740	990	Nov/07
Gold Minas Gerais emp. imob. SPE Ltda.	50%	50%	Full	8,136,516	8,137	13,353	(224)	-	7,777	20	Mar/08
Gold Mônaco emp. imob. SPE Ltda.	50%	50%	Full	5,000,000	5,000	10,059	119	-	16,321	718	Sept/07
Gold Oregon emp. imob. SPE Ltda.	50%	50%	Full	7,488,408	7,488	6,688	(247)	-	6,540	(55)	Jul/08
Gold Panamá emp. imob. SPE Ltda.	50%	50%	Full	14,122,200	14,122	8,931	(168)	-	10,398	3,330	Dec/07
Gold Paraíba emp. imob. SPE Ltda.	50%	50%	Full	6,464,700	6,465	4,296	(85)	-	4,781	155	Nov/07
Gold Pelotas emp. imob. SPE Ltda.	50%	50%	Full	3,973,000	3,973	3,695	(2)	-	20,451	-	Dec/07
Gold Porto Alegre emp. imob. SPE Ltda.	50%	50%	Full	10,541,498	10,541	16,448	(102)	-	19,651	195	Jun/07
Gold Purple emp. imob. SPE Ltda.	50%	50%	Full	20,780,150	20,780	28,380	(27,929)	-	63,317	(4,921)	Dec/07
Gold Roraima emp. imob. SPE Ltda.	50%	50%	Full	15,953,992	15,954	16,227	(449)	-	12,928	167	Dec/07
Gold Salvador emp. imob. SPE Ltda.	50%	50%	Full	34,169,660	34,170	54,556	838	-	55,743	854	Mar/07
Gold Santa Catarina emp. imob. SPE Ltda.	50%	50%	Full	5,639,550	5,640	8,288	(2,125)	-	25,826	4,235	Dec/07
Gold Santiago emp. imob. SPE Ltda.	50%	50%	Full	7,603,308	7,603	4,862	(1,602)	-	18,551	577	Dec/07
Gold Santorini emp. imob. SPE Ltda.	50%	50%	Full	24,205,424	24,205	12,041	(21,087)	-	148,881	17,414	Sept/08
Gold São Paulo emp. imob. SPE Ltda.	50%	50%	Full	14,810,000	14,810	15,471	320	-	15,956	1,045	Sept/07
Gold Senegal emp. imob. SPE Ltda.	50%	50%	Full	1,552,200	1,552	1,528	(4)	-	10,242	-	Jul/09
Gold Sevilla emp. imob. SPE Ltda.	50%	50%	Full	5,768,300	5,768	6,809	1,107	-	7,855	7,464	Jul/09
Gold Sidney emp. imob. SPE Ltda.	50%	50%	Full	9,444,484	9,444	10,335	83	-	13,090	340	Apr/07
Gold Sikinos emp. imob. SPE Ltda.	50%	50%	Full	20,556,510	20,557	14,319	(11,647)	-	163,944	29,017	Sept/08
Gold Singapura emp. imob. SPE Ltda.	50%	50%	Full	15,023,238	15,023	16,377	(885)	-	22,367	95	Feb/07
Gold Suécia emp. imob. SPE Ltda.	50%	50%	Full	30,999,280	15,225	15,188	2	-	17,962	-	Jun/07
Gold Vênice emp. imob. SPE Ltda.	50%	50%	Full	9,791,900	9,792	5,468	(124)	-	7,375	59	Jul/07
Gold Vietna emp. imob. SPE Ltda.	50%	50%	Full	67,000	67	(163)	-	-	6	-	Dec/07
Gold Yellow emp. imob. SPE Ltda.	50%	50%	Full	5,742,014	4,721	9,171	25,110	-	52,961	3,745	Dec/07
Goldfarb 1 emp. imob. Ltda.	50%	50%	Full	2,447,000	2,447	485	(2,204)	-	18,646	1,494	Sept/09
Goldfarb 2 emp. imob. Ltda.	50%	50%	Full	3,921,850	3,922	3,162	(1,360)	-	54,548	23,937	Sept/09
Goldfarb 3 emp. imob. Ltda.	50%	50%	Full	31,000	31	4	(1)	-	9	-	Sept/09
Goldfarb 4 emp. imob. Ltda.	50%	50%	Full	1,174,800	1,175	1,169	-	-	2,003	-	Sept/09
Goldfarb 5 emp. imob. Ltda.	50%	50%	Full	5,672,200	5,672	3,830	(236)	-	19,572	5,985	Oct/09
Goldfarb 6 emp. imob. Ltda.	50%	50%	Full	43,576,900	43,577	66,208	(5,776)	-	72,764	15,250	Sept/09

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation - Continued

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
Goldfarb 7 emp. imob. Ltda.	50%	50%	Full	8,302,300	8,302	4,230	(1,840)	-	33,157	8,954	Oct/09
Goldfarb 8 emp. imob. Ltda.	50%	50%	Full	7,429,502	7,430	3,574	(5,172)	-	31,946	1,386	Oct/09
Goldfarb 9 emp. imob. Ltda.	50%	50%	Full	6,984,800	6,985	7,188	79	-	8,319	85	Sept/09
Goldfarb 10 emp. imob. Ltda.	50%	50%	Full	3,608,200	3,608	3,603	(3)	-	16,492	-	Sept/09
Goldfarb 11 emp. imob. Ltda.	50%	50%	Full	1,000	1	(5)	-	-	30	-	Oct/09
Goldfarb 12 emp. imob. Ltda.	50%	50%	Full	24,134,800	24,135	17,132	(6,957)	-	54,985	27,821	Oct/09
Goldfarb 13 emp. imob. Ltda.	50%	50%	Full	3,525,730	3,526	17,830	(5,717)	-	53,472	9,941	Oct/09
Goldfarb 14 emp. imob. Ltda.	50%	50%	Full	5,932,800	5,933	5,237	(25)	-	14,791	-	Oct/09
Goldfarb 15 emp. imob. Ltda.	50%	50%	Full	2,518,000	2,518	2,490	(12)	-	2,663	-	Oct/09
Goldfarb 16 emp. imob. Ltda.	50%	50%	Full	2,000	2	6,407	149	-	43,726	13,952	Oct/09
Goldfarb 18 emp. imob. Ltda.	50%	50%	Full	14,000	14	(1)	4	-	3	-	Oct/09
Goldfarb 19 emp. imob. Ltda.	50%	50%	Full	6,387,900	6,388	23,345	(3,056)	-	60,926	7,963	Oct/09
Goldfarb 20 emp. imob. Ltda.	50%	50%	Full	3,298,500	3,299	9,275	1,340	-	85,065	20,845	Oct/09
Goldfarb 21 emp. imob. Ltda.	50%	50%	Full	7,759,800	7,760	16,426	2,314	-	34,454	18,378	Oct/09
Goldfarb 22 emp. imob. Ltda.	50%	50%	Full	7,929,200	7,929	8,836	(1,165)	-	25,004	2,843	Oct/09
Goldfarb 23 emp. imob. Ltda.	50%	50%	Full	814,000	814	754	(2)	-	763	-	Oct/09
Goldfarb 24 emp. imob. Ltda.	50%	50%	Full	393,000	393	390	-	-	941	-	Oct/09
Goldfarb 27 emp. imob. Ltda.	50%	50%	Full	6,187,500	6,188	6,180	(2)	-	11,085	-	Sept/10
Goldfarb 28 emp. imob. Ltda.	50%	50%	Full	2,000	2	(5)	(1)	-	-	-	Oct/09
Goldfarb 29 emp. imob. Ltda.	50%	50%	Full	2,555,000	2,555	2,533	(20)	-	4,260	-	Sept/10
Goldfarb 30 emp. imob. Ltda.	50%	50%	Full	3,798,900	3,799	2,989	(11)	-	9,187	-	Oct/09
Goldfarb 31 emp. imob. Ltda.	50%	50%	Full	1,392,900	1,393	1,334	(2)	-	5,645	-	Oct/09
Goldfarb 33 emp. imob. Ltda.	50%	50%	Full	10,533,500	10,534	10,539	851	-	23,900	6,238	Oct/09
Goldfarb 34 emp. imob. Ltda.	50%	50%	Full	66,000	66	-	(37)	-	41	-	Oct/09
Goldfarb 35 emp. imob. Ltda.	50%	50%	Full	16,472,500	16,473	12,287	(2,320)	-	36,010	(72)	Oct/09
Goldfarb 36 emp. imob. Ltda.	50%	50%	Full	5,296,500	5,299	9,354	(955)	-	28,198	11,098	Oct/09
Goldfarb 37 emp. imob. Ltda.	50%	50%	Full	2,000	2	(3)	-	-	2	-	Oct/09
Goldfarb 38 emp. imob. Ltda.	50%	50%	Full	3,815,700	3,816	11,447	(1,537)	-	37,193	9,740	Oct/09
Goldfarb 39 emp. imob. Ltda.	50%	50%	Full	2,410,000	2,411	2,320	(2)	-	2,600	-	Oct/09
Goldfarb 40 emp. imob. Ltda.	50%	50%	Full	14,596,100	14,596	14,590	(4)	-	14,936	-	Oct/09
Goldfarb 41 emp. imob. Ltda.	50%	50%	Full	3,914,000	3,914	3,851	(7)	-	20,689	-	Apr/10
Goldfarb 42 emp. imob. Ltda.	50%	50%	Full	2,000	2	(5)	(1)	-	3	-	Mar/10
Goldfarb 45 emp. imob. Ltda.	0.1%	99.9%	Full	1,000	1	1	(1)	-	1	-	Sept/10
Goldfarb 46 emp. imob. Ltda.	0.1%	99.9%	Full	1,000	1	1	(1)	-	1	-	Feb/10
Goldfarb 47 emp. imob. Ltda.	0.1%	99.9%	Full	1,000	1	1	(1)	-	1	-	Feb/10
Goldfarb 48 emp. imob. Ltda.	0.1%	99.9%	Full	1,000	1	1	(1)	-	1	-	Feb/10
Goldfarb 49 emp. imob. Ltda.	50%	50%	Full	8,920,700	8,921	21,598	2,565	-	84,020	6,470	Mar/10
Goldfarb 50 emp. imob. Ltda.	0.1%	99.9%	Full	1,000	1	1	(1)	-	1	-	Feb/10
Goldfarb PDG 3 incorp. Ltda.	50%	50%	Full	25,742,206	25,742	1,112	1,112	-	70,402	-	Dec/07
Goldfarb PDG 4 incorp. S.A	50%	50%	Full	5,426,502	5,427	5,399	(3)	-	22,670	-	Dec/07
Goldfarb PDG 5 incorp. S.A.	50%	50%	Full	52,523,564	52,522	45,601	(15,815)	-	89,442	(2,636)	Dec/07
Goldfarb Vila Guilherme Construções Ltda.	100%	100%	Full	50,000	50	54	(78)	-	857	16	Jun/03
Ilhas Gregas Incorporadora SPE Ltda	50%	50%	Full	500,000	500	2,592	1,569	-	13,665	7,253	Mar/11
Kirmayr Negócios imob. SPE Ltda.	50%	50%	Full	5,771,400	5,771	5,758	(28)	-	6,134	167	Nov/06
Luxemburgo emp. imob. SPE Ltda.	50%	50%	Full	6,170,428	6,170	2,607	(218)	-	9,583	134	Jul/07
Marpal emp. e Part. Ltda.	50%	50%	Full	248,170	248	88	(1)	-	176	-	Mar/08
Nova Água Rasa emp. imob. SPE Ltda.	50%	50%	Full	10,686,990	10,687	11,168	(591)	-	10,978	420	Nov/06
Nova Tatuapé Negócios imob. SPE Ltda.	50%	50%	Full	6,308,104	6,308	4,647	(125)	-	5,466	181	Nov/06
PDG SPE 1 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	3	-	Sept/10
PDG SPE 2 emp. imob. Ltda.	50%	50%	Full	1,042,000	1	99	99	-	1,157	-	Aug/10
PDG SPE 3 emp. imob. Ltda.	50%	50%	Full	270,000	270	227	(1)	-	236	-	Aug/10
PDG SPE 4 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	701	-	Aug/10
PDG SPE 5 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	3	-	Apr/11

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation - Continued

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
PDG SPE 6 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 7 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	1	-	Sept/10
PDG SPE 8 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	1	-	Sept/10
PDG SPE 9 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	1	-	Sept/10
PDG SPE 10 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	1	-	Sept/10
PDG SPE 11 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	2	-	Sept/10
PDG SPE 12 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 13 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	1	-	Sept/10
PDG SPE 14 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	-	-	2	-	Sept/10
PDG SPE 15 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(14)	-	1	-	Sept/10
PDG SPE 16 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	453	-	8,586	3,075	Sept/10
PDG SPE 17 emp. imob. Ltda.	50%	50%	Full	1,000	1	7,795	2,635	-	29,327	11,008	Sept/10
PDG SPE 18 emp. imob. Ltda.	50%	50%	Full	1,000	1	1,000	1,179	-	8,756	8,846	Sept/10
PDG SPE 19 emp. imob. Ltda.	50%	50%	Full	1,000	1	8,938	8,938	-	35,492	40,612	Sept/10
PDG SPE 20 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 21 emp. imob. Ltda.	50%	50%	Full	1,000	1	(3)	-	-	1	-	Sept/10
PDG SPE 22 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 23 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 24 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	1	-	1	-	Sept/10
PDG SPE 25 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 26 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	2	-	Sept/10
PDG SPE 27 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	4	-	Sept/10
PDG SPE 28 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	2	-	Sept/10
PDG SPE 29 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	2	-	Sept/10
PDG SPE 30 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	1	-	Sept/10
PDG SPE 31 emp. imob. Ltda.	50%	50%	Full	1,000	1	(156)	(43)	-	1,147	-	Aug/10
PDG SPE 32 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	2	-	Aug/10
PDG SPE 34 emp. imob. Ltda.	50%	50%	Full	1,000	1	(26)	(26)	-	43,487	-	Aug/10
PDG SPE 35 emp. imob. Ltda.	50%	50%	Full	1,000	1	1	(1)	-	-	-	Aug/10
PDG SPE 36 emp. imob. Ltda.	50%	50%	Full	1,000	1	(2)	(1)	-	238	-	Aug/10
PDG SPE 37 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	3	-	Aug/10
PDG SPE 38 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(158)	-	21,943	-	Aug/10
PDG SPE 39 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	60	-	Aug/10
PDG SPE 41 emp. imob. Ltda.	50%	50%	Full	1,000	1	(3)	(1)	-	1	-	Aug/10
PDG SPE 44 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	3	-	Aug/10
PDG SPE 45 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	2	-	Aug/10
PDG SPE 46 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	2	-	Aug/10
PDG SPE 47 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	2	-	Aug/10
PDG SPE 48 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	8	-	Aug/10
PDG SPE 51 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	2	-	Aug/10
PDG SPE 52 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	-	-	Aug/10
PDG SPE 53 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	-	-	Aug/10
PDG SPE 54 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	2	-	Aug/10
PDG SPE 55 emp. imob. Ltda.	50%	50%	Full	1,000	1	-	-	-	1	-	Oct/10
PDG SPE 56 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	-	-	14	-	Aug/10
PDG SPE 57 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	3	-	Aug/10
PDG SPE 58 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	2	-	Aug/10
PDG SPE 59 emp. imob. Ltda.	50%	50%	Full	1,000	1	(1)	(1)	-	3	-	Aug/10
PDG SPE 60 emp. imob. Ltda.	50%	50%	Full	1,000	1	(8)	(8)	-	2	-	Aug/10
São João Climaco emp. imob. Ltda.	50%	50%	Full	5,502,000	5,502	4,558	(212)	-	5,737	167	Jul/07
Scorpio incorp. Ltda.	99.9%	0.1%	Full	267,269,918	3,060	3,056	(8)	-	4,490	-	Aug/08
Serra Bella emp. imob. S.A.	70%	30%	Full	37,351,032	37,351	64,084	3,586	-	53,976	11,498	Jul/07
Vila Maria emp. imob. S/A	50%	50%	Full	7,869,674	4,670	4,437	881	-	5,901	1,179	Nov/06
Villagio Splendore emp. imob. S.A.	75%	25.0%	Full	200,000	200	1,349	(1,673)	-	2,049	(109)	
ZMF 8 incorp. Ltda.	50%	50%	Full	1,000	1	(2)	-	-	1	-	Nov/10
ZMF 9 incorp. Ltda.	50%	50%	Full	2,394,900	2,395	1,504	(2,207)	-	16,057	11,176	Mar/10
ZMF 10 incorp. Ltda.	50%	50%	Full	1,000	1	3,334	2,975	-	22,940	14,876	Mar/10
ZMF 11 incorp. Ltda.	50%	50%	Full	1,000	1	(5)	(1)	-	2	-	Mar/10
ZMF 16 incorp. Ltda.	50%	50%	Full	1,000	1	(9)	-	-	18	-	Mar/10
ZMF 17 incorp. Ltda.	50%	50%	Full	1,000	1	1	-	-	12	-	Mar/10
ZMF 18 incorp. Ltda.	50%	50%	Full	1,000	1	1	-	-	2,851	-	Mar/10
ZMF 19 incorp. Ltda.	50%	50%	Full	1,000	1	(716)	558	-	13,147	7,176	Mar/10
PDG LN incorp. e Construções S.A.	**64%**	**16%**	**Proportional**	**100**							**Jul/10**
Club Felicitá emp. imob. S.A.	70%	5%	Proportional	9,357,338	12,476	10,810	(3,488)	-	29,039	1,724	Oct/07
Club Florença emp. imob. S.A.	70%	5%	Proportional	4,833,142	6,444	9,313	(224)	-	9,570	(164)	Oct/07
LN 8 incorp. e emp. Ltda.	80%	20%	Full	8,000,000	8,000	16,412	8,562	-	34,870	18,657	Jun/12

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation - Continued

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
PDG-LN 2 incorp. e emp. S.A.	66%	4%	Proportional	6,300,000	9,000	7,110	(1,584)	-	14,951	(3)	May/08
PDG-LN 3 incorp. e emp. S.A.	40%	60%	Full	1,001,000	1,001	-	-	-	-	-	Jun/12
PDG-LN 4 incorp. e emp. S.A.	80%	20%	Full	51,000	51	16	-	-	11,849	-	Jun/12
PDG-LN 6 incorp. e emp. S.A.	80%	20%	Full	9,001,000	9,001	807	(2)	-	858	-	Jun/12
PDG-LN 7 incorp. e emp. S.A	90%	10%	Full	10,000,000	10,000	19,069	(3,866)	-	72,346	6,770	Oct/07
PDG-LN 9 incorp. e emp. S.A	70%	5%	Proportional	7,189,239	9,586	5,183	(708)	(8,300)	11,072	1,128	May/08
PDG-LN 10 incorp. e emp. S.A	40%	60%	Full	1,000	1	(3)	-	-	2,316	-	Jun/12
PDG-LN 21 incorp. e emp. S.A	80%	20%	Full	776,500	777	720	(13)	-	1,258	-	Jun/12
PDG-LN 28 incorp. e emp. S.A	54%	13%	Proportional	7,254,249	10,827	13,964	508	-	37,695	11,147	Jun/12
PDG-LN 29 incorp. e emp. S.A	64%	16%	Proportional	213,200	267	9,948	(6,004)	-	44,440	12,745	Jun/12
PDG-LN 31 incorp. e emp. S.A	80%	20%	Full	5,496,387	5,496	10,444	(1,185)	-	24,803	15,265	Jun/12
PDG-LN 32 incorp. e emp. S.A	80%	20%	Full	1,407,600	1,408	1,255	(37)	-	8,012	-	Jul/10
PDG-LN 33 incorp. e emp. S.A	80%	20%	Full	3,186,359	3,186	3,175	(39)	-	6,176	-	Jun/12
PDG-LN 34 incorp. e emp. S.A	80%	20%	Full	7,507,567	6,732	8,497	1,511	-	24,898	7,224	Jun/12
PDG-LN 35 incorp. e emp. S.A	80%	20%	Full	4,000,000	4,000	3,281	(3)	-	4,584	-	Jun/12
PDG-LN 36 incorp. e emp. S.A	80%	20%	Full	6,068,807	6,069	4,874	(1,057)	-	11,123	2,167	Jun/12
PDG-LN 37 incorp. e emp. S.A	80%	20%	Full	461,600	462	460	(1)	-	11,077	-	Jun/12
PDG-LN 38 incorp. e emp. S.A	80%	20%	Full	2,000	2	-	-	-	-	-	Jun/12
SPE PDG LN 11 incorp. Ltda.	80%	20%	Full	324,000	324	274	(15)	-	362	-	Jun/12
SPE PDG LN 14 incorp. Ltda.	80%	20%	Full	50,000	50	1	-	-	1	-	Jun/12
Vista do Sol emp. imob. S.A.	90%	10%	Full	4,976,230	4,976	6,266	442	-	11,160	55	Oct/07
PDG São Paulo incorp. S.A.	**100%**	**-**	**Full**	**965,166**	**239,832**	**188,869**	**(20,301)**	**-**	**451,122**	**194,155**	**Mar/08**
GDP 1 incorp. SPE Ltda.	99.99%	0.01%	Full	1,000	1	362	(233)	-	22,101	-	Aug/10
GDP 3 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	770	1,429	-	28,280	19,393	Dec/11
GDP 4 incorp. SPE Ltda.	0.01%	99.99%	Full	519,935,565	4,764	6,113	1,374	-	27,241	14,466	Dec/11
GDP 5 incorp. SPE Ltda.	0.01%	99.99%	Full	487,100,000	1	1	(12)	-	9,485	-	Dec/11
GDP 6 incorp. SPE Ltda.	99.99%	0.01%	Full	6,380,000	1	1	(1)	-	82	-	Dec/11
GDP 8 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	1	-	-	2	-	Dec/11
GDP 9 incorp. SPE Ltda.	0.01%	99.99%	Full	3,700,000	1	1	(25)	-	36	-	Dec/10
GDP 11 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	2	(16)	-	392	-	Nov/10
GDP 12 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	1	(9)	-	24	-	Nov/10
GDP 13 incorp. SPE Ltda.	99.99%	0.01%	Full	800,000	1	4	(9)	-	92	-	Mar/10
LBC emp. imob. SPE Ltda	50.00%	-	Full	76,324	7,632	26,283	(15,882)	-	37,083	433	Nov/10
PDG Barão Geraldo incorp. SPE Ltda.	99.99%	0.01%	Full	4,483,912	4,484	14,069	17,126	-	73,603	35,520	Dec/07
PDG SP 1 incorp. SPE Ltda.	99.99%	0.01%	Full	140,300,000	1	901	(739)	-	257	-	Oct/10
PDG SP 2 incorp. SPE Ltda.	0.01%	99.99%	Full	1,414,513,995	7,763	12,496	(3,781)	-	41,431	2,316	Oct/10
PDG SP 6 incorp. SPE Ltda.	0.01%	99.99%	Full	934,188,394	8,176	18,095	(3,397)	-	33,713	3,651	Oct/10
PDG SP 8 incorp. SPE Ltda.	0.01%	99.99%	Full	1,000	1	102	-	-	214	-	Oct/10
PDG SP 9 incorp. SPE Ltda.	0.01%	99.99%	Full	3,398,000	3,398	10,751	(2,220)	-	31,297	5,891	Oct/10
PDG SP 10 incorp. SPE Ltda.	99.99%	0.01%	Full	2,314,972	2,315	6,764	(2,797)	-	14,447	2,109	Oct/10
PDG SP 11 incorp. SPE Ltda.	99.99%	0.01%	Full	600,000	1	2	(5)	-	3	-	Oct/10
PDG SP 12 incorp. SPE Ltda.	0.01%	99.99%	Full	700,000	1	(3)	(6)	-	2	-	Oct/10
PDG SP 15 incorp. SPE Ltda.	99.99%	0.01%	Full	826,000	826	6,154	(3,794)	-	19,916	2,453	Oct/10
STXRock 10 desenv. imob. S.A.	0.01%	99.99%	Full	6,553,152	6,553	8,978	1,863	-	40,345	16,648	May/11
Vital Palácio Miraflores incorp. Ltda.	0.01%	99.99%	Full	5,057,499	5,057	9,505	(1,990)	-	26,905	5,295	Oct/10
ZMF 23 incorp. S.A.	0.01%	99.99%	Full	100	-	-	(35)	-	12,766	-	Mar/10
REP DI desenv. imob. S.A.											
REP - Real Estate Partners desenv. imob. S.A.	57.46%	-	Proportional	95,265,670	203,150	185,063	(21,244)	-	341,916	20,675	Mar/08
ZMF 22 incorp. S.A.	**21%**	**27%**	**Proportional**	**240,905,433**	**251,412**	**125,783**	**3,205**	**-**	**1,116,387**	**39,305**	**Sept/10**
Co-Incorp.											
ATP Adelaide participações S.A.	100%	-	Full	11,871,017	11,871	33,597	21,884	-	48,497	42,129	Apr/08
Aztronic Engenharia de Software Ltda.	40%	-	Proportional	1,000	1	8,393	8,392	-	9,425	11,225	Jan/10
Companhia de Serviços Compartilhados	100%	-	Full	1,001,000	1,001	10	(6)	-	25	-	Jul/08
Girassol - Vila Madalena Empr. imob. S.A.	50%	-	Proportional	2,000	2	250	(13)	-	289	-	Dec/04
GPSPE 2006-A participações S.A.	66.7%	-	Proportional	1,000	1	94	(10)	-	120	-	Apr/07
Lapin incorp. SPE Ltda.	100%	-	Full	1,158,709	1,159	126	(2)	-	1,727	(1)	Mar/10
PDG Araxá Income S.A.	100%	-	Full	15,599,581	9,800	24,432	(2,105)	-	30,716	(3,402)	Apr/08
PDG Companhia Loteadora	100%	-	Full	1,299,570	1,300	1,270	(10)	-	1,296	-	Apr/08
PDG Companhia Securitizadora	100%	-	Full	14,405,538	14,406	18,029	65	-	89,793	15,951	Aug/08
PDG desenv. imob. S.A.	100%	-	Full	107,671,419	282,671	375,828	(31,036)	-	917,576	275,414	Jul/05
Performance BR emp. imob. S.A.	68%	-	Proportional	26,716,550	26,716	70,781	28,873	-	74,817	52,123	Jun/07
Sardenha emp. imob. S.A.	80%	-	Proportional	2,675,000	2,675	3,976	68	(130)	6,570	(2)	Jun/04
TGLT S.A.	27.2%	-	Proportional	8,571	180,186	184,575	-	-	445,574	-	Apr/07
ZMF 5 incorp. S.A.	100%	-	Full	22,280,600	22,281	20,015	(230)	-	20,123	-	Apr/08

8. Investments – Continued

c) Information as of December 31, 2012 on subsidiaries and jointly-controlled subsidiaries included in consolidation - Continued

	Direct	Indirect	Consolidation criteria	Quantity of shares	Capital	Shareholders' equity	Income (loss) for the year	Dividends paid or prop.	Total assets	Net income	Date of acquisition
Grupo Cyrela											
Cyrela Milão emp. imob. S.A.	50%	-	Proportional	14,915,344	14,915	16,921	(2,396)	-	21,527	(4,089)	Jun/05
Cyrela Tennessee emp. imob. S.A.	25%	-	Proportional	15,673,437	15,673	18,072	3,108	-	19,685	1,984	Jun/05
Queiroz Galvão Cyrela emp. imob. S.A.	20%	-	Proportional	3,913,902	3,914	4,833	88	-	4,984	37	Feb/05
Queiroz Galvão Mac Cyrela Veneza emp.imob. S.A.	20%	-	Proportional	24,508,350	24,508	102,647	5,233	-	224,035	48,240	Jun/05
Grupo Dominus											
PDG BH incorp. S.A.	80%	-	Proportional	18,343,855	18,344	12,250	(7,811)	(3,500)	21,074	7,880	Oct/07
PDG Nova Lima incorp. S.A.	80%	-	Proportional	32,000,100	32,000	32,557	9,085	-	58,243	33,465	Oct/07
Premier da Serra incorp. imob. S.A.	80%	-	Proportional	4,032,897	4,033	7,779	2,084	(2,400)	9,290	7,448	Jun/08
Grupo Esfera											
Colore emp. imob. SPE S.A.	80%	-	Proportional	46,261,870	34,401	37,294	4,220	-	51,140	12,402	Feb/07
Ecolife Butanta emp. imob. S.A.	100%	-	Full	2,353,000	2,353	(2,003)	(3,390)	-	700	-	Dec/04
Ecolife Campestre emp. imob. S.A.	81.71%	-	Proportional	13,280,205	12,659	7,536	(10,476)	-	48,181	18,940	Apr/08
Ecolife Cidade Universitária emp. imob. S.A.	40%	-	Proportional	1,775,000	1,775	605	107	(6,822)	984	380	Nov/10
Ecolife Freguesia emp. imob. S.A.	80%	-	Proportional	9,725,079	9,725	132	(2,207)	-	11,514	7,605	Jun/06
Ecolife Independência emp. imob. S.A.	80%	-	Proportional	14,468,707	14,469	2,737	(12,047)	-	70,380	23,391	Feb/07
Ecolife Parque Prado emp. imob. S.A.	80%	-	Proportional	7,167,821	7,168	(2,506)	(3,332)	-	5,936	(2,830)	Mar/06
Ecolife Recreio emp. imob.S.A.	79.1%	-	Proportional	20,806,643	25,489	18,143	(5,446)	-	45,778	6,278	Feb/07
Ecolife Santana emp. imob. S.A.	80%	-	Proportional	10,762,146	10,762	(1,955)	(693)	-	7,886	3,330	Feb/07
Ecolife Vila Leopoldina emp. imob. S.A.	80%	-	Proportional	1,601,063	1,601	(1,407)	(2,505)	-	1,825	-	Jul/06
Grupo Habiarte Barc											
Habiarte Barc PDG Cidade de Madri incorp. S.A.	50%	-	Proportional	3,340,174	3,340	2,802	(9,194)	-	23,485	10,052	Jul/08
Habiarte Barc PDG Porto Búzios incorp. S.A.	50%	-	Proportional	11,692,646	11,693	10,049	(8,646)	-	11,790	4,446	Apr/08
HB3 emp. imob. S.A.	50%	-	Proportional	3,182,396	3,182	5,649	3,310	(1,600)	23,793	14,589	Oct/10
HB9 emp. imob. S.A.	50%	-	Proportional	354,020	354	6,500	4,611	-	12,183	13,858	Sept/10
LDI desenv. imob. S.A											
Dom Pedro emp. imob. Ltda.	20%	-	Proportional	3,700,000	3,700	10,347	(22)	-	11,492	-	Mar/06
Jardim Morumbi emp. imob.S.A.	50%	-	Proportional	26,350,155	26,350	25,392	1,168	(2,000)	25,901	11,540	Jul/05
Saint Hilaire incorp. SPE S.A.	50%	-	Proportional	1,000	1	3	(30)	(1,102)	3	-	Sept/05
Tutóia emp. imob. S.A.	25.6%	-	Proportional	1,000	1	165	24	-	647	-	Mar/06
Grupo Rossi											
América Piqueri incorp. S.A.	40%	-	Proportional	2,961,092	2,961	494	313	-	4,479	408	May/05
Clube Tuiuti emp. S.A.	40%	-	Proportional	2,000	2	947	90	-	4,061	96	May/05
Gardênia participações S.A.	50%	-	Proportional	2,885,748	2,886	3,391	355	-	4,720	890	Sept/05
Giardino desenv. imob. S.A.	50%	-	Proportional	1,054	1	476	(5)	-	477	-	Sept/05
Giardino emp. imob. S.A.	50%	-	Proportional	458,000	458	567	(6)	-	695	-	Sept/05
Prunus emp. S.A.	42.5%	-	Proportional	1,000	1	1,971	439	-	20,340	(10)	Jul/06
Tibouchina emp. S.A.	50%	-	Proportional	21,063,888	21,063	18,134	(74)	-	18,633	-	Jul/06
Grupo Stan											
Camburiú emp. imob. S.A.	45%	3.57%	Proportional	2,818,200	2,225	5,591	1,554	-	24,970	13,989	Oct/07
HL emp. S.A.	50%	-	Proportional	1,000	1	10	-	-	10	-	Sept/05
Moinho emp. imob. S.A.	45%	-	Proportional	7,604,322	7,604	11,474	435	-	13,113	523	Dec/05
Fator Realty participações S.A											
Amazon emp. imob. Ltda.	100%	-	Full	30,942,008	20,096	8,002	(3,742)	-	32,851	1,952	Aug/06
Aquarius emp. imob. Ltda.	100%	-	Full	25,387,844	10,370	10,880	2,089	-	29,474	1,768	Aug/06
Fator Icone emp. S.A	50%	-	Proportional	15,800,000	15,800	1,443	(2,004)	-	27,876	2,502	Dec/10
Sky emp. imob. S.A.	100%	-	Full	4,560,000	4,560	11,697	(84)	(260)	12,753	-	Aug/06
TP 1000 emp. imob. Ltda.	100%	-	Full	7,300,000	7,300	7,217	(7)	-	7,485	-	Aug/06

9. Property and equipment

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

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

	Annual depreciation rate	Parent company - 12/31/2012			Parent company - 12/31/2011
		Cost	Accumulated depreciation	Property and equipment, net	Property and equipment, net
Fixed assets for use					
Furniture and fixtures	*10%*	*379*	*(198)*	*181*	*217*
Computers	*20%*	*3,848*	*(420)*	*3,428*	*2,770*
Sales stands	*(*)*	*11,109*	*(9,447)*	*1,662*	*2,539*
Total		***15,336***	***(10,065)***	***5,271***	***5,526***

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

	Annual depreciation rate	Consolidated - 12/31/2012			Consolidated 12/31/2011
		Cost	Accumulated depreciation	Property and equipment , net	Property and equipment, net
Construction in progress	-	-	-	-	***41,905***
Fixed assets for use		***633,333***	***(351,229)***	***282,104***	***254,561***
Sales stands	*(*)*	*362,151*	*(306,046)*	*56,105*	*82,937*
Land	-	*63,949*	-	*63,949*	*59,760*
Buildings	*4%*	*95,668*	*(4,533)*	*91,135*	*32,372*
Machinery and equipment	*10%*	*37,749*	*(8,667)*	*29,082*	*36,717*
Furniture and fixtures	*10%*	*16,352*	*(7,260)*	*9,092*	*8,833*
Computers	*20%*	*25,357*	*(12,172)*	*13,185*	*12,710*
Vehicles and Aircraft	*20%*	*4,453*	*(1,909)*	*2,544*	*11,724*
Leasehold improvements	*10%*	*16,366*	*(7,011)*	*9,355*	*9,405*
Other	*from 0% to 10%*	*11,288*	*(3,631)*	*7,657*	*103*
Total		***633,333***	***(351,228)***	***282,104***	***296,466***

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

9. Property and equipment – Continued

Financial leases

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

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

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

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

Leases	*12/31/2012*	*12/31/2011*	*Acquisition*
Cost - 6 Cranes Model ZHONGWEN QYZ63	-	*2,340*	*06/04/2008*
Cost Value – Aircraft Cessna Model 550 (Citation Bravo) – Year 2006	*7,806*	*7,806*	*01/15/2010*
Accumulated depreciation	*(3,161)*	*(1,969)*	
Total net	***4,645***	***8,177***	

The transaction asset is recorded in financial statements under caption “Property and equipment” and is being depreciated according to the asset’s estimated useful life.

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

Future payments current value	***12/31/2012***	***12/31/2011***
Current	3,028	1,405
Non-current	192	4,444
Total	**3,220**	**5,849**

10. Intangible assets

Changes to intangible assets in 2012 were as follows:

	Parent company						Consolidated			
	Intangible assets (net) 12/31/2011	Additions	*Impairment*	Intangible assets (net) 12/31/2012	Reclassifications in 2012	Adjusted intangible assets (net) 12/31/2012	Intangible assets (net) 12/31/2011	Additions	Impairment	Intangible assets (net) 12/31/2012
Goodwill										
Agre empreendimentos imobiliários *	446,459	-	-	446,459	(170,559)	275,900	411,149	-	(5,458)	405,691
Agre urbanismo Ltda.	3,403	-	-	3,403	-	3,403	3,403	36	-	3,439
Aztronic engenharia de softwares Ltda.	4,362	-	-	4,362	-	4,362	4,362	-	-	4,362
CHL desenvolvimento imobiliário S.A	59,443	-	-	59,443	-	59,443	63,699	1,581	-	65,280
Fator ícone empreendimento imobiliário	2,587	-	(1)	2,586	-	2,586	2,587	-	(1)	2,586
Goldfarb incorporações e construções S.A	38,378	-	(1)	38,377	-	38,377	50,087	4,336	-	54,423
Jazz 2006 participações S.A	-	-	-	-	-	-	8,563	-	(8,563)	-
Ln8 incorporação e empreendimentos	2,944	-	-	2,944	-	2,944	2,944	-	-	2,944
PDG desenvolvimento imobiliário	-	-	-	-	-	-	45,163	-	(7,212)	37,951
PDG Jet Casa S.A	816	-	(816)	-	-	-	816	-	(816)	-
PDG LN incorporações e construções S.A	3,439	-	(1)	3,438	-	3,438	3,439	-	(1)	3,438
REP DI desenvolvimento imobiliário S.A	11,927	-	-	11,927	-	11,927	12,655	3,557	-	16,212
TGLT	22,397	-	(17,384)	5,013	-	5,013	27,209	-	(17,384)	9,825
Other	1,607	3,025	-	4,632	-	4,632	5,576	3,477	-	9,053
Total	**597,762**	**3,025**	**(18,203)**	**582,584**	**(170,559)**	**412,025**	**641,652**	**12,987**	**(39,435)**	**615,204**
Negative goodwill					-					
Jazz 2006 participações S.A	(7,260)	7,260	-	-	-	-	(7,260)	7,260	-	-
Gold Cancun empreend. imob. SPE Ltda.	(76)	76	-	-	-	-	(76)	76	-	-
Total	**(7,336)**	**7,336**	**-**	**-**	**-**	**-**	**(7,336)**	**7,336**	**-**	**-**
Software and other intangible assets	29,749	5,478	(3,749)	31,478	-	31,478	35,226	-	(3,748)	31,478
Subtotal	**620,175**	**15,839**	**(21,952)**	**614,062**	**(170,559)**	**443,503**	**669,542**	**20,323**	**(43,183)**	**646,682**
Adjustment of software in 2011 **	-	-	-	-	31,478	31,478	-	-	-	-
Goodwill relocation to inventory (Note 6)	(620,175)	(15,839)	21,952	(614,062)	170,559	(443,503)	-	-	-	-
Reallocation for investments (Note 9)	(620,175)	(15,839)	21,952	(614,062)	202,037	(412,025)	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**31,478**	**31,478**	**669,542**	**20,323**	**(43,183)**	**646,682**

* The relocation shown in this exhibit refers to part of the goodwill arising from the business combination with Agre Empreendimentos Imobiliários, the reason for setting up was the appreciation of the properties for sale, and the balance of R$ 170,559 is composed as follows: R$ 214,486 arising from this operation, less the accumulated amortization of R$ 43,927 which had been recorded by 2011.

** Refers to a better classification of software in the parent company in accordance with pronouncement CPC 04.

10. Intangible assets – Continued

Changes to intangible assets in 2011 were as follows:

	Parent company				Consolidated			
	Intangible assets (net) 12/31/2010	Additions	Impairment	Intangible assets (net) 12/31/2011	Intangible assets (net) 12/31/2010	Additions	*Impairment*	Intangible assets (net) 12/31/2011
Goodwill								
Agre empreendimentos Imobiliários	417,461	72,925	(43,927)	446,459	581,145	84,259	(254,255)	411,149
Agre Urbanismo S.A.	-	3,403	-	3,403	-	3,403	-	3,403
Av. Chile 230 Investimentos imobiliários S.A.	7,638	-	(7,638)	-	7,638	-	(7,638)	-
Aztronic Engenharia de Softwares Ltda	2,201	2,161	-	4,362	2,201	2,161	-	4,362
CHL Desenvolvimento imobiliários S.A.	59,443	-	-	59,443	70,132	-	(6,433)	63,699
Fator Icone empreendimento Imobiliário Ltda	2,587	-	-	2,587	2,587	-	-	2,587
Gold São Paulo empreend. Imobil SPE Ltda	-	-	-	-	42	-	(42)	-
Goldfarb Incorporações e Construções S.A.	38,378	-	-	38,378	54,158	564	(4,635)	50,087
Jazz 2006 participações S.A.	-	-	-	-	8,563	-	-	8,563
LDI	-	-	-	-	4,206	-	(4,206)	-
LN 8 Incorporação e empreendimentos	2,944	-	-	2,944	2,944	-	-	2,944
PDG Desenvolvimento Imobiliário S.A.	-	-	-	-	35,767	9,396	-	45,163
PDG Jet Casa S.A.	815	-	-	815	816	-	-	816
PDG LN Incorporações e Construções S.A.	4,299	-	(860)	3,439	4,299	-	(860)	3,439
REP DI Desenvolvimento Imobiliário S.A.	11,927	22,641	(22,641)	11,927	11,939	23,357	(22,640)	12,656
TGLT	22,397	-	-	22,397	22,397	4,812	-	27,209
Other	1,082	525	-	1,607	1,095	4,480	-	5,575
Total	**571,172**	**101,655**	**(75,066)**	**597,761**	**809,929**	**132,432**	**(300,709)**	**641,652**
Negative goodwill								
Br Brokers	(210)	-	210	-	(210)	-	210	-
CHP 1000 Empreend Imob	(2,073)	-	2,073	-	(2,073)	-	2,073	-
Gold Blue empreend. imob. SPE Ltda.	(291)	-	291	-	(291)	-	291	-
Gold Cancun empreend. imob. SPE Ltda.	(76)	-	-	(76)	(76)	-	-	(76)
Gold Cuba empreend. imob. SPE Ltda.	(454)	-	454	-	(454)	-	454	-
Gold India empreend. imob. SPE Ltda.	(200)	-	200	-	(200)	-	200	-
Goldfarb PDG 5 empreend. imob. SPE Ltda.	(122)	-	122	-	(122)	-	122	-
Jazz 2006 participações S.A.	(7,260)	-	-	(7,260)	(7,260)	-	-	(7,260)
TP 1000empreend.imob. Ltda	(1,198)	-	1,198	-	(1,198)	-	1,198	-
Total	**(11,884)**	-	**4,548**	**(7,336)**	**(11,884)**	**-**	**4,548**	**(7,336)**
Software and other intangible assets	28,613	1,136	-	29,749	29,152	6,075	-	35,226
Subtotal	**587,901**	**102,791**	**(70,518)**	**620,174**	**827,197**	**138,507**	**(296,161)**	**669,542**
Reclassification for investments (Note 8)	**(587,901)**	**(102,791)**	**70,518**	**(620,174)**	**-**	**-**	**-**	**-**
Closing balance	**-**	**-**	**-**	**-**	**827,197**	**138,507**	**(296,161)**	**669,542**

10. Intangible assets – Continued

Methodology used – Impairment test

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

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

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

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

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

Software intangible assets

Assets classified as "Software and other intangible assets" correspond to the Company's operating software acquisition and implementation costs whose amortization started in January 2011. During the year ended December 31, 2012, the amount of R$3,749 was amortized and accounted for in the Company's income (R$ 2,581 at the year ended December 31, 2011). Software amortization period was estimated as eight years.

11. Related parties transactions

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

11.1. Advances for future capital increase

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

11.2. Debenture transactions

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

11. Related parties transactions - Continued

11.3. Management compensation

The Company's Executive Board and Management compensation limit for 2012 was determined as R$25,000 according to Extraordinary Shareholders' Meeting held on April 5, 2012 (R$30,000 for 2011). Amounts recorded as remuneration, profit sharing, dividends and/or benefits in general during the period ended December 31, 2012 was R$15,290 (R$ 17,913 in the year ended December 31, 2011), less share-based payments.

As of December 31, 2012, the Company's Executive Board and Management is comprised as follows:

	12/31/2012	*12/31/2011*
Board of Directors		
Base Remuneration	*1,568*	*864*
Fiscal Council		
Base Remuneration	*230*	*110*
Board of directors		
Base Remuneration	*3,837*	*2,619*
Profit sharing	*15,290*	*17,913*
Total	***20,925***	***21,506***

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

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

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

11.4. Collateral signatures and guarantees

As of December 31, 2012, collateral signatures provided by the Company to its subsidiaries totaled R$6,109,622 (R$5,120,757 as of December 31, 2011) to guarantee contracted real estate credit transactions with prime banks.

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

11. Related parties transactions - Continued

Related parties balances

Balances and transactions with related parties are shown below:

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Assets				
Debentures – Non-current Assets (Note 7)	*25,548*	*61,135*	*1,064*	*40,593*
Related Parties' Loans – Current and non-current assets	*118,616*	*54,175*	*51,193*	*54,745*
Related Parties – Current and Non-Current Assets	*18,547*	*182,628*	-	*91,069*
AFAC – Non-current assets	*826,777*	*400,334*	-	-
Liabilities				
Related parties – Current and non-current liabilities	*40,024*	*276,593*	-	*16,932*
AFAC – Non-current liabilities	-	*3,264*	-	*103,010*

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

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

12. Loans and financing

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

Consolidated breakdown of the Company's loans as of December 31, 2012 and 2011, per debt type, is as follows:

	Parent company		Average rate	Guarantee
Type of debt	**12/31/2012**	**12/31/2011**		
SFH	*86,082*	*80,161*	*TR + 8.0% up to TR + 13.50%*	*Mortgage/ receivables/ collateral signatures*
Working capital	*290,597*	*157,164*	*CDI up to CDI + 7.44% and TJPL (long term interest rate) +1%*	*Collateral signature PDG / pledge and credit rights / property to be built in 90 days*
FINEP	*115,779*	*72,132*	*from 5.25% to 8.25%*	*PDG surety*
Total	***492,458***	***309,457***		
Current liabilities	*72,583*	*65,049*		
Non-current liabilities	*419,875*	*244,408*		

	Consolidated		Average rate	Guarantee
Type of debt	**12/31/2012**	**12/31/2011**		
SFH	*3,077,297*	*2,608,658*	*TR + 8.0% up to TR + 13.50%*	*Receivables/ proportional surety/ mortgage/ guarantee/ pledge/ real estate mortgage/ guarantors*
Working capital	*1,062,359*	*740,369*	*CDI up to CDI + 7.44% and TJPL (long term interest rate) +1%*	*PDG collateral signature/ mortgage/ credit rights/ proportional collateral signature/ CDB*
FINEP	*115,779*	*72,132*	*from 5.25% to 8.25%*	*PDG surety*
Other debts	*16,620*	*189,466*	*CDI + 1%*	
Total	***4,272,055***	***3,610,625***		
Current liabilities	*1,840,885*	*1,872,531*		
Non-current liabilities	*2,431,170*	*1,738,094*		

Long-term loans and financing mature as follows:

Year	**Consolidated**	
	12/31/2012	**12/31/2011**
2013	*-*	*1,190,497*
2014	*1,264,208*	*369,263*
2015	*510,546*	*121,203*
2016	*316,052*	*57,131*
2017	*194,494*	*-*
2018	*121,559*	*-*
2019 onwards	*24,311*	*-*
Total	***2,431,170***	***1,738,094***

13. Redeemable preferred shares and usufruct of shares

13.1 Preferred shares

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

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

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

a) Fixed, priority and cumulative dividends to be paid on an annual basis ("Cumulative Fixed Dividends") on the following dates: June 15, 2011; June 15, 2012; June 15, 2013; June 15, 2014 and June 15, 2015, regardless of General Meeting decision and of special trial balance survey;

b) Cumulative Fixed Dividend to be paid in each Fixed Dividend Payment Date linked to investment value contributed by the investor that holds preferred shares;

c) Will be redeemable pursuant to the terms provided for in Goldfarb Investimentos S.A. Bylaws; and

d) Other rights related to preferred investor condition.

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

The amount is recorded under "Other accounts" payable and the outstanding balances are as follow:

	Consolidated	
	12/31/2012	***12/31/2011***
Current	*13,778*	*17,007*
Non-current	*300,000*	*300,000*
	313,778	***317,008***

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

13. Redeemable preferred shares and usufruct of shares - Continued

13.1 Preferred shares - Continued

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

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

14.1 Debentures

	Parent company		Consolidated	
	12/31/2012	***12/31/2011***	***12/31/2012***	***12/31/2011***
Debentures				
PDG Realty S.A. - 1st Issuance	*261,339*	*266,650*	*261,339*	*266,650*
(-) Cost of the 1st Issuance	*(3,115)*	*(3,632)*	*(3,115)*	*(3,632)*
PDG Realty S.A. - 3rd Issuance	*246,592*	*309,545*	*246,592*	*309,545*
(-) Cost of 3rd Issuance	*(915)*	*(1,479)*	*(915)*	*(1,479)*
PDG Realty S.A. - 4th Issuance	*265,667*	*285,048*	*265,667*	*285,048*
(-) Cost of 4th Issuance	*(1,960)*	*(2,699)*	*(1,960)*	*(2,699)*
PDG Realty S.A. - 5th Issuance	*621,727*	*624,698*	*621,727*	*624,698*
(-) Cost of 5th Issuance	*(3,899)*	*(5,458)*	*(3,899)*	*(5,458)*
PDG Realty S.A. - 6th Issuance	*117,331*	*107,709*	*117,331*	*107,709*
(-) Cost of 6th Issuance	*(252)*	*(317)*	*(252)*	*(317)*
PDG Realty S.A. - 7th Issuance	*153,923*	-	*153,923*	-
(-) Cost of the 7th issuance	*(3,106)*	-	*(3,106)*	-
PDG Realty S.A. - 8th Issuance (*)	*89,508*	-	*89,508*	-
Total debentures	***1,742,840***	***1,580,065***	***1,742,840***	***1,580,065***
Current liabilities	*316,727*	-	*316,727*	-
Non-current liabilities	*1,426,113*	*1,580,065*	*1,426,113*	*1,580,065*

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

14.2 Bank credit notes

	Parent company		Consolidated	
	12/31/2012	***12/31/2011***	***12/31/2012***	***12/31/2011***
Liabilities from CCB issuance				
2nd Series of 1st Issuance	*27,082*	*27,700*	*27,082*	*27,700*
3rd Series of 1st Issuance	*93,774*	*94,783*	*93,774*	*94,783*
4th Series of 1st Issuance	*7,944*	*8,032*	*7,944*	*8,032*
15th Series of 1st Issuance	*250,436*	*251,026*	*250,436*	*251,026*
22nd Series of 1st Issuance	*47,927*	-	*47,927*	-
2nd Series of 2nd Issuance	-	-	*93,027*	*93,449*
3rd Series of 2nd Issuance	-	-	*114,523*	*114,814*
3rd Series of 3rd Issuance	-	-	*413,404*	*416,308*
5th Series of 3rd Issuance	*204,845*	*207,803*	*204,845*	*207,803*
7th Series of 3rd Issuance	*250,272*	*250,319*	*250,272*	*250,319*
Total CCB issuance	***882,280***	***839,663***	***1,503,234***	***1,464,234***
Current liabilities	-	-	-	-
Non-current liabilities	*882,280*	*839,663*	*1,503,234*	*1,464,234*

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

The Company's management, as a preventive measure, negotiated the clauses of the 1st, 3rd and 5th debenture issuances, which established the possibility of accelerated maturity if financial covenants were not met.

In the case of the 1st debenture issuance, the observation of that clause was suspended in relation to the financial information of the 2nd quarter of 2012 and the financial information/statements for the next 12 months, counting from that quarter.

In the 3rd and 5th debenture issuances, the Company was waived from observing the financial covenant of positive EBIT, for the financial information for the 2nd quarter of 2012. In addition, for the financial information/statements for the 3rd quarter of 2012 up to the 1st quarter of 2013, the calculation of said financial covenant will exclude the result of the 2nd quarter of 2012 and the previous quarters. After that period, in the disclosure of financial information for the 2nd quarter of 2013, the Company will resume observing the positive EBIT financial covenant as established in the debentures, using the financial statements for the preceding 12 months.

14.3. 1st issuance of non-convertible debentures

On July 24, 2007, the Company completed the 1st Issuance of the Primary Public Distribution of debentures that issued 25,000 simple, non-convertible, registered, nominative, unsecured debentures in a single series, with par value of R$10.

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

Debentures were fully subscribed and mature in seven years, being remunerated at CDI variation plus 0.9% p.a. Amortization is in four annual installments beginning as of July 1, 2011.

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

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

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

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

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

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

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

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

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

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

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

On August 31, 2009 the Shareholders' Meeting approved the Company's 3rd non-convertible Debenture Issue, of the secured kind in one sole series. 300 registered bookkeeping debentures were issued of a R$ 1,000 face value, totaling R$ 300,000. The 3rd Debenture Issue public deed was undersigned on September 11, 2009 with the Severance Payment Fund (FGTS) and provides for expiry in five years as of the issue date. Principal payments will have a 36-month grace period and will occur every six months thereafter. The papers will earn interest according to the TR plus 8.75% per annum, and interest will be paid every six months.

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

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

The proceeds from this debenture issue will be intended to fund the construction of housing projects covered by the SFH - the Home financial system legal framework.

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

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

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

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

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

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

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

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

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

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

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

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

14.5. 5th Issuance of debentures - non-convertible debentures - Continued

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

14.6. 6th Issuance of debentures - non-convertible debentures

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

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

14.7. 7th Issuance of debentures - non-convertible debentures

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

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

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

14.8. Estimates for debenture repayment

In accordance with the principal debentures' estimated repayment flow on December 31, 2012, the balance is allocated as follows:

Year Amortization	Ownership Amortization	12/31/2012
1st Issuance		
2015	25.00%	64,556
2016	25.00%	64,556
2017	25.00%	64,556
2018	25.00%	64,556
Total 1st Issuance	**100.00%**	**258,224**
3rd Issuance		
2013	50.00%	122,839
2014	50.00%	122,839
Total 3rd Issuance	**100.00%**	**245,678**
4th Issuance		
2013	26.67%	70,322
2014	26.67%	70,322
2015	26.67%	70,322
2016	20.00%	52,741
Total 4th Issuance	**100.00%**	**263,707**
5th Issuance		
2013	20.00%	123,566
2014	40.00%	247,131
2015	40.00%	247,131
Total 5th Issuance	**100.00%**	**617,828**
6th Issuance		
2016	100.00%	117,080
Total 6th Issuance	**100.00%**	**117,080**
7th Issuance		
2018	100.00%	150,815
Total 7th Issuance	**100.00%**	**150,815**
8th Issuance		
2016	100.00%	89,508
Total 8th Issuance	**100.00%**	**89,508**
Overall total		**1,742,840**

	Consolidated
	12/31/2012
Short-term	316,727
Non-current	1,426,113
Total debentures	**1,742,840**

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

14.9. Costs of debenture transaction

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

12/31/2012	*PDG Realty - 1st Issuance*	*PDG Realty - 3rd Issuance*	*PDG Realty - 4th Issuance*	*PDG Realty - 5th Issuance*	*PDG Realty - 6th Issuance*	*PDG Realty - 7th Issuance*
On the date of Issue	***250,000***	***300,000***	***280,000***	***600,000***	***97,000***	***140,000***
(-) Transaction costs	*(3,895)*	*(2,677)*	*(3,217)*	*(7,624)*	*(367)*	*(3,530)*
Net inflow of funds at the Company o the date of operation	***246,105***	***297,323***	***276,783***	***592,376***	***96,633***	***136,470***
Nominal rate of the transaction	*CDI+1.80%*	*TR +10.45%*	*CDI+2.40%*	*TR+8.16%*	*14.60%*	*IPCA+6.56 %*
Effective rate of the transaction	*CDI + 2.22%*	*TR + 10.70%*	*CDI + 2.78%*	*TR + 8.40%*	*14.67%*	*IPCA + 6.96%*
Appropriation of transaction costs in income (loss):						
Appropriated amounts						
2009	*-*	*(65)*	*-*	*-*	*-*	*-*
2010	*-*	*(567)*	*(1)*	*(642)*	*-*	*-*
2011	*(263)*	*(566)*	*(516)*	*(1,524)*	*(50)*	*-*
2012	*(517)*	*(564)*	*(740)*	*(1,559)*	*(66)*	*(424)*
Subtotal	***(780)***	***(1,762)***	***(1,257)***	***(3,725)***	***(115)***	***(424)***
Unrecognized amounts						
2013	*(520)*	*(559)*	*(257)*	*(1,559)*	*(67)*	*(522)*
2014	*(519)*	*(356)*	*(498)*	*(1,559)*	*(67)*	*(522)*
2015	*(519)*	*-*	*(498)*	*(781)*	*(67)*	*(522)*
2016	*(519)*	*-*	*(707)*	*-*	*(51)*	*(522)*
2017	*(519)*	*-*	*-*	*-*	*-*	*(522)*
2018	*(519)*	*-*	*-*	*-*	*-*	*(496)*
Subtotal	***(3,115)***	***(915)***	***(1,960)***	***(3,899)***	***(252)***	***(3,106)***
Total	***(3,895)***	***(2,677)***	***(3,217)***	***(7,624)***	***(367)***	***(3,530)***

14.10. Financial charges allocation

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

15. Property acquisition liabilities

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

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Cash	2,927	17,487	222,855	331,770
Subject to VGV	-	14,784	602,644	669,778
(-) Present value adjustment	-	-	(3,122)	(10,088)
Total	**2,927**	**32,271**	**822,377**	**991,460**
Current	-	32,271	682,387	813,795
Non-current	2,927	-	139,990	177,665

The balances of barters payable, in the amount of R$ 602,644 as of December 31, 2012 (R$ 669,778 as of December 31, 2011), refer to commitments for the purchase of plots of land for the development of real estate properties, and the settlement with the bartering party is made at the same time as the customer's financial settlement, by means of fund transfers, as foreseen in the agreement.

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

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

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

	Consolidated	
	12/31/2012	12/31/2011
2013	-	97,674
2014	76,963	43,977
2015	33,768	19,295
2016 onwards	29,259	16,719
Total	***139,990***	***177,665***

16. Tax Liabilities

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

a) Income and social contribution tax expenses

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

	12/31/2012		*12/31/2011*	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income from real estate development	4,392,680	4,392,680	6,959,273	6,959,273
(-) Income from real estate development - Parent companies at the taxable income	(178,073)	(178,073)	(115,154)	(115,154)
(-) Income from real estate development at RET	(1,282,016)	(1,282,016)	(1,530,428)	(1,530,428)
Property Development Revenues under the presumed profit method	2,932,590	2,932,590	5,213,691	5,213,691
Presumed profit - Real estate development - IRPJ 8% - CSLL 12%	**234,607**	**351,911**	**425,095**	**637,643**
Rental/service income	53,518	53,518	15,169	15,169
Presumed profit - Services/Rentals - IRPJ - CSLL 32%	**17,126**	**17,126**	**4,854**	**4,854**
Presumed profit (Real estate dev.+Serv)	**251,733**	**369,037**	**429,949**	**642,497**
(+) Financial income	264,451	264,451	260,835	260,835
(-) Financial income - Taxable income	(133,172)	(133,172)	(236,085)	(236,085)
(+) Other income	126,098	126,098	111,814	111,814
(-) Other income - Taxable income	(15,941)	(15,941)	(93,829)	(93,829)
Presumed profit tax basis	**493,168**	**610,472**	**472,684**	**685,232**
Consolidated expense - Presumed profit - IRPJ	(123,292)	(54,942)	(118,171)	(61,671)
Deferred IRJP on temporary differences - Taxable income	3,245	9,629	4,169	1,948
Consolidated expense - RET	(36,121)	(30,057)	(24,745)	(20,591)
Companies Taxed under the Presumed + Taxable Profit Methods	**(156,168)**	**(73,371)**	**(138,746)**	**(80,314)**
(+) Other	2,778	18,770	45,250	8,257
Expenses in income (loss)	**(153,390)**	**(56,601)**	**(93,496)**	**(72,057)**
Breakdown of expense				
Current	(88,146)	(50,362)	(135,588)	(74,894)
Deferred	(65,244)	(6,239)	42,092	2,837

Taxes	**12/31/2012**	**12/31/2011**
Current	(138,508)	(210,482)
Deferred	(71,483)	44,929

16. Tax Liabilities - Continued

a) Income and social contribution tax expenses - Continued

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

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

b.1) Deferred assets

Deferred tax credits arising from a tax loss and/or social contribution negative base are recognized only inasmuch as they are likely to be realized, based on future income projections prepared by Management. Prepaid items and sums subject to offsetting are stated in non-current assets. These credits were created based on technical studies prepared by the Company’s Management with the use of income projections for property development recorded by the Parent and its subsidiaries, approved by the Board of Directors. However, for 2012 we do not expect to use those credits, due to the low future profitability of the companies that opted for the taxation regime based on taxable income. Accordingly, we reversed the provision of R$ 97,817 and only a residual balance remained, in the amount of R$ 195 (R$ 83,480 as of December 31, 2011).

b.2) Deferred liabilities

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

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

16. Tax Liabilities - Continued

b.2) Deferred liabilities - Continued

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

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Income tax on tax losses	-	14,222	195	76,087
Social contribution on negative basis	-	5,119	-	26,734
Subtotal	**-**	**19,341**	**195**	**102,821**
Deferred income tax liabilities	(29,600)	(42,446)	(151,103)	(42,446)
Deferred social contribution tax liability	(23,486)	(15,544)	(119,893)	(15,544)
Subtotal	**(53,086)**	**(57,990)**	**(270,996)**	**(57,990)**
Total	**(53,086)**	**(38,649)**	**(270,801)**	**44,831**

On December 31, 2012 the balance of tax losses accrued by the Parent rose to R$ 673,713 (R$ 100,212 on December 31, 2011), were not recognized for deferred tax purposes.

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

	Parent company		Consolidated	
Tax	12/31/2012	12/31/2011	12/31/2012	12/31/2011
IRPJ and CSLL (Income tax)	53,086	38,649	270,996	212,322
PIS and COFINS	15,508	12,398	234,705	332,420
Total	**68,594**	**51,047**	**505,701**	**544,542**
Current liabilities	25,779	12,398	357,544	338,916
Non-current liabilities	42,815	38,649	148,157	205,826

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

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

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Unrecognized contracted sales	*71,316*	*45,613*	*6,250,600*	*6,091,243*
Construction commitment	*(51,293)*	*(28,794)*	*(4,558,252)*	*(3,902,889)*
Total	***20,023***	***16,819***	***1,692,348***	***2,188,354***

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

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
2012	-	*10,260*	-	*1,334,896*
2013	*1,601*	*5,214*	*887,779*	*678,390*
2014	*8,374*	*1,009*	*676,881*	*131,301*
2015	*10,048*	*336*	*127,688*	*43,767*
Total	***20,023***	***16,819***	***1,692,348***	***2,188,354***

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

As mentioned in Note 2.11, income (loss) from real estate transactions carried out is recorded based on the cost incurred. Therefore, the balance of accounts receivable from the units sold and not yet concluded are reflected in part in the December 31, 2012 financial statements, as the respective book entries reflect recognized revenues net of the installments received.

The R$ 858,055 sum received in consolidated sales (R$ 761,498 on December 31, 2011), in excess of the stated sales revenues is stated in advances from clients, in current and non-current liabilities.

18. Provision for contingencies

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

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

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

	Consolidated	
Nature – Likely loss	***12/31/2012***	***12/31/2011***
Labor	*21,687*	*3,846*
Tax	*17,840*	*17,701*
Civil	*51,174*	*5,909*
Sundry contingencies	*48,561*	*-*
Total	***139,262***	***27,456***
Portion in non-current liabilities	*139,262*	*27,456*

18. Provision for contingencies - Continued

Below follows a breakdown of the Company's contingency provisions, and those of its subsidiaries and jointly controlled companies:

	Consolidated				
	Labor	*Tax*	*Civil*	*Sundry contingencies*	*Total*
Balance at 12/31/2011	***3,846***	***17,701***	***5,909***	***-***	***27,456***
Additions	*18,692*	*8,933*	*45,659*	*48,561*	*121,845*
Reversals	*(851)*	*(8,794)*	*(394)*	*-*	*(10,039)*
Balance at 12/31/2012	***21,687***	***17,840***	***51,174***	***48,561***	***139,262***

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

	Consolidated	
Nature – Possible loss	**12/31/2012**	**12/31/2011**
Labor	32,481	24,322
Civil	95,762	91,486
Tax	24,419	5,298
Total	**152,662**	**121,106**

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

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

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

	Contingencies		***Provision***
	Probable losses	***Possible losses***	***Current and non-current liabilities***
Indemnities, fines (1)	*17,445*	*52,863*	*-*
Provision for warranty (2)	*-*	*-*	*93,824*

(1) These are included in civil contingencies by the Company and its subsidiaries
(2) These are recorded under other contingencies by the Company and its subsidiaries

	Consolidated
	12/31/2012
Current	*93,504*
Non-current	*320*
Total Provision	***93,824***

19. Shareholders' equity

a) Capital

On December 31, 2012 the Company's equity capital was composed of 1,339,547,923 nominative common shares and with no par value (1,123,631,897 nominative common shares with no par value on December 31, 2011), totally subscribed and paid in totaling R$ 4,960,080 (R$ 4,874,278 on December 31, 2011).

On December 31, 2012, after costs of R$ 52,240 incurred in placing shares during the 2009 and 2010 fiscal years) (R$ 52,240 on December 31, 2011), the Company's equity capital is of R$ 4,907,843 (R$ 4,822,038 on December 31, 2011).

The Company's authorized equity capital increase on December 31, 2012 is of 1,080,000,000 common shares (680,000,000 on December 31, 2011). Share issues for capital increases are resolved by the Board of Directors and do not provide for preferred rights.

During the year ended December 31, 2012 and year ended December 31, 2011, changes in the number of shares of the Company were as follows:

	Quantity of shares	*Amount*
Balance at December 31, 2011	***1,123,631,897***	***4,874,278***
Exercise of stock options on 03.16.2012	*9,497,152*	*63,670*
Bonus Class D Class 1	*841,147*	*5,210*
Bonus Class D Class 2	*6,671,830*	*14,932*
Bonus Class G	*198,905,897*	*1,989*
Balance at December 31, 2012	***1,339,547,923***	***4,960,080***

Capital increase

The Company made an issuance of subscription bonuses, granting to their holders the right to subscribe necessarily together 1 new common share of the Company and 1 debenture convertible into 1 common share of the Company. The issuance characteristics are described as follow:

- Issuing date: 07/12/2012
- Date for exercising the bonus right: 09/19/2012
- Amount: 199,000,000
- Total amount; R$ 799,980,000.
- Total unit value: R$ 4.02, out of which: (i) R$ 4.01 for capital and capital reserves (the bonus price of R$ 4.00 + the common share subscription exercise price of R$ 0.01); and (ii) the subscription price of the debenture convertible into a share, of R$ 0.01.

19. Shareholders’ equity – Continued

a) Capital - Continued

Equity capital increase - Continued

As a result of exercising the bonus, on September 19, 2012, the Board of Directors’ Meeting Minute reports the decision of increasing capital and capital reserve, as well as of issuing debentures with the following characteristics:

- Unit nominal value: R$ 0.01 (as defined in the moment of the issuance of bonus).
- Quantity issued: 198,905,897.
- Remuneration: debentures are not entitled to any remuneration.
- Maturity date: 4 years as from the issuance date (09/19/2016).
- Amortization: fully in a single installment on maturity, there will be no anticipated amortization (nor redemption).
- Method: nominative, bookkeeping, simple and convertible into Company’s shares.
- Conversion: the debentures may be converted into Company’s shares at the Debenture holder criteria:

- Proportion: 1 debenture per Company’s common share.

- Conversion price: on translation date, it will be the greater of: (a) R$ 4.00 (four Reais) adjusted by the accrued Selic rate’s value over the period elapsed between the Debentures’ issue date and the new share’s issue and payment date, or (b) R$ 6.00 (six Reais).

Debentures were accepted for negotiation in an organized market administrated by BM&FBovespa S.A. (*ticker PDGR-D81*). The Company understands that the financial instrument has derivative characteristics and should be measured at fair value.

Initial recognition and measurement

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

At December 31, 2012, The Company presented its debentures measured at fair value as the chart below:

	12/31/2012
Quantity of debentures	*199,000,000*
Quantity of debentures canceled	*(94,103)*
Number of net debentures	***198,905,897***
Nominal value in the issuance (in Reais)	*0.01*
Total value of the issuance (in Reais)	***1,989,059***
Ticker PDGR-D81 at 12.31.12	*0.45*
Fair value of the 8th Issuance	***89,507,654***

19. Shareholders' equity – Continued

b) Minimum mandatory dividends and allocation of net profits

According to Company by-laws and pursuant to the Corporation Law (Law No. 6.404/76 and Law No. 11.637/07), the fiscal year's net profits will be allocated as follows, after deduction of the share by Management up to the maximum legal limit and after offsetting any existing accrued losses: (i) 5% for the legal reserve to the limit of 20% of paid in equity capital; and (ii) 25% of the balance remaining for payment of mandatory dividends.

The Company's Management approved a dividend payment during the Annual General Meeting dated May 08, 2012 totaling R$ 168,152 (R$ 0.1484 per share) of the year 2011, which payment took place on July 05, 2012.

c) Rights by common shares

The holder of each common share is entitled to one vote at any General Shareholders' Meeting, to receive dividends and/or other payments, and to dispose the shares under the same conditions guaranteed to the controlling shareholder (tag along). Shareholders have preemptive rights in the subscription of new shares issued by the Company, as established by corporate law, but have no obligation to subscribe to future capital increases if not interested.

19. Shareholders' equity – Continued

d) Earnings per share

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

- **Basic earnings per share**

	12/31/2012	***12/31/2011***
Net income (loss) for the period available for common shares	*(2,177,106)*	*708,007*
Weighted average of common shares outstanding (in thousands)	*1,230,768*	*1,118,088*
Income (loss) per share - (in R$) - Basic	*(1.7689)*	*0.6332*

- **Diluted earnings per share**

	12/31/2012	***12/31/2011***
Net income (loss) for the period available for common shares	*(2,177,106)*	*708,007*
Weighted average of common shares outstanding (in thousands)	*1,230,768*	*1,118,088*
Potential increase in common shares on account of the stock option plan (in thousands)	*12,291*	*33,227*
Potential increase in common shares on account of the capital increase - Subscription and debenture bonus (in thousands)	*198,906*	*-*
Total (in thousands)	***1,441,965***	***1,151,315***
Net income (Loss) per share (in Reais) – diluted	***(1.5098)***	***0.6150***

e) Share repurchase program

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

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

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

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

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

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

19. Shareholders' equity – Continued

e) Share repurchase program - Continued

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

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

As of December 31, 2012, treasury shares position was 16,283,700 common shares issued by the Company to be held in treasury for subsequent disposal or cancellation.

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

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

There were on other transactions involving common shares or potential common shares between the balance sheet date and the date of conclusion of these financial statements.

f) Equity evaluation adjustments

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

20. Financial instruments

The Company, its subsidiaries and jointly controlled companies participate in transactions involving financial instruments with the purpose of funding their activities or of investing their available funds. The management of these risks is performed through the definition of conservative strategies aiming at liquidity, profitability and safety. The control policy consists of ongoing monitoring of contracted rates against market rates.

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

The Company restricts its exposure to credit risks associated with banks and short-term investments, by placing investments in first-class financial institutions on high-yield short-term papers. As to accounts receivable, the Company restricts its exposure to credit risks by means of sales to a broad range of clients and the ongoing performance of credit analyses. As at December 31, 2012, there was no significant concentration of credit risk associated with customers.

Fair value of financial instruments – Vinci Partners Capitalization

On December 31, 2012, the Company had the following fair value for Vinci Capitalization:

	12/31/2012
Quantity of debentures	*199,000,000*
Quantity of debentures canceled	*(94,103)*
Number of net debentures	***198,905,897***
Nominal value in the issuance (in Reais)	*0.01*
Total value of the issuance (in Reais)	***1,989,059***
Ticker PDGR-D81 at 12.31.12	*0.45*
Fair value of the 8th Issuance	***89,507,654***

Transaction with a derivative financial instrument – Cash flow swap

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

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

20. Financial instruments - Continued

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

The operation contracted by the Company on December 31, 2012 is as follows:

Description	*Original value*	*Long position (Agre)*	*Short position (Banco HSBC)*	*Fair Value Position (AGRE)*	*Fair Value Position (Banco HSBC)*
				12/31/2012	*12/31/2012*
Cash flow swap tied to the funding	80,000	117% CDI + TJLP	100% CDI + 2.03% p.a.	54,284	53,675

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

Sensitivity analysis

Operation	*Risk*	*Probable Scenario MTM*	*Possible Scenário – stress 25%*	*Remote Scenario – stress 50%*
Debt in CDI	***Rise of CDI***			
Swap (long position - CDI)	*Rise of CDI*	54,284	54,289	*54,293*
Swap (short position - CDI and TJLP)	*Rise in CDI and TJLP*	*(53,674)*	*(54,385)*	*(55,074)*
Net Effect (MtM)		***610***	***(96)***	***(781)***

The results depicted in the likely (25% stress) and remote (50% stress) scenarios were found based on fair value on December 31, 2012, by applying stress to the changes in CDI and TJLP (the swap's debt and liability end) and in CDI (the swap's assets end).

Information on CDI was obtained from the BM&FBOVESPA site on December 31, 2012 regarding the expiries requested.

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

Scenario	*CDI + TJLP*	*CDI*
Probable (expected)	*8.07%*	*9.07%*
Possible – 25% stress	*11.39%*	*10.83%*
Remote - 50% stress	*14.72%*	*12.59%*

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

20. Financial instruments - Continued

a) Considerations on financial instruments' risks

Interest rate risk

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

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

Operation	*Risk*	*Probable scenario I*	*Scenario II*	*Scenario III*
Financing				
Rate subject to variation	*CDI*	*55,795*	*67,443*	*79,102*
Rate subject to variation	*TR*	*235,444*	*237,992*	*238,739*
Balance of loans		***291,239***	***305,435***	***317,841***
Debentures				
Rate/index subject to variations	*CDI*	*40,830*	*49,085*	*57,343*
Balance of debentures	*TR*	*63,041*	*63,526*	*64,011*
Balance of Debentures		***103,871***	***112,611***	***121,354***

Capital management

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

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

	12/31/2012	*12/31/2011*
Loans and financing - Ex SFH (Note 12)	*(1,194,758)*	*(1,001,967)*
Debentures (note 14)	*(1,742,840)*	*(1,580,065)*
(-) Cash and cash equivalents and securities	*1,752,161*	*1,670,615*
(=) Net debt	*(1,185,437)*	*(911,418)*
Total shareholders' equity	*5,030,113*	*6,436,886*
Leverage ratio	*(0.24)*	*(0.14)*

20. Financial instruments - Continued

a) Considerations on financial instruments' risks - Continued

Liquidity risk

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

Exchange rate risk

On December 31, 2012, the Company had no debts or amounts receivable denominated in foreign currency. Moreover, none of the Company’s relevant costs are in foreign currency.

Credit risk

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

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

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

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

Market value of financial instruments

The financial instruments’ book values, consisting substantially in short-term investments and loans, are shown in the December 31, 2012 and December 31, 2011 balance sheets as sums that are close to market values, considering similar transactions.

20. Financial instruments - Continued

b) Sensitivity analysis

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

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

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

The "gross financial income" was calculated for each scenario, not taking into account the incidence of taxes on investment yields. The base date used in the portfolio was December 31, 2012, with a one-year projection and checking the sensitivity of the CDI in each scenario.

Operation	***Risk***	***Probable scenario I***	***Scenario II***	***Scenario III***
Interest earnings bank deposits	***CDI***			
Gross financial income	-	*24,170*	*29,987*	*35,719*

21. Business Risk Management

a) Implementation of the risk control system

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

b) Risk control system

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

21. Business Risk Management – Continued

c) Loss risk control

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

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

d) Control of maximum cash exposure

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

e) Activities in a liquid market

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

f) Operational risks

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

22. Insurance coverage

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

Insurance coverage in amounts for December 31, 2012 is as follows:

Items	***Type of coverage***	***Amount insured***
Construction insurance (engineering risk and civil liability)	*Covers property and bodily damages involuntarily caused to third parties resulting from the execution of work, facilities and setting up at the site purpose of insurance; indirect damages caused by possible project errors; and extraordinary expenses such as clearing away of debris, disturbances, strikes etc.*	*8,885,637*
Guarantee of delivery of real estate property insurance	*Ensures the delivery of properties to conditional buyers*	*528,109*
Equipment	*Covers property damage to machinery and equipment of any nature*	*21,259*
Corporate	*Material damage caused by electrical damages, fire, windstorm, riots, assuring the loss of rental income*	*76,844*
Aircraft	*Covers hull, seizure, LUC/AV53*	*59,222*
D&O	*Administrators' responsibility*	*50,000*

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

23. Stock option plan

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

23. Stock option plan - Continued

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

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

Additionally, the Compensation Committee approved the Third Program, totaling 2,400,000 common shares (after the 1:2 share splits dated September 9, 2009 and November 7, 2010), that was granted in full to Program beneficiaries at a subscription price of R$ 5.58 per share (share price after the 1:2 share splits dated September 9, 2009 and November 7, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting in February 2009 and the last batch in February 2012.

23. Stock option plan - Continued

On January 03, 2012, the Compensation Committee approved the Third Program, totaling 35,200,000 common shares (after the 1:2 share splits dated September 09, 2009 and November 07, 2010), that was granted in full to Program beneficiaries at a subscription price of R$ 6.00 per share (share price after the 1:2 share splits dated September 09, 2009 and November 07, 2010). The subscription price is adjusted for inflation to reflect changes in IGP-M during the period between grant and effective exercise. Options may be exercised in four equal batches, the term for exercising the first batch starting in January 2011 and the last batch in January 2014.

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

	Quantity of options		
Description	***1st Plan***	***2nd Plan***	***3rd Plan***
Balance of common share options, not exercised at year-end – December 31, 2011	**-**	***601,594***	***32,625,286***
Exercised	-	*(588,261)*	*(8,908,891)*
Canceled		*(13,333)*	*(11,425,557)*
Balance of common share options, not exercised at period-end – December 31, 2012	**-**	**-**	***12,290,838***

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

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

	12/31/2012	***12/31/2011***	
Number of outstanding stock options.	*12,290,838*	*33,226,880*	*(a)*
Total Company's shares	*1,339,547,923*	*1,123,631,897*	*(b)*
Total	***1,351,838,761***	***1,156,858,777***	***(c)=(a)+(b)***
Dilution percentage	***0.92%***	***2.96%***	***(c)/(b)-1***

23. Stock option plan - Continued

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

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

The sum recognized in the income as reversal of expense in the year ended on December 31, 2012 was of R$ 25,655 (R$ 31,685 for the fiscal year ended on December 31, 2011).

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

Year	**Stock options expenses**
2013	*19,292*
2014	*11,302*

24. Segment information

Pursuant to CPC 22 – Information per Segment, and for control purposes, the Company subdivided its business units based on products and services, in accordance with the different types of revenues from its development projects.

During the fiscal year ended on December 31, 2012 the Company reviewed its manner of assessing the business and defined that the previously segregated business units did not refer to different segments but rather to subdivisions in the property development segment, which accounts for roughly 99.6% of the Company's net revenues.

25. Process of reviewing the estimat of costs to incur

From 2007 to 2010, PDG presented strong inorganic growth by acquiring companies of the real estate development sector (i) full shareholding interest in CHL, in 2008; (ii) in Goldfarb in 2009; (iii) in Agre, resulting from the merger of Klabin Segall, Abyara and Agra, in 2010.

With the acquisition of these companies, PDG sought to maintain the culture and distinctions of each of these companies, with a significant portion of independent business management, as well as their controls, management procedures and preparation of financial statements, which were consolidated in a single environment of relations with investors.

After acquisition of Agre, in 2010, the process for seeking synergy in these companies' business management started, strongly influenced by the implementation of a robust business management tool that is integrated and coordinated with financial statements preparation (SAP). Implementation started in 2009 in Goldfarb and CHL, and in AGRE at the end of 2011, with integrated management and processes for transactions carried out during the year ended December 31, 2012, which include the year herein presented.

To make this integration operational, a shared service center (CSC) was implemented for all companies of the group and the first stage, back office centralization, was completed in July 2012, with other areas, including the engineering and development departments, operating independently until the entire integration process is completed.

In the second half of 2012, integration of the construction work budget preparation process was completed; these budgets used to be prepared individually by the managers of each of the companies. Each company operated independently and used to prepare their budgets using non-uniform criteria established by their managers. Among integration benefits, construction work budgeting process was improved, as well as the adoption by all companies of a uniform criterion, with all controls migrating to a single platform. In addition, integration brings the possibility of implementing management by project, to be measured by performance indicators focused mainly on costs, deadlines and quality, and is already in progress.

25. Process of reviewing the estimate of costs to incur - Continued

Among the main processes that were changed after September 2012, we highlight: (i) a basic rule was defined that preliminary budget of all PDG construction work should be reviewed according to stricter and more assertive parameters, which will be used to determine PoC and recognize development income, adopting pre-executive project (released for construction that produces more accurate budget information as it is more detailed) prepared at the beginning of the construction work; (ii) change in supply area subordination and consolidation, as the supply area will no longer report to engineering officers but to the presidency on a consolidated basis; (iii) contracting of an independent engineering company specialized in project management and budget (outsourced) to review PDG analyses; (iv) centralization of operating activities in CSC (shared service center); (v) reduction in the use of outsourced professionals responsible for construction work; (vi) the engineering department receives remuneration incentives to deliver work within deadlines and not exceeding project costs; (vii) the engineering technical area is now part of the land acquisition committee; (viii) standardization of all contracts with outsourced/partner construction companies; all new construction methods to be adopted by PDG should be previously approved and tested by the technical area, which should evaluate and validate quality vision and construction capacity of outsourced and partner entities, in order to mitigate involved risks; and (ix) strengthening of our action with municipal authorities to avoid requests differing from the project initially approved until the time of occupancy permit, seeking to mitigate additional requirement costs after completion of construction.

As we have described, our engineering department is being restructured to more efficiently meet our construction requirements; we are improving initial planning to obtain more effective budgets at the beginning of the process to avoid surprises upon product delivery, seeking for more knowledge on all construction markets and taking into consideration the difficulties we still have to contract suppliers - mainly in locations that are distant from the Southeast region - and different construction methods used in each region, which affect construction costs and terms.

Due to the implementation of new processes and the use of a management tool (SAP) that is integrated and coordinated with the main areas of the business, we are now able to make more accurate estimates for each of the projects, permitting to expand and better detail budget elements; however, there are still restrictions to reflect the impact of events that occurred in periods prior to its implementation.

25. Process of reviewing the estimate of costs to incur - Continued

Accordingly, for the preparation of budgets used to determine construction work percentage completion (PoC) during the preparation of 2012 financial statements, we included past experience with additional requirements arising throughout the project as an additional ingredient, for example (i) environmental requirements; (ii) municipal authorities' additional requirements, mainly after government team alteration; (iii) Public Prosecution Officer's additional requirements, culminating with agreements (TAC) that give rise to additional costs not previously considered in the initial budget to analyze project feasibility.

To prepare these budgets, we reviewed and fully depurated all costs to incur, in addition to elements mentioned in the prior topic, mainly as a result of (i) budget indices used (INCC) do not reflect effective increase in labor costs; (ii) modifications made to the budget used to study project feasibility and before pre-executive budget, prepared before the effective beginning of the construction work and used as the basis to control construction cost; (iii) reflex of setbacks occurred during construction work such as the substitution of the originally contracted construction company, with corresponding additional costs for possible corrections to executed work.

This improvement and refinement of budget preparation processes are leading the Company to recognize an additional adjustment to cost to be incurred as of December 31, 2012, which is now being reflected in the Company's official books as the best estimate we have of our budgeted construction work cost, in the amount of R$1,434 million, with impact on PoC and, accordingly, in recognition of project income, generating a reversal of gross income in the amount of R$1,116 million (R$1,075 million in net income) as a contra-entry to accounts receivable balance. All these changes reflected in income for the year and, respectively, in assets and liabilities accounting balances.

These adjustments were necessary to reflect the adjustment of our best estimate of costs to be incurred as a result of investments made in our organizational structure, mainly implementation of tools compatible with the size and volume of the company's operations, as well as the adoption of centralized and more reliable processes.

Accordingly, information to be provided in the future, based on better quality estimates, aims at avoiding the repetition of independent criteria harmful effects on companies comprising PDG and that occurred in the past; it also intends to add more value to our shareholders.

26. Net income

Below follows a breakdown of the Company's net income on December 31, 2012 and 2011:

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Real estate sales	72,830	115,402	4,392,680	6,959,273
Other operating income	-	-	113,182	111,814
(-) Sales tax	(9,143)	(11,060)	(147,363)	(193,707)
Net operating income	**63,687**	**104,342**	**4,358,499**	**6,877,380**

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

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

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

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

a) By means of a purchase and sale agreement or of a promise to purchase and to sell, the Company transfers to the respective purchaser all the more significant risks and benefits related to the assets' property;

b) Once the units are sold, there is no ongoing involvement in managing these assets indicating association in the property of the items; and

c) The methods employed to define the percentage of construction progress as well as the value of revenues and expenses incurred and to be incurred are measured as described in Note 2.11;

27. Cost

Below follows a breakdown of the Company's properties sold on December 31, 2012 and 2011:

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Costs of units sold	22,266	69,517	4,637,957	4,559,227
Capitalized charges	-	-	474,579	480,440
Goodwill from business combination	52,920	43,927	52,920	43,927
Cost of properties sold	**75,186**	**113,444**	**5,165,456**	**5,083,594**

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

28. Net Financial revenue (Expense)

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Financial income				
Yield from financial investments	44,456	192,138	80,251	175,629
Inflation adjustment, interest and fines on arrears	5,643	2,251	136,860	27,469
Other financial income	17,892	13,914	47,340	57,738
Total financial income	**67,991**	**208,303**	**264,451**	**260,836**
Financial expenses				
Interest on loans	(542,224)	(375,953)	(876,021)	(671,916)
Bank expenses	(2,917)	(757)	(11,255)	(9,198)
Other financial expenses	(23,974)	(8,049)	(22,128)	(57,831)
Total financial expenses	**(569,115)**	**(384,759)**	**(909,404)**	**(738,945)**
Capitalized interest (Note 6)	160,081	171,198	528,179	440,697
Net financial expense	**(409,034)**	**(213,561)**	**(381,225)**	**(298,248)**
Total financial income	**(341,043)**	**(5,258)**	**(116,774)**	**(37,412)**

29. Administrative expenses

	Parent company		Consolidated	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Salaries and payroll charges	6,405	6,137	202,893	156,215
Management compensation	-	-	20,925	21,506
Salaries and payroll charges	**6,405**	**6,137**	**223,818**	**177,721**
Lawyers' fees and Court Costs	3,871	3,405	17,084	10,233
IT maintenance	1,029	1,023	16,653	10,126
Consulting	17,177	7,088	63,540	28,686
Other	3,452	4,289	25,155	29,626
Rendering of services	**25,529**	**15,805**	**122,432**	**78,671**
Stock options	(25,655)	31,658	(25,655)	31,658
Traveling	3,349	2,067	15,956	10,852
Telecommunications and Internet	472	333	14,238	9,231
Expenditure with completed units	118	-	15,662	-
Rental and renewal of real estates	4,394	703	41,697	16,046
Profit sharing	-	19,782	-	45,838
Other	3,846	3,106	29,086	78,353
Other administrative expenses	**(13,476)**	**57,649**	**90,984**	**191,978**
Administrative expenses	**18,458**	**79,591**	**437,234**	**448,370**

30. Sales expenses

	Parent company		*Consolidated*	
	12/31/2012	***12/31/2011***	***12/31/2012***	***12/31/2011***
Sales and marketing expenditure	*2,928*	*2,038*	*119,246*	*203,712*
Promotions and events	*209*	*238*	*10,481*	*18,124*
Commissions and bonuses on sales	*82*	*329*	*50,903*	*75,627*
Sales Stand	*2,059*	*1,246*	*70,060*	*64,108*
Other commercial expenses	*1,423*	*4,330*	*22,847*	*24,584*
Commercial expenses	***6,701***	***8,181***	***273,537***	***386,155***

31. Independent Auditors

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

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PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

Fiscal Board Report

The members of the Fiscal Board of PDG Realty S.A. Empreendimentos e Participações ("the Company"), in the exercise of its legal statutory duties, having examined **(i)** the Management report, the Independent Auditors' Report and the financial statements related to the year ended December 31, 2012 comprising the statement of financial position and the related statements of income, comprehensive income, changes in shareholders' equity, cash flows, added value statement and notes and **(ii)** the proposal for the destination of the Company´s results, based on the examination performed, on the clarifications provided by the Company´s Management and, considering, the unqualified audit report issued by KPMG Auditores Independentes, the Fiscal Board concluded that the Management report and the financial statements referred to above, in all relevant aspects, are fairly presented and the proposal for the destination of the results is in compliance with the legal applicable rules, and therefore, recommend the referred documents for the deliberation on the Shareholders General Ordinary Meeting. Sergio Passos Ribeiro; Pedro Machado Rodrigues Quintella.

Rio de Janeiro, March 26, 2013.

Independent auditors´ report

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

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

We have audited the individual and consolidated financial statements of PDG Realty S.A. Empreendimentos e Participações ("Company"), identified as individual (parent company) and consolidated, respectively, which comprise the statement of financial position as at December 31, 2012 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management´s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and for the preparation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council (CFC), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor´s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion on the financial statements prepared in accordance with the accounting practices adopted in Brazil

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

Audit opinion on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council (CFC).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council (CFC).

Emphasis of matter

As described in Note 2.1, the individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil. The consolidated financial statements prepared in accordance with IFRS, additionally considers, the guideline OCPC 04 issued by the Accounting Pronouncements Committee. This guideline refers to accounting treatment of the revenue recognition of this sector and involves issues related to the interpretation and application of the concept of continuous transfer of risks, benefits and control of the sale of real estate units, as described in more detail in Note 2.11. Our conclusion was not modified due to this matter.

Other issues

Added value statement
We also audited the individual and consolidated statements of added value (DVA) for the year ended December 31, 2012, prepared under the responsibility of the Company's management, presented to attend the Brazilian Corporate Law for Public Companies but not required under IFRS. These statements were submitted to the same audit procedures described previously and, in our opinion, are adequately presented, in all relevant aspects, in the relation to the financial statements prepared in accordance with the accounting practices adopted in Brazil taken as whole.

Audit of the figures corresponding to the previous year.
Figures corresponding to the year ended December 31, 2011, presented for comparison purposes, were audited by other independent auditors, which issued a report dated April 2, 2012, which did not contain any modification.

Rio de Janeiro, March 26, 2013

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

Original in Portuguese signed by

Marcelo Luiz Ferreira
Accountant CRC RJ-087095/O-7

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

Directors' Opinion on the Financial Statements

We reviewed the report of the Financial Statements for the year ended December 31, 2012, PDG Realty S.A. Empreendimentos e Participações and based on subsequent discussions, we agreed that such statements reflect properly all material respects, the financial position for the periods submitted.

Rio de Janeiro, March 26, 2013.

CEO
Carlos Augusto Leone Piani

Vice President and CFO
Marco Racy Kheirallah

Risk, Process and Internal Audit Director
Saulo de Tarso Alves Lara

IRO
Guido Prestes Lemos

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

Director's Opinion on the Auditor's Report

Based on our knowledge, presented by the auditors in planning and subsequent discussions on the audit results, we agree with the opinions expressed in the opinion prepared by KPMG for the Financial Statements of PDG Realty S.A. Empreendimentos e Participações and there is no disagreement.

Rio de Janeiro, March 26, 2013.

CEO
Carlos Augusto Leone Piani

Vice President and CFO
Marco Racy Kheirallah

Risk, Process and Internal Audit Director
Saulo de Tarso Alves Lara

IRO
Guido Prestes Lemos