



For Immediate Release

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Paladin Realty acquires a controlling stake in INPAR – one of Brazil’s largest public homebuilders

LOS ANGELES and SAO PAULO, February 17, 2009. Paladin Realty Partners LLC, a Los Angeles based real estate investment management firm, announced today that its third Latin America real estate fund, Paladin Realty Latin America Investors III LP, has acquired a controlling interest in INPAR S.A.

Founded in 1991, INPAR (www.inpar.com.br; Bovespa: INPR3) is one of Brazil’s largest publicly-traded real estate companies, with a primary focus on developing housing for the country’s growing middle-class. Currently operating in 17 states throughout Brazil, INPAR has developed over 14,000 residential units and 9 million square feet of commercial property.

INPAR is the second public homebuilder in which Paladin Realty has invested in recent months, as access to traditional sources of capital has been impacted by the global credit crisis. The transaction will provide INPAR with R\$180 million of new equity capital which will be used to continue the growth of the company’s business.

“Paladin’s capital and experience, combined with INPAR’s strong management and quality reputation, should position the company for continued growth well into the future,” said James R. Worms, Chairman and CEO of Paladin Realty. “In today’s environment, a strong balance sheet and focus on the core business is a necessity,” added Phil Fitzgerald, Paladin’s head of emerging markets.

While Brazil’s economy is slowing as a result of the current global economic slowdown, demand for affordable housing continues to be fueled by strong demographic trends and government support for mortgage financing to homebuyers. Brazil’s macroeconomic outlook has been bolstered by a decade of

structural economic and political reforms, prudent fiscal policies, and an increasingly diversified GDP. Indeed, according a recent article in the *Wall Street Journal*, Brazil's economy is "expected to fare better than most, growing slightly even as the U.S., Europe and Japan contract, economists forecast."

For more than a decade, Paladin Realty (www.paladinrp.com) has been a leading private equity investor in the real estate sector in Brazil and other Latin America countries. Founded in 1995 and backed by some of the largest U.S. pension funds and institutional investors, Paladin Realty has invested in numerous housing projects and other real estate assets throughout the region with a projected total capitalization of more than US\$3 billion. The firm invests with well-managed, local companies where Paladin Realty's capital and expertise can help such companies continue to grow and prosper.

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About Paladin Realty:

Paladin Realty Partners, LLC is private real estate investment firm that manages real estate investment funds on behalf of institutional investors and high net worth individuals. Founded in 1995 in partnership with former U.S. Treasury Secretary, William E. Simon, the firm is now wholly-owned by its active management team. Since its establishment, Paladin Realty's private investment funds have acquired or developed hundreds of properties, comprising a variety of product types located throughout the United States and Latin America, with a total projected capitalization of more than \$5 billion. Paladin Realty has been investing in emerging markets since 1997, focusing initially on countries in Latin America such as Brazil, Mexico, Chile, Peru, and Costa Rica. Since inception, the firm has developed projects throughout Latin America with a total projected capitalization in excess of \$3 billion.

For more information, please visit www.paladinrp.com.