PDG REALTY REACHES ADJUSTED NET INCOME OF R$221 MILLION IN 2Q10 AND NET MARGIN OF 17%
AGRE DEBT RESTRUCTURING COMPLETED

Rio de Janeiro, August 16th, 2010 – PDG Realty S.A. Empreendimentos e Participações – PDGR3 – discloses its results for the second quarter of 2010 (2Q10). The Company's consolidated financial statements are prepared in accordance with accounting practices adopted in Brazil pursuant to the Law of Corporations and regulations issued by the Brazilian Securities and Exchange Commission (CVM).

2Q10 & 1H10 OPERATIONAL HIGHLIGHTS	✓NET CONTRACTED SALES (PRO RATA PDG REALTY) OF R$1.556 BILLI0N IN 2Q10 AND R$2.911 IN THE 1H10; ✓LAUNCHES (PRO RATA PDG REALTY) REACHED R$1.804 BILLION, REPRESENTING A GROWTH OF 145% IN RELATION TO 2Q09; ✓QUARTERLY VSO REACHED 30%; ✓CONTRACTED SALES OVER TOTAL SUPPLY ("VSO") FOR THE QUARTER REACHED 30%; ✓66% OF THE CONTRACTED SALES CAME FROM LAUNCHES IN PREVIOUS QUARTERS; ✓51% OF THE LAUNCHES (PDG PSV) WERE CONCENTRATED IN THE ECONOMIC SEGMENT; ✓41% OF THE GUIDANCE OF LAUNCHES FOR THE YEAR WAS REACHED (R$6.5 – R$7.5 BILLION); ✓OF THE UNITS LAUNCHED IN THE ECONOMIC SEGMENT, 68% ARE ELIGIBLE FOR THE "MINHA CASA MINHA VIDA" HOUSING PROGRAM ;
2Q10 & 1H1O FINANCIAL HIGHLIGHTS	✓NET REVENUES REACHED 1.379 BILLION IN THE 2Q10, REPRESENTING A CHANGE OF 49% IN RELATION TO 2Q09; ✓GROSS MARGIN REACHED 33% IN QUARTER; ✓EBITDA REACHED R$372 MILLIONS IN 2Q10, REPRESENTING A CHANGE OF 122% IN RELATION TO 2Q09; ✓ADJUSTED NET INCOME REACHED R$220 MILLION IN 2Q10 WITH 17% NET MARGIN, REPRESENTING A CHANGE OF 178% IN RELATION TO 2Q09; ✓2Q10 ANNUALIZED ROE REACHED 17%.
HIGHLIGHTS & RECENT EVENTS	✓CONCLUSION OF DEBT RENEGOTIATION FOR AGRE; ✓INTEGRATION PROCESS OF AGRE; ✓INCREASED PARTICIPATION IN LN, SEEKING GREATER EXPOSURE TO THE SOUTHERN REGION; ✓NEW SECURITIZATION ISSUANCES TOTALING R$276 MILLION; ✓INCREASE IN WEIGHT OF PDG IN IBOVESPA; ✓GO LIVE SAP. ✓INCREASE IN STANDARD & POOR's RATING FOR PDG FROM "brBBB+" TO "brA" ✓FIRST LAUNCH OF "MINHA CASA MINHA VIDA" PROJECT DESTINED TO THE 0-3 MINIMUM WAGE FAMILIES, TOTALING 2,620 UNITS

(*)The operating and financial data disclosed herein for quarters prior to 2009 and for the 1st quarter of 2010 were calculated on a pro forma basis, including 100% of the operating and financial earnings of AGRE, as though the acquisition of AGRE by PDG had already taken place on the respective dates. We also note that these data are not audited.

OPERATIONAL AND FINANCIAL INDICATORS

	2Q10	2Q09*	Var (%)	1H10*	1H09*	Var (%)
Launched PSV (1) – R$ million	1,868.5	874.9	114%	3,055.1	1,539.1	98%
Launched PSV PDG Realty – R$ million	1,803.7	737.8	144%	2,855.5	1,210.2	136%
Launched Developments	55	39	41%	93	63	48%
Numbers of Units Launched (1)	9,893	6,830	45%	17,002	11,097	53%
Contracted Sales – R$ million (1)	1,625.4	1,179.1	38%	3,200.0	1,838.0	74%
Contracted Sales PDG Realty – R$ million	1,556.5	891.2	75%	2,911.5	1,404.4	107%
Numbers of Units Sold (1)	8,325	7,402	12%	17,218	11,308	52%
Market Value of Inventory - R$ million	3,632.3	3,229.2	12%	3,632.3	3,229.2	12%
Usable Area Launched TOTAL (m²) (1) (2)	600,136	364,076		1,058,049	706,383	
Average Area (m²) (2)	61	53		62	64	
Average Price (R$/m²) (2)	3.113	2.403		2.887	2.179	
Net Revenue - R$ million	1,319.8	886.7	49%	2,441.6	1,551.2	57%
Gross Income - R$ million	438.3	266.0	65%	807.9	471.6	71%
Gross Margin - %	33.2%	30.0%		33.1%	30.4%	
EBITDA - R$ million (3)	371.5	167.0	122%	662.6	311.3	113%
EBITDA Margin - %	28.1%	18.8%		27.1%	20.1%	
Adjusted Net Income - R$ million (4)	220.3	79.2	178%	400.5	177.1	126%
Net Margin - %	16.7%	8.9%		16.4%	11.4%	
ROE (Annualized) - LTM Average	17.2%	8.1%		15.6%	9.1%	

(1) Including partners' equity interests in jointly controlled subsidiaries.
(2) Land subdivisions have been excluded from the calculation of total private area launched, average area and average price, to avoid distortions.
(3) EBITDA consists of our earnings before net financial revenues (expenses), income tax and social contribution on profit, depreciation, amortization, stock option plan expenses and capitalized interest in the cost of units sold. EBITDA is not a measure according to BR GAAP, does not represent the cash flow for the periods presented and should not be considered as a substitute for net income as an indicator of our operational performance or as a substitute for cash flow as a liquidity indicator. EBITDA does not have a standard meaning and our definition of EBITDA may not be comparable to those used by other companies.
(4) Adjusted Net Income consists of our net income before stock option plan expenses.

(*) The operating and financial data disclosed herein for quarters prior to 2009 and for the 1st quarter of 2010 were calculated on a pro forma basis, including 100% of the operating and financial earnings of AGRE, as though the acquisition of AGRE by PDG had already taken place on the respective dates. We also note that these data are not audited.

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RECENT HIGHLIGHTS & EVENTS

Completion of the Acquisition of AGRE

On June 10, 2010, we unanimously approved on the Extraordinary General Meeting of PDG the acquisition of AGRE as set forth in the Protocol and Justification for the Acquisition of Shares signed by the Management of the Companies on May 3, 2010.

Pursuant to this approval of the acquisition, each AGRE shareholder received 0.495 common shares issued by PDG for each common share issued by AGRE and held thereby, with the same rights as the existing shares. The credit date for the new shares issued by PDG to the old AGRE shareholders was established as being June 17, 2010.

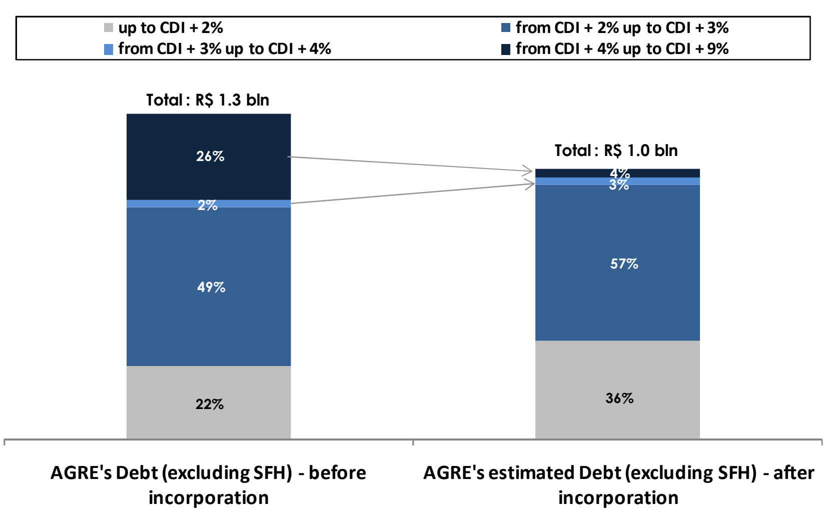
Renegotiation of AGRE Indebtedness

After the completion of the acquisition of AGRE by PDG Realty, we began working on restructuring its indebtedness. Backed by good relationships with the major banks on the market and the solidity of our balance sheet, we have already successfully completed this process, which we feel is of the utmost importance for the growth of the Company.

Listed below are some of the main points of the financial restructuring of the Company:

- Renegotiation already completed;
- Pre-payment or swaps of part of the debt, reaching some R$ 600 million;
- Reduction of approximately 400 bps of cost of the renegotiated debts;
- Lengthening of the average tenors from 29 months to 48 months for the renegotiated debts;
- Some R$ 1.0 billion in new contracts already signed with Brazil's Housing Financing System (SFH) or being contracted, with the immediate release of R$ 150 million;
- Some R$ 300 million in securitized receivables with issues scheduled for August and September.

The following graph illustrates the changes to the AGRE debt (excluding SFH debts) profile before and after its acquisition by PDG, showing that the high cost portion of the debt (above the Interbank Deposit Certificate/CDI + 3%) has been almost completely replaced by debts at more adequate costs and with longer tenors, aligned with the average PDG cost of capital of approximately the Interbank Deposit Certificate (CDI) + 2%.



Note: Projections CDI / IPCA based on Focus Report of Central Bank of 08/06/2010

Integration with AGRE

The process of integrating the operations of AGRE with those of PDG is being implemented, with immediate synergies already becoming apparent for both companies, as shown below:

- Restructuring the Agre debt (convergence with the average PDG cost of capital);
- Taking Klabin Segall and AGRE private;
- Change in capital structure: more SFH funding in the indebtedness.
- Compliance with the PDG Realty´s financial, treasury and controllers benchmarks;
- Immediate 10% to 15% cut in the AGRE´s payroll;
- Optimization of Agre´s landbank with those of CHL and Goldfarb;
- Integration of the IT structure;
- Rationalization of the financial services and construction work insurance costs.

Increase in stake in LN Empreendimentos Imobiliários

With the acquisition of AGRE, we are also firming up our current partnership with LN Empreendimentos Imobiliários, seeking greater exposure in southern region of Brazil through synergies between the two companies.

We are consequently stepping up our stake in this Company from 80% to 100%, as presented in the details below:

Purchase of 20%:

- As payment, Luis Napoleão (CEO of PDG LN) will receive three Subscription Bonds in different classes that will endow him with the right to subscribe to PDG Realty shares;
- The total value of the payment will be dependent to the net profits of PDG-LN during the next few years, as well as the price x profit ratio of PDG Realty (with a 40% discount);
- The calculation of the amount to be paid will comply with the following formula:

$$\textbf{N° PDG Realty} = \frac{\textbf{LL PDG LN (1-40\%)}}{\textbf{LL PDG Realty}} \times \textbf{\% Sold} \times \textbf{Qty PDGR3}$$

where:

Nº PDG Realty: means the number of PDG shares to be issued;
Qty PDGR3: means the number of PDG shares on December 31 of the previous financial year
LL PDG Realty: means the net profits of PDG
LL PDG LN: means the net profits of PDG LN for the previous financial year.
For the purpose of calculating the net profits, one of the following ceilings will be applied, alternatively: (i) launches by PDG LN up to July 30, 2012; or (ii) R$ 250,000,000.00 (two hundred and fifty million Brazilian Reais) of the General Sales Value launched *pro rata* PDG LN, whichever is the lower.
% Sold: means the percentage of PDG LN shares being divested in the tranche in question

- Payment will be made in three annual tranches: 7% on the 2012 profits, 7% on the 2013 profits; and 6% on the 2014 profits;
- The CEO of PDG LN has signed a long term job contract with a non-competition clause for the real estate sector with a five year quarantine period;
- The general meeting called to approve the 20% purchase will be held by April 2011.

Construction and Management:

- AGRE will take over the construction and management of the PDG-LN projects, except in the low-price segment, whose management will remain with Goldfarb;
- To do so, AGRE will absorb the operating structure of LN with gains in synergies (developer and builder). Immediate benefit: project development with LN expertise and Agre sales management.

New Securitization of Receivables Issuances

Through its securitization subsidiary "PDG Companhia Securitizadora", PDG Realty conducted two issuances of Real Estate Receivable Certificates (CRIs), thus reaching some R$ 380 million through transactions conducted since its first issue in July 2009.

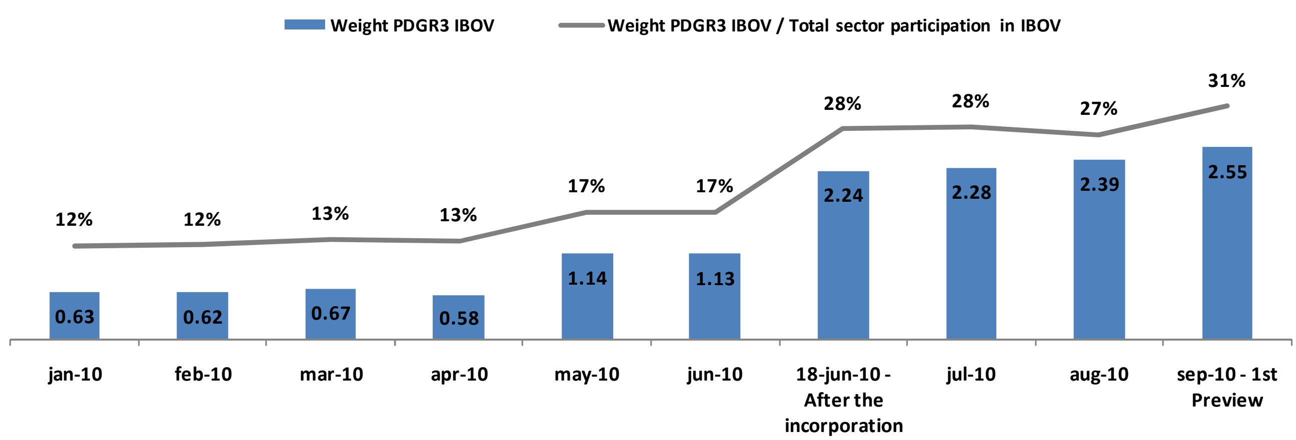
The details of these two new CRI issues are set forth below:

2nd SERIES - 3rd ISSUANCE	
Volume:	186.862.757,28
Maturity:	124 Months
Yield:	9,40% p.a.
Principal Adjustment:	IGP-M
Composition of Collateral:	Delivered and non-delivered receivables
Nature of Collateral	Commercial

2nd SERIES - 2nd ISSUANCE	
Volume:	89.000.000,00
Maturity:	36 Months
Yield:	9,80% p.a.
Principal Adjustment:	TR
Composition of Collateral:	Non-delivered receivables
Nature of Collateral	Residential

Increase in participation in IBOVESPA

Presented below is the progress in the weight of PDGR3 in the São Paulo Stock Exchange Index (IBOVESPA) since it joined this Index in January 2010. We believe that our weight will rise even more, reaching 2.5% - 2.6% in the near future.



Standard & Poor's raised the PDG rating to "brA"

In a press release dated August 13, 2010, Standard & Poor's stepped up the corporate credit rating of PDG Realty and its issue of debentures from "brBBB+" to "brA". In the summary of the document, this rating agency stated that:

- With the acquisition of Agre, the business profile of PDG Realty improved significantly, with geographical and income segment diversification.
- It also allowed PDG to increase its land bank to some R$ 29 billion, of which R$ 18 billion were obtained from Agre.
- We raised the PDG ratings from 'brBBB+' to 'brA'. The outlook for the corporate credit ratings is Stable. The ratings assigned to Klabin Segall S.A. were matched to those of PDG and also raised to 'brA', with a Stable Outlook.

***GO LIVE* SAP**

On May 17, 2010, PDG ran its SAP Go Live. With its implementation starting in May 2009, this project directly and actively involved the employees and directors of CHL, Goldfarb and PDG, together with a team of IBM consultants.

Among the immediate benefits of installing the SAP system are a broader analysis and unification process, with closer integration among the companies in the Group and tighter internal controls through direct access to information and the systematization of approval flows.

Over the medium and long terms, we have far better quality management information, with streamlined scenario simulations and analyses based on real data. The introduction of the SAP system thus ensures even greater transparency and efficiency for conducting the businesses, while taking the first step towards unifying the back office activities of the Group.

First Launch of the "*Minha Casa Minha Vida*" project for 0 – 3 Minimum Wages families

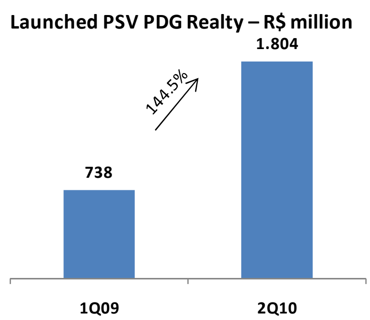
After much research and lengthy project discussions with CEF, working through a partnership with the Campinas City Hall for the infrastructure works required to build these housing projects, in early July we signed the contract for our first project under the *Minha Casa Minha Vida* housing program designed for families with incomes of zero to three minimum wages. Composed of 15 condominiums with a total of 2,620 units and R$ 136 million of PSV, this project will be built in Campinas with expected delivery until May 2012.

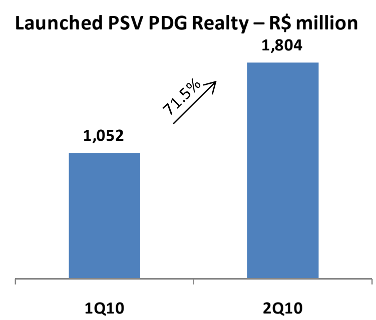
PDG Realty enters the CO2 Efficiency Index (ICO2)

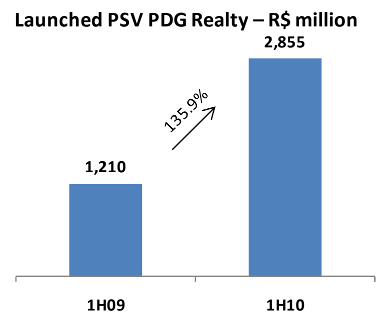
PDG REALTY has joined the Carbon Efficiency Index (ICO2). This initiative is organized by BM&FBOVESPA and BNDES (Brazil's National Social and Economic Development Bank), inviting all companies listed on the IBrX-50 Index to participate through conducting an inventory of their carbon emissions. The Index weighting takes into account the free floats and the greenhouse gas emission efficiency levels of these companies.

OPERATIONAL PERFORMANCE - LAUNCHES

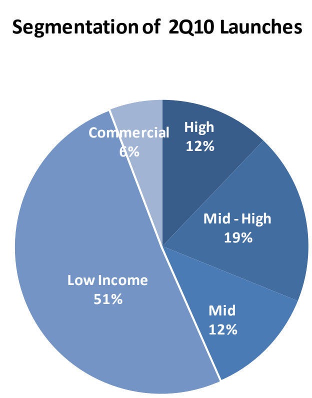
- Launched PSV (PDG Realty´s pro rata stake) reached R$1.804 billion in 2Q10, with total launches of R$1.868 billion distributed across 55 projects.
- We launched 41% of the total guidance of 2010 until the end of the first half of the year;
- 51% of the launches (in PDG Realty´s PSV) were concentrated in the low income segment and 12% on the mid segment (units costing up to R$500 thousand);

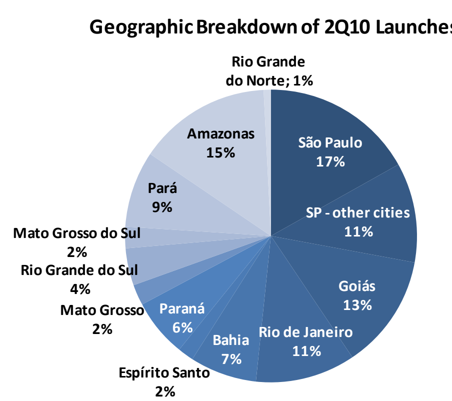






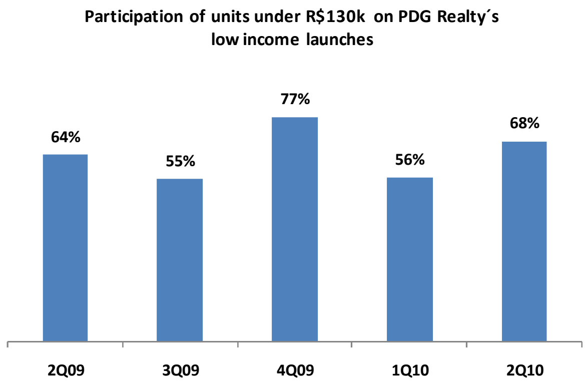
Following is the breakdown by income segment and region of the launches during 2Q10:

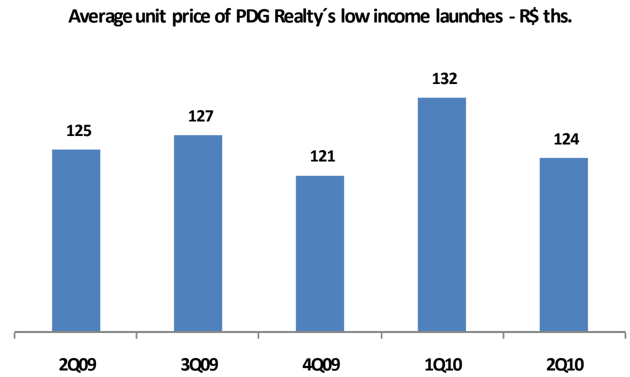




Low Income Segment Breakdown and "Minha Casa, Minha Vida" Government Program

The graph on the left shows the share of PDG's units costing less than R$130 thousand (eligible for the "Minha Casa, Minha Vida" government program) within the low income segment (units costing up to R$250 thousand). The graph on the right shows the average price of low income units:

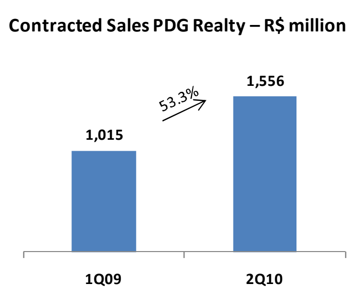


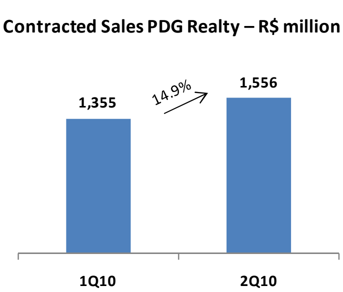


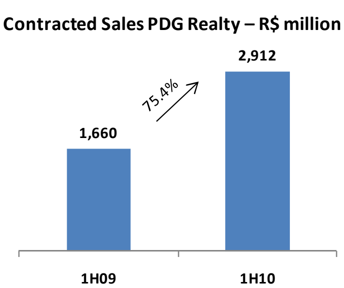
OPERATIONAL PERFORMANCE – SALES AND INVENTORY

Sales

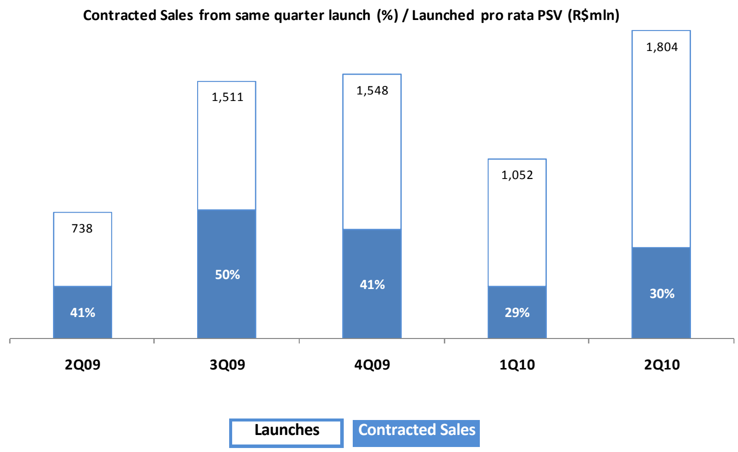
- Contracted Sales (PDG Realty´s pro rata stake) reached R$1.556 billion in 2Q10 and R$ 2.912 billion in 1H10 (representing a 53% growth when compared to the 2Q09 and 75% when compared to the 1H09);
- Contracted sales over total supply ("VSO") came to 30%;
- We sold R$533 million from 2Q10 launchings and R$1.023 billion from inventories.

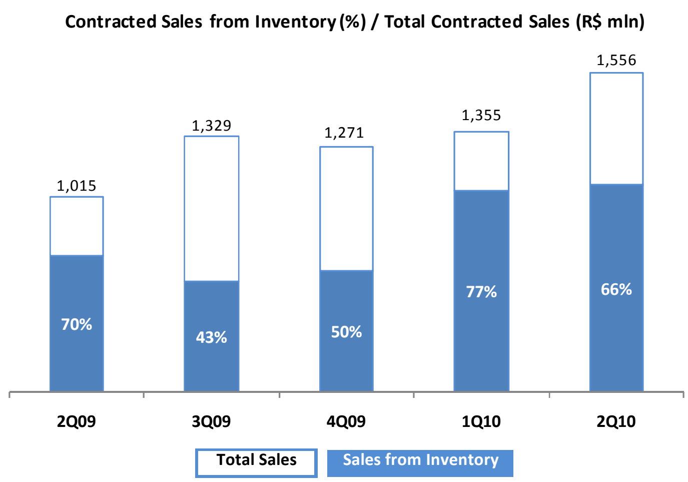




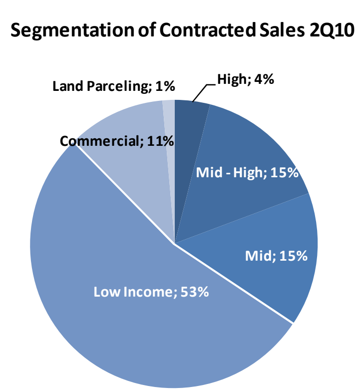


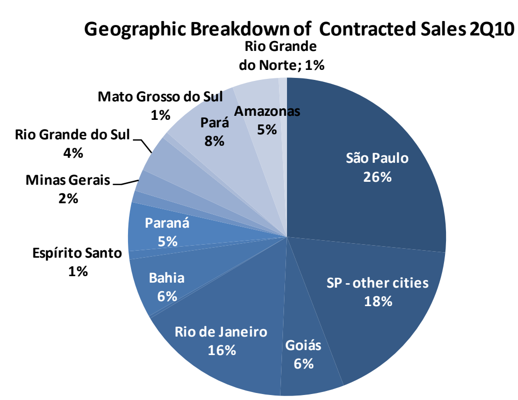
The graphs below show the evolution of sales for the projects launched within the quarter and sales from inventory as a percentage of total contracted sales.





Following is the breakdown of sales by segment and region for 2Q10:





The following table shows the evolution of PDG Realty's launches with the related sales position and aging of units in inventory:

Launch	Units Launched	Units Sold	% Sold	% of Total Inventory
2003 - 2006	**13,948**	**13,170**	**94%**	**2%**
2007	**23,574**	**21,124**	**90%**	**15%**
1Q2007	1,591	1,567	98%	0%
2Q2007	3,947	3,474	88%	3%
3Q2007	6,449	6,193	96%	1%
4Q2007	11,587	9,890	85%	11%
2008	**26,512**	**22,405**	**85%**	**19%**
1Q2008	8,170	6,664	82%	5%
2Q2008	6,685	5,760	86%	6%
3Q2008	6,504	5,674	87%	4%
4Q2008	5,153	4,307	84%	3%
2009	**34,891**	**24,155**	**69%**	**22%**
1Q2009	4,208	3,964	94%	1%
2Q2009	6,764	4,594	68%	2%
3Q2009	8,301	6,369	77%	4%
4Q2009	15,618	9,228	59%	14%
2010	**16,998**	**6,503**	**38%**	**43%**
1Q2010	7,105	3,618	51%	11%
2Q2010	9,893	2,885	29%	31%
Total	**115,923**	**87,357**	**75%**	

The table shows that 75% of the total units launched had been sold through 2Q10 and that, from the units in inventory, approximately 61% refer to units launched in the last twelve months.

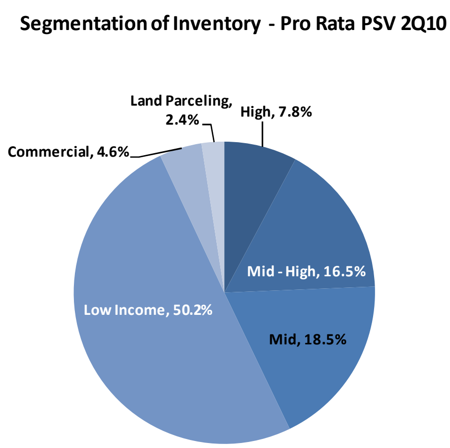
The following table shows the track record of inventory and the sales over supply ("VSO") indicator:

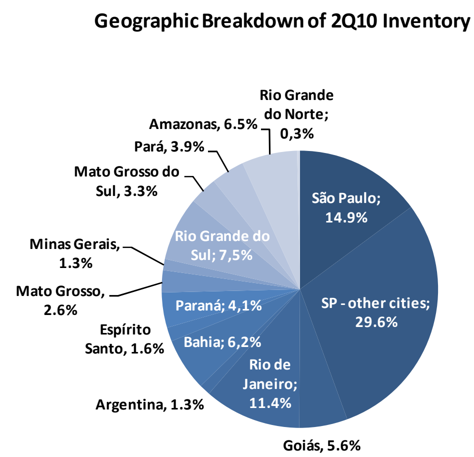
	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
Beginning Inventory – R$ mln (a)	3,679.2 *	3,507.0	3,229.2	3,411.3	3,688.9	3,385.5
Launched PSV PDG Realty – R$ mln (b)	472.4	737.8	1,511.4	1,548.3	1,051.7	1,803.7
Contracted Sales PDG Realty – R$ mln (c)	644.6	1,015.6	1,329.4	1,270.7	1,355.1	1,556.5
Sales from Launches - R$ mln	206.8	306.1	755.3	639.6	306.8	532.9
Sales from Inventory - R$ mln	437.7	709.4	573.6	631.1	1,048.2	1,023.6
Final Inventory - R$ mln	3,507.0	3,229.2	3,411.3	3,688.9	3,385.5	3,632.7
SOS - Sales (c) / Total Supply (a+b) - %	**16%**	**24%**	**28%**	**26%**	**29%**	**30%**
Sold Units from launches / Launched Units	**49%**	**0%**	**53%**	**35%**	**30%**	**0%**
Sales from Launches / Total Sales	**32%**	**30%**	**57%**	**50%**	**23%**	**34%**
Sales from Inventory / Total Sales	**68%**	**70%**	**43%**	**50%**	**77%**	**66%**

(*) Increase in Inventory due to increase in stake in Goldfarb and CHL and the Agre's incorporation

Inventory at Market Value

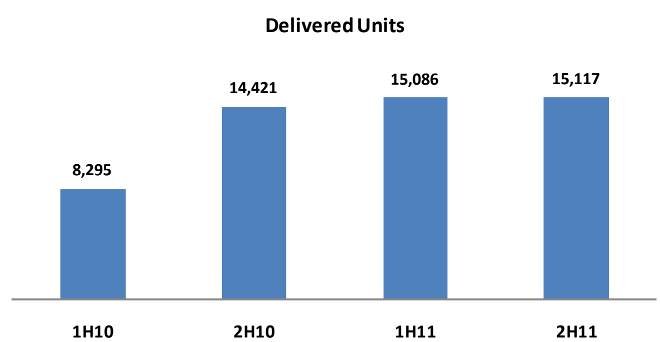
Following is the breakdown of our inventory at market value, which totaled R$1.9 billion at the end of 2Q10:





UNIT DELIVERY SCHEDULE

Following is the expected schedule for future deliveries through 2011:



LANDBANK

PDG Realty's *pro rata* landbank reached R$30.2 billion, distributed across 568 projects and 190 thousands units.

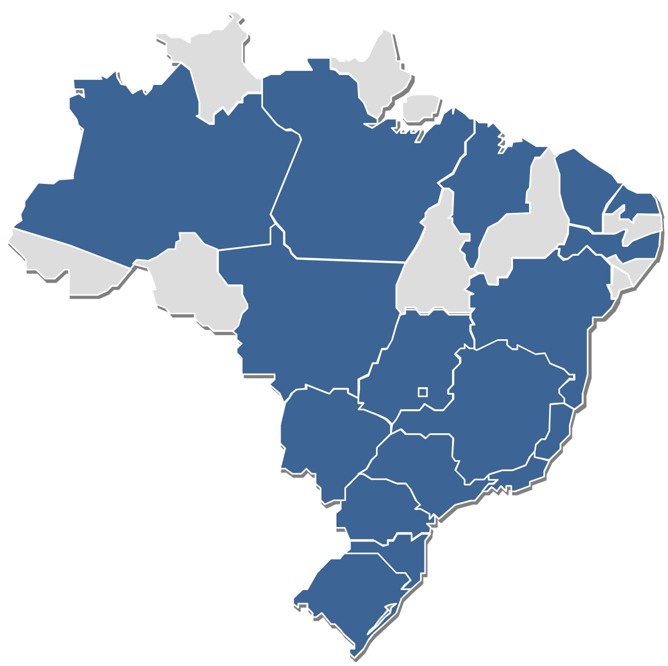
The following table shows the breakdown of PDG Realty's landbank by residential units (excluding commercial units and land parceling).

We highlight the large concentration of units under R$500 thousand that account for nearly 94% of total landbank.

Unit Price	Residential units	%	VGV PDG (R$ mln)	%	VGV (R$ mln)	%	Average Unit Price (R$)	Main Source of Funding
up to R$ 100 th	43,834	*28%*	3,757	*13%*	3,842	*11%*	87,649	Minha Casa Minha Vida
from R$ 100 th to R$ 130 th	25,844	*17%*	2,688	*10%*	2,900	*8%*	112,205	
from R$ 130 th to R$ 250 th	47,017	*30%*	7,276	*26%*	8,651	*25%*	183,999	SFH
from R$ 250 th to R$ 500th	29,811	*19%*	9,155	*33%*	11,446	*33%*	383,948	SFH
over R$ 500 th	9,112	*6%*	5,098	*18%*	8,262	*24%*	906,725	Market Rates
Total	**155,618**		**27,974**		**35,101**			

The landbank of PDG Realty is spread over 16 states and 101 cities, besides the Federal District (Brasília) and Argentina, as shown in the map below (distribution of PSV in the landbank):

Geographic Distribution	
State	**(%)**
SP - Other Cities	23.8%
BA	23.5%
SP	11.0%
RJ	8.3%
RS	7.2%
MG	6.0%
PE	3.9%
PR	2.8%
AM	2.7%
GO	2.6%
Brasília - DF	1.9%
RN	1.7%
MT	1.5%
PA	0.9%
MS	0.9%
Argentina	0.5%
ES	0.3%
CE	0.3%
MA	0.2%
TOTAL (R$)	**30.2 Bi**

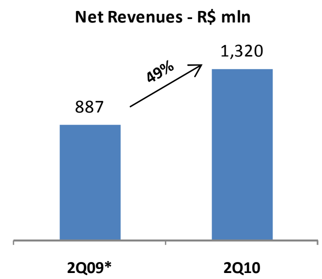


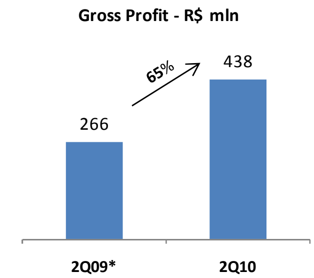
Breakdown evolution	2007	2008	2009	1H10
Southeast	95%	83%	66%	50%
Northeast	2%	1%	1%	29%
South	3%	3%	9%	10%
Middle West Region	0%	9%	21%	7%
North	0%	0%	0%	4%
Argentina	0%	4%	3%	0%
Total (R$ billion)	**5.7**	**6.2**	**10.3**	**30.2**

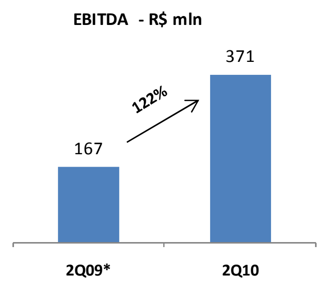
FINANCIAL PERFORMANCE

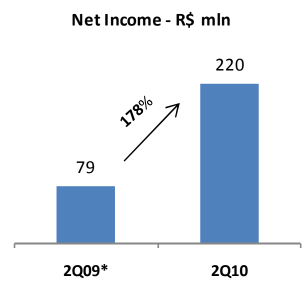
Key Financial Indicators

Following is the evolution of key financial indicators in 2Q10 compared to 2Q09:

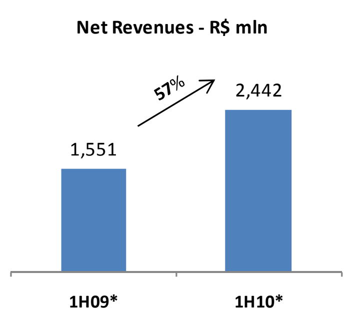


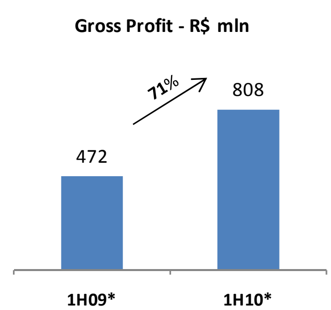


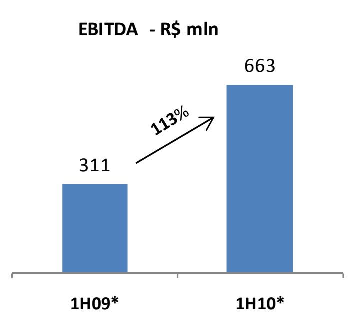


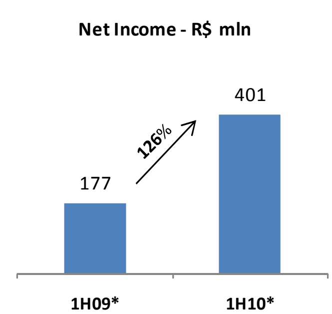


Following is the evolution of key financial indicators in 1H10 compared to 1H09:









(*) The operating and financial data disclosed herein for quarters prior to 2009 and for the 1st quarter of 2010 were calculated on a pro forma basis, including 100% of the operating and financial earnings of AGRE, as though the acquisition of AGRE by PDG had already taken place on the respective dates. We also note that these data are not audited.

Gross Margin

Gross profit for the quarter was R$438.32 million, an increase of 65% over the same period of 2009.

Below we present the Gross profit adjusted by interest expenses presents in Cost of Units Sold.

	2Q10	2Q09	1Q10	1H10	1H09
Operating Net Revenue	1,319,824	886,664	613,204	2,441,561	1,551,169
Cost of Sold Units	(881,505)	(620,666)	(407,287)	(1,633,707)	(1,079,571)
Gross Income	438,319	265,998	205,917	807,853	471,598
(+) Interest Expenses - Cost of Sold Units	83,879	48,796	26,959	148,933	39,658
Lucro Bruto Ajustado	522,198	314,795	232,876	956,787	511,256
Gross margin	*33.2%*	*30.0%*	*33.6%*	*33.1%*	*30.4%*
Adjusted Gross margin	*39.6%*	*35.5%*	*38.0%*	*39.2%*	*33.0%*

Sales, General and Administrative Expenses

Comparison of SG&A expenses

R$ mln	2Q10	2Q09	1H10	1H09
Sales Expenses (R$ mln)	72.3	57.6	131.5	91.5
G&A Expenses (R$ mln) *(1)*	84.2	75.8	145.5	135.2
G&A + Sales Expenses	**156.4**	**133.5**	**277.1**	**226.8**
Sales Expenses / Launches	4.0%	7.8%	4.6%	7.6%
G&A Expenses / Launches	4.7%	10.3%	5.1%	11.2%
G&A + Sales Expenses / Launches	**8.7%**	**18.1%**	**9.7%**	**18.7%**
Sales Expenses / Contracted Sales	4.6%	6.5%	4.5%	5.0%
G&A Expenses / Contracted Sales	5.4%	8.5%	5.0%	7.4%
G&A + Sales Expenses / Contracted Sales	**10.0%**	**15.0%**	**9.5%**	**12.3%**
Sales Expenses / Gross Revenue	5.3%	6.3%	5.2%	5.8%
G&A Expenses / Gross Revenue	6.2%	8.3%	5.8%	8.5%
G&A + Sales Expenses / Gross Revenue	**11.5%**	**14.7%**	**11.0%**	**14.3%**

***(1)* adjusted by stock options plan provision**

Financial Result

Following is the breakdown of the financial result (R$ thousand).

Financial Result	2Q10	2Q09	1Q10
Financial revenues	72,905	39,462	46,710
Financial expenses	(67,675)	(45,802)	(42,461)
	5,230	(6,340)	4,249

Deferred Income

Deferred Income (R$ thousand)	2Q10	2Q09	1Q10
Deferred Revenue	5,059,200	5,201,928	5,000,430
Deferred Costs	(3,009,489)	(3,325,753)	(2,947,480)
Total	2,049,711	1,876,175	2,052,950
Deferred margin	***40.5%***	***36.1%***	***41.1%***

Schedule of Deferred Income	2010	2011	2012	2013
	34%	**41%**	**16%**	**9%**

Balance Sheet

Inventory of Units for Sale

Inventory Breakdown (R$ thousands):

	2T10	2T09
Properties under construction	1,366,653	1,079,417
Concluded properties	140,924	64,760
Land for future developments	2,038,298	1,904,878
Total	3,545,875	3,049,055

Accounts Receivable

Accounts receivable on- and off-balance sheet (R$ thousand):

	2T10	2T09
Accounts Receivable	5,403,506	3,138,584
Deferred Revenue	5,059,200	5,201,928
Total	10,462,706	8,340,512

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Indebtedness

Following is the profile of the Company's debt at the close of 2Q10 (R$ thousand):

Debentures KS - 1st S. 1sr Issuance	
Position:	**41,736**
Index:	**CDI**
Interest per year:	**3.00%**
Coordinator:	**Itau BBA**
Duration:	20 months
Coupon:	Semiannual (Feb/Aug)
7 semiannual installments starting Aug/10	

Debentures KS - 2nd S. 1st Issuance	
Position:	**229,892**
Index:	**IPCA**
Interest per year:	**13.40%**
Coordinator:	**Itau BBA**
Duration:	20 months
Coupon:	Annual (Aug)
4 annual installments starting Aug/10	

Debentures KS - 2nd Issuance	
Position:	**254,956**
Index:	**CDI**
Interest per year:	**3.00%**
Coordinator:	**Itau BBA**
Duration:	22 months
Coupon:	Semiannual (Jul/Oct)
5 semiannual installments starting Apr/11	

Debentures - First Issuance	
Position:	**260,684**
Index:	**CDI**
Interest per year:	**0.90%**
Coordinator:	**Bradesco BBI**
Duration:	31 months
Coupon:	Semiannual (Jan/Jul)
4 installments starting Jul/11	

Debentures - Third Issuance	
Position:	**308,221**
Index:	**TR**
Interest per year:	**10.45%**
Coordinator:	**Itau BBA**
Duration:	39 months
Coupon:	Semiannual (Sep/Mar)
5 semiannual installments starting Sep/12	

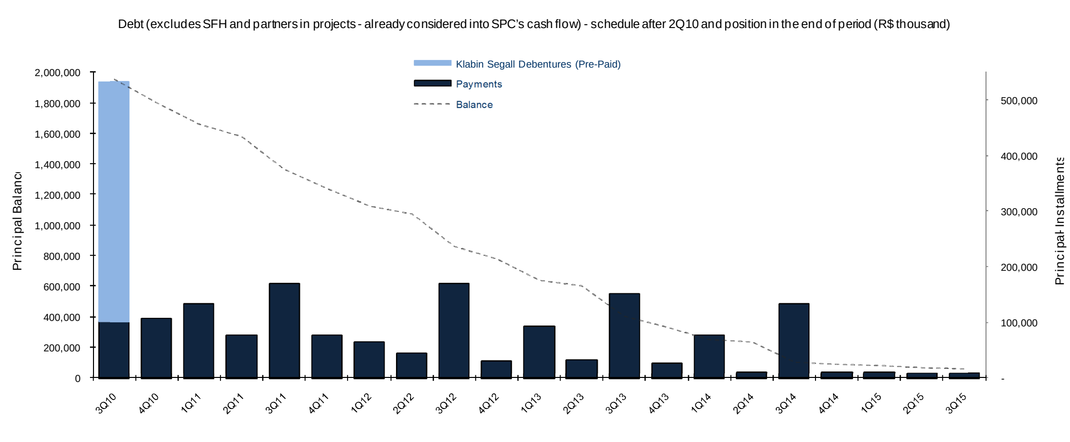
Corporate Debts	
Position:	**1,165,533**
Index:	**CDI**
Interest per year:	**2.10%**
Creditor:	**Others**
Duration:	20 months

SFH	
Position:	**1,449,237**
Index:	**TR**
Interest per year:	**10.77%**
Creditor:	**Others**
Duration:	10 months

Consolidated per Creditor	
Total:	**3,710,259**
Debenture	29.53%
Bradesco	15.13%
Santander	14.44%
Itaú Unibanco	13.90%
HSBC	7.08%
Others	19.93%

Consolidated per Index	
Total:	**3,710,259**
CDI	43.76%
TR	48.02%
Others	8.22%
Duration:	19 months

Following is the schedule of debt amortization, excluding the Construction Financing (SFH) debts. The prepayment of the debentures of subsidiary Klabin Segall, indicated in the chart below, was performed with resources from working capital through CCB, funding for projects with constructing already advanced already through the SFH and issuance of CRI.



The following table shows the Company's debt ratios at the close of 2Q10:

Debt Ratios (R$ thousand)	2Q10
Cash and Cash equivalents	1,120,213
Indebtness	(3,710,259)
Net Debt	2,590,046
Equity	5,613,164
Debt to Equity	**66.1%**
Net debt to Equity	**46.1%**

INCOME STATEMENTS
Quarters ended June 30th, 2009 and 2010

INCOME STATEMENT (R$ '000)	2Q10	2Q09	Chg. %
Operating Gross Revenue			
Real State sales	1,354,541	909,024	49%
Other Operating Revenues	12,793	24,338	-47%
(-) Taxes Over Sales	(47,511)	(46,697)	2%
Operating Net Revenue	**1,319,824**	**886,664**	**49%**
Cost of Sold Units	(881,505)	(620,666)	42%
Gross Income	**438,319**	**265,998**	**65%**
Gross margin	***33.2%***	***30.0%***	**321.1 bps**
Operating Revenues (expenses):			
Commercial	(72,254)	(57,647)	25%
General and Administrative	(94,722)	(78,635)	20%
Taxes	(386)	(522)	-26%
Financial	5,230	(6,340)	-182%
Depreciation	(11,654)	(3,202)	264%
Other	6,071	(13,817)	-144%
Total operating revenues (expenses)	**(167,715)**	**(160,163)**	**5%**
Operating Result	**270,603**	**105,835**	**156%**
Operating margin	***20.5%***	***11.9%***	**856.7 bps**
Income before taxes	**270,603**	**105,835**	**156%**
Income Taxes and Social Contribution	(56,882)	(27,652)	106%
Income before minority stake	**213,722**	**78,183**	**173%**
Minority interest	(3,955)	(1,811)	118%
Net Income (loss)	**209,767**	**76,372**	**175%**
Net margin	***15.9%***	***8.6%***	**728.0 bps**
Adjusted Net Income *(1)*	**220,326**	**79,192**	**178%**
Ajusted Net margin	***16.7%***	***8.9%***	**776 bps**

***(1)* adjusted by stock options plan provision**

	2Q10	2Q09	Chg. %
Income (loss) before taxes	270,603	105,835	
(-/+) Interes Income / Expenses	(5,230)	6,340	
(+) Depreciation and Amortization	11,654	3,202	
(+) Stock Option Plan	10,559	2,820	
(+) Interest Expenses - Cost of Sold Units	83,879	48,796	
EBITDA	**371,466**	**166,993**	**122%**
EBITDA Margin	***28.1%***	***18.8%***	**931.1 bps**

INCOME STATEMENTS
Semesters ended June 30th, 2009 and 2010

INCOME STATEMENT (R$ '000)	1H10	1H09	Chg. %
Operating Gross Revenue			
Real State sales	2,523,821	1,582,459	59%
Other Operating Revenues	17,438	44,271	-61%
(-) Taxes Over Sales	(99,699)	(75,560)	32%
Operating Net Revenue	**2,441,561**	**1,551,169**	**57%**
Cost of Sold Units	(1,633,707)	(1,079,571)	51%
Gross Income	**807,853**	**471,598**	**71%**
Gross margin	***33.1%***	***30.4%***	**268.5 bps**
Operating Revenues (expenses):			
Commercial	(131,536)	(91,518)	44%
General and Administrative	(165,662)	(141,037)	17%
Taxes	(5,254)	(1,645)	219%
Financial	9,479	(29,850)	-132%
Depreciation	(20,113)	(5,712)	252%
Other	(13,175)	28,421	-146%
Total operating revenues (expenses)	**(326,262)**	**(241,341)**	**35%**
Operating Result	**481,591**	**230,257**	**109%**
Operating margin	***19.7%***	***14.8%***	**488.1 bps**
Income before taxes	**481,591**	**230,257**	**109%**
Income Taxes and Social Contribution	(91,069)	(42,306)	115%
Income before minority stake	**390,523**	**187,951**	**108%**
Minority interest	(11,414)	(16,673)	-32%
Net Income (loss)	**379,109**	**171,278**	**121%**
Net margin	***15.5%***	***11.0%***	**448.5 bps**
Adjusted Net Income *(1)*	**400,522**	**177,065**	**126%**
Ajusted Net margin	***16.4%***	***11.4%***	**498.9 bps**

***(1)* adjusted by stock options plan provision**

	1H10	1H09	Chg. %
Income (loss) before taxes	481,591	230,257	
(-/+) Interes Income / Expenses	(9,479)	29,850	
(+) Depreciation and Amortization	20,113	5,712	
(+) Stock Option Plan	21,414	5,787	
(+) Interest Expenses - Cost of Sold Units	148,933	39,658	
EBITDA	**662,573**	**311,264**	**113%**
EBITDA Margin	***27.1%***	***20.1%***	**707.1 bps**

CONSOLIDATED BALANCE SHEET
June 30th, 2009 and 2010

ASSETS (R$ '000)	2Q10	2Q09	Chg.
Current assets			
Cash, cash equivalents and short-term investm	1,116,938	664,277	68%
Accounts receivable	4,413,981	1,836,955	140%
Properties held for sale	2,739,020	1,881,925	46%
Temporary investments - CEPAC	-	15,989	-100%
Prepaid expenses	51,339	18,759	174%
Advances to suppliers	169,237	38,861	335%
Accounts with related parties	129,844	104,027	25%
Taxes to recover	64,563	22,121	192%
Advances for future capital increase	211	9,659	-98%
Related Parties	61,385	20,017	207%
Assets for the issuance of CRI	46,794	-	-
Others	94,043	278,857	-66%
	8,887,355	**4,891,447**	**82%**
Noncurrent assets			
Long-Term			
Long-term investments	3,275	3,167	3%
Accounts receivable	989,525	1,301,629	-24%
Debentures	32,673	49,693	-34%
Properties held for sale	806,854	1,167,130	-31%
Accounts with related parties	374,941	193,670	94%
Assets for the issuance of CRI	215,671	-	-
Related parties	49,766	74,060	-33%
Advances for future capital increase	82,482	80,303	
Deferred income and social contribuition taxes	22,968	103	22199%
Others	77,814	127,139	-39%
	2,655,970	**2,996,894**	**-11%**
Permanent assets			
Intangible	778,512	1,178,562	-34%
Property and equipment	167,315	157,064	7%
Investments	144,435	123,816	-
	1,090,262	**1,459,442**	**-25%**
Total Noncurrent	**3,746,231**	**4,456,336**	**-16%**
Total assets	**12,633,586**	**9,347,783**	**35%**

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ '000)	2Q10	2Q09	Chg.
Current			
Loans and financings	1,260,004	817,677	54%
Suppliers	248,910	167,328	49%
Property acquisition obligations	642,525	418,279	54%
Debentures	526,584	38,615	1264%
Taxes and contributions payable	94,464	57,220	65%
Co-obligation for the issuance of CRI	13,371	-	-
Obligation for the issuance of CRI	54,896	-	-
Provision for contigencies	-	642	-100%
Income and social contribution taxes	17,217	-	-
Deferred taxes	312,708	106,832	193%
Related parties	23,111	217,013	-89%
Accounts with related parties	187,988	36,946	409%
Advances from clients	361,693	304,437	19%
Dividends	6,545	4,880	34%
Others	106,272	99,673	7%
	3,856,288	**2,269,541**	**70%**
Long-Term			
Loans and financings	1,354,765	1,048,597	29%
Suppliers	10,151	1,003	912%
Debentures	568,905	940,160	-39%
Obligation for the issuance of CRI	226,747	-	-
Property acquisition obligations	285,624	374,676	-24%
Taxes and contributions payable	731	511	43%
Taxes payable in installments	3,610	8,160	-56%
Deferred taxes	47,230	110,440	-57%
Co-obligation for the issuance of CRI	4,890	-	-
Provision for contingencies	24,269	10,323	135%
Related parties	162,141	142,090	14%
Accounts with related parties	45,078	13,104	244%
Advances from clients	165,278	131,821	25%
Advances for future capital increase	29,104	19,641	48%
Other	143,425	37,595	282%
	3,071,952	**2,838,121**	**8%**
Minority interest	**92,182**	**104,498**	**-12%**
Shareholders' equity			
Subscribed capital	4,755,382	3,726,012	28%
Capital reserve	118,050	131,989	-11%
Equity valuation adjustments	(5,775)	(2,015)	187%
Accumulated gains	745,507	279,637	167%
	5,613,164	**4,135,623**	**36%**
Total liabilities and shareholders' equity	**12,633,586**	**9,347,783**	**35%**

CONFERENCE CALL

August 17th, 2010

English

Time: 11:00 am (Brasília Time)
10:00 am (NY Time)
Brazil Phone: +55 (11) 4688-6361
U.S. : +1 (888) 700-0802
Other countries: +1 (786) 924-6977
Code: PDG
Replay: +55 (11) 4688-6312
Code: 47483

Portuguese

Time: 09:00 am (Brasília Time)
08:00 am (NY Time)
Brazil Phone: +55 (11) 4688-6361
Code: PDG
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Code: 47482

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www.pdgrealty.com.br/ri

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ABOUT PDG REALTY S/A

PDG Realty is an equity investment company with focus on the real estate market. It is listed in the *Novo Mercado* segment of the São Paulo Stock Exchange - Bovespa (PDGR3). The Company's strategy is focused on simultaneous growth in various regions and income segments, mainly in the Low income and Mid segment, to optimize its dispersion and capacity to launch real estate development projects. As an investment company, it seeks to maximize the value of its portfolio companies, with focus on good governance and efficient management of assets and resources.

The Company's real estate projects include residential undertakings aimed at various income classes, from the Low income to Upper Middle Class segments, along with development of residential land subdivisions and investments in commercial projects, with focus on generation of income by lease of the units built.

The Company started with investments in Brazil's two largest cities, São Paulo and Rio de Janeiro, and today it is present in cities in many other states, such as Bahia, Espírito Santo, Paraná, Minas Gerais, Goiás and Santa Catarina. Besides geographic diversification, it has started to expand internationally, with projects in Argentina.

The management of PDG Realty is composed of professionals with extensive experience in the realty sector, private equity investments, structured operations and corporate finance. The management team thus has a set of complementary skills and knowledge and a deep understanding of the factors for success in the real estate market.