



First Quarter of 2010 Results Conference Call May, 2010

1Q10 Highlights



<p>1Q10 OPERATIONAL HIGHLIGHTS</p>	<ul style="list-style-type: none"> ✓ NET CONTRACTED SALES (<i>PRO RATA</i> PDG REALTY) REACHED R\$842 MILLION, UP BY 101% OVER 1Q09; ✓ LAUNCHES <i>PRO RATA</i> PDG REALTY TOTALED R\$846 MILLION; ✓ CONTRACTED SALES OVER TOTAL SUPPLY (“VSO”) STOOD AT 31%; ✓ 74% OF CONTRACTED SALES CAME FROM LAUNCHES IN PREVIOUS QUARTERS; ✓ 87% OF LAUNCHES WERE CONCENTRATED ON THE LOW INCOME SEGMENT AND 13% ON THE MIDDLE INCOME SEGMENT; ✓ 56% OF THE UNITS LAUNCHED IN THE LOW INCOME SEGMENT ARE ELIGIBLE FOR THE GOVERNMENT HOUSING PROGRAM “MINHA CASA, MINHA VIDA”.
<p>1Q10 FINANCIAL HIGHLIGHTS</p>	<ul style="list-style-type: none"> ✓ NET REVENUES REACHED R\$613.2 MILLION IN 1Q10, UP BY 96% OVER 1Q09; ✓ GROSS MARGIN CAME TO 34% IN THE QUARTER; ✓ EBITDA TOTALED R\$156.8 MILLION IN 1Q10, 81% HIGHER THAN IN 1Q09; ✓ ADJUSTED NET INCOME STOOD AT R\$136.1 MILLION IN 1Q10, UP BY 153% OVER 1Q09; ✓ ROE REACHED 18.1% IN 1Q10.
<p>RECENT HIGHLIGHTS AND EVENTS</p>	<ul style="list-style-type: none"> ✓ INTENSIFICATION OF JOINT VENTURE WITH LN; ✓ INCREASED WEIGHT IN MAJOR STOCK INDICES; ✓ INCREASED IN USE OF THE JET CASA TECHNOLOGY; ✓ APPROVAL OF THE FOURTH ISSUE OF NON-CONVERTIBLE DEBENTURES; ✓ ELECTION OF BOARD OF DIRECTORS; ✓ PDG REALTY ACQUIRES AGRE: <ul style="list-style-type: none"> ✓ DETAILS OF THE TRANSACTION; ✓ COMPANY OUTLOOK.

Recent Events

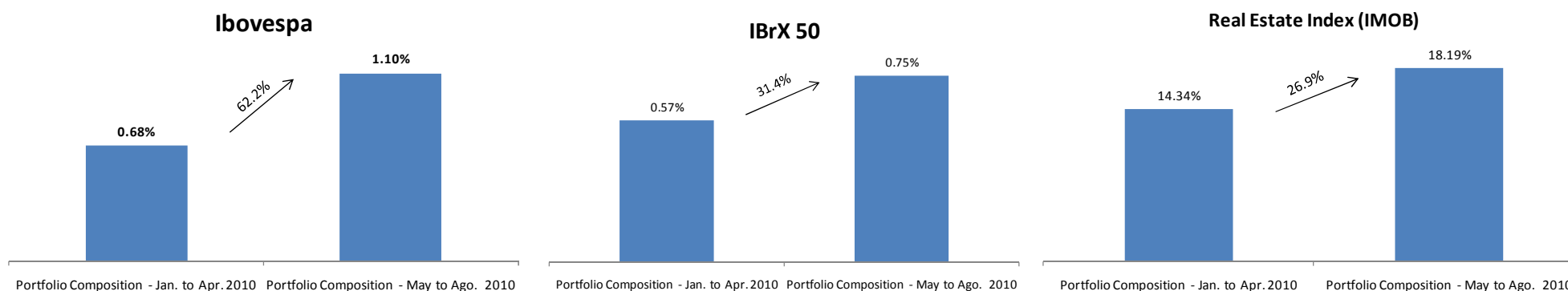


Intensification of Joint Venture between PDG Realty and LN

- ✓ PDG Realty S.A. Empreendimentos e Participações informs its shareholders that it has recently initiated negotiations with LN – LN Empreendimentos e Participações S.A. (“LN”) – and its controlling shareholders to establish a company with a capital contribution of 80% from PDG and 20% from LN.
- ✓ Currently, PDG is already engaged in several projects with LN in the city of Curitiba. LN is a real estate developer that has been operating in the South region for 29 years. The focus of this intensification is the strengthening the existing partnership and making additional real estate investments in the mid to mid-high income segments in the South of Brazil.

Increased weight in Major Stock Indices

- ✓ Below we present the increase in participation of PDG in the Ibovespa, IBRX-50 and the Bovespa’s Real Estate Index (IMOB):



Recent Events



Increase in use of the Jet Casa Technology

✓ In face of the increased number of projects with horizontal construction focused on the low income segment, we are planning to launch approximately 10 thousand units using the Jet Casa construction technique based on prefabricated structured panels, coming from 2.5 thousand units launched with this same technology in 2009.



Recent Events



Approval of the fourth issue of non-convertible debentures

✓ On April 29th, 2010, the Shareholders' Meeting approved the issue of debentures by PDG in the amount of R\$600 million. Said issue has a 5-year term, with interest payable semiannually and principal with a 3-year grace period. The debentures will yield interest between 8% and 10%, plus TR (a managed prime rate). It is worth highlighting that said debentures follow the same profile as the third issue of debentures made by the Company, as the proceeds will be used to finance land, works and expenses with residential developments.

Election of the Board of Directors

✓ On April 29th, 2010, the Shareholders' Meeting elected the new members of the Company's Board of Directors, namely Alexandre Gonçalves Silva and Paulo Nunes Guedes. They join the remaining members of the Board, which were reelected, as follows: Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Antonio Carlos Canto Porto Filho, Dionísio Dias Carneiro Netto, José Antonio Tornaghi Grabowsky and Michel Wurman.

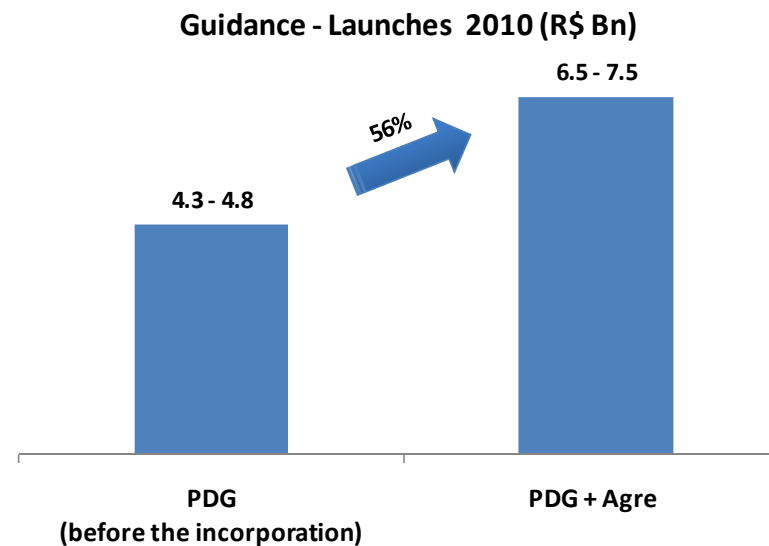
Recent Events



PDG Realty acquires AGRE

✓ On May 3rd, 2010, PDG concluded the acquisition of AGRE Empreendimentos Imobiliários S.A. An Agreement for the Merger of Shares of AGRE was executed, the purpose of which is that AGRE become a wholly-owned subsidiary of PDG. After the merger is approved by the Shareholders' Meetings of both companies, PDG will issue 148,500,001 new common shares, and AGRE shareholders will be entitled to receive 0.495 common share issued by PDG for each common share issued by AGRE. As a result of this merger, PDG becomes the largest multinational corporation in the real estate industry, with an expressive footprint in all Brazilian regions, also in Argentina, and across all income brackets.

✓ Following is the new guidance after the merger approval:

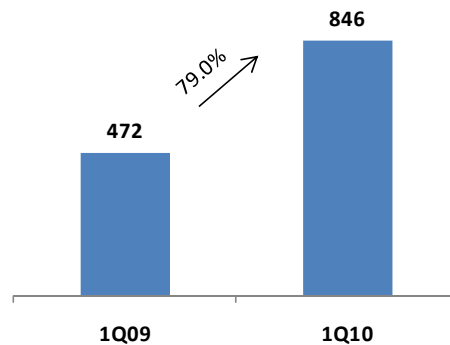


1Q10 Highlights Launches

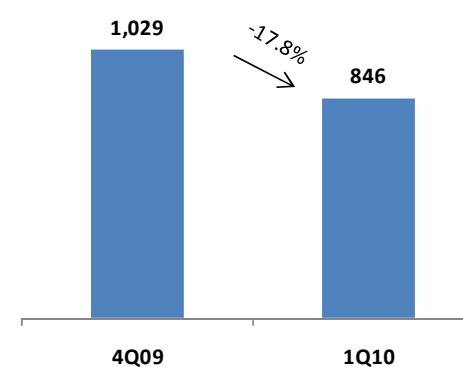


- ✓ The potential sales volume (PSV) launched reached R\$846 million in 1Q10 (total PSV of R\$934 million), distributed across 33 projects.
- ✓ Due to Carnival festivities in Brazil, 67% of launches in the quarter were concentrated on the month of March.

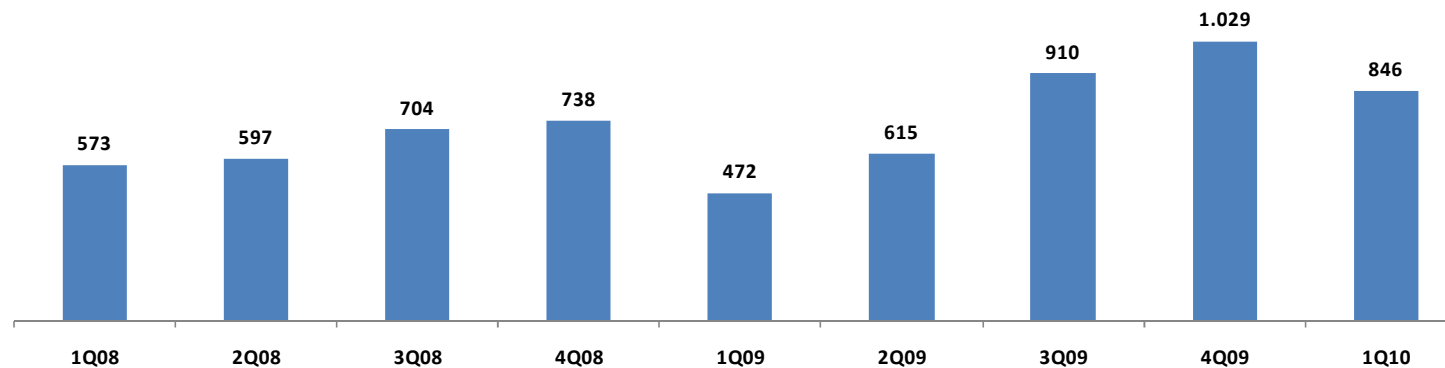
Launched PSV PDG Realty – R\$ million



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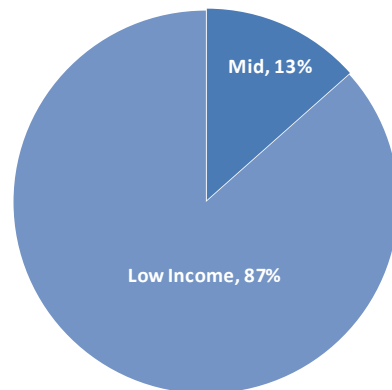


1Q10 Highlights Launches

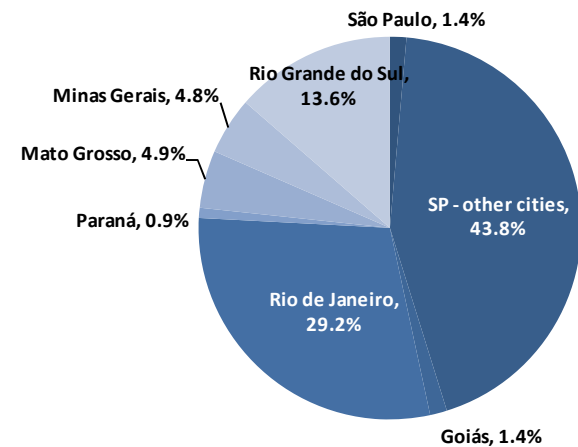


✓ Following is the breakdown by income segment and region of the launches during 1Q10:

Segmentation of 1Q10 Launches

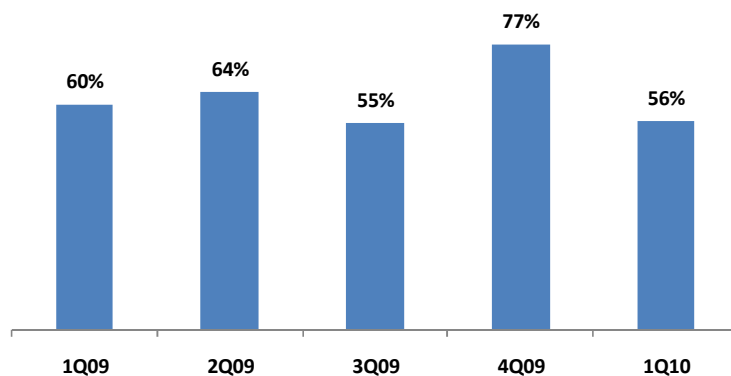


Geographic Breakdown of 1Q10 Launches

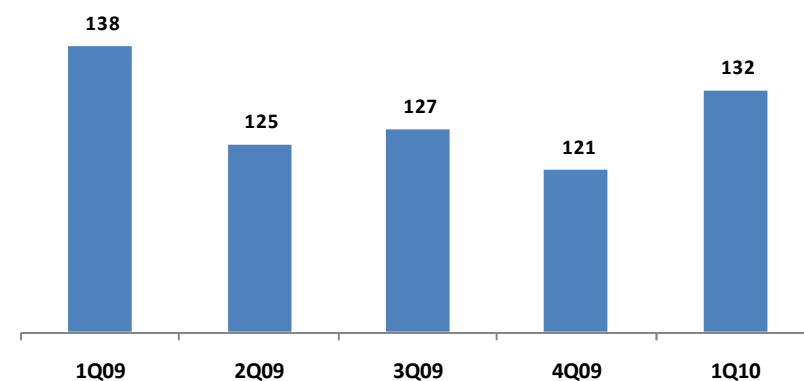


✓ Low Income Segment Breakdown and “Minha Casa, Minha Vida” Government Program

Participation of units under R\$130k on PDG Realty’s low income launches



Average unit price of PDG Realty’s low income launches - R\$ ths.

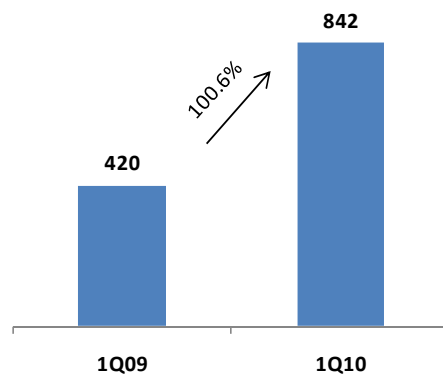


1Q10 Highlights Sales and Inventory

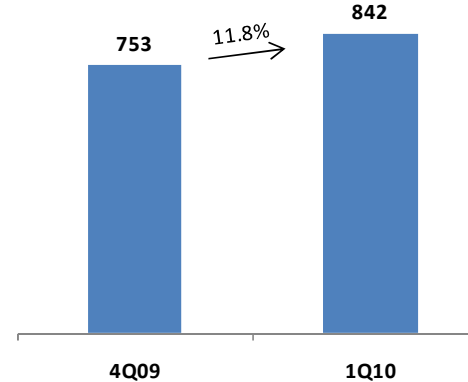


- ✓ Contracted sales stood at R\$842 million in 1Q10 (up by 101% over 1Q09 and 12% over 4Q09), with total contracted sales reaching R\$922 million;
- ✓ Contracted sales over total supply ("VSO") came to 31%;
- ✓ We sold R\$222.3 million from 1Q10 launchings and R\$619.3 million from inventories in previous quarters.

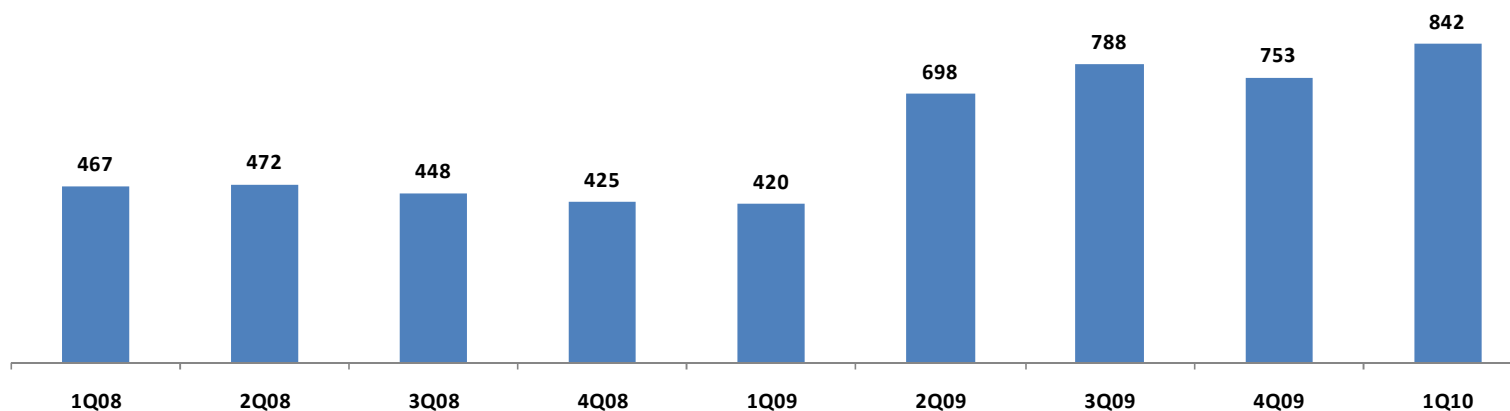
Contracted Sales PDG Realty – R\$ million



Contracted Sales PDG Realty – R\$ million



Contracted Sales PDG Realty – R\$ million

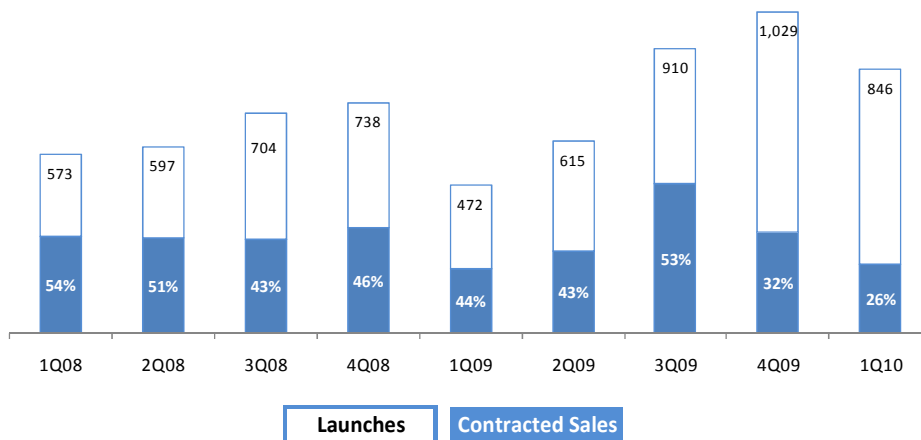


1Q10 Highlights Sales and Inventory

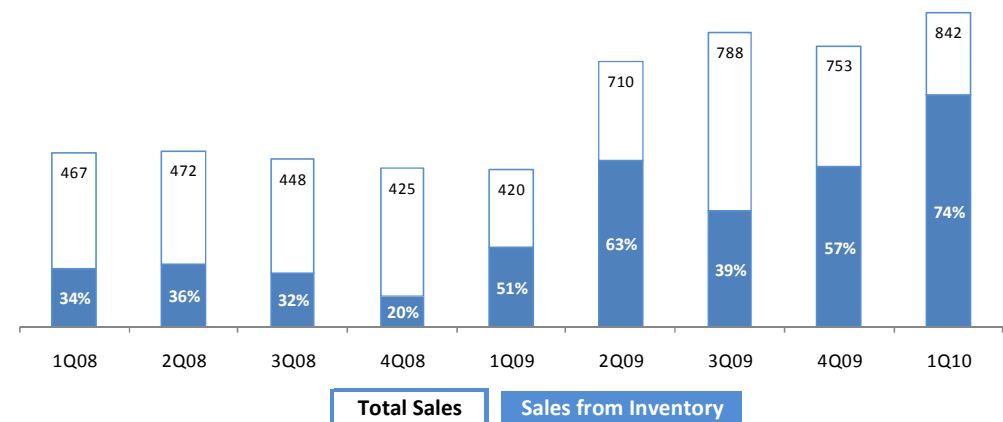


- ✓The graphs below show the evolution of sales for the projects launched within the quarter and sales from inventory as a percentage of total contracted sales.
- ✓We can notice that 26% of the launches were sold within the 1Q10, mainly due to the fact that 67% of the launches came in March in face of the Carnival festivities sazonality.

Contracted Sales from same quarter launch (%) / Launched pro rata PSV (R\$mIn)



Contracted Sales from Inventory(%) / Total Contracted Sales (R\$ mln)



1Q10 Highlights Sales and Inventory



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

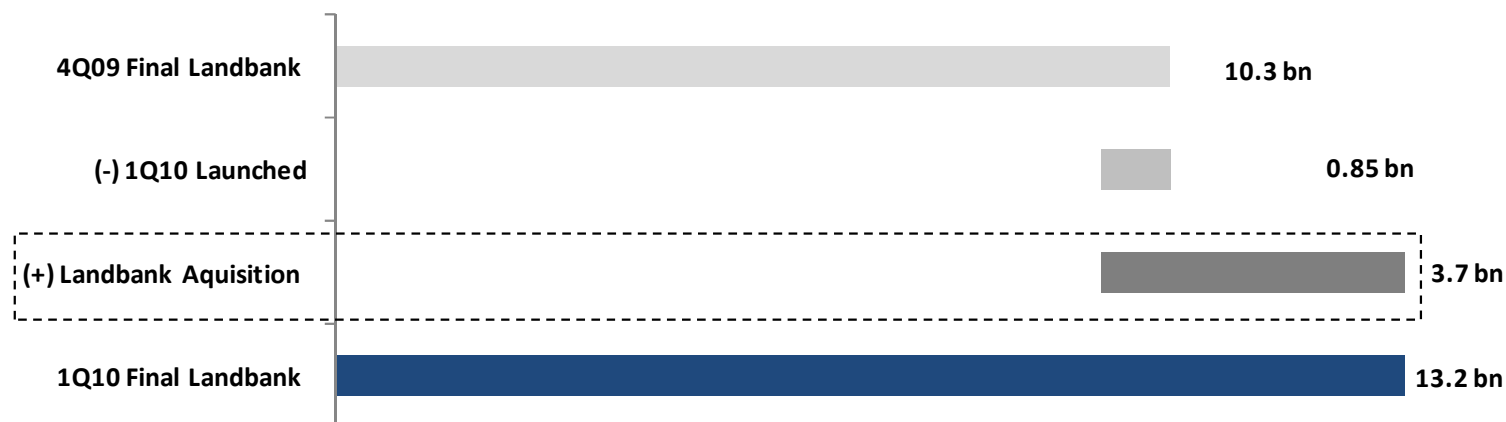
Launch	Units Launched	Units Sold	% Sold	% of Total Inventory
2003 - 2006	5,851	5,694	97%	2%
2007	12,820	12,190	95%	5%
1Q2007	1,591	1,535	96%	0%
2Q2007	2,641	2,508	95%	1%
3Q2007	4,759	4,695	99%	0%
4Q2007	3,829	3,452	90%	3%
2008	18,200	15,381	85%	25%
1Q2008	4,006	3,764	94%	3%
2Q2008	4,521	3,698	82%	7%
3Q2008	4,816	3,708	77%	7%
4Q2008	4,857	4,211	87%	8%
2009	25,591	19,762	77%	38%
1Q2009	4,204	3,932	94%	3%
2Q2009	4,699	4,580	97%	1%
3Q2009	7,499	6,050	81%	10%
4Q2009	9,189	5,200	57%	24%
2010	6,228	1,857	30%	30%
1Q2010	6,228	1,857	30%	30%
Total	68,690	54,884	80%	


	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10
Beginning Inventory – R\$ mln (a)	579.4	685.3	810.3	1,066.1	1,538.2 *	1,591.0	1,496.2	1,618.3	1,894.5
Launched PSV PDG Realty – R\$ mln (b)	573.1	597.1	703.7	737.7	472.4	614.8	910.4	1,028.9	845.7
Contracted Sales PDG Realty – R\$ mln (c)	467.2	472.1	447.9	424.7	419.6	709.6	788.4	752.7	841.6
Sales from Launches - R\$ mln	309.8	304.3	302.9	340.1	206.8	264.8	479.1	325.2	222.3
Sales from Inventory - R\$ mln	157.4	167.8	144.9	84.6	212.7	444.8	309.3	427.4	619.3
Final Inventory - R\$ mln	685.3	810.3	1,066.1	1,379.1	1,591.0	1,496.2	1,618.3	1,894.5	1,898.6
SOS - Sales (c) / Total Supply (a+b) - %	41%	37%	30%	24%	21%	32%	33%	28%	31%
Sold Units from launches / Launched Units	56%	56%	48%	50%	49%	45%	53%	35%	30%
Sales from Launches / Total Sales	66%	64%	68%	80%	49%	37%	61%	43%	26%
Sales from Inventory / Total Sales	34%	36%	32%	20%	51%	63%	39%	57%	74%

1Q10 Highlights Landbank



- ✓ PDG Realty's pro rata landbank reached R\$13.2 billion, distributed across 329 projects, up by 28% over 4Q09.
- ✓ The following graph shows that we managed to purchase approximately R\$3.75 billion for the landbank in 1Q10:



Unit Price	Residential units	%	VGVDG (R\$ mln)	%	VGVDG (R\$ mln)	%	Average Unit Price (R\$)	Main Source of Funding
up to R\$ 100 th	21,857	23.5%	2,025	15.9%	2,064	13.5%	94,440	
from R\$ 100 th to R\$ 130 th	33,613	36.2%	3,362	26.4%	3,749	24.4%	111,538	
from R\$ 130 th to R\$ 250 th	26,986	29.0%	4,287	33.6%	4,562	29.7%	169,040	SFH
from R\$ 250 th to R\$ 500th	7,092	7.6%	1,872	14.7%	2,399	15.6%	338,257	SFH
over R\$ 500 th	3,400	3.7%	1,197	9.4%	2,571	16.8%	756,044	Market Rates
Total	92,948		12,743		15,344			

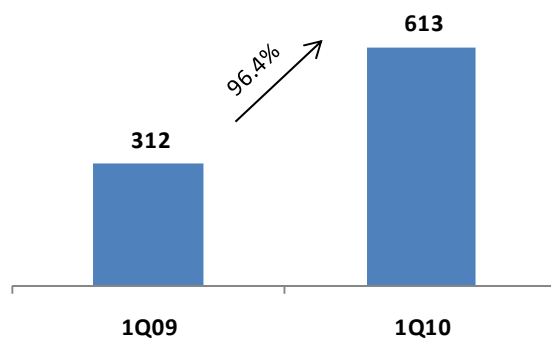
1Q10 Highlights

Financial Performance

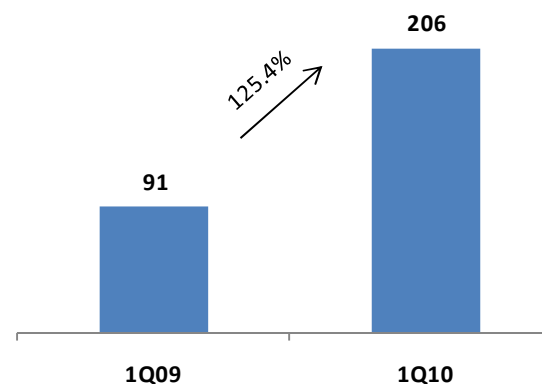


✓ Below we present the evolution of the main figures in our income statement:

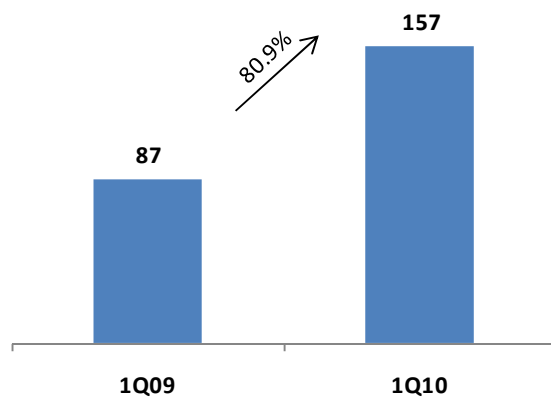
Net Revenues – R\$ mln



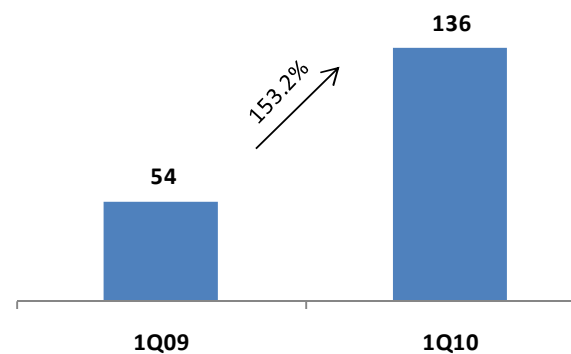
Gross Profit – R\$ mln



Ebitda – R\$ mln



Adjusted Net Income – R\$ mln



1Q10 Highlights

Indebtedness



✓ Below we present the Indebtedness in the end of 1Q10:

Debentures - First Issuance

Position:	255,514
Index:	CDI
Interest per year:	0.90%
Coordinator:	Bradesco BBI
Duration:	34 months
Coupon:	Semiannual (Jan/Jul)
Principal in four annual installments beginning in Jul/11	

Debentures –Third issuance

Position:	299,066
Index:	TR
Interest per year:	10.45%
Creditor:	Itau BBA
Duration:	42 months
Coupon:	Semestral (sep/mar)
5 semiannual payments starting Sep/12	

Consolidated per Creditor

Total:	1,575,658
Debêntures	35.3%
Itaú Unibanco	19.4%
Santander	12.0%
Bradesco	11.9%
Votorantim	9.3%
Others	12.1%

Corporate Debts

Position:	301,633
Index:	CDI
Interest per year:	2.14%
Creditor:	Others
Duration:	14 months

SFH

Position:	719,445
Index:	TR
Interest per year:	10.72%
Creditor:	Others
Duration:	11 months

Consolidated per Index

Total:	1,575,658
% of CDI	35.36%
TR	64.64%
Duration:	22 months

Debt Ratios (R\$ thousand)	1Q10
Cash and Cash equivalents	879,917
Indebtness	(1,575,658)
Net Debt	695,741
Equity	3,085,095
Debt to Equity	51.1%
Net debt to Equity	22.6%

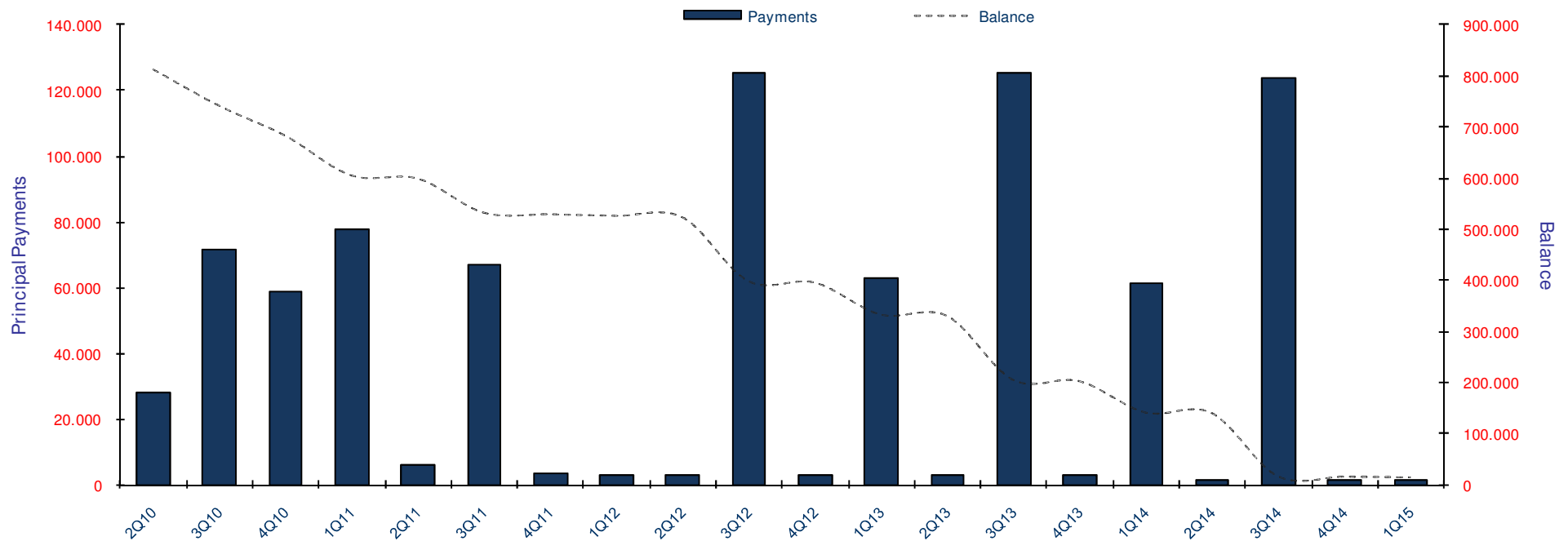
1Q10 Highlights

Indebtedness



✓ Below we present the schedule of all payments of our debt (excluding SFH).

Debt (excludes SFH and partners in projects - already considered into SPC's cash flow) - schedule after 1Q10 and position in the end of period (R\$ thousand)



Contacts:



✓ For any additional information, please contact :

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