2Q09 & 1H09
Results Conference Call

August, 2009

2Q09 & 1H09 Highlights

OPERATIONAL HIGHLIGHTS 2Q09	✓CONTRACTED SALES (PRO RATA PDG REALTY) REACHED R$710 MILLION, REPRESENTING A 69% GROWTH WHEN COMPARED TO THE 1Q09; ✓LAUNCHES PRO RATA PDG REALTY TOTALED R$615 MILLION; ✓CONTRACTED SALES OVER TOTAL SUPPLY (“VSO”) REACHED 32%; ✓PDG REALTY SOLD 45% OF THE UNITS LAUNCHED WITHIN THE 2Q09; ✓RECORD SALES FROM INVENTORY REACHING R$445 MILLION; ✓OF UNITS LAUNCHED IN THE LOW INCOME SEGMENT, 64% ARE ELEGIBLE TO THE HOUSING PROGRAM
FINANCIAL HIGHLIGHTS 2Q09	✓NET REVENUE REACHED R$501.4 MILLION IN 2Q09, INCREASING 64% WHEN COMPARED TO 2Q08 (post 11,638 law); ✓ADJUSTED EBITDA* REACHED R$107.2 MILLION IN 2Q09, REPRESENTING A 38% INCREASE WHEN COMPARED TO 2Q08 (post 11,638 law); ✓NET INCOME REACHED R$76.2 MILLION IN 2Q09, REPRESENTING A 34% INCREASE WHEN COMPARED TO 2Q08 (post 11,638 law). ✓ROE REACHED 17.8% (annualized).
RECENT HIGHLIGHTS	✓WE CONCLUDED A SECURITIZATION OPERATION TOTALING R$45 MILLION; ✓1st ISSUANCE MADE BY PDG COMPANHIA SECURITIZADORA; ✓CALL NOTICE TO SHAREHOLDERS ' MEETING TO APPROVE THE 3rd ISSUANCE OF NON-CONVERTIBLE DEBENTURES; ✓CONCLUSION OF SHARES BUY-BACK PROGRAM AND CANCELMENT OF ACQUIRED SHARES HELD IN TREASURY; ✓INCREASE OF LANDBANK ELIGIBLE TO THE HOUSING PROGRAM, REACHING 56 THOUSAND UNITS; ✓OPERATIONAL STRUCTURE EXPANSION FROM GOLDFARB.

PDG Realty

2Q09 & 1H09 Highlights

Issuance of securitized receivables instrument:

✓In the first week of August we concluded a securitization operation totaling R$45 million. Below we point out the main highlights from this operation:

- 1st issuance made by PDG Companhia Securitizadora;
- Notional: R$45 million;
- Term: 3 years;
- Yield:
  - ✓1st - 24th months: 110% of CDI
  - ✓25th - 36th months: 115% of CDI;
- At the end of the second year investors might choose to hold to maturity or put the security to PDG;
- The operation was structured using 80% of receivables from units under construction.

Convertible Debentures Issuance:

✓In April/09 we announced the issuance of convertible debentures with underwriting guarantee of PDG Realty´s controlling shareholder and Banco Nacional de Desenvolvimento Econômico e Social (BNDES).

✓The following table presents the debentures already converted at the end of 2Q09 and the actual balance:

	As of 30/Jun	As of 12/Aug
Amount converted:	5,941	7,204
Capital increase (R$):	60,589,156	73,624,008
# shares issued:	3,564,068	4,330,825
# total shares (PDGR3):	**154,712,399**	**155,479,156**

✓From the total 27,600 debentures issued, the outstanding position as of today is 20,254 (142 were canceled).

2Q09 & 1H09 Highlights

Call notice to shareholders' meeting to approve the 3rd issuance of non-convertible debentures

✓PDG Realty called a shareholders' meeting to decide about the issuance of non-convertible debentures. This new issuance will mature in 5 years and the total volume will be R$300 million. The proceeds will be used to finance land acquisition, construction costs and development expenses of residential projects, mainly those eligible to the program “Minha Casa Minha Vida”. Additional details will be announced after the approvals.

Shares split at the ratio of 1:2

✓The same shareholders' meeting will also decide about the split of the common shares on 1:2 ratio. In that sense, after the approval (on August 27th), the shareholders' will receive 2 common shares to each common share held before.

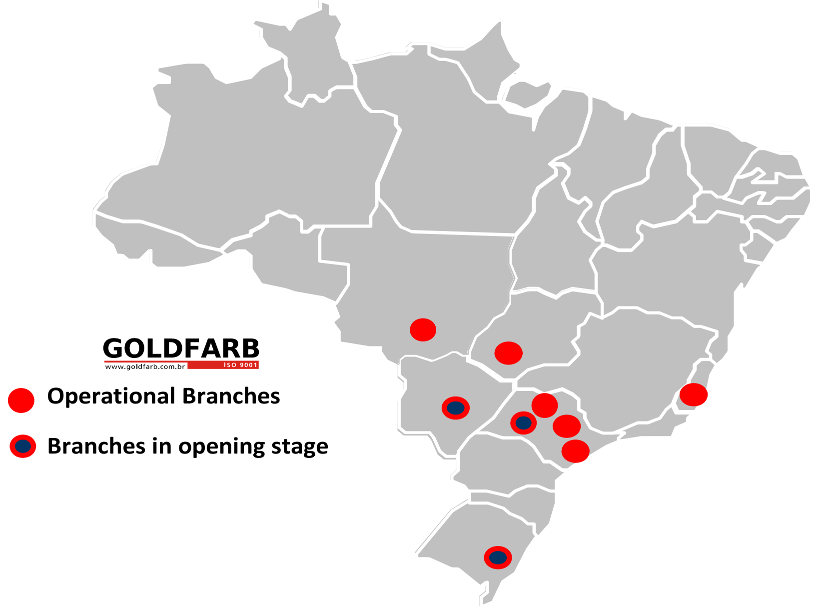
Conclusion of shares buy-back program and cancellation of acquired shares held in treasury

✓The Board of Directors approved the cancellation of the share buy-back program and the cancellation of 598.600 shares held by treasury, without change in capital stock.

2Q09 & 1H09 Highlights

Operational structure expansion from Goldfarb

✓As mentioned in the last quarter release, we are expanding the operational structure of Goldfarb in and outside São Paulo state. Currently the company has 6 local branches (Campinas, Vitória, Cuiabá, Ribeirão Preto, S.J. dos Campos e Goiânia) and is planning to increase this number to 9 by year end. A good example of those new regions is Porto Alegre, were recently we bought our first site for future development.



Top Imobiliário São Paulo Award

✓Once again Goldfarb was one of the highlights at Top Imobiliário Award. The company was runner-up on to main categories: Construction and Developer.

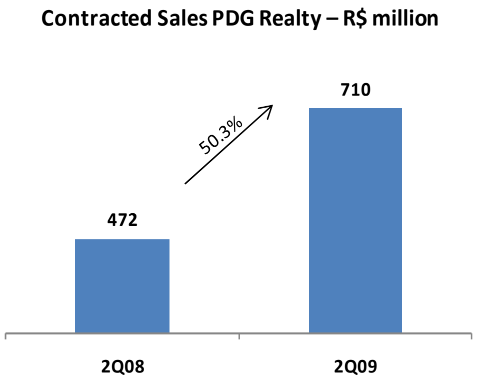
✓This award is an acknowledgment of its strong growth and proven capacity in the last year.

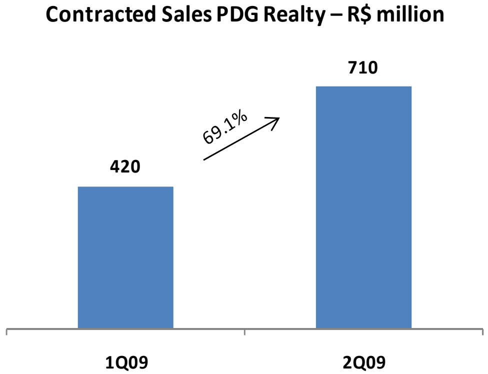
2Q09 & 1H09 Highlights
Sales

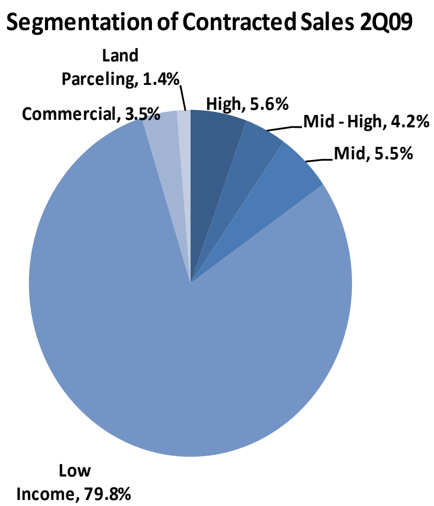
✓Contracted sales reached R$848 million in 2Q09 with PDG Realty´s pro rata stake totaling R$710 million (representing a 69% growth when compared to the 1Q09);

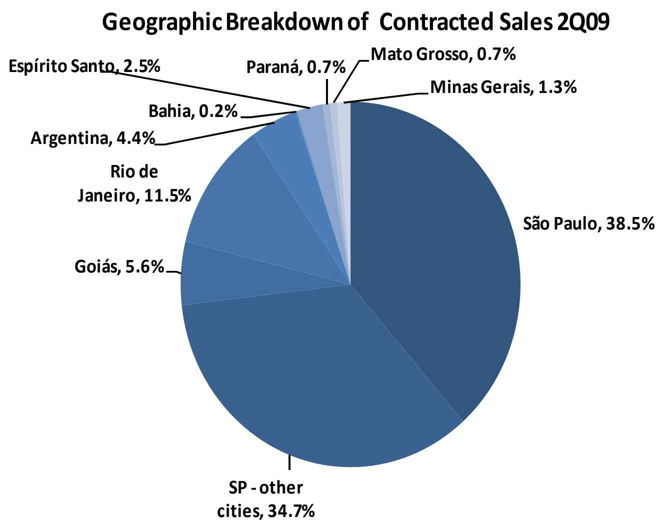
✓Contracted sales (pro rata) reached R$1.13 billion in the first half of the year;

✓We sold R$265 million from 2Q09 launchings and R$445 million from inventories.



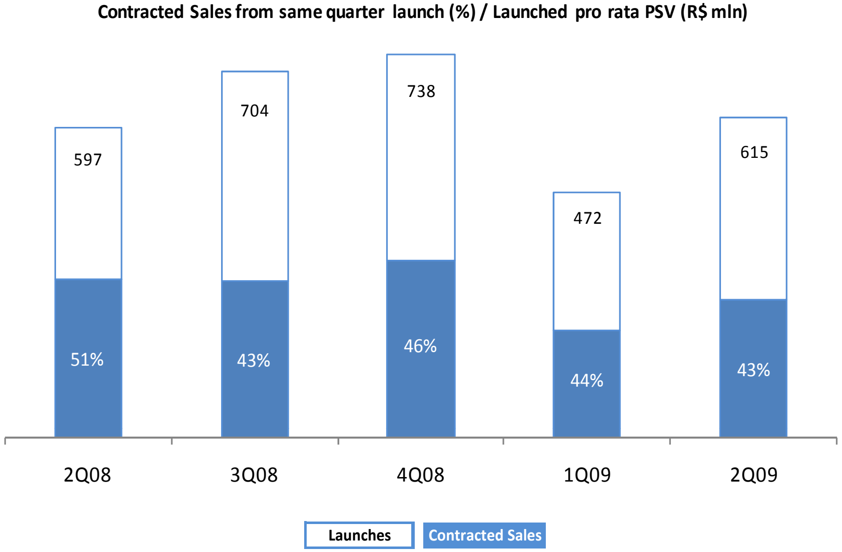


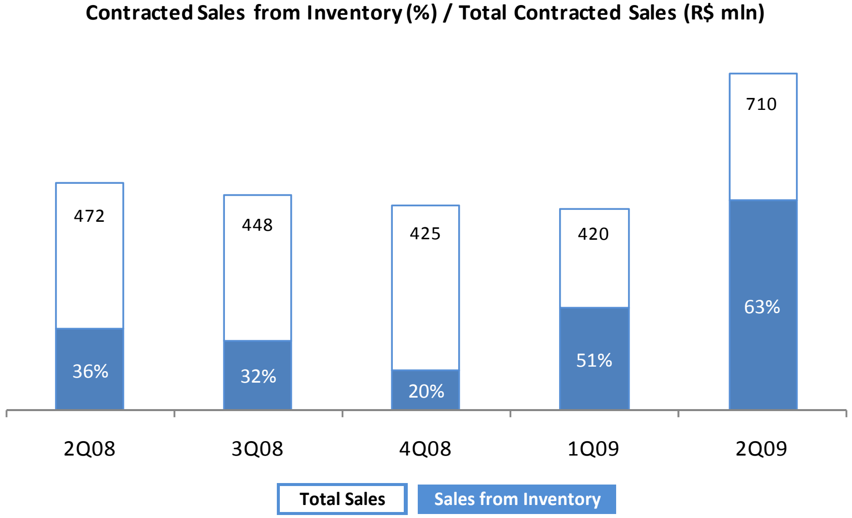




2Q09 & 1H09 Highlights
Sales

✓The charts below demonstrate the sales speed reached by the developments within its quarter of launch and the breakdown of PSV from inventory sold in terms (%) of total contracted sales:





PDG Realty

2Q09 & 1H09 Highlights
Sales

✓The table below shows PDG Realty´s historical track record of launches and its respective sales position and aging of units in inventory.

✓The table above demonstrated that 82% of all units launched until the end of 2Q09 was sold, and roughly 88% of the units in our inventory refer to units launched in the last 18 months.

Launch	Units Launched	Units Sold	% Sold	% of Total Inventory
2003	**296**	**296**	**100%**	**0.0%**
2004	**882**	**878**	**100%**	**0.1%**
2005	**2,731**	**2,640**	**97%**	**0.4%**
2006	**4,173**	**4,005**	**96%**	**1.5%**
2007	**12,820**	**11,886**	**93%**	**10%**
1Q2007	1,591	1,468	92%	1.1%
2Q2007	2,641	2,499	95%	1.2%
3Q2007	4,759	4,651	98%	0.7%
4Q2007	3,829	3,268	85%	6.5%
2008	**17,775**	**13,611**	**77%**	**55%**
1Q2008	4,006	3,415	85%	7.9%
2Q2008	4,392	3,183	72%	17.3%
3Q2008	4,585	3,370	74%	15.1%
4Q2008	4,792	3,643	76%	15.1%
2009	**8,905**	**5,544**	**62%**	**33%**
1Q2009	4,206	3,423	81%	8.9%
2Q2009	4,699	2,121	45%	24.1%
Total	**47,582**	**38,860**	**82%**	

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09
Beginning Inventory – R$ mln (a)	579,4	685,3	810,3	1.066,1	1,538.2 *	1.591,0
Launched PSV PDG Realty – R$ mln (b)	573,1	597,1	703,7	737,7	472,4	614,8
Contracted Sales PDG Realty – R$ mln (c)	467,2	472,1	447,9	424,7	419,6	709,6
Sales from Launches - R$ mln	309,8	304,3	302,9	340,1	206,8	264,8
Sales from Inventory - R$ mln	157,4	167,8	144,9	84,6	212,7	444,8
Final Inventory - R$ mln	685,3	810,3	1.066,1	1.379,1	1.591,0	1.496,2
Sales (c) / Total Supply (a+b) - %	**41%**	**37%**	**30%**	**24%**	**21%**	**32%**
Launched Units	4.006	4.521	4.816	4.857	4.204	4.699
Units sold from Launches	2.246	2.538	2.322	2.451	2.067	2.121
Sold Units from launches / Launched Units	**56%**	**56%**	**48%**	**50%**	**49%**	**45%**
Sales from Launches / Total Sales	**66%**	**64%**	**68%**	**80%**	**49%**	**37%**
Sales from Inventory / Total Sales	**34%**	**36%**	**32%**	**20%**	**51%**	**63%**

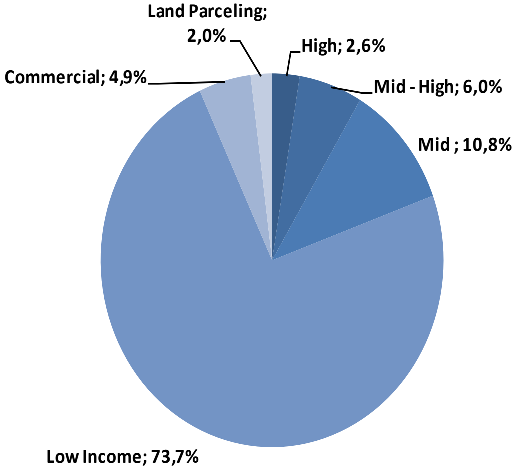
(*) Increase in Inventory due to increase in stake in Goldfarb and CHL

PDG Realty

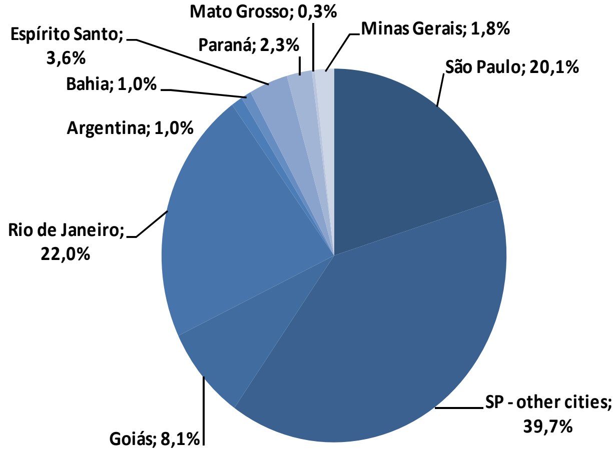
2Q09 & 1H09 Highlights
Inventory

✓Below we present the breakdown from our inventory at market value.

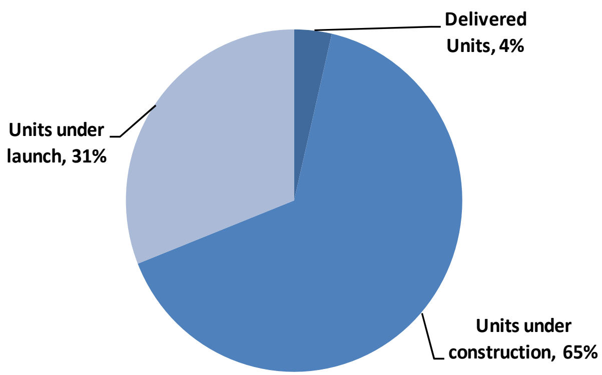
Segmentation of Inventory



Geographic Distribution of Inventory

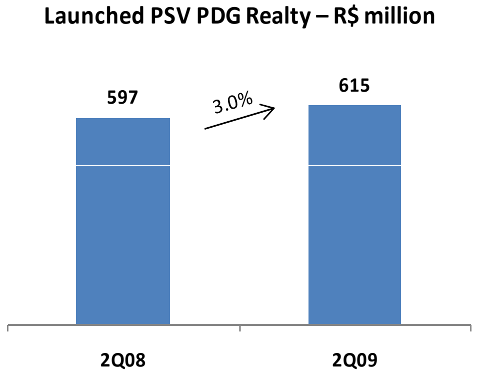


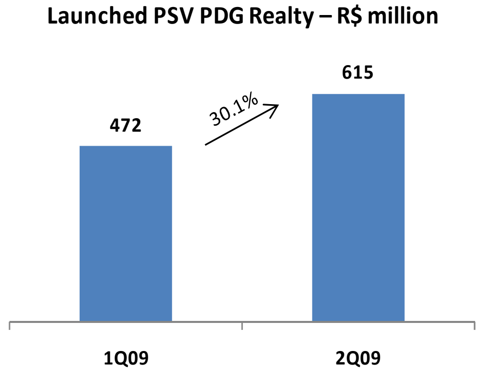
Breakdown of Inventory at Market Value - pro rata PSV

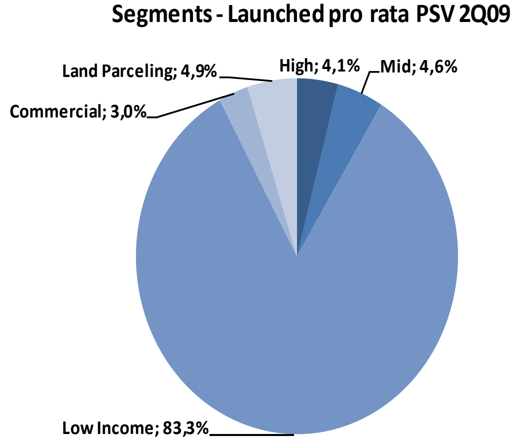


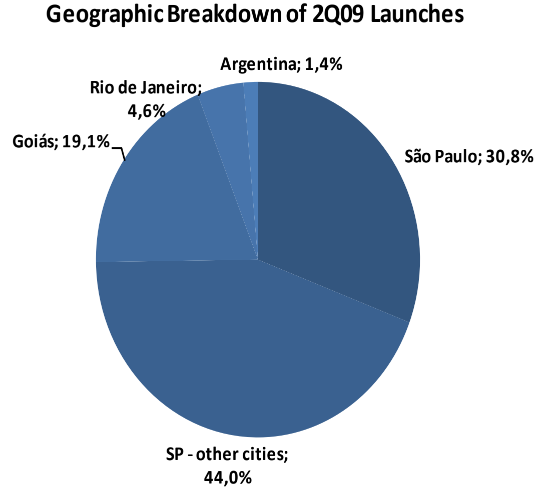
2Q09 & 1H09 Highlights
Launches

✓Total Launched PSV reached R$697 million in 2Q09, with PDG Realty´s stake totaling R$615 million distributed across 28 projects.









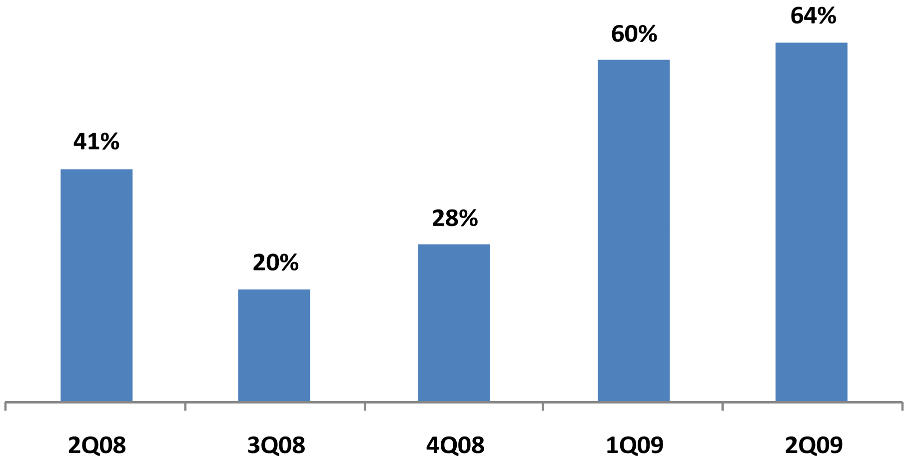
PDG Realty

2Q09 & 1H09 Highlights
Launches

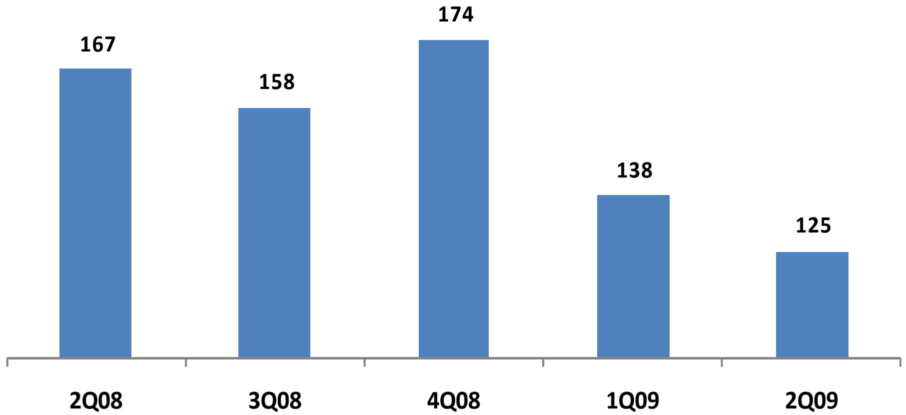
✓The following charts show the share of units with average price below R$130 thousand on our launchings in the economic segment (left chart) and the evolution of the average price per unit within the economic segment (right chart).

✓The main trends observed are: increase of units with average price below R$130 thousand in the economic launchings and the decrease of the average price for economic units launched.

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.



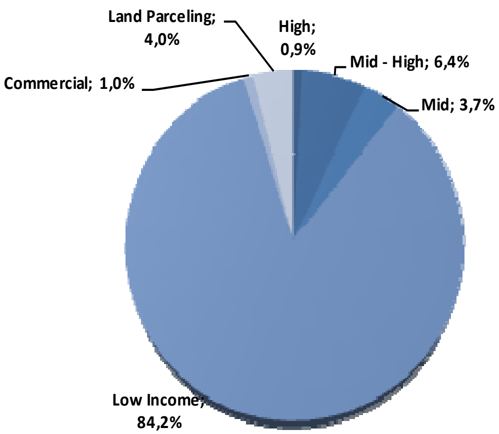
2Q09 & 1H09 Highlights
Landbank

✓Our current pro rata landbank reaches R$8.2 billion, (distributed in 249 projects), representing a 17% growth when compared to the 2Q09.

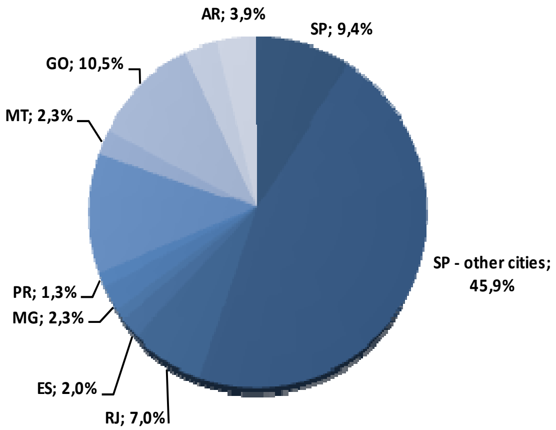
✓In the chart below, we present the breakdown of the residential units in PDG Realty´s landbank by price range (excluding commercial units and land parceling). We can notice that 56 thousand units are eligible to the housing program:

Unit Price	Residential units	%	Main Source of Funding
up to R$ 100 th	30,775	44.6%	Housing Package + Credito Associativo + SFH
from R$ 100 th to R$ 130 th	14,916	21.6%	Housing Package + Credito Associativo + SFH
from R$ 130 th to R$ 250 th	18,332	26.5%	SFH
from R$ 250 th to R$ 500th	2,265	3.3%	SFH
Over R$ 500 th	2,773	4.0%	Market Rates
Total	**69,061**	**100%**	

Landbank Segmentation - Pro Rata PSV



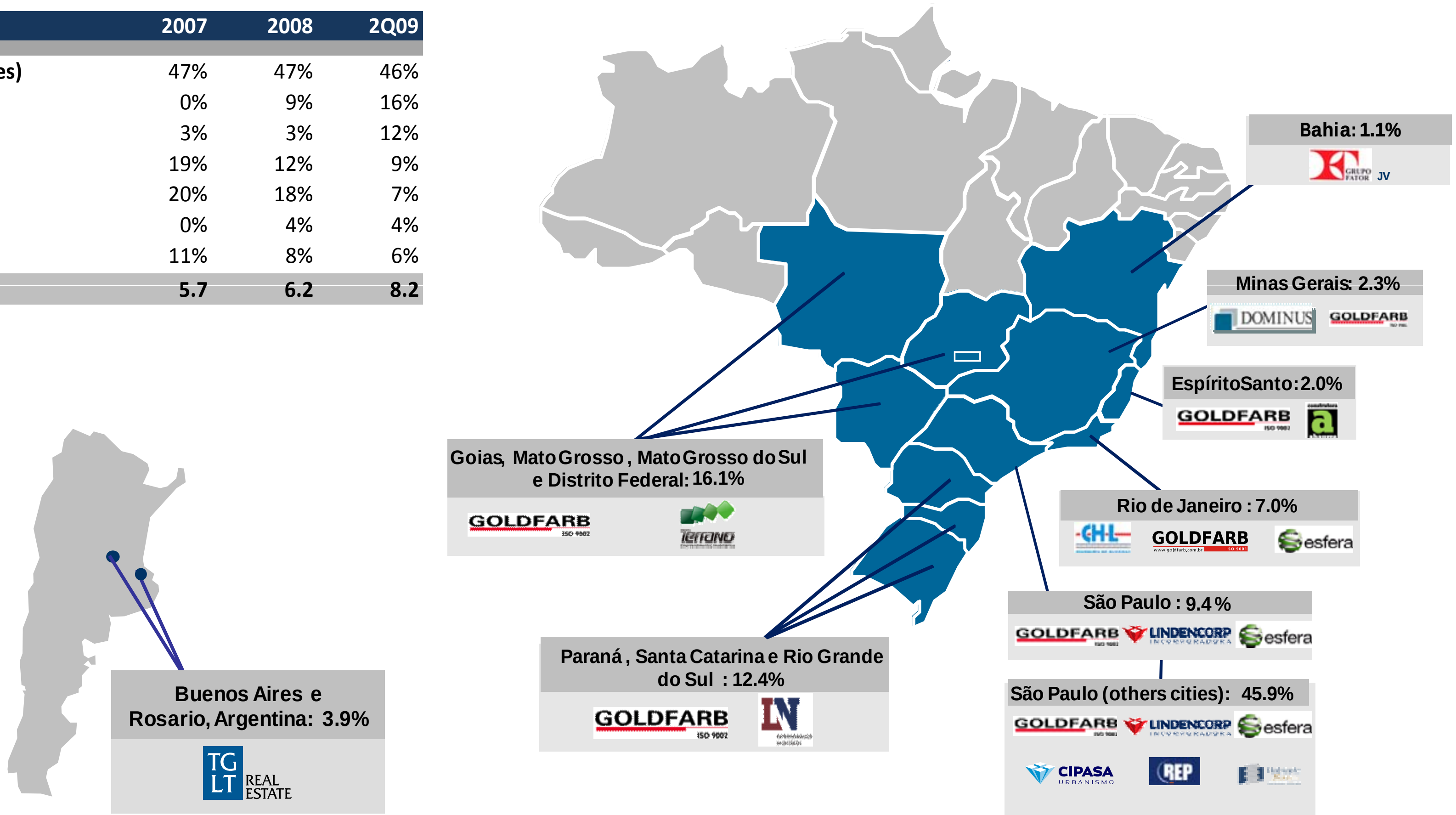
Landbank Geografic Distribution - Pro rata PSV



2Q09 & 1H09 Highlights
Landbank

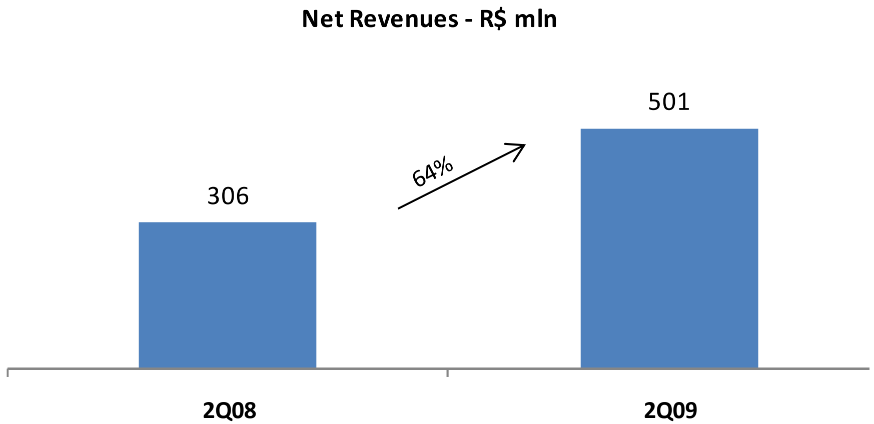
✓Our current operations reach 62 cities spread in 11 states and Argentina. The map below presents the breakdown of our landbank by region and partner:

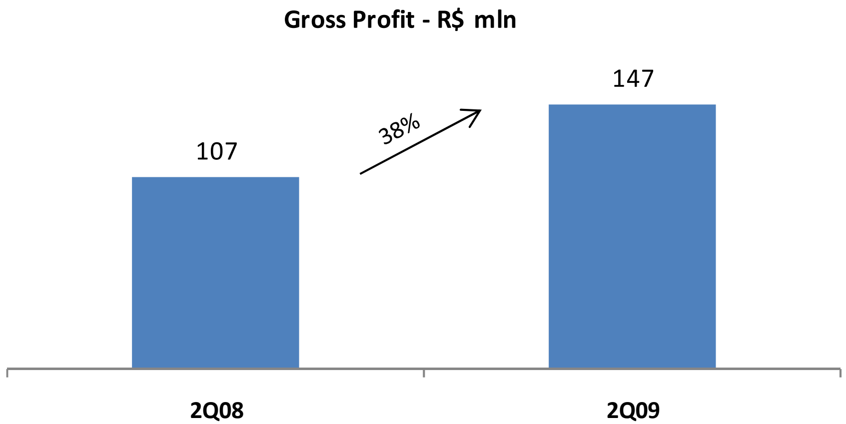
Breakdown evolution	2007	2008	2Q09
São Paulo (others cities)	47%	47%	46%
Middle West	0%	9%	16%
South	3%	3%	12%
São Paulo	19%	12%	9%
Rio de Janeiro	20%	18%	7%
Argentina	0%	4%	4%
Others	11%	8%	6%
Total (R$ billion)	5.7	6.2	8.2

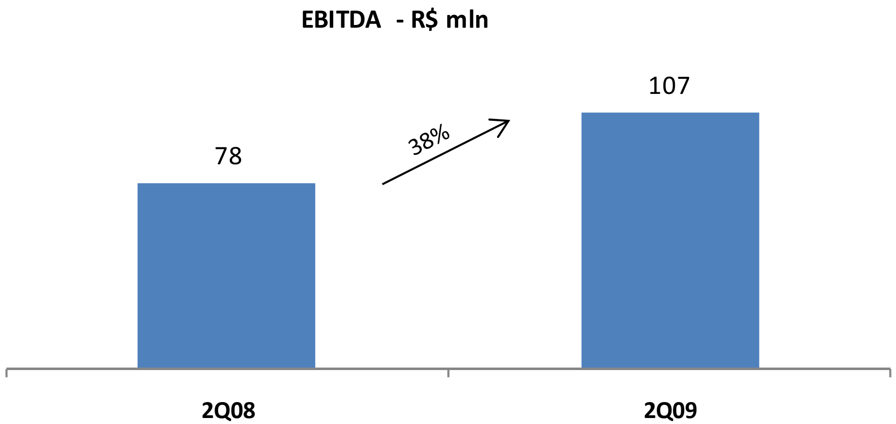


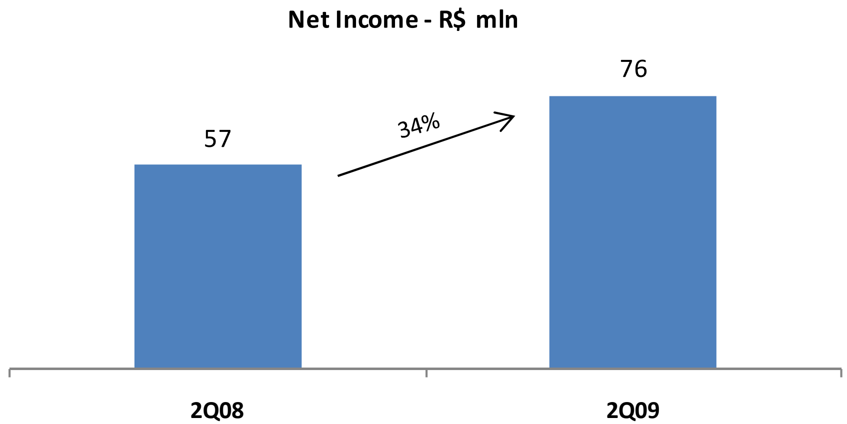
2Q09 & 1H09 Highlights
Financial Performance

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









2Q09 & 1H09 Highlights
Financial Performance

✓Below we present the main financial figures and how they were impacted by the 11,638 law:

Net Revenues

Pre 11.638 adjustments		PV		Swaps		Post 11.638 adjustments
495,145	(+)	(1,863)	(+)	8,115	(=)	501,397

Cost of Goods Sold (COGS)

Pre 11.638 adjustments		Capitalized Interest		Swaps		Provisions		Post 11.638 adjustments
(322,993)	(+)	(23,506)	(+)	(6,330)	(+)	(1,624)	(=)	(354,453)

Commercial Expenses

Pre 11.638 adjustments		Capitalized Expenses		Post 11.638 adjustments
(17,869)	(+)	(15,074)	(=)	(32,942)

General and Administrative Expenses

Pre 11.638 adjustments		Stock Options Plan		Post 11.638 adjustments
(26,980)	(+)	(2,820)	(=)	(29,800)

2Q09 & 1H09 Highlights
Indebtedness

✓Below we present the Indebtedness in the end of 2Q09:

Debentures - 1st program	
Balance:	264,370
Index:	CDI
Interest per year:	0.90%
Creditor:	Bradesco BBI
Duration:	43 months
Coupon:	Semi Annual (jan/jul)
Principal in 4 annual payments since july, 2011	

Debentures - 2nd program	
Balance:	220,366
Index:	CDI
Interest per year:	2.00%
Creditor:	-
Duration:	40 months
Coupon:	Semi Annual (apr/oct)
Principal in 4 annual payments since july, 2011	

Consolidated per Creditor	
Total:	1,277,392
Debenture holders	37.95%
Votorantim	8.35%
Unibanco	8.34%
Bradesco	7.29%
ABN Amro	38.08%
Duration:	25 months

Other corporate debts	
Balance:	339,033
Index:	CDI
Interest per year:	1.80%
Duration:	31 months

SFH	
Balance:	453,623
Index:	TR
Interest per year:	10.51%
Duration:	13 months

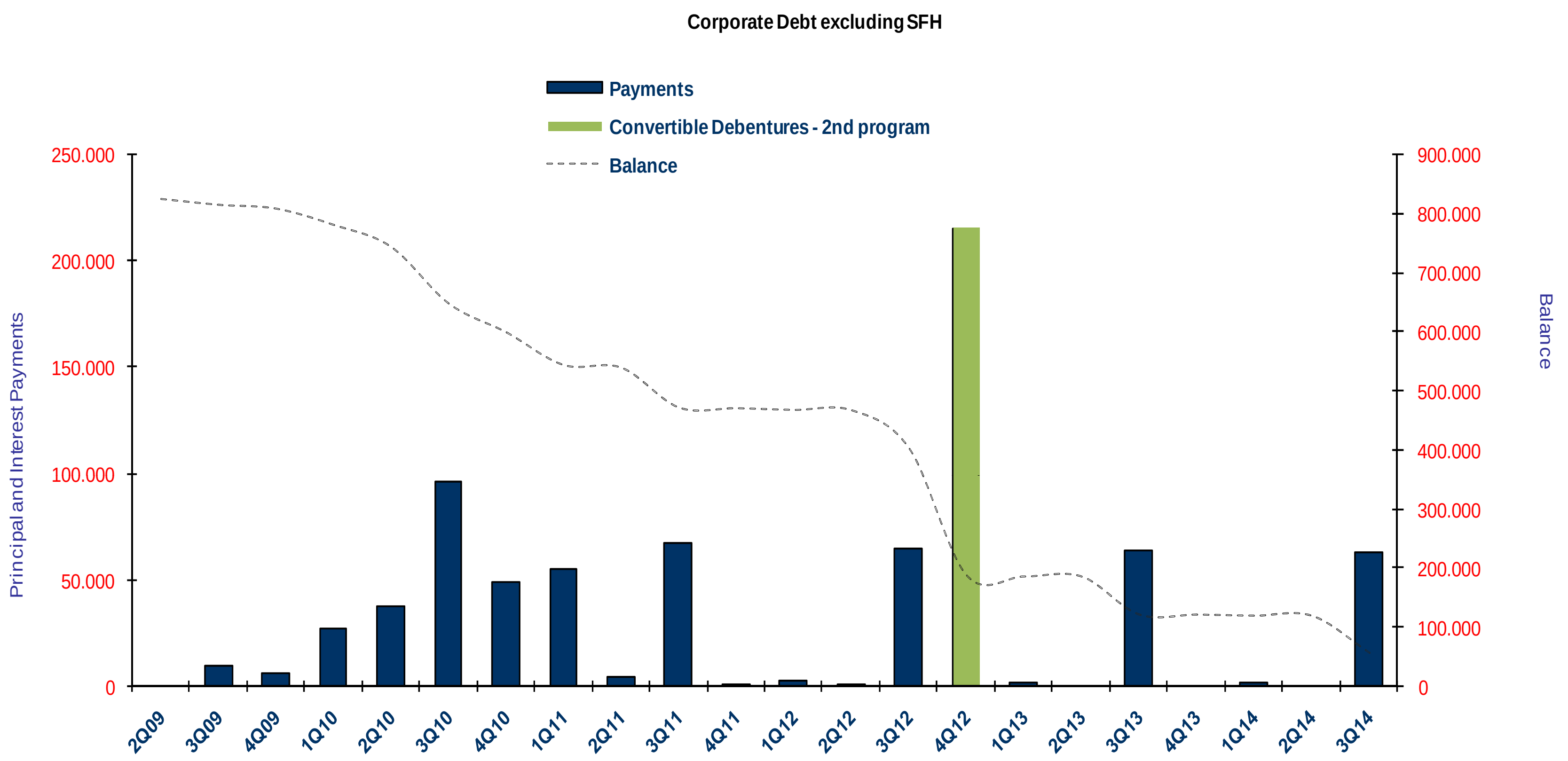
Consolidated per Index	
Total:	1,277,392
% of CDI	64.49%
TR	35.51%
Duration:	25 months

Debt Ratios (R$ thousand)	2Q09	Debentures Conversion *
Cash and Cash equivalents	362,817	362,817
Indebtness	(1,277,392)	(1,057,026)
Net Debt	914,575	694,209
Equity	1,836,660	2,057,026
Debt to Equity	69.5%	51.4%
Net debt to Equity	49.8%	33.7%

* Assuming the full conversion from the outstanding balance of debentures as of 21,517 (principal and interest).

2Q09 & 1H09 Highlights
Financial Performance

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



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