



2Q10 & 1H10 Results Conference Call

August, 2010

Recent Highlights

✓**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**

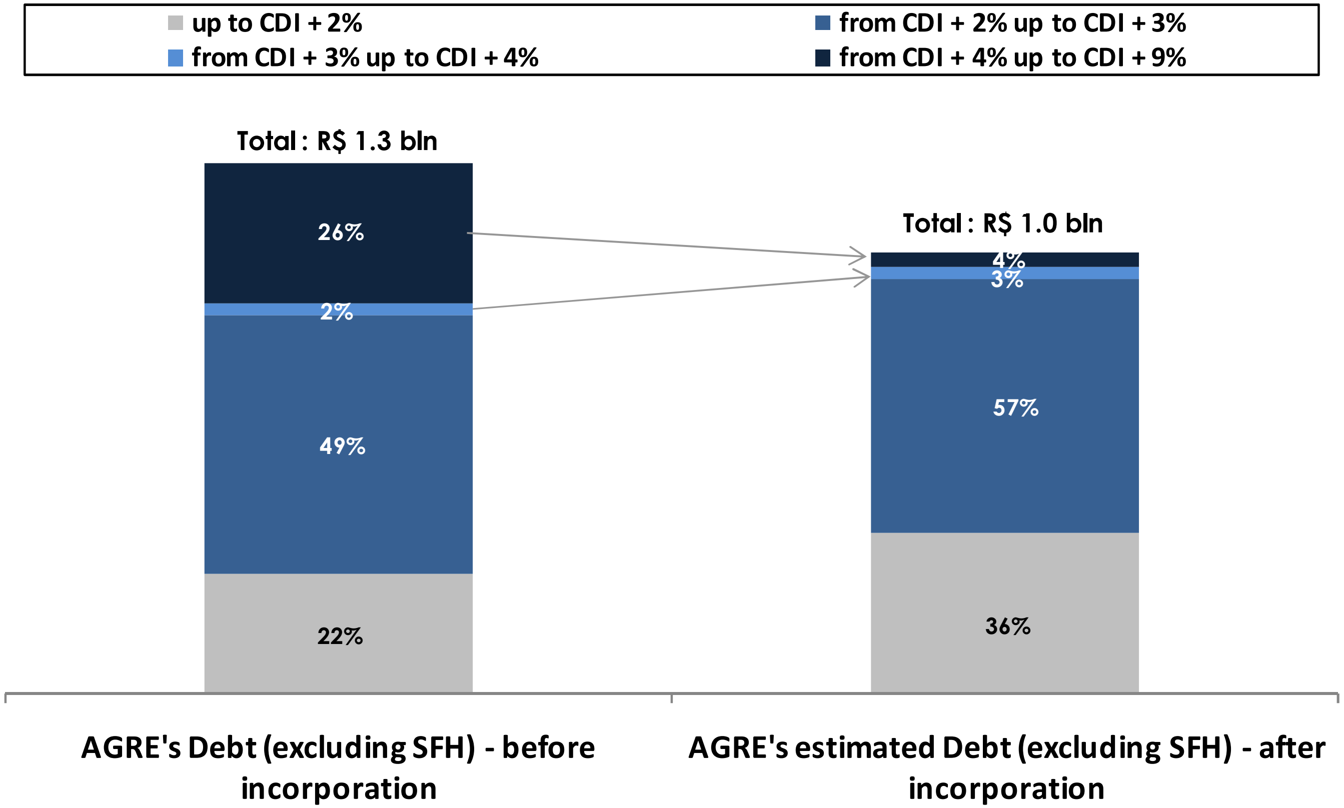
✓After the completion of the acquisition of AGRE by PDG Realty, we began working on restructuring its indebtedness. Backed by good relationships with the major banks on the market and the solidity of our balance sheet, we have already successfully completed this process, which we feel is of the utmost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

Recent Highlights

✓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

PDG Realty

Recent Highlights

✓**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.

Recent Highlights

✓**New Securitization of Receivables Issuances**

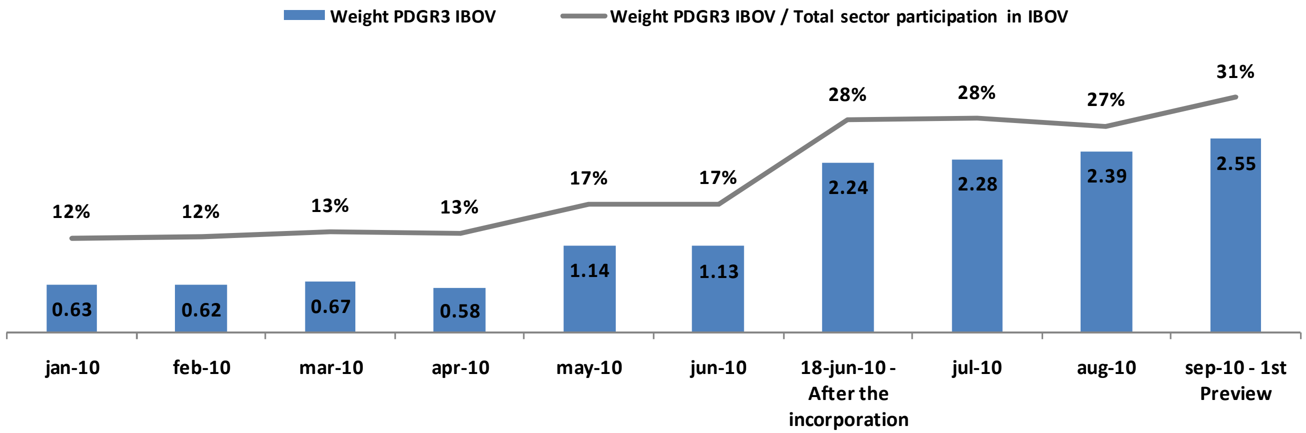
✓Through its securitization subsidiary "PDG Companhia Securitizadora", PDG Realty conducted two issuances of Real Estate Receivable Certificates (CRIs), thus reaching some R$ 380 million through transactions conducted since its first issue in July 2009.

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.



PDG Realty

Recent Highlights

✓**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".

✓**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.

✓**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.

Operational and Financial Performance 2Q10 & 1H10

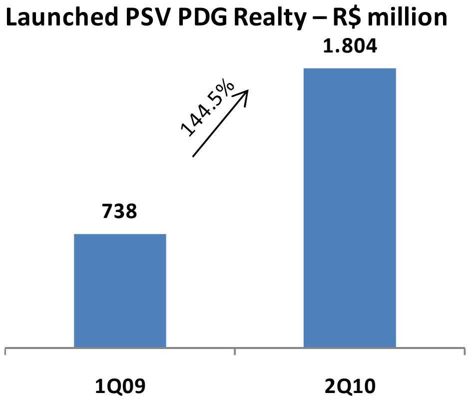
2Q10 & 1H10 OPERATIONAL HIGHLIGHTS	✓NET CONTRACTED SALES (PRO RATA PDG REALTY) OF R$1.556 BILLI0N IN 2Q10 AND R$2.911 IN THE 1H10; ✓LAUNCHES (PRO RATA PDG REALTY) REACHED R$1.804 BILLION, REPRESENTING A GROWTH OF 145% IN RELATION TO 2Q09; ✓QUARTERLY VSO REACHED 30%; ✓CONTRACTED SALES OVER TOTAL SUPPLY (“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%.

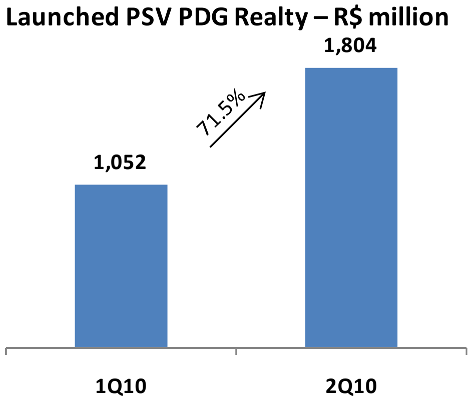
Operational Performance 2Q10 & 1H10
Launches

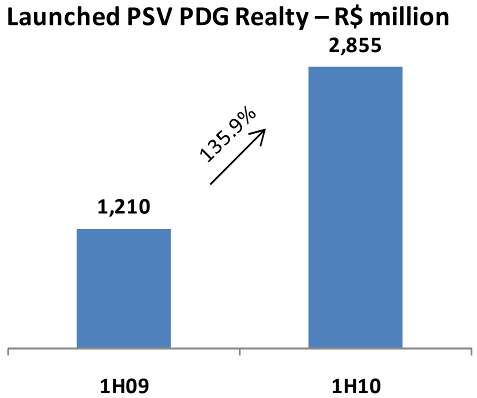
✓Launched PSV (PDG Realty´s pro rata stake) reached R$1.804 billion in 2Q10, with total launches of R$1.868 billion distributed across 55 projects.

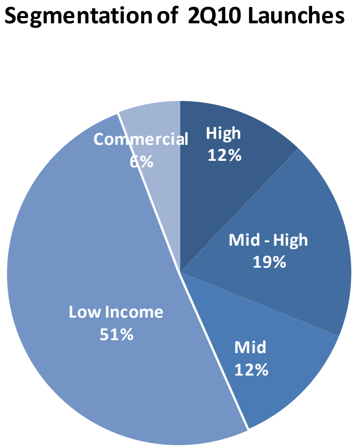
✓We launched 41% of the total guidance of 2010 until the end of the first half of the year;

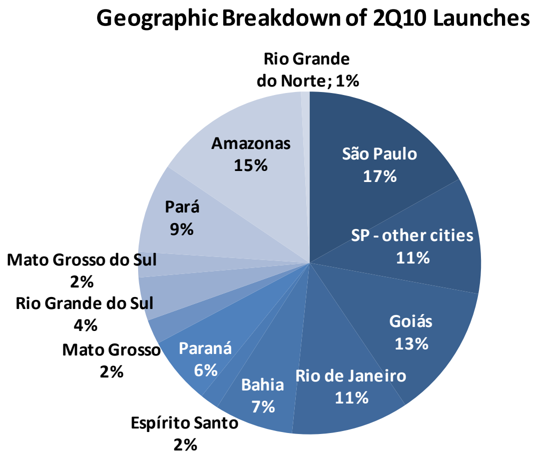
✓51% of the launches (in PDG Realty´s PSV) were concentrated in the low income segment and 12% on the mid segment (units costing up to R$500 thousand);









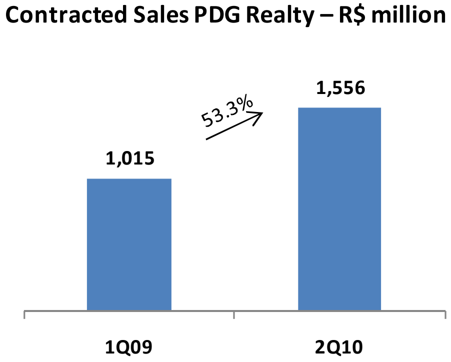


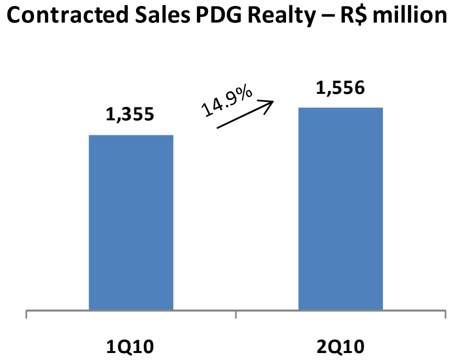
Operational Performance 2Q10 & 1H10
Sales

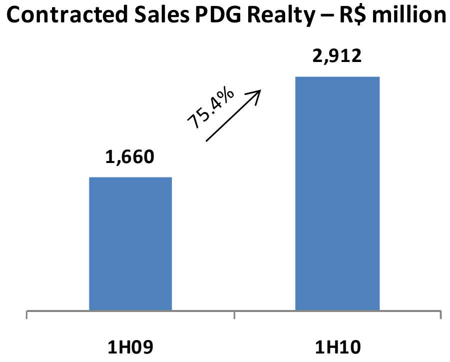
✓Contracted Sales (PDG Realty´s pro rata stake) reached R$1.556 billion in 2Q10 and R$ 2.912 billion in 1H10 (representing a 53% growth when compared to the 2Q09 and 75% when compared to the 1H09);

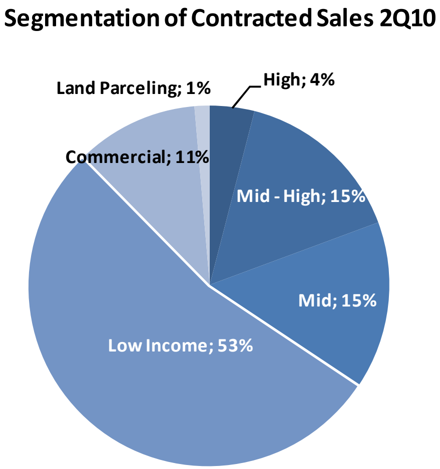
✓Contracted sales over total supply ("VSO") came to 30%;

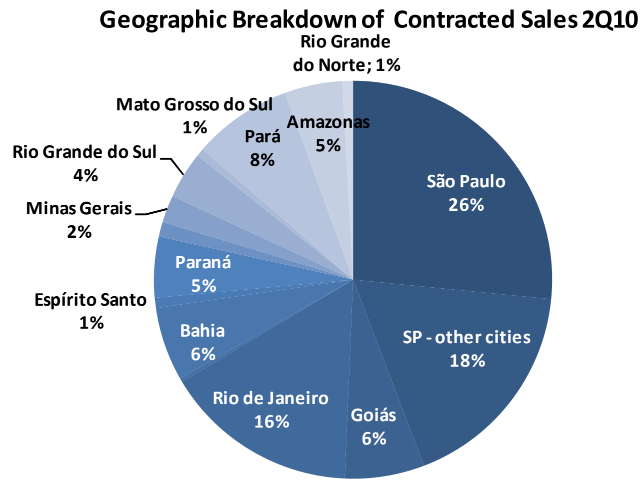
✓We sold R$533 million from 2Q10 launchings and R$1.023 billion from inventories.











PDG Realty

Operational Performance 2Q10 & 1H10
Sales

✓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%**	

	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

Operational Performance 2Q10 & 1H10
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).

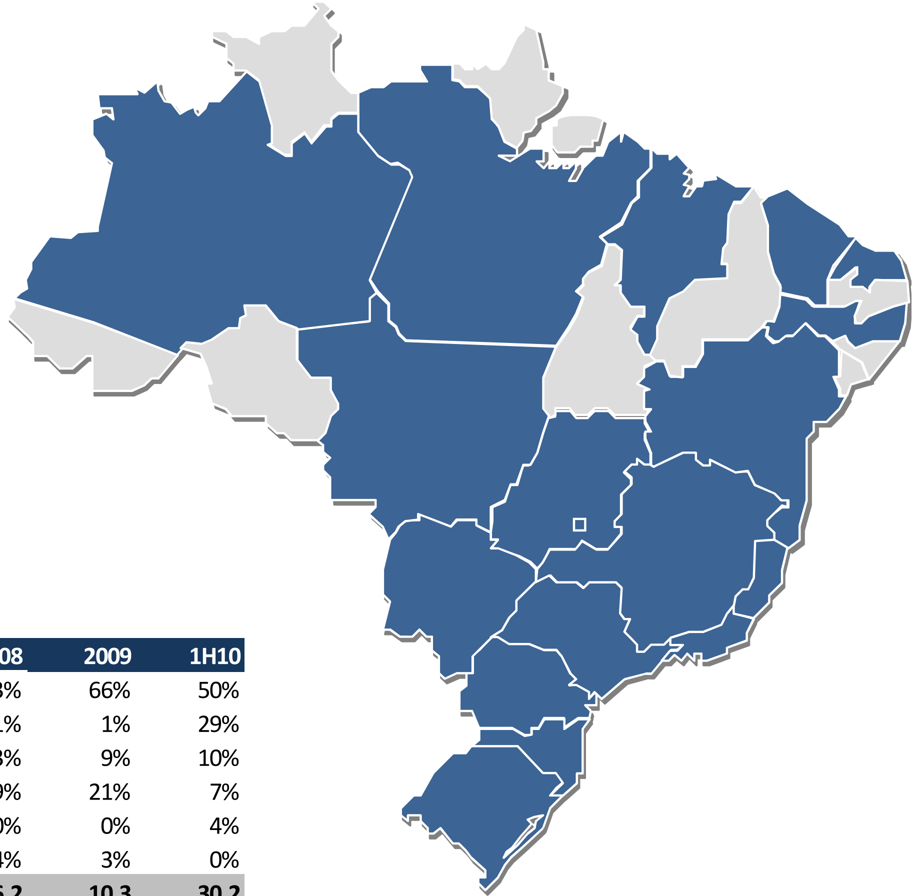
✓We highlight the large concentration of units under R$500 thousand that account for nearly 94% of total landbank.

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**			

Operational Performance 2Q10 & 1H10
Landbank

✓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**

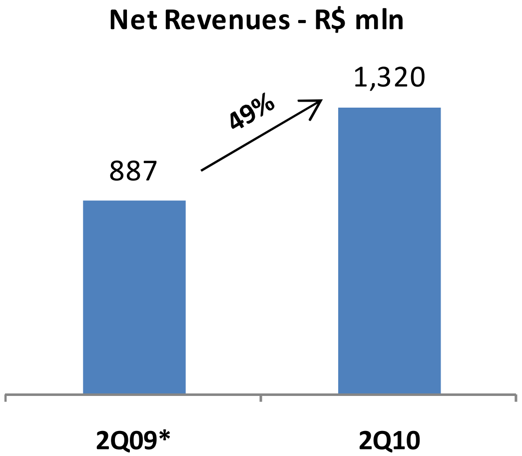


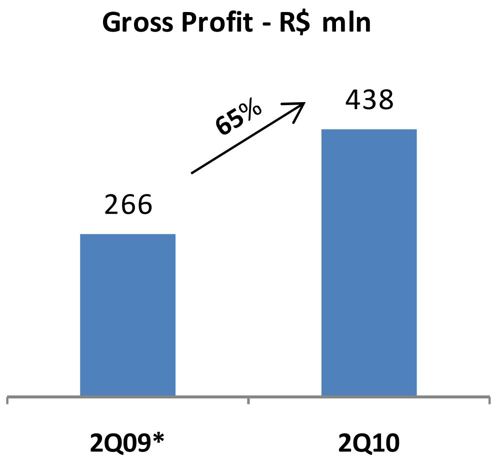
Breakdown evolution	2007	2008	2009	1H10
Southeast	95%	83%	66%	50%
Northeast	2%	1%	1%	29%
South	3%	3%	9%	10%
Middle West Region	0%	9%	21%	7%
North	0%	0%	0%	4%
Argentina	0%	4%	3%	0%
Total (R$ billion)	**5.7**	**6.2**	**10.3**	**30.2**

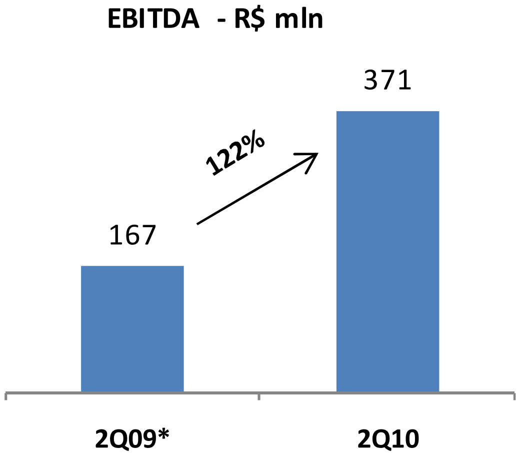
PDG Realty

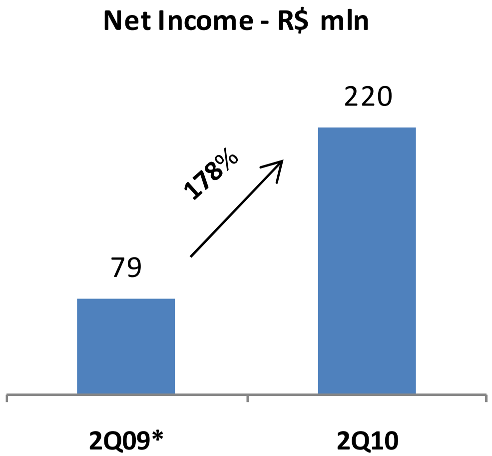
Financial Performance 2Q10 & 1H10

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









Financial Performance 2Q10 & 1H10

✓Comparison of SG&A expenses

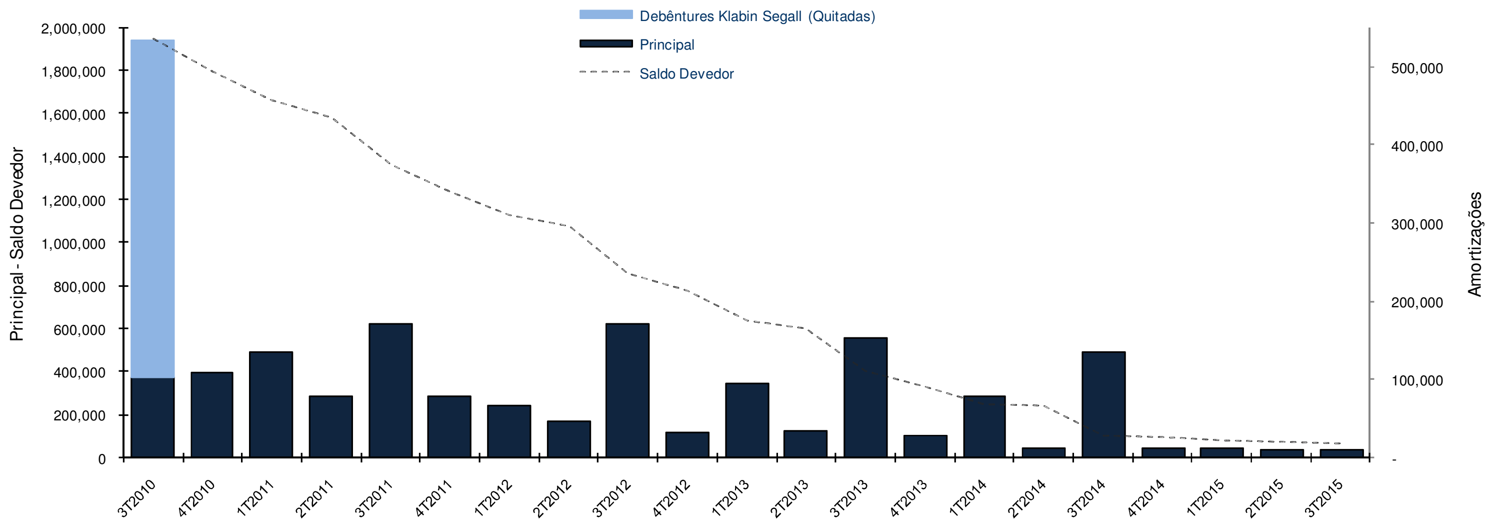
R$ mln	2Q10	2Q09	1H10	1H09
Sales Expenses (R$ mln)	72.3	57.6	131.5	91.5
G&A Expenses (R$ mln) *(1)*	84.2	75.8	145.5	135.2
G&A + Sales Expenses	**156.4**	**133.5**	**277.1**	**226.8**
Sales Expenses / Launches	4.0%	7.8%	4.6%	7.6%
G&A Expenses / Launches	4.7%	10.3%	5.1%	11.2%
G&A + Sales Expenses / Launches	**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 Performance 2Q10 & 1H10

✓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.

Dívida (exclui SFH e parcerias em projetos - já contemplados no fluxo das SPE's) - cronograma pós 2T10 e saldo devedor no fim do período (R$mil)



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

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%**

Contacts:

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