



## PDG REALTY REACHES ADJUSTED NET INCOME OF R\$136 MILLION IN 1Q10 AND NET MARGIN OF 22%, UP BY 153% OVER 1Q09. RECORD NET CONTRACTED SALES TOTAL R\$842 MILLION IN THE QUARTER.

**Rio de Janeiro, May 6th, 2010** – PDG Realty S.A. Empreendimentos e Participações – PDGR3 – discloses its results for the first quarter of 2010 (1Q10). 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).

### 1Q10 OPERATIONAL HIGHLIGHTS

- ✓ NET CONTRACTED SALES (*PRO RATA* PDG REALTY) REACHED R\$842 MILLION, UP BY 101% OVER 1Q09;
- ✓ LAUNCHES *PRO RATA* 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".

### 1Q10 FINANCIAL HIGHLIGHTS

- ✓ 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.

### RECENT HIGHLIGHTS AND EVENTS

- ✓ 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:
  - ✓ DETAILS OF THE TRANSACTION;
  - ✓ COMPANY OUTLOOK.

\* Adjusted EBITDA does not consider expenses from capitalized interest in the cost of units sold and the employee stock option plan. In this document, EBITDA and adjusted EBITDA are based on this definition and used interchangeably.

\*\* Assuming that all operational information not including Note 1 from next page will be presented as PDG Realty's *pro rata* figures.



## OPERATIONAL AND FINANCIAL INDICATORS

	1Q10	1Q09	Var (%)
<b>Launched PSV <sup>(1)</sup> – R\$ million</b>	933.87	664.24	41%
<b>Launched PSV PDG Realty – R\$ million</b>	845.70	472.42	79%
<b>Launched Developments</b>	33	24	38%
<b>Numbers of Units Launched <sup>(1)</sup></b>	6,228	4,204	48%
<b>Contracted Sales – R\$ million <sup>(1)</sup></b>	921.91	521.10	77%
<b>Contracted Sales PDG Realty – R\$ million</b>	841.57	419.59	101%
<b>Numbers of Units Sold <sup>(1)</sup></b>	6,157	3,354	84%
<b>Market Value of Inventory - R\$ million</b>	1,898.6	1,591.0	19%
<b>Usable Area Launched TOTAL (m<sup>2</sup>) <sup>(1) (2)</sup></b>	382,738	339,560	
<b>Average Area (m<sup>2</sup>) <sup>(2)</sup></b>	61	71	
<b>Average Price (R\$/m<sup>2</sup>) <sup>(2)</sup></b>	2.440	1.918	
<b>Net Revenue - R\$ million</b>	613.20	312.27	96%
<b>Gross Income - R\$ million</b>	205.92	91.34	125%
<b>Gross Margin - %</b>	33.6%	29.3%	
<b>EBITDA - R\$ million <sup>(3)</sup></b>	156.76	86.66	81%
<b>EBITDA Margin - %</b>	25.6%	27.8%	
<b>Adjusted Net Income - R\$ million <sup>(4)</sup></b>	136.14	53.77	153%
<b>Net Margin - %</b>	22.2%	17.2%	
<b>ROE (Annualized)</b>	18.1%	14.1%	

(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.



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## RECENT HIGHLIGHTS & 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.

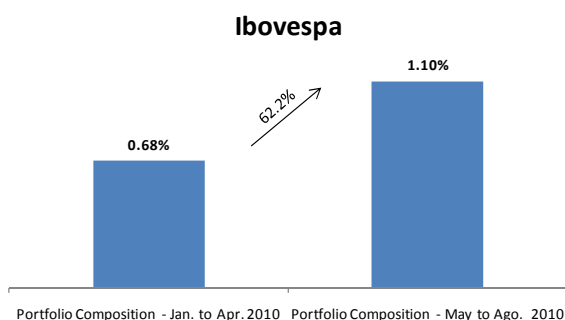
Currently, PDG is already engaged in several projects with LN in the city of Curitiba. LN is a real estate developer that has been operating in the South region for 29 years. The focus of this intensification is the strengthening the existing partnership and making additional real estate investments in the mid to mid-high income segments in the South of Brazil.

### Increased weight in Major Stock Indices

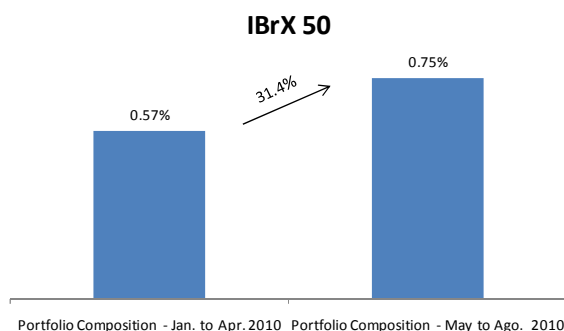
On May 3rd, 2010, the Brazilian Securities, Commodities and Futures Exchange (BM&FBOVESPA) disclosed the Bovespa Index theoretical portfolio, effective from May to August 2010, based on the closing of the last trading session on April 30th, 2010. The BM&FBOVESPA also announced the latest previews for the other indices.

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

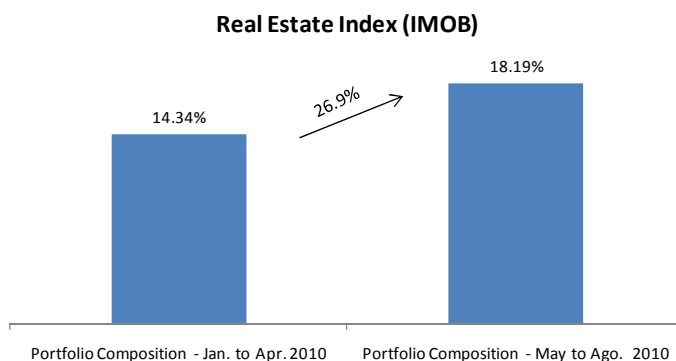
#### IBOVESPA:



#### IBX50:



#### IMOB:







### 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.

Jet Casa is a long time supplier for Goldfarb and has already been profiting from this technology.

Some of the major benefits of this construction methodology are: better quality control, cost savings, construction cycle reduction, gains of scale and lower dependence on skilled labor.

Following is an overview of Jet Casa's building technique in Goldfarb's construction sites:

- Panel fabrication track in Jet Casa's construction:



- Panel fabrication track in Jet Casa's construction:





- Panel assembly sequence:



- Panel assembly sequence:



### 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

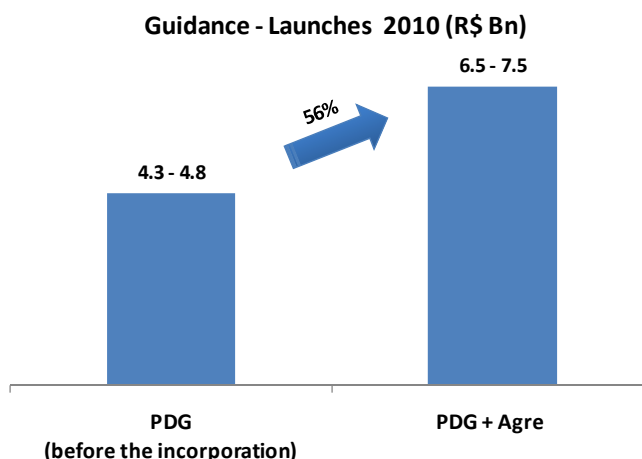
On April 29th, 2010, the Shareholders' Meeting elected the new members of the Company's Board of Directors, namely Alexandre Gonçalves Silva and Paulo Nunes Guedes. They join the remaining members of the Board, which were reelected, as follows: Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta,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



## PDG Realty acquires AGRE

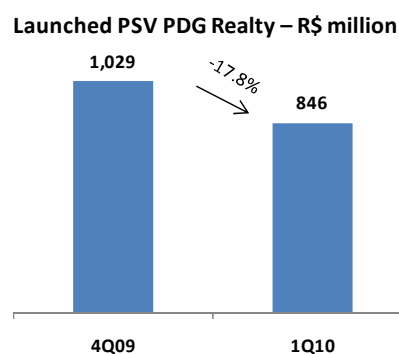
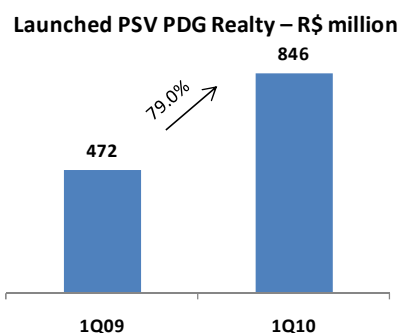
On May 3rd, 2010, PDG concluded the acquisition of AGRE Empreendimentos Imobiliários S.A. An Agreement for the Merger of Shares of AGRE was executed, the purpose of which is that AGRE become a wholly-owned subsidiary of PDG. After the merger is approved by the Shareholders' Meetings of both companies, 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:



## OPERATIONAL PERFORMANCE - LAUNCHES

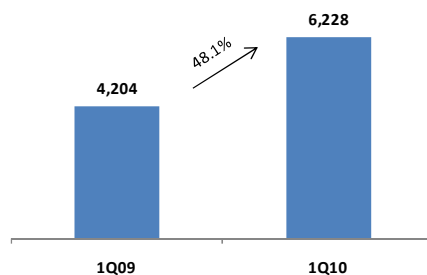
- The potential sales volume (PSV) launched reached R\$846 million in 1Q10 (total PSV of R\$934 million), distributed across 33 projects.
- Due to Carnival festivities in Brazil, 67% of launches in the quarter were concentrated on the month of March.



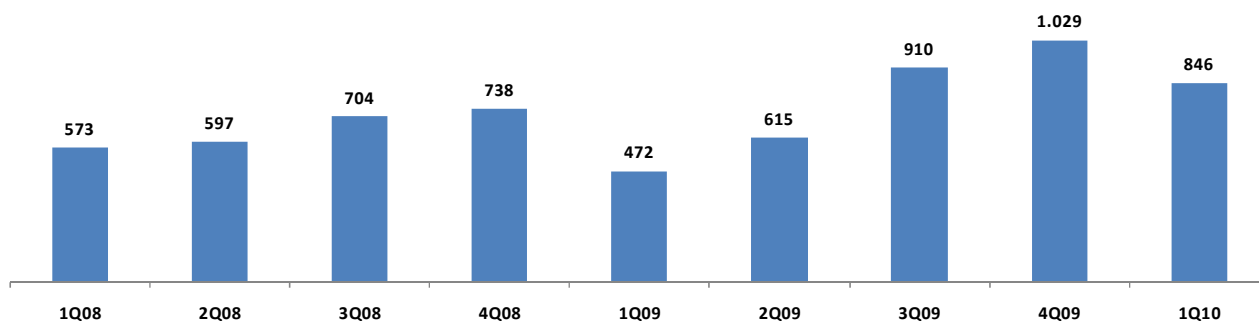




Units Launched

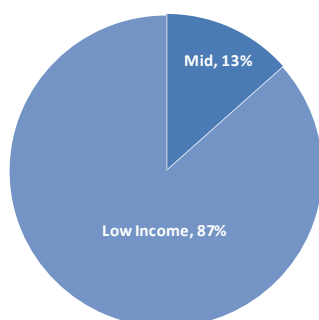


Launched PSV PDG Realty – R\$ million

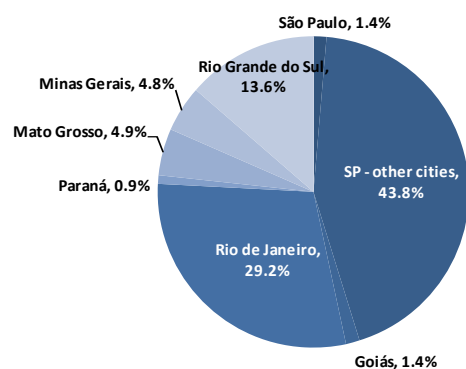


Following is the breakdown by income segment and region of the launches during 1Q10:

Segmentation of 1Q10 Launches



Geographic Breakdown of 1Q10 Launches



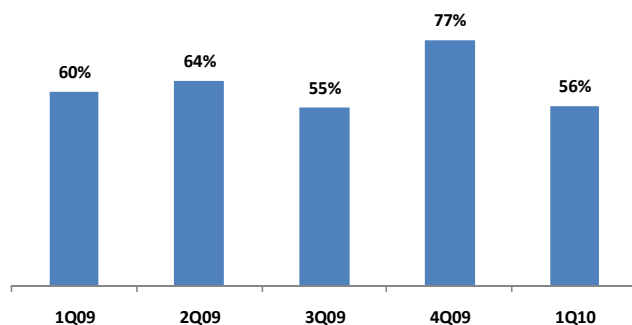




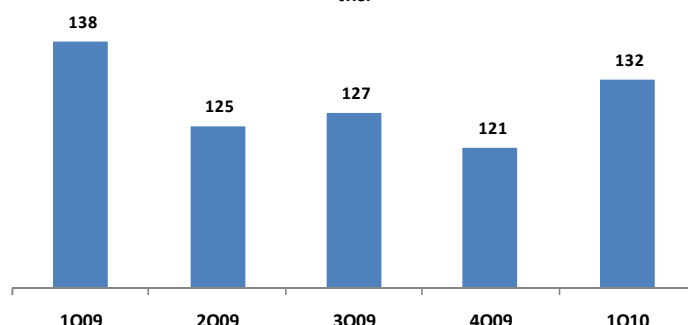
## Low Income Segment Breakdown and “Minha Casa, Minha Vida” Government Program

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:

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

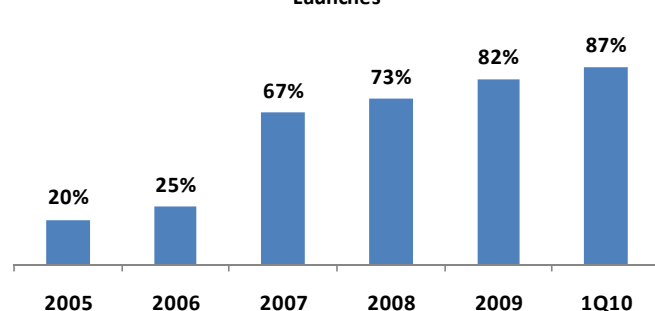


Average unit price of PDG Realty’s low income launches - R\$ ths.

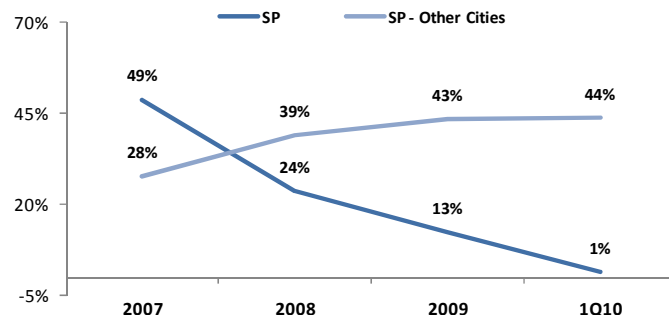


The following graphs show the evolution of the share of low income units in the total launches, by potential sales volume, and the share of inner cities in the state of São Paulo *versus* the city of São Paulo in the total launches of PDG Realty:

Participation of Low Income Units on PDG Realty’s Launches



Participation of SP x SP - Other Cities on PDG Realty’s Launches



The following charts depict some of the major projects launched in 1Q10:



### Residencial Porto das Pedras - 2nd phase

Company	Goldfarb
Location	Várzea Grande/MT
Launch	January/2010
Total PSV	R\$ 47 mln
Units	475
% sales	96%



### Sky

Company	LN
Location	Curitiba/PR
Launch	March/2010
Total PSV	R\$ 50 mln
Units	234
% sales	100%



### Spazio Ouro Verde – Cond. 7, 8 & 9

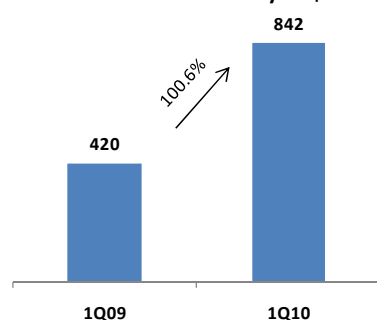
Company	Goldfarb
Location	Campinas/SP
Launch	January/2010
Total PSV	R\$ 17.4 mln
Units	196
% sales	100%

## OPERATIONAL PERFORMANCE – SALES AND INVENTORY

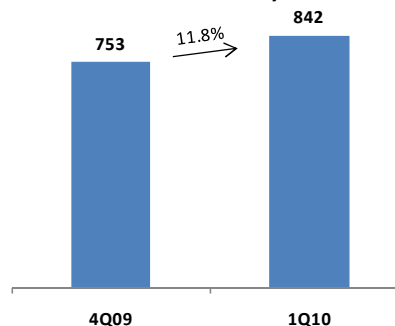
### Sales

- 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

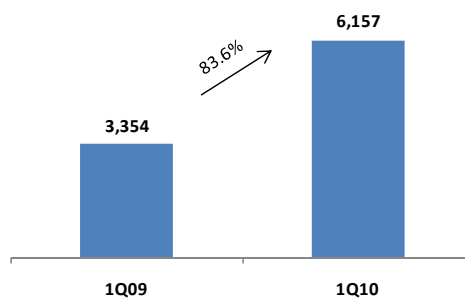


Contracted Sales PDG Realty – R\$ million

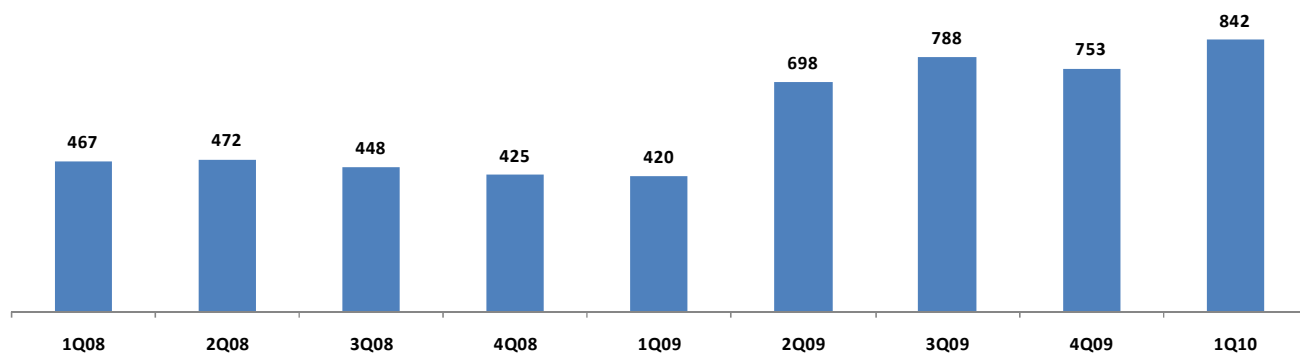




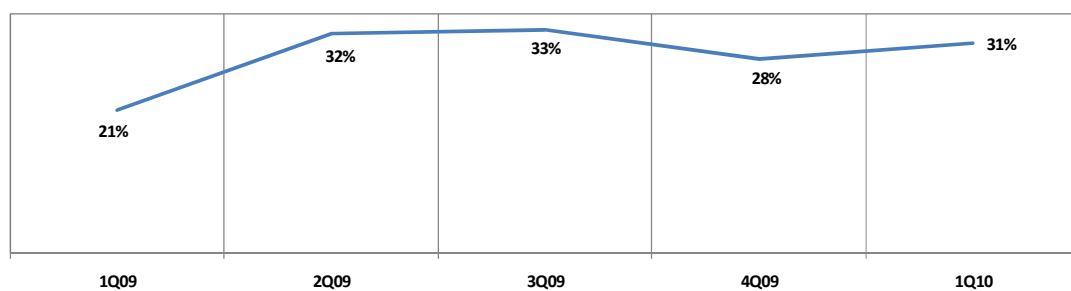
### Units Sold



### Contracted Sales PDG Realty – R\$ million



### Contracted Sales Over Total Supply ("VSO") - %

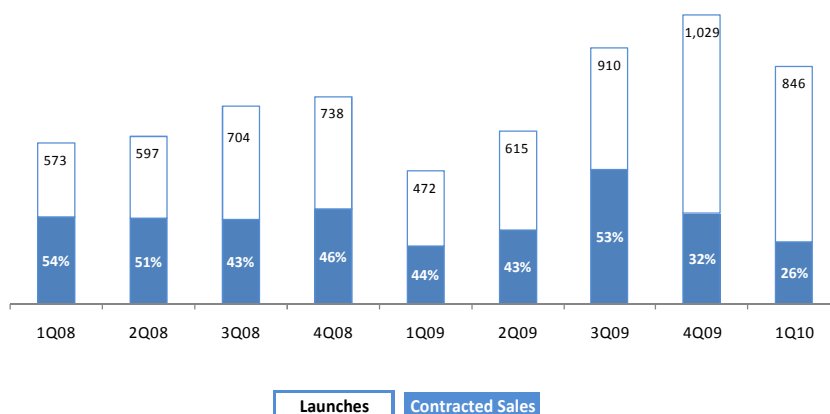




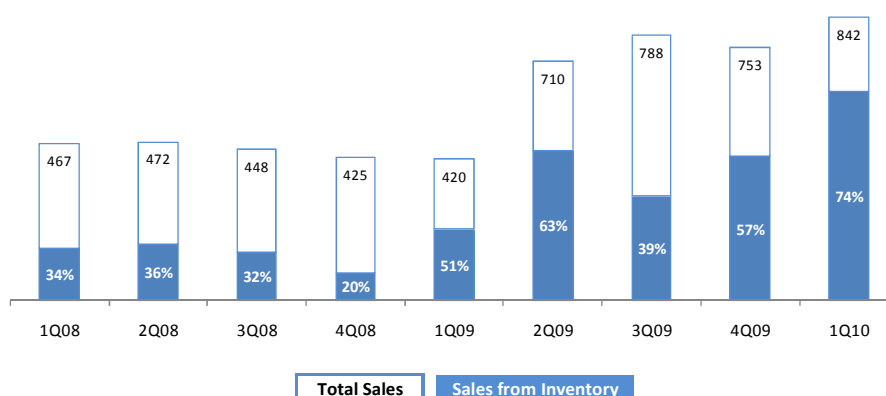
The graphs below show the evolution of sales for the projects launched within the quarter and sales from inventory as a percentage of total contracted sales.

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)**

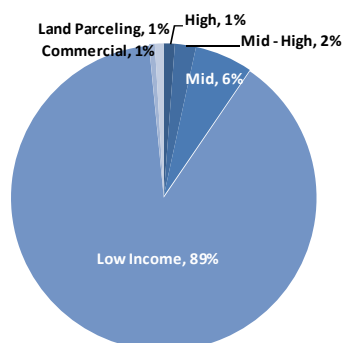


**Contracted Sales from Inventory(%) / Total Contracted Sales (R\$ mIn)**

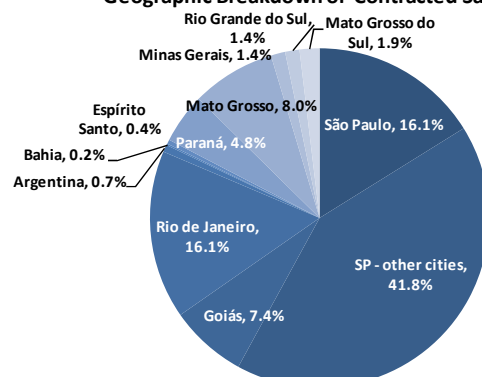


Following is the breakdown of sales by segment and region for 1Q10:

**Segmentation of Contracted Sales 1Q10**



**Geographic Breakdown of Contracted Sales 1Q10**







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
<b>2003 - 2006</b>	<b>5,851</b>	<b>5,694</b>	<b>97%</b>	<b>2%</b>
<b>2007</b>	<b>12,820</b>	<b>12,190</b>	<b>95%</b>	<b>5%</b>
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%
<b>2008</b>	<b>18,200</b>	<b>15,381</b>	<b>85%</b>	<b>25%</b>
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%
<b>2009</b>	<b>25,591</b>	<b>19,762</b>	<b>77%</b>	<b>38%</b>
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%
<b>2010</b>	<b>6,228</b>	<b>1,857</b>	<b>30%</b>	<b>30%</b>
1Q2010	6,228	1,857	30%	30%
<b>Total</b>	<b>68,690</b>	<b>54,884</b>	<b>80%</b>	

The table shows that 80% of the total units launched had been sold through 1Q10 and that, from the units in inventory, approximately 70% refer to units launched since the first quarter of 2009.

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

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

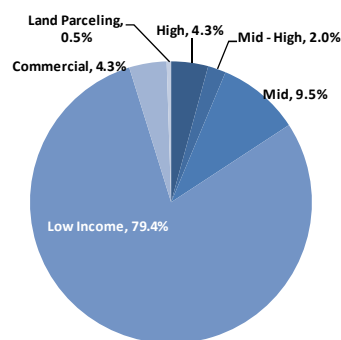
(\*) Increase in Inventory due to increase in stake in Goldfarb and CHL



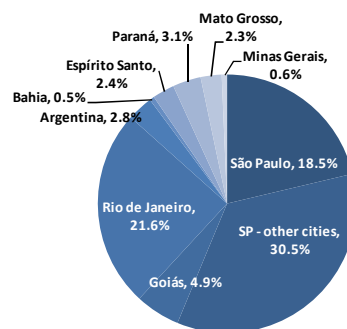
## Inventory at Market Value

Following is the breakdown of our inventory at market value, which totaled R\$1.9 billion at the end of 1Q10:

Segmentation of Inventory - Pro Rata PSV 1Q10

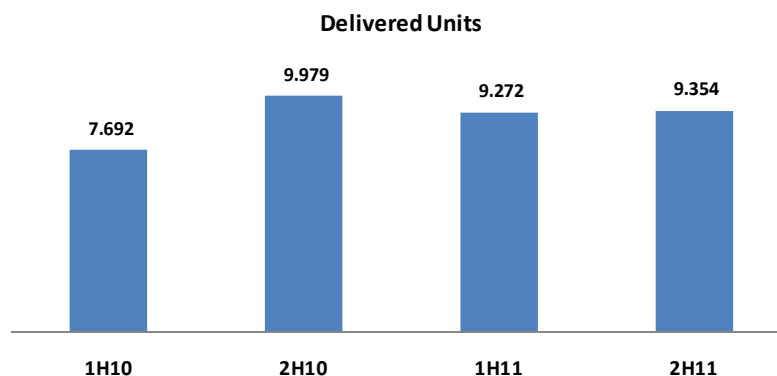


Geographic Breakdown of 1Q10 Inventory



## UNIT DELIVERY SCHEDULE

Following is the expected schedule for future deliveries through 2011:

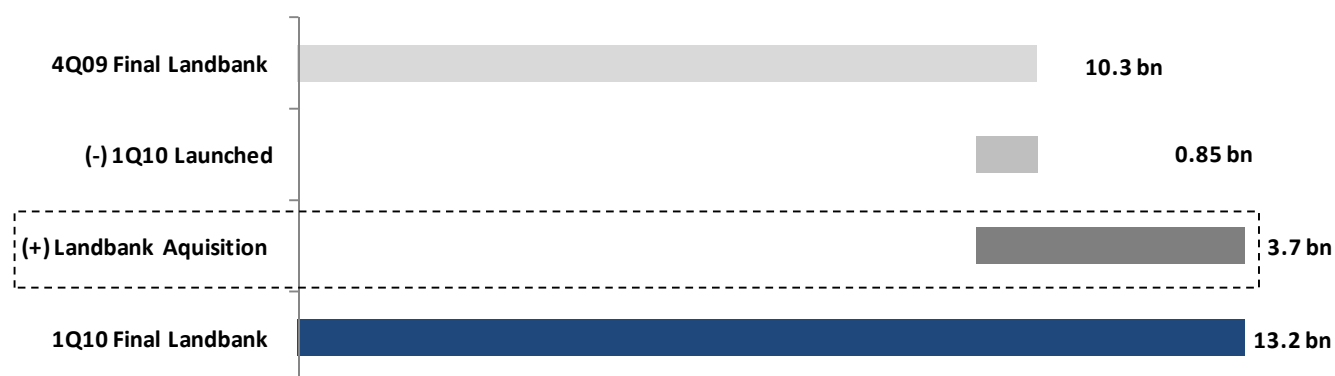




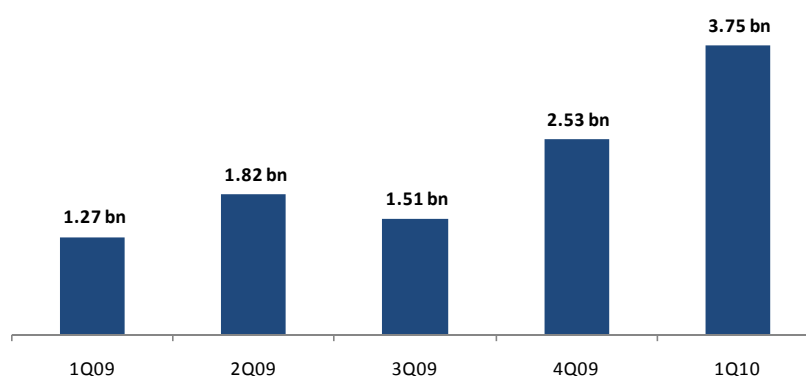
## LANDBANK

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:



Aquisition of Landbank in PSV (R\$)



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

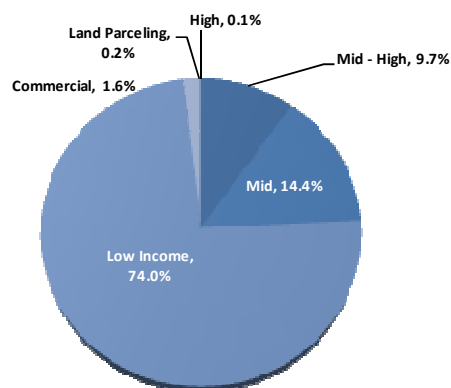
We highlight the large concentration of units under R\$130 thousand that account for nearly 51% of total landbank.

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	Minha Casa Minha Vida
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
<b>Total</b>	<b>92,948</b>		<b>12,743</b>		<b>15,344</b>			

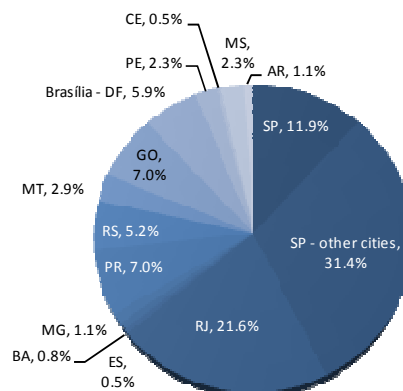
The following graphs show the breakdown of the landbank by segment and geographic region at the close of 1Q10:



**Landbank Segmentation - Pro Rata PSV**

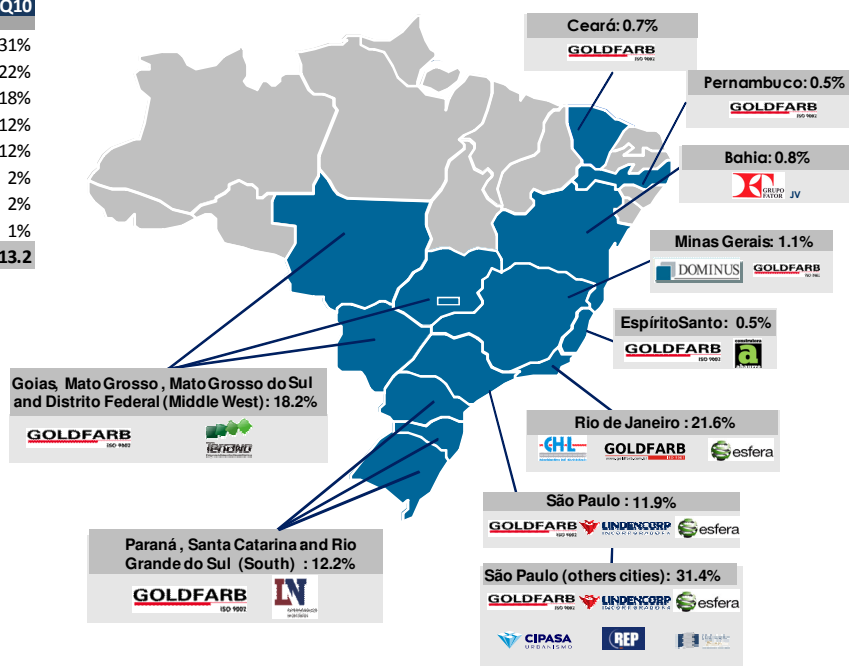
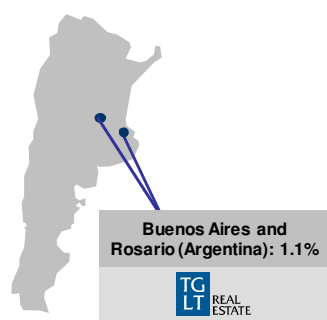


**Landbank Geographic Distribution - Pro Rata PSV**



The landbank of PDG Realty is spread over 13 states and 72 cities, besides the Federal District (Brasília) and Argentina, as shown in the map below (distribution of PSV in the landbank):

Breakdown evolution	2007	2008	2009	1Q10
São Paulo (others cities)	47%	47%	33%	31%
Rio de Janeiro	20%	18%	14%	22%
Middle West Region	0%	9%	21%	18%
São Paulo	19%	12%	13%	12%
South Region	3%	3%	9%	12%
ES & MG	9%	6%	7%	2%
NE	2%	1%	1%	2%
Argentina	0%	4%	3%	1%
Total (R\$ billion)	5.7	6.2	10.3	13.2



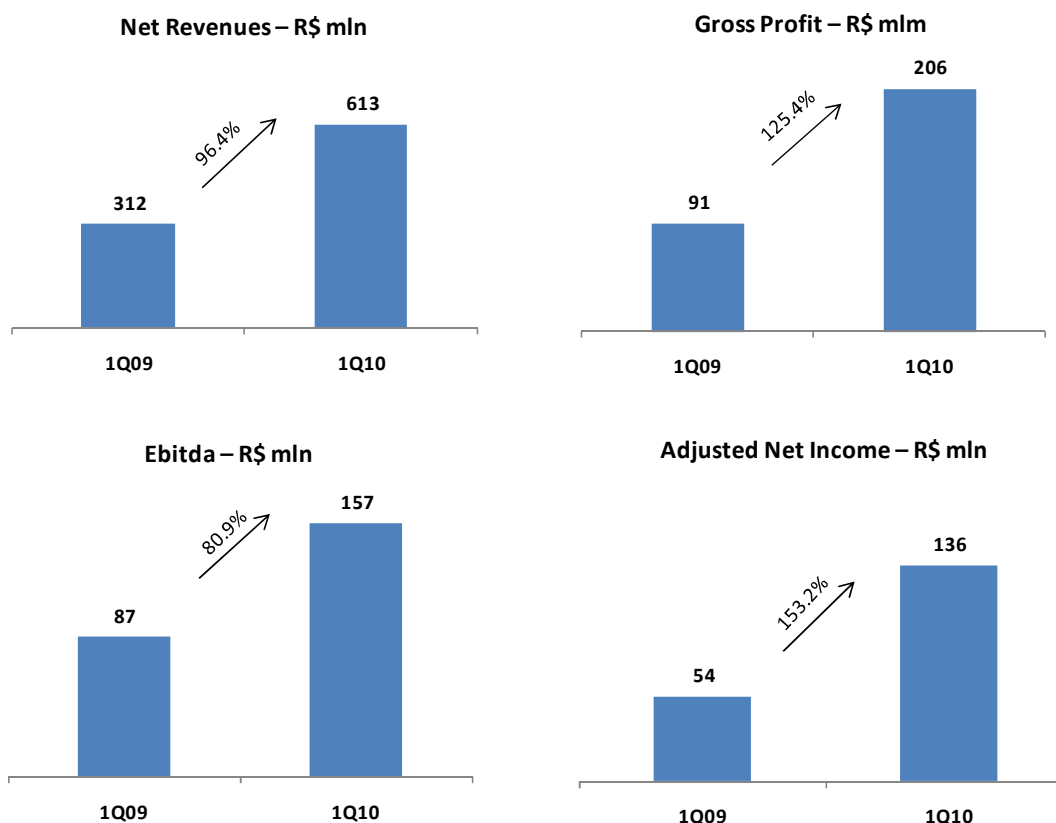




## FINANCIAL PERFORMANCE

### Key Financial Indicators

Following is the evolution of key financial indicators in 1Q10 compared to 1Q09:



### Net Revenue

Our net revenue for the first quarter of 2010 was R\$613.2 million, compared with R\$312.3 million in 1Q09, an increase of 96%.

### Breakdown of net revenues by launch year and income segment

Year	Net Revenue	Year	Net Revenue
2003 - 2006	1.5%	Low Income	79.4%
2007	14.7%	Mid	9.6%
2008	57.5%	Mid - High	3.9%
2009	18.7%	High	1.0%
2010	7.6%	Commercial	6.1%
<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>100.0%</b>



## Gross Profit

Gross profit for the quarter was R\$205.9 million, an increase of 125% over the same period of 2009.

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

	1Q10	1Q09
Operating Net Revenue	613,204	312,268
Cost of Sold Units	(407,287)	(220,929)
Gross Income	205,917	91,339
(+) Interest Expenses - Cost of Sold Units	26,959	19,057
Lucro Bruto Ajustado	232,876	110,396
Gross margin	33.6%	29.3%
Adjusted Gross margin	38.0%	35.4%

## Sales, General and Administrative Expenses

### Comparison of SG&A expenses

	1Q10	1Q10
Sales Expenses	35,692	18,734
G&A Expenses (1)	27,103	19,345
<b>G&amp;A + Sales Expenses</b>	<b>62,795</b>	<b>38,079</b>
Sales Expenses / Launches	4.2%	4.0%
G&A Expenses / Launches	3.2%	4.1%
<b>G&amp;A + Sales Expenses / Launches</b>	<b>7.4%</b>	<b>8.1%</b>
Sales Expenses / Contracted Sales	4.2%	4.5%
G&A Expenses / Contracted Sales	3.2%	4.6%
<b>G&amp;A + Sales Expenses / Contracted Sales</b>	<b>7.5%</b>	<b>9.1%</b>
Sales Expenses / Gross Revenue	5.6%	5.8%
G&A Expenses / Gross Revenue	4.3%	6.0%
<b>G&amp;A + Sales Expenses / Gross Revenue</b>	<b>9.9%</b>	<b>11.8%</b>
<b>(1) adjusted by stock options plan provision</b>		

## Financial Result

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

Post 11.638	1Q10	1Q09	4Q09
Financial revenues	35,924	6,627	37,394
Financial expenses	(5,322)	(6,917)	(5,577)
	30,602	(290)	31,817



## Deferred Income

Deferred Income (R\$ thousand)	1Q10	1Q09	4T09
Deferred Revenue	2,143,431	1,736,160	2,029,365
Deferred Costs	(1,288,481)	(1,074,490)	(1,233,673)
Total	854,950	661,670	795,692
<b>Deferred margin</b>	<b>39.9%</b>	<b>38.1%</b>	<b>39.2%</b>

Schedule of Deferred Income	2010	2011	2012
	52%	40%	8%

## Balance Sheet

### Inventory of Units for Sale

Inventory Breakdown (R\$ thousands):

	1Q10	1Q09
Properties under construction	619,176	481,423
Concluded properties	131,362	59,301
Land for future developments	858,650	524,315
Total	1,609,188	1,065,039

### Accounts Receivable

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

	1Q10	1Q09
Accounts Receivable	2,806,488	1,449,138
Deferred Revenue	2,143,431	1,736,160
Total	4,949,919	3,185,298



## Indebtedness

Following is the profile of the Company's debt at the close of 1Q10 (R\$ thousand):

### 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
Debentures	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

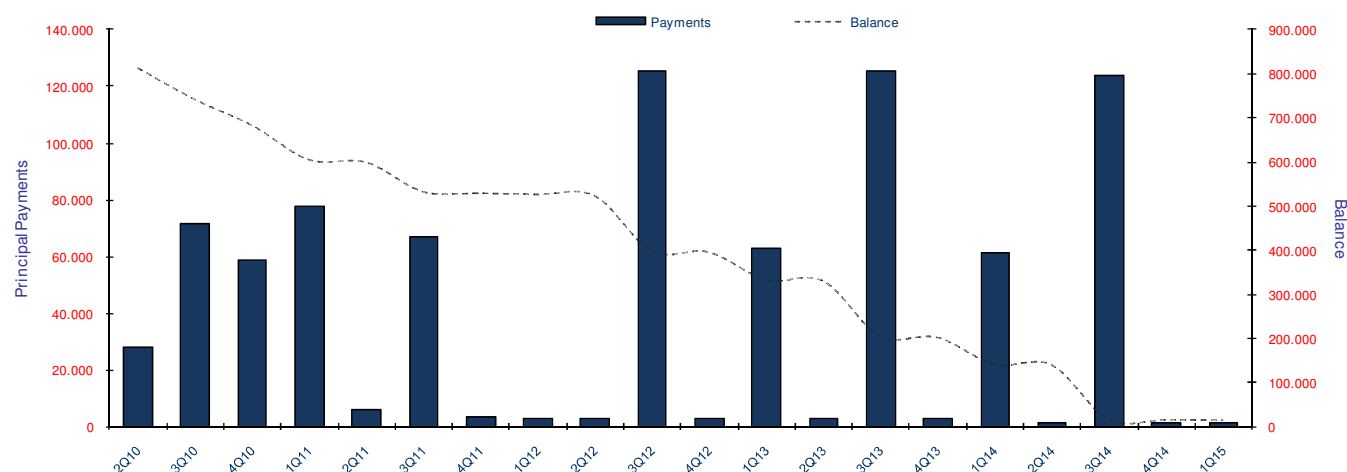
Position:	719,445
Index:	TR
Interest per year:	10.72%
Creditor:	Others
Duration:	11 months

### Consolidated per Index

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

Following is the schedule of debt amortization, excluding the Construction Financing (SFH) debts.

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)



The following table shows the Company's debt ratios at the close of 1Q10:

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%





## INCOME STATEMENTS

Quarters ended March 31<sup>st</sup>, 2009 and 2010 (post Law 11,638)

### INCOME STATEMENT (R\$ '000)

	1Q10	1Q09	Chg. %
Operating Gross Revenue			
Real State sales	635,133	322,224	97%
Other Operating Revenues	4,645	3,687	26%
(-) Taxes Over Sales	(26,574)	(13,643)	95%
<b>Operating Net Revenue</b>	<b>613,204</b>	<b>312,268</b>	<b>96%</b>
Cost of Sold Units	(407,287)	(220,929)	84%
<b>Gross Income</b>	<b>205,917</b>	<b>91,339</b>	<b>125%</b>
<b>Gross margin</b>	<b>33.6%</b>	<b>29.3%</b>	<b>4%</b>
Operating Revenues (expenses):			
Commercial	(35,692)	(18,734)	91%
General and Administrative	(37,653)	(22,314)	69%
Taxes	(1,523)	(967)	57%
Financial	30,602	(290)	-10652%
Depreciation	(1,399)	(911)	54%
Other	(11,721)	15,306	-177%
<b>Total operating revenues (expenses)</b>	<b>(57,386)</b>	<b>(27,910)</b>	<b>106%</b>
<b>Income before taxes</b>	<b>148,530</b>	<b>63,429</b>	<b>134%</b>
Income Taxes and Social Contribution	(19,764)	(9,840)	101%
<b>Income before minority stake</b>	<b>128,766</b>	<b>53,589</b>	<b>140%</b>
Minority interest	(3,179)	(2,793)	14%
<b>Net Income (loss)</b>	<b>125,587</b>	<b>50,796</b>	<b>147%</b>
<b>Net margin</b>	<b>20.5%</b>	<b>16.3%</b>	<b>4%</b>
<b>Adjusted Net Income (1)</b>	<b>136,137</b>	<b>53,765</b>	<b>153%</b>
<b>Ajusted Net margin</b>	<b>22.2%</b>	<b>17.2%</b>	<b>5%</b>

(1) adjusted by stock options plan provision

	1Q10	1Q09	Chg. %
Income (loss) before taxes	148,530	63,429	
(-/+ ) Interes Income / Expenses	(30,602)	290	
(+) Depreciation and Amortization	1,399	911	
(+) Stock Option Plan	10,550	2,969	
(+) Interest Expenses - Cost of Sold Units	26,959	19,057	
<b>EBITDA</b>	<b>156,837</b>	<b>86,656</b>	<b>81%</b>
<b>EBITDA Margin</b>	<b>25.6%</b>	<b>27.8%</b>	<b>-2%</b>



## CONSOLIDATED BALANCE SHEET

### March 31<sup>st</sup>, 2009 and 2010

ASSETS (R\$ '000)			
	1Q10	1Q09	Chg.
Cash, cash equivalents and short-term investments	878,294	187,053	370%
Accounts receivable	1,134,805	731,477	55%
Properties held for sale	1,251,220	781,371	60%
Prepaid expenses	32,861	19,926	65%
Advances to suppliers	37,825	33,599	13%
Accounts with related parties	39,213	49,443	-21%
Taxes to recover	23,038	20,705	11%
Advances for future capital increase	20,003	1,956	923%
Related Parties	13,207	-	-
Assets for the issuance of CRI	23,367	-	-
Others	22,875	57,849	-60%
<b>Current assets</b>	<b>3,476,708</b>	<b>1,883,379</b>	<b>85%</b>
Long-term investments	1,623	-	-
Accounts receivable	1,671,683	717,661	133%
Debentures	39,817	50,197	-21%
Properties held for sale	357,968	283,668	26%
Accounts with related parties	51,857	40,559	28%
Related parties	-	39,628	-100%
Advances for future capital increase	-	60,586	-100%
Assets for the issuance of CRI	68,544	-	-
Deferred income and social contribution taxes	26,741	-	-
Related parties	76,348	-	-
Dividends	2,541	-	-
Others	32,259	26,488	22%
<b>Long-Term</b>	<b>2,329,381</b>	<b>1,218,787</b>	<b>91%</b>
Intangible	196,626	174,980	12%
Property and equipment	85,622	68,730	25%
Investments	120,712	134,502	-10%
<b>Permanent assets</b>	<b>402,959</b>	<b>378,212</b>	<b>7%</b>
<b>Total assets</b>	<b>6,209,048</b>	<b>3,480,378</b>	<b>78%</b>
LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)			
	1Q10	1Q09	Chg.
Loans and financings	676,116	330,741	104%
Suppliers	151,950	56,135	171%
Trade accounts payable	447,242	227,132	97%
Taxes and contributions payable	37,358	22,635	65%
Co-obligation for the issuance of CRI	20,124	-	-
Obligation for the issuance of CRI	16,171	-	-
Income and social contribution taxes	8,532	-	-
Deferred taxes	74,128	55,828	33%
Related parties	17,652	-	-
Accounts with related parties	23,517	-	-
Advances from clients	144,897	72,588	100%
Dividends	80,306	48,260	66%
Others	26,339	44,291	-41%
<b>Current</b>	<b>1,724,332</b>	<b>857,610</b>	<b>101%</b>
Loans and financings	344,962	390,757	-12%
Debentures	554,580	255,314	117%
Suppliers	13,625	-	-
Obligation for the issuance of CRI	78,851	-	-
Property acquisition obligations	132,828	70,066	90%
Taxes and contributions payable	1,112	735	51%
Taxes payable in installments	3,610	8,429	-57%
Deferred taxes	118,113	52,443	125%
Co-obligation for the issuance of CRI	72,231	-	-
Provision for contingencies	3,212	4,607	-30%
Related parties	8,958	96,972	-91%
Accounts with related parties	930	3,581	-74%
Advances from clients	14,630	-	-
Advances for future capital increase	7,062	25,288	-72%
Other	23,113	16,939	36%
<b>Long-Term</b>	<b>1,377,818</b>	<b>925,131</b>	<b>49%</b>
<b>Minority interest</b>	<b>21,802</b>	<b>102,292</b>	<b>-79%</b>
Subscribed capital	2,401,040	1,309,346	83%
Legal reserve	-	13,716	-100%
Capital reserve	154,115	76,602	101%
Equity valuation adjustments	(6,125)	6,669	-192%
Shares withheld	-	(5,468)	-100%
Accumulated gains	536,065	194,480	176%
<b>Shareholders' equity</b>	<b>3,085,095</b>	<b>1,595,345</b>	<b>93%</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,209,048</b>	<b>3,480,378</b>	<b>78%</b>



## CONFERENCE CALL

**May 7<sup>th</sup>, 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: 46732

**Portuguese**

Time: 09:00 am (Brasília Time)

**08:00 am (NY Time)**

Brazil Phone: +55 (11) 4688-6361

Code: PDG

Replay: +55 (11) 4688-6312

Code: 46731

**Live Webcast:**

[www.pdgrealty.com.br/ri](http://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 segment (lower middle class), 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.