PDG Realty

Performance Comment 4Q06 and Full Year 2006

PDG REALTY LAUNCHES 28 PROJECTS IN 2006, CONSOLIDATING ITSELF AS ONE OF THE COUNTRY'S LARGEST REAL ESTATE DEVELOPERS.

São Paulo, March 28th 2007 – PDG Realty S.A. (PDGR3) - Empreendimentos e Participações (Company), one of the largest companies operating in the country's real estate sector, announces its results for the 4th Quarter 2006 (4Q06) and full year ended December 31st 2006 (2006). The Company's consolidated financial statements are elaborated according to the Brazilian accounting practices, based on the Joint-Stock Companies Law and on the regulations of CVM (Brazilian GAAP)[1]. The following comments refer to the Company's consolidated operational and financial performance.

HIGHLIGHTS OF 2006

- PDG presented Net Earnings of R$ 198.4 million, a 140% increase compared to 2005.
- EBITDA for the year reached R$51.3 million, an 109.4% growth relative to 2005
- Net Earnings presented an 105.3% growth, reaching R$42.8 million
- Launched VGV totaled R$761.7 million, of which R$ 301.3 million correspond to PDG's share
- Of the launched VGV, about 70.5 % corresponded to units focused on ventures in the segments of middle and middle-lower income segments
- In 2006, we participated in the launching of 28 ventures distributed into the states of Rio de Janeiro, São Paulo and Bahia

FINANCIAL AND OPERATIONAL INDICATORS

	4Q06	4Q05	2006	2005
Net Revenue – R$ thousand	102.383	33.919	198.364	82.643
EBITDA (1) – R$ thousand	22.904	11.375	51.293	24.512
EBITDA Margin (2)	*22,4%*	*33,5%*	*25,9%*	*29,7%*
Launched Developments	16	4	28	9
Launched VGV (3) (4) – R$ thousand	355.315	310.947	761.715	592.207
PDG Realty Launched VGV – R$ thousand	159.217	116.829	301.355	274.694
Number of Units Launched (3) (4)	2.221	1.464	3.994	2.089
Contracted Sales – R$ thousand (3)	210.428	155.726	563.881	444.467
Number of Units Sold (3) (4)	1.723	581	3.116	1.304
Usable Area Launched TOTAL (m^2) (3) (4) (5)	135.210	114.051	251.790	184.956
Average Area (m^2) (5)	61	78	66	89
Average Price (R$/$m^2$) (5)	2.628	2.726	2.869	3.202

[1] The "pro-forma" financial information reflects the Company's financial situation and operational results, as if the Contributed Companies had been contributed to the capital of PDG Realty since the date of their acquisition by FIP PDG I.

(1) EBITDA is used as measure of performance by our management. Our EBITDA was calculates pursuant to CVM Circular 1/2005 and consist of earning before net financial income (expenses), income and social contribution taxes, depreciation and amortization and non-operating results as demonstrated in "Management's Discussion and Analysis of Financial Conditions and Results of Operations". Because EBITDA is not a measurement under Brazilian or U.S. GAAP, it does not represent cash flows for the given periods and it should not be considered as a substitute for evaluating cash flow, not as an indicator of liquidity. Since EBITDA is not a standardized measure our definition of EBITDA was differ from those used by other companies.
(2) EBITDA divided by net operating income
(3) Exclude partners interest in our joint ventures
(4) Excludes residential units that were exchanged as payment for the acquisition of property where the development was built.
(5) Excludes residential lots because, unlike residential units, they are partially developed and, therefore, not comparable to the latter.

HIGHLIGHTS OF THE FOURTH QUARTER 2006

- Net Revenues totaled R$ 102.4 million, a 201.8% increase when compared to the 4Q05
- We participated in the launching of 16 projects, totaling 2,221 units
- EBITDA for the quarter reached R$22.9 million, a 135.4% growth
- Net Earnings reached R$22.4 million, a 135.1% increase
- Launched VGV was R$355.3 million, of which R$ 159.2 million correspond to PDG's share
- Launched VGV, about 85.4 % corresponded to units focused on ventures in the middle and middle-lower income segments

RECENT EVENTS

PDG Realty S/A's Initial Public Offer - IPO

On January 26th 2007, we have successfully concluded PDG Realty's IPO, in which the company raised approximately R$440 million, net of commissions and already accounting for the additional lot of shares. With the IPO, PDG Realty's shareholders' equity reached approximately R$680 million.

Shareholders' Structure and Funds Raised in IPO

The breakdown of the shareholder structure upon conclusion of the IPO is shown below:

	SHARES	STAKE
FIP PDG	64.338.175	58,140000%
Counsil	6	0,000001%
Free Float	46.313.900	41,860000%
Total	***110.652.081***	***100,00%***

Until 03/15/2007, approximately 25% of the funds raised for PDG Realty had already been used. We highlight the payment of a debt we had in our balance sheet, of approximately R$35 million, and the exercise of an option to buy 40% of CHL, for approximately R$ 48 million. Additionally, following our business plan, we continue investing in our subsidiaries, in co-incorporation projects and in the acquisition of new sites.

The funds not yet invested are allocated into two exclusive funds managed by a first-tier financial institution, with immediate liquidity and profitability in line with the CDI.

Acquisition of 40% of CHL

On February 5th 2007, the Company exercised the option to buy 40% (forty per cent) of the capital stock and voting shares of CHL Desenvolvimento Imobiliário S.A. ("CHL"), one of the leading home builder and real estate development companies in the State of Rio de Janeiro. Jointly with the acquisition of the stake, the Company obtained the shared control of CHL, through agreements ensuring that all relevant decisions for CHL only become effective after our approval.

The company currently has 15 (fifteen) projects under development, totaling a potential VGV of approximately R$450 million, of which R$180 million correspond to the value of PDG Realty's pro-rata share.

The acquisition of an equity stake in CHL was undertaken as part of the portfolio investment strategy following a private equity model, with active participation in the administration and effective influence on the definition of the business strategy.

Subsidiary Goldfarb Files Initial Request for Public Company

On 02/26/2007, Goldfarb, a company in which PDG Realty holds a 49% stake, filed a request for public company with CVM (Brazilian Securities & Exchange Commission).

Goldfarb is one of the largest home builder and real estate development companies in the popular and economic segment, targeting families with gross monthly income between 5x-20x minimum wage (from R$ 1,750.00 to R$ 7,000.00).

Goldfarb launched near 2,300 units in 2006, representing a pro-rata VGV of R$142.0 million.

The company has a real estate business model focused on the targeted segment, the standardization of projects and a integrated approach for production and sales of units.

Further details about the company are available through preliminary offering memorandum available at CVM's website.

REAL ESTATE MARKET / OUTLOOK

The Brazilian macro-economic environment positively influenced the real estate sector in 2006, presenting three extremely relevant factors to our industry: (i) inflation under control; (ii) decreasing interest rates; and (iii) increase in household's income.

Another primary fact for the sector's growth was the wider availability of credit, both for financing the construction properties and for the real estate buyer. In 2006, private banks offered R$9.5 billion in financing, a 75.9% growth relative to the previous year. In turn, the Federal Savings Bank (CEF) offered another R$13.8 billion in financing, generating a 52% growth in the loan portfolio when compared to 2005. We believe that credit availability and, mainly, the improvement of credit conditions for the buyer (longer terms and lower interests) are crucial to our market growth, especially for middle and middle-lower income groups, which are our main focus.

For 2007, we continue to believe that the real estate market will present a quite favorable growth dynamics, nevertheless, in a non-homogeneous way among its sub-segments.

We believe there is a short-term imbalance, mainly in the city of São Paulo, in the products targeted at the upper income segments, where competition for sites and a greater product offer may lead to a reduction in the speed of sales and/or margins.

As opposed to this, we strongly believe in the performance of the products targeted at the middle and middle-lower income segments, with a focus on families with 5x to 20x minimum wage income.

Our vision is based on the fact that a large portion of the housing deficit concentrates in these segments, combined with the expansion, both in volume and in the financing conditions available to the end buyer.

PDG Realty, through the execution of its business plan, has built an outstanding position in these segments, increasing the exposure of its launching portfolio and site acquisition, both through Goldfarb and co-incorporation projects. The success in the execution of this strategy may be seen in our results, quantity of launches, sales speed and in the respective project portfolio for future launching, which presents 75% of the projects under development in this segment.

For the next years, we believe in the consolidation of the sector, due to its very fragmented nature, the difficulties in execution as a result of the increasing number of projects and the increasing competition for land. We believe our strategic vision, execution capacity, our previous experience with mergers and acquisitions and private equity and our business model give us a advantageous positioning to capitalize on this trend in our sector.

PDG Realty

PORTFOLIO INVESTMENTS

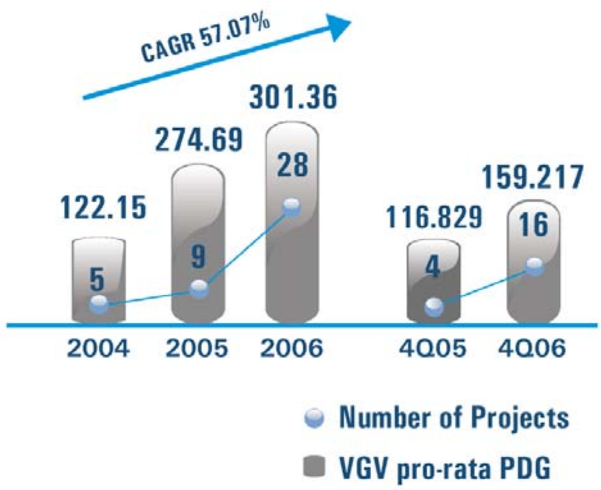
GOLDFARB ISO 9002	**PDG Realty's Stake:** 49%.
	Business focus: real estate development and residential construction, focused on the lower and middle-lower income segments, one of the country's largest homebuilders.
	Region of Activity: São Paulo, (capital and countryside) and Rio de Janeiro.
LINDENCORP	**PDG Realty's Stake:** 17.3%.
	Business focus: real estate development and residential construction, focused on the upper and middle-upper income segment.
	Region of Activity: São Paulo
CIPASA DESENVOLVIMENTO URBANO	**PDG Realty's Stake:** 17.3%.
	Business focus: land development projects for all income segments, one of the country's largest land developers.
	Region of Activity: São Paulo's countryside
CHL SINÔNIMO DE SUCESSO	**PDG Realty's Stake:** 40%.
	Business Focus: real estate development and residential and commercial construction, operating in the middle and upper-luxury income segment. Second largest real-estate developer in the State of Rio de Janeiro.
	Region of activity: Rio de Janeiro

	PDG Realty's Stake: 50%.
	Business focus: joint venture for residential and commercial real-estate development, operating in the middle and middle-upper income classes.
	Region of Activity: Salvador and possibly other Northeast region state capitals.
	PDG Realty's Stake: 50%.
	Business Focus: joint venture for development of small and medium size shopping center and convenience centers projects (strip malls) in the States of São Paulo and Rio de Janeiro
	Region of Activity: São Paulo and Rio de Janeiro

OPERATING PERFORMANCE

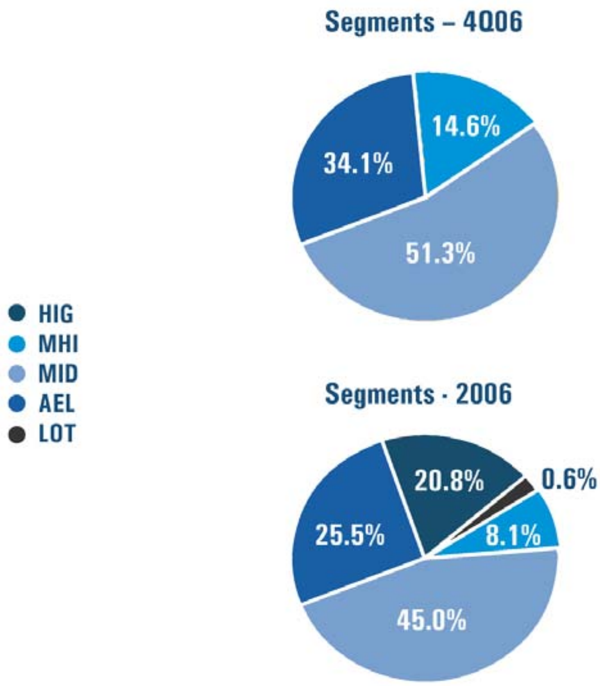
Launches

In 2006, we participated in launches that represented a total VGV of R$761.7 million, of which R$301.3 million refer to PDG Realty's share. We reached this volume through the launching of 28 projects, distributed into 3 states: 21 in São Paulo, 4 in Rio de Janeiro and 3 in Bahia.



Upon a more detailed analysis of our launches, we highlight the successful execution of the strategy outlined since 2005, of seeking greater exposure in the middle and middle-lower income segments. Putting this into numbers, we observe that 70.5% of VGV launched in 2006 (PDG Realty's ratio) concentrated in these segments. When we look at 4Q06 only, this

value increases to 85.4%. The execution, according to a forecast in our business plan for 2006, has occurred both through co-development and our portfolio investments.



The fact that we are one the country's largest companies with the highest exposure in the middle and middle-low income segments may be also proven by the reduction in the average sale price per m² and the launched units' average length. When compared to 2005, we observe a reduction in the launched unit from 89m² to 66m². We believe we are the most diversified player among segments, which may be highlighted by the gap between the largest and the smallest areas launched.

	4Q06	4Q05	2006	2005
Usable Private Area:				
Larger Area Unit (m²)	200	313	1.303	284
Smaller Area Unit (m²)	32	53	32	53
Average Unit (m²)	62	78	66	89
Sales Price				
Higher Price (R$/m²**)**	7.884	4.392	7.884	8.518
Lower Price (R$/m²**)**	1.804	1.868	1.804	1.883
Average Price (R$/m²**)**	2.571	2.726	2.869	3.202

By operating through our investees' brands, we have flexibility to operate in several segments, resulting in no brand conflict for out final customers' view. We believe this diversification strategy per segment places us ahead to benefit from all segments' growth in the sector for the next years.

The table below details the projects launched in 4Q06. We highlighted the launch of the Libertá project in Rio de Janeiro, jointly with Rossi Residencial, Viva Lapa with CHL and the launches of 8 projects through Goldfarb.

	Project	VGV (R$ thousand)	Total Private Area (m²)	Unit	% sold (*)	% PDG	VGV pro-rata PDG (R$ mil)	Income Segment
São Paulo								
1	Green Village	20.100	12.007	248	63%	49%	9.849	AEL
2	Villa Dolce	15.000	10.552	196	20%	49%	7.350	AEL
3	Villagio Allegro	14.800	7.675	164	49%	49%	7.252	AEL
4	Villagio dell'Armonia	18.500	10.255	212	36%	29%	5.439	AEL
5	Villagio di Roma	6.200	4.574	78	99%	49%	3.038	AEL
6	Bella Vista	11.500	6.051	124	100%	25%	2.818	AEL
7	Villagio di Firenze	3.000	2.187	38	92%	49%	1.470	AEL
8	Vila Leopoldina	28.000	11.386	165	21%	80%	22.400	MID
9	Villa Sintra	20.600	7.969	124	64%	49%	10.094	MID
10	Linderberg Id	25.000	6.788	36	25%	17%	4.325	MHI
Rio de Janeiro								
1	Viva Lapa	15.000	5.742	178	98%	20%	3.000	AEL
2	Libertá	73.000	20.321	276	32%	43%	31.025	MID
3	Port Brise	11.500	1.459	15	33%	40%	4.600	MHI
Bahia								
1	Caesar Business	28.139	8.539	200	34%	50%	14.070	AEL
2	Amazon	36.362	12.675	120	13%	50%	18.181	MID
3	Sky	28.613	10.007	50	24%	50%	14.307	AEL
16	***Total***	***355.315***	***138.185***	***2.221***	***48%***		***159.217***	

(*) Sales until 12/31/06

We are presenting below a comparison of our launches 4Q06 vs. 4Q05 and 2006 vs. 2005, in which we may observe clearly our portfolio diversification:

Lauches(% PDG in R$ million)

Segment	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0.00	0.0%	5.50	4.7%	62.65	20.8%	13.73	5.0%
MHI	23.23	14.6%	0.00	0.0%	24.43	8.1%	113.84	41.4%
MID	81.70	51.3%	92.00	78.7%	135.70	45.0%	92.00	33.5%
AEL	54.29	34.1%	19.33	16.5%	76.83	25.5%	55.13	20.1%
LOT	0.00	0.0%	0.00	0.0%	1.73	0.6%	0.00	0.0%
Total	**159.22**	**100.0%**	**116.83**	**100.0%**	**301.36**	**100.0%**	**274.69**	**100.0%**

Region	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
São Paulo	74.03	46.5%	24.83	21.3%	162.17	53.8%	163.55	59.5%
Rio de Janeiro	38.63	24.3%	92.00	78.7%	92.63	30.7%	111.14	40.5%
Bahia	46.56	29.2%	0.00	0.0%	46.56	15.4%	0.00	0.0%
Total	**159.22**	**100.0%**	**116.83**	**100.0%**	**301.36**	**100.0%**	**274.69**	**100.0%**

PDG Realty

Launches (Usable area - m²)

Segments	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0	0.0%	2,505	2.2%	24,024	7.6%	9,601	5.2%
MHI	18,254	13.2%	0	0.0%	21,574	6.9%	44,799	24.2%
MID	52,351	37.9%	76,396	67.0%	84,858	27.0%	76,396	41.3%
AEL	67,581	48.9%	35,150	30.8%	121,335	38.5%	54,160	29.3%
LOT	0	0.0%	0	0.0%	63,001	20.0%	0	0.0%
Total	**138,185**	**100.0%**	**114,051**	**100.0%**	**314,791**	**100.0%**	**184,956**	**100.0%**

Region	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
São Paulo	79,442	57.5%	37,655	33.0%	223,541	71.0%	99,572	53.8%
Rio de Janeiro	27,521	19.9%	76,396	67.0%	60,029	19.1%	85,384	46.2%
Bahia	31,221	22.6%	0	0.0%	31,221	9.9%	0	0.0%
Total	**138,185**	**100.0%**	**114,051**	**100.0%**	**314,791**	**100.0%**	**184,956**	**100.0%**

We launched 28 projects in 2006. In line with our business model these launches are developed with several partners and in distinct regions. We understand that we mitigate our operational risk participating in several projects, therefore we do not depend on a single project.

Launches (projects)

Segments	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0	0.0%	1	25.0%	4	14.3%	2	22.2%
MHI	3	18.8%	0	0.0%	4	14.3%	3	33.3%
MID	4	25.0%	1	25.0%	5	17.9%	1	11.1%
AEL	9	56.3%	2	50.0%	14	50.0%	3	33.3%
LOT	0	0.0%	0	0.0%	1	3.6%	0	0.0%
Total	**16**	**100.0%**	**4**	**100.0%**	**28**	**100.0%**	**9**	**100.0%**

Region	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
São Paulo	10	62.5%	3	75.0%	21	75.0%	7	77.8%
Rio de Janeiro	3	18.8%	1	25.0%	4	14.3%	2	22.2%
Bahia	3	18.8%	0	0.0%	3	10.7%	0	0.0%
Total	**16**	**100.0%**	**4**	**100.0%**	**28**	**100.0%**	**9**	**100.0%**

Launches (units)

Segments	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0	0.0%	8	0.5%	33	0.8%	33	1.6%
MHI	98	4.4%	0	0.0%	116	2.9%	300	14.4%
MID	685	30.8%	880	60.1%	1,112	27.8%	880	42.1%
AEL	1,438	64.7%	576	39.3%	2,526	63.2%	876	41.9%
LOT	0	0.0%	0	0.0%	207	5.2%	0	0.0%
Total	**2,221**	**100.0%**	**1,464**	**100.0%**	**3,994**	**100.0%**	**2,089**	**100.0%**

Region	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
São Paulo	1,385	62.4%	584	39.9%	2,731	68.4%	1,112	53.2%
Rio de Janeiro	466	21.0%	880	60.1%	893	40.2%	977	46.8%
Bahia	370	16.7%	0	0.0%	370	16.7%	0	0.0%
Total	**2,221**	**100.0%**	**1,464**	**100.0%**	**3,994**	**100.0%**	**2,089**	**100.0%**

Sales

In 2006, our contracted sales grew by 8.9% when compared to 2005, reaching an approximate value of R$236.7 million. In the 4Q06, total contracted sales amounted to R$81.9 million, 28.1% up on the 4Q05.

Pre-Sales (% PDG in R$ million)

Segments	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0.00	0.0%	0.00	0.0%	23.15	9.8%	7.02	3.2%
MHI	9.79	12.0%	4.39	6.9%	42.94	18.1%	107.46	49.5%
MID	25.87	31.6%	57.98	90.7%	103.84	43.9%	79.99	36.8%
AEL	44.60	54.5%	1.55	2.4%	65.14	27.5%	22.79	10.5%
LOT	1.60	2.0%	0.00	0.0%	1.60	0.7%	0.00	0.0%
Total	**81.86**	**100.0%**	**63.93**	**100.0%**	**236.67**	**100.0%**	**217.27**	**100.0%**
Region	**4Q2006**	**(%)**	**4Q2005**	**(%)**	**2006**	**(%)**	**2005**	**(%)**
São Paulo	55.44	67.7%	7.75	12.1%	132.28	55.9%	132.62	61.0%
Rio de Janeiro	15.94	19.5%	56.18	87.9%	93.90	39.7%	84.65	39.0%
Bahia	10.49	12.8%	0.00	0.0%	10.49	4.4%	0.00	0.0%
Total	**81.86**	**100.0%**	**63.93**	**100.0%**	**236.67**	**100.0%**	**217.27**	**100.0%**
Launch	**4Q2006**	**(%)**	**4Q2005**	**(%)**	**2006**	**(%)**	**2005**	**(%)**
2003	0.79	1.0%	1.86	2.9%	11.83	5.0%	9.72	4.5%
2004	0.74	0.9%	0.81	1.3%	11.83	5.0%	33.85	15.6%
2005	10.75	13.1%	61.26	95.8%	62.73	26.5%	173.70	79.9%
2006	69.58	85.0%	0.00	0.0%	150.27	63.5%	0.00	0.0%
Total	**81.86**	**100.0%**	**63.93**	**100.0%**	**236.67**	**100.0%**	**217.27**	**100.0%**

When we analyze the company's figures relative to the units sold, we observe that the strategy of seeking greater exposure in the middle and middle-lower income segments has an extremely positive impact on our sales.

Units Sold

Segments	4Q2006	(%)	4Q2005	(%)	2006	(%)	2005	(%)
HIG	0	0.0%	0	0.0%	15	0.5%	16	1.2%
MHI	37	1.9%	14	2.4%	135	4.1%	304	23.3%
MID	241	12.6%	554	95.4%	894	27.0%	793	60.8%
AEL	1,445	75.5%	13	2.2%	2,072	62.7%	191	14.6%
LOT	191	10.0%	0	0.0%	191	5.8%	0	0.0%
Total	**1,914**	**100.0%**	**581**	**100.0%**	**3,307**	**100.0%**	**1,304**	**100.0%**
Region	**4Q2006**	**(%)**	**4Q2005**	**(%)**	**2006**	**(%)**	**2005**	**(%)**
São Paulo	1,537	80.3%	43	7.4%	2,306	69.7%	649	49.8%
Rio de Janeiro	282	14.7%	538	92.6%	906	27.4%	655	50.2%
Bahia	95	5.0%	0	0.0%	95	2.9%	0	0.0%
Total	**1,914**	**100.0%**	**581**	**100.0%**	**3,307**	**100.0%**	**1,304**	**100.0%**

LAND BANK

In March, the estimated VGV, proportional to PDG's share, reached R$2.02 billion. Of this total, about R$926.31 million are foreseen to be launched in 2007.

When analyzing the segmentation of our land bank, we observe that 64.2% of the forecasted launches are concentrated in the middle and middle-low income segments. These segments' ratio in 2007 reaches 70.7%.

When we look at the geographic segmentation, we identify the company's adopted strategy of seeking higher diversification in our land bank, mainly aimed at reducing exposure to the capital of São Paulo.

Landbank (% PDG in R$ million)

Segments	2007 Total	(%)	Landbank Total	(%)
HIG	55.43	6.0%	55.43	2.7%
MHI	201.77	21.8%	253.43	12.5%
MID	343.54	37.1%	637.10	31.5%
AEL	257.57	27.8%	607.56	30.1%
COM	62.63	6.8%	312.63	15.5%
LOT	5.38	0.6%	155.06	7.7%
Total	**926.31**	**100.0%**	**2.021.22**	**100.0%**

Region	2007 Total	(%)	Landbank Total	(%)
SP - Capital	548.89	59.3%	906.17	44.8%
SP - Demais cidades	90.59	9.8%	373.71	18.5%
Rio de Janeiro	244.87	26.4%	660.57	32.7%
Bahia	41.97	4.5%	80.77	4.0%
Total	**926.31**	**100.0%**	**2.021.22**	**100.0%**

For 2007, the launches' goal is approximately 64 projects, of which the total land bank is composed of 125 projects, distributed according to the table below.

Landbank (projects)

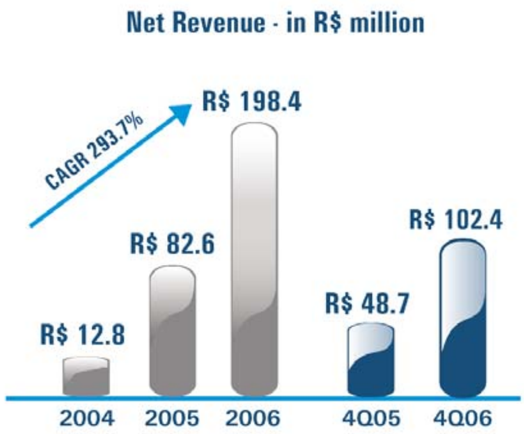
Segments	2007 Total	(%)	Landbank Total	(%)
HIG	7	10.9%	7	5.6%
MHI	11	17.2%	14	11.2%
MID	15	23.4%	21	16.8%
AEL	22	34.4%	32	25.6%
COM	4	6.3%	8	6.4%
LOT	5	7.8%	43	34.4%
Total	**64**	**100.0%**	**125**	**100.0%**

Region	2007 Total	(%)	Landbank Total	(%)
SP - Capital	32	50.0%	43	34.4%
SP - Demais cidades	13	20.3%	53	42.4%
Rio de Janeiro	15	23.4%	22	17.6%
Bahia	4	6.3%	7	5.6%
Total	**64**	**100.0%**	**125**	**100.0%**

ECONOMIC-FINANCIAL PERFORMANCE

Net Revenues

Our net revenues grew from R$82.6 million in 2005 to R$198.4 million in 2006, a 140.2% growth. This increase resulted (i) from the portfolio investments we carried out during 2006; (ii) progress of works arising from launches carried out in 2004, 2005, and partially in 2006, where we may highlight Residencial Club Tuiti, Residencial Sardenha and Quartier Carioca, among others; (iii) the launch of 28 real-estate ventures in 2006, where we may highlight Barra Family Resort, jointly carried out with Cyrela/RJZ.



The table below demonstrates the evolution of the main works in progress during the years of 2004 and 2005, and their respective accrued interest in those dates:

Development	Launch Quarter	Total Private Area (m2)	PDG Realty Stake	Gross Revenue in Dec. 31 (R$thousand)		% Sold Accumulated in		Cost Accumulated in	
				2006	2005	2006	2005	2006	2005
Alive	3T03	17.973	50%	6.700	9.439	96%	69%	100%	98%
Villagio da Serra	4T04	14.280	50%	4.798	6.423	93%	60%	100%	93%
Arte Arquitetura	2T02	9.815	50%	7.060	1.998	63%	48%	93%	40%
Sardenha	3T04	12.584	100%	18.673	10.145	89%	75%	86%	40%
Duetto Jardins	3T04	3.786	50%	5.417	1.630	94%	44%	96%	44%
Tuiuti	4T04	66.012	40%	35.172	18.604	99%	99%	84%	22%
Boa Viagem	4T04	5.893	50%	2.696	1.889	46%	38%	88%	41%
Tutóia	1T05	7.097	25%	3.128	1.633	72%	36%	75%	34%
Eco Life Butantã	2T05	19.010	100%	16.772	-	79%	64%	61%	16%
Lanai	2T05	8.988	25%	1.321	10.335	89%	87%	61%	47%
Giardino	2T05	24.865	100%	11.023	3.183	98%	77%	53%	15%
HLI	3T05	1.367	20%	1.367	2.289	100%	85%	33%	18%
Villagio Splendore	4T05	7.213	75%	4.764	-	96%	0%	46%	0%
Saray	4T05	2.505	50%	-	-	0%	0%	36%	0%
Quartier	4T05	76.396	40%	28.538	17.492	84%	61%	56%	26%
Barra Family	1T06	32.507	50%	18.844	-	100%	0%	30%	0%
ACL	3T06	11.727	50%	1.381	-	33%	0%	54%	0%
Libertá	4T06	20.321	43%	3.096	-	32%	0%	34%	0%
Vila Leopoldina	4T06	11.386	80%	-	-	21%	0%	26%	0%
Outros (1)				33.083	-				
TOTAL				**203.832**	**85.061**				

(1) *Gross Revenue from LDI, Goldfarb, Fator e CHL.*

Cost of Units Sold

The cost of units sold increased from R$ 51.4 million in 2005 to R$ 121,0 million in 2006, a 135.4% increase. This increase reflects our co-development operations growth and our portfolio investments share. We have presented a slightly improvement in our gross margin, due to a lower cost in our sold units. We believe this margin will suffer a decrease due to our roll in segments that present lower margins (MID and AEL segments).

Operating Expenses

Our operating expenses grew from R$ 7.0 million in 2005, to R$ 25.6 million in 2006, representing a 265.7% increase.

Operating Expenses (R$ thousand)	2005	2006
Equity Income	**0**	**-**
Lost Income	**(1)**	**-**
Sales	(9,7)	(3,8)
General and Administrative	(9,0)	(2,2)
Taxes	(3,8)	(0,4)
Interest	(0,9)	(0,3)
Godwill Amortization	(0,4)	-
Others	(0,5)	(0,3)
	(25,6)	**(7,0)**

Sales Expenses

Sales Expenses include costs with the establishment of on-duty sales (sales stands), sample apartment's decoration, commissions on sales, advertising and publicity. The expenses referring to the sales stands, decoration of the sample apartment and commissions on sales are recorded according to the carrying out of a revenue recovery based on the evolution percentage of the cost incurred in each real estate venture. The remaining Sales Expenses, such as advertising and publicity, are recorded according to the competence regime.

Our Sales Expenses were R$9.7 million in 2006, against R$3.8 million in 2005, representing a 155.3% increase. This increase resulted from a higher number of launches and VGV launched in 2006. The percentage increase relative to our net operating revenue was due to higher costs with media, sales stands and campaigns.

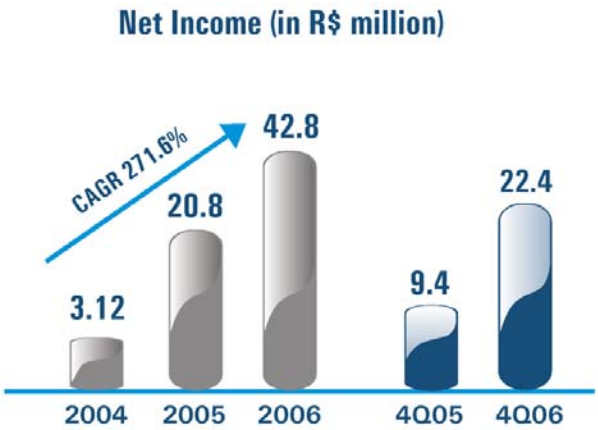
G&A Expenses

Our general and administrative expenses were R$9.0 million in 2006, comparing to R$2.2 million in 2005, representing a 300.1% increase. This increase was mainly due to the higher number of launched real estate ventures, and to the acquisition of Goldfarb and LDI, which have their own operating structures.

In 2006 we presented underestimated administrative expenses, because previously to our equity restructuring, we did not have the administrative structure we effectively have now. As described in our Common Shares Primary and Secondary Public Distribution Prospectus, we believe that if we had this structure in this period, our general and administrative expenses would have reached approximately R$ 5.5 million.

Net Income

For the above mentioned reasons, our net earnings increased from R$ 20.8 million in 2005 to R$ 42.8 million in 2006, a 105.8% increase.



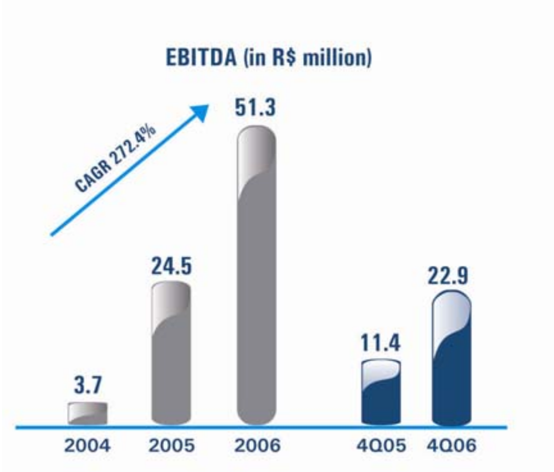
EBITDA

We are attaching below the calculation of our EBITDA in 2006, 2005, 2004 and 2003:

	"Pró-forma" - (R$Thousand)		
	2006	**2005**	**2004**
Income (loss) before taxes	51.734	24.207	3.991
(+/-) Interest Income/Expenses	(889)	305	(301)
(+) Depreciation and Amortization	448	-	-
EBITDA	**51.293**	**24.512**	**3.690**
EBITDA margin [1]	***25,9%***	***29,7%***	***28,8%***

[1] EBITDA divided by net operating income.

The EBITDA in 2006 reached R$51.3 million, a 109.4% growth comparing to R$ 24.5 million in 2005.



(1) The EBITDA consists in our net financial income before revenues (expenses), income taxes and social contribution, depreciation and amortization. EBITDA is not recognized by the Accounting practices adopted in Brazil, does not represent cash flow for the periods in question and should not be regarded as an alternative to net income as an indicator of operating performance or to cash flow as an indicator of liquidity. EBITDA does not have a standard definition and the adjusted EBITDA adopted by Lopes may not be equal to or comparable to the EBITDA or adjusted EBITDA adopted by other companies.

INDEBTEDNESS

Company

To the necessary extent, we carried out the settlement of some loans, preferably through SFH, which offers lower interest rates than the private market, and sought different possibilities of transferring our debt to our clients. In this sense, we intend to keep our low-indebtedness strategy.

The table below demonstrates our lines in December 31st 2006:

SUBSIDIARIES	% Part.	interest	TAC (%)	Balance 100%	Debit Balance in 31/12/06	Maturity date	Collateral
HL Empreendimentos S/A	50,00%	TR + 12%aa	0,85%	6.511	3.255	fev/09	bank garantee
Queiroz Galvão Mac Cyrela V.Empred.Imob.	20,00%	TR + 12%aa	0,00%	10	2	out/06	bank garantee
America Piqueri Incorporadora S/A	40,00%	TR + 12%aa	0,50%	37.011	14.804	out/07	bank garantee
Sardenha Empreendimentos Imobiliários S/A	100,00%	TR + 12%aa	0,00%	13.862	13.862	fev/08	bank garantee
Boa Viagem Empreendimento Imobiliário S/A	50,00%	TR + 12%aa	0,00%	3.274	1.637	out/08	n/a
Eco Life Butantã Emprendimentos Imobiliários S/A	100,00%	TR + 12%aa	0,00%	8.796	8.796	out/08	bank garantee
Bento Lisboa Participações S/A	40,00%	TR + 12%aa	0,4%	25.915	10.366	Abril/09	bank garantee
Total Financiamento à Produção				95.379	***52.723***		
PDG (working capital)	100,00%			33.478	33.478		
Other (portfolio investmenst)				56.537	26.554		
Total Endividamento				***185.394***	***112.755***		
		TOTAL					
		Current			**60.341**		
		Long Term liabil.			**52.414**		

PROJECTIONS

The table below demonstrates the administration perspectives for 2007.

	2007E
OperacionaL Data (R$Thousand)	
VGV Launched PDG Realty	800-1000
Financial Data (R$ milion)	
Net Revenues	360-380
EBITDA	80-90
Net Income	100-110

ATTACHMENT

INCOME STATEMENT FOR THE QUARTER ENDED December 31st 2006 and December 31st 2005 (In thousands of reais)

FINANCIAL STATEMENT - "Pro-forma" R$ thousand	4T06	4T05	variation 4Q06 / 4Q05
Operating Gross Revenue			
Real State sales	104.392	34.717	*200,7%*
Other Operating Revenues	1.196	-	*na*
(-) Taxes Over Sales	(3.205)	(798)	*301,6%*
Operating Net Revenue	**102.383**	**33.919**	***201,8%***
Cost of Sold Units	(61.051)	(19.428)	*214,2%*
Operating Gross Income	**41.332**	**14.491**	***185,2%***
Operating Revenues (expenses):			
Equity Income	142	-	*na*
Lost Income	(1.342)	-	*na*
Commercial	(4.231)	(2.169)	*95,1%*
General and Administrative	(6.318)	(441)	*1332,7%*
Taxes	(757)	(181)	*318,2%*
Financial	(2.448)	(84)	*2814,3%*
Goodwill amortization	(211)	-	*na*
Other	(1.026)	(325)	*215,7%*
	(16.191)	**(3.200)**	***406,0%***
Income (loss) before taxes	**25.141**	**11.291**	***122,7%***
Income Taxes and Social Contribution	(1.728)	(1.887)	*-8,4%*
Minority Shareholders' Stake	(1.025)	(3)	*30961,9%*
Net Income (loss)	**22.388**	**9.401**	***138,2%***

"Var." related to net operating income"

INCOME STATEMENT FOR THE FULL YEAR ENDED December 31st 2006 and December 31st 2005 (In thousands of reais)

FINANCIAL STATEMENT - "Pro-forma" R$ thousand	2006	2005	variation 06/05
Operating Gross Revenue			
Real State sales	203.832	85.061	*139,6%*
Other Operating Revenues	1.455	-	*na*
(-) Taxes Over Sales	(6.923)	(2.418)	*186,3%*
Operating Net Revenue	**198.364**	**82.643**	***140,0%***
Cost of Sold Units	(121.046)	(51.438)	*135,3%*
Operating Gross Income	**77.318**	**31.205**	***147,8%***
Operating Revenues (expenses):			
Equity Income	142	-	*na*
Lost Income	(1.342)	-	*na*
Commercial	(9.670)	(3.750)	*157,9%*
General and Administrative	(9.030)	(2.185)	*313,3%*
Taxes	(3.846)	(433)	*788,2%*
Financial	(889)	(305)	*191,5%*
Goodwill amortization	(448)	-	*na*
Other	(501)	(325)	*54,2%*
	(25.584)	**(6.998)**	***265,6%***
Income (loss) before taxes	**51.734**	**24.207**	***113,7%***
Income Taxes and Social Contribution	(7.138)	(2.987)	*139,0%*
Minority Shareholders' Stake	(1.749)	(393)	*345,0%*
Net Income (loss)	**42.847**	**20.827**	***105,7%***

"Var." related to net operational income"

BALANCE SHEET FOR THE FULL YEAR ENDED December 31st 2006 and December 31st 2005 (In thousands of reais)

Assets	december, 31		Var
	2006	2005 (1)	06/05
Current assets			
Cash, cash equivalents and short-term investments	37.935	5.590	578,6%
Accounts receivable, net	110.052	26.750	311,4%
Land and properties held for sale	190.232	72.728	161,6%
Prepaid expenses	11.371	3.396	234,8%
Advances to suppliers	3.403	-	na
Contas correntes com parceiros nos empreendiment	863		
Consortiums	9.081	-	na
Tax recover	414		
Other assets	5.292	1.144	362,6%
	368.643	**109.608**	**236,3%**
Noncurrent assets			
Long-term investments	1.503	1.584	-5,1%
Accounts receivable, net	50.552	24.210	108,8%
Debentures	33.980	-	na
Land and properties held for sale	9.287	-	na
Consortiums	2.574	-	na
Related parties	16.810	-	na
Prepaid expenses	117	490	-76,1%
Other	2.252	253	790,1%
	117.075	**26.537**	**341,2%**
Permanent assets			
Investments	32.427	-	na
Property and equipment	898	525	71,0%
	33.325	**525**	**6247,6%**
Total assets	**519.043**	**136.670**	**279,8%**

Liabilities and shareholders' equity	december, 31		Var
	2006	2005 (1)	06/05
Current liabilities			
Loans and financings	60.341	11.713	415,2%
Trade accounts payable	10.052	1.520	561,3%
Property acquisition obligations	38.011	5.199	631,1%
Taxes and contributions payable	6.226	2.251	176,6%
Deferred income and social contribution taxes	988	-	na
Advances from clients	2.740	7.966	-65,6%
Dividends	5.316	-	na
Consortiums	668	-	na
Advance revenue	203	2.229	-90,9%
Other	14.960	1.058	1314,0%
	139.505	**31.936**	**336,8%**
Noncurrent liabilities			
Loans and financings	52.414	-	na
Property acquisition obligations	37.384	13.860	169,7%
Taxes payable in installments	4.890	-	na
Deferred income and social contribution taxes	7.505	1.677	347,5%
Provision for contingencies	3.308	-	na
Related parties	306	8.428	-96,4%
Consortiums	3.716	-	na
Other	8.591	4.479	91,8%
	118.114	**28.444**	**315,3%**
Minority interest	**4.452**	**511**	771,2%
Shareholders' equity			
Subscribed capital	241.181	12.203	1876,4%
Unpaid capital		(10.983)	-100,0%
Accumulated gains / losses	15.791	(702)	-2349,4%
	256.972	**518**	**49508,5%**
		75.261	-100,0%
	256.972	**75.779**	**239,1%**
Total liabilities and shareholders' equity	**519.043**	**136.670**	**279,8%**

(1) Pro forma

TELECONFERENCE

Português

27 de março de 2007
10h00 (horário de Brasília)
09h00 (horário de Nova York)
Tel.: +55 (11) 2101 -4848
Código: PDG
Replay: +55 (11) 2101 -4848

English

March 27th 2007
12h00 (Brasília time)
11h00 (New York time)
Tel.: +1 (973) 935 - 8756
Replay: +1 (973) 341- 3080
Code: 8589726

Live Webcast on the Internet:
www.pdgrealty.com.br/ir

IR CONTACT

Michel Wurman
IR Director

João Mallet
IR Manager

ri@pdg.com.br
Tel.: (+55 21) 3262-5006
Fax: (+55 21) 3262-5133

ABOUT PDG REALTY S/A

PDG Realty develops co-incorporation activities with several real-estate developers of the real estate market and portfolio investments, following a Private Equity model. It seeks to maximize the value of the invested companies through their capitalization to future investments, optimization of its management with implementation of modern corporate governance techniques, focused on the efficient administration of the available assets and funds.

It is currently an investment company with a focus on the real estate market traded in the Bovespa New Market (PDGR3). In 2005, it launched 2,089 units, in 2006 it doubled this number, to more than 4.200 units, consolidating itself as one of the largest companies in the Brazilian real estate sector.

It launched more than 50 ventures distributed into the country, in different segments of the sector, which include incorporation of residential projects to several income segments, from middle-lower to upper income segments, development of residential land developments and investments in commercial ventures with a focus on income generation through leases.

This is PDG Realty's strategy, to be present in regions with high economic and demographic growth potential, standing in the forefront of the market with a product mix in different segments, never forgetting to adjust to the local market's particularities.

PDG Realty is managed by professionals with a broad experience in the real estate sector, private equity investments, structured operations and corporate finance. The team abides by a differentiated management culture, having a set of complementary abilities and knowledge, and a deep understanding of the real estate market.

Quality, innovation and financial soundness are the company's brands.