(Convenience Translation into English from the Original Previously Issued in Portuguese)

EZ TEC Empreendimentos e Participações S.A. and Subsidiaries

Interim Financial Statements for the Quarter and Six-month Period Ended June 30, 2008 and Independent Accountants' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders and Management of
EZ TEC Empreendimentos e Participações S.A.
São Paulo - SP

1. We have reviewed the accounting information included in the accompanying interim financial statements of EZ TEC Empreendimentos e Participações S.A. (the "Company") and subsidiaries for the quarter and six-month period ended June 30, 2008, consisting of the individual (Company) and consolidated balance sheets, the related statements of operations and cash flows, the performance report and the related notes, prepared under the responsibility of the Company's Management.

2. Except for the matter mentioned in paragraph 3, our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiaries.

3. As mentioned in note 32, Management is analyzing and measuring the impacts of the present value adjustment of assets and liabilities as established by Law No. 11638/07 and, accordingly, we were unable to satisfy ourselves as to the measurement of such adjustments in these interim financial statements.

4. Based on our review, except for the effects, if any, of the matter mentioned in paragraph 3, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements, including CVM Instruction No. 469, of May 2, 2008.

5. As mentioned in note 32, on December 28, 2007, Law No. 11638 was enacted, altering, revoking and adding new provisions to Law No. 6404 (Brazilian Corporate Law). This Law is effective for fiscal years beginning on or after January 1, 2008 and introduced changes in Brazilian accounting practices. Such changes, except for that mentioned in paragraph 3, were adopted by the Company and its subsidiaries in the preparation of the interim financial statements for the quarter and six--month period ended June 30, 2008. Although this Law has already become effective and been applied by the Company and its subsidiaries, based on guidelines of CVM and/or standards issued by the International Accounting Standards Board - IASB, the main changes introduced by it are subject to regulation by Brazilian regulatory agencies. Thus, the accounting information reported may require adjustments at the time of the regulation of Law No. 11638/07.

6. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, August 7, 2008

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walter Dalsasso
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF JUNE 30 AND MARCH 31, 2008
(In thousands of Brazilian reais - R$)

	06/30/08		03/31/08	
ASSETS	Company	Consolidated	Company	Consolidated
CURRENT ASSETS				
Cash and banks	631	5,437	148	7,173
Temporary cash investments	236,783	240,904	235,322	240,165
Trade accounts receivable	-	67,008	-	51,910
Real estate held for sale	-	194,736	-	150,323
Recoverable taxes	-	352	-	350
Prepaid taxes	-	473	-	463
CEPAC	24,642	24,642	34,721	34,721
Other receivables	334	1,839	309	1,855
Prepaid expenses	-	4,888	4	5,276
Total current assets	262,390	540,279	270,504	492,236
NONCURRENT ASSETS				
Long-term assets:				
Trade accounts receivable	-	193,116	-	151,750
Real estate held for sale	-	132,992	-	181,419
Prepaid expenses	-	9,278	-	10,380
Prepaid taxes	-	289	-	289
Recoverable taxes	6,419	6,419	4,477	4,477
CEPAC (additional building area bond)	32,539	32,539	65,179	65,179
Intercompany receivables	13,502	5,324	106,644	2,606
Other receivables	143	4,681	130	4,733
Permanent assets:				
Goodwill on investments	2,571	2,571	2,743	2,743
Investments	498,284	3	346,341	3
Property and equipment	961	1,482	786	1,335
Intangible assets	1,332	1,532	709	911
Total noncurrent assets	555,751	390,226	527,009	425,825
TOTAL ASSETS	818,141	930,505	797,513	918,061

	06/30/08		03/31/08	
LIABILITIES AND SHAREHOLDERS' EQUITY	Company	Consolidated	Company	Consolidated
CURRENT LIABILITIES				
Trade accounts payable	918	12,475	892	8,022
Payroll and related charges	2,384	5,510	1,668	3,922
Taxes payable	401	2,637	18	1,962
Loans	-	421	-	399
Provision for investment losses	1,358	-	1,996	-
Accounts payable	158	447	450	1,432
Advances from customers	-	8,791	-	8,239
Land payable	-	42,989	-	60,595
Dividends payable	-	-	10,906	10,906
Intercompany payables	7,284	3,639	8,028	4,479
Deferred taxes	-	4,672	-	3,755
Total current liabilities	12,503	81,581	23,958	103,711
NONCURRENT LIABILITIES				
Long-term liabilities:				
Loans	-	850	-	923
Land payable	-	14,163	-	17,538
Reserve for contingencies	445	4,336	445	4,336
Deferred taxes	-	13,657	-	10,455
Contributions for future developments	-	-	-	-
Other debts with third parties	465	576	465	723
Total noncurrent liabilities	910	33,582	910	33,975
MINORITY INTEREST	-	10,614	-	7,730
SHAREHOLDERS' EQUITY				
Capital	724,070	724,070	724,070	724,070
Profit reserves	25,170	25,170	26,192	26,192
Retained earnings	55,488	55,488	22,383	22,383
Total shareholders' equity	804,728	804,728	772,645	772,645
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	818,141	930,505	797,513	918,061

The accompanying notes are an integral part of these interim financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS
FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	06/30/08	06/30/07	06/30/08	06/30/07
GROSS OPERATING REVENUE				
Revenue from sale of real estate	-	-	163,428	79,461
Revenue from rentals	-	-	773	199
Total gross operating revenue	-	-	164,201	79,660
Cancelled sales	-	-	(6,573)	(2,441)
Taxes on sales, including deferred taxes	-	-	(5,724)	(2,931)
Total deductions from gross revenue	-	-	(12,297)	(5,372)
NET REVENUE	-	-	151,904	74,288
Cost of real estate sold	-	-	(79,956)	(37,046)
Cost of services and rentals	-	-	(170)	(37)
GROSS PROFIT	-	-	71,778	37,205
OPERATING (EXPENSES) INCOME				
Selling expenses	-	-	(14,863)	(3,759)
Administrative expenses	(13,250)	(1,737)	(16,949)	(5,023)
Management fees	(1,190)	(77)	(1,396)	(248)
Share subscription costs	-	(30,226)	-	(30,226)
Reserve for contingencies	(404)	(21)	(480)	(745)
Tax expenses	(102)	-	(338)	(86)
Equity in subsidiaries	54,649	28,446	-	-
Provision for investment losses	(81)	(160)	-	-
Other operating expenses, net	-	(422)	-	(409)
Other operating income, net	2,451	-	4,399	-
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	42,073	(4,197)	42,151	(3,291)
FINANCIAL INCOME (EXPENSES)				
Financial income	14,078	560	20,800	2,496
Financial expenses	(23)	(1,986)	(446)	(2,469)
NONOPERATING INCOME (EXPENSES)	-	-	8	(1)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES AND MINORITY INTEREST	56,128	(5,623)	62,513	(3,265)
INCOME AND SOCIAL CONTRIBUTION TAXES				
Current	(640)	-	(4,313)	(1,791)
Deferred	-	-	(2,946)	(580)
INCOME BEFORE MINORITY INTEREST	55,488	(5,623)	55,254	(5,636)
MINORITY INTEREST	-	-	234	13
NET INCOME (LOSS)	55,488	(5,623)	55,488	(5,623)

The accompanying notes are an integral part of these interim financial statements.

1. OPERATIONS

EZ TEC Empreendimentos e Participações S.A. (the "Company") was established on July 31, 2006 and is the holding company of the EZ TEC Group companies, mentioned in note 11.

The Company, through its subsidiaries, is primarily engaged in: (a) development and sale of real estate projects of any nature, including by means of financing; (b) management and lease of Company-owned properties; (c) land subdivision; (d) construction of condominiums; (e) services related to construction, supervision, studies and projects, and civil construction works and services in all technical and economic modalities; and (f) holding of equity interests in other companies.

In July 2007, the EZ TEC Group completed its Primary Public Offering on the BOVESPA (São Paulo Stock Exchange) New Market, which resulted in a capital increase of R$542,147 with the issuance of 49,285,983 common shares.

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The individual (Company) and consolidated interim financial statements for the quarter ended June 30, 2008, consisting of the balance sheets and the related statements of operations, have been prepared in accordance with accounting practices established by the Brazilian Corporate Law (Law No. 6404/76, including subsequent amendments), standards and instructions of the Brazilian Securities and Exchange Commission (CVM), including CVM Instruction No. 469/08, and technical pronouncements issued by the Brazilian Institute of Independent Auditors (IBRACON), and resolutions from the Brazilian Federal Accounting Council (CFC).

3. CONSOLIDATION CRITERIA

The interim financial statements have been prepared and are presented in conformity with standards established by CVM, the most significant of which are described in note 4. The consolidated interim financial statements include the accounts of EZ TEC Empreendimentos e Participações S.A. and its subsidiaries (established for the specific purpose of managing real estate projects) mentioned in note 11. Intercompany accounts and transactions, as well as investments, have been eliminated in consolidation, and minority interest is presented in a separate caption.

4. SIGNIFICANT ACCOUNTING PRACTICES

Significant accounting practices are as follows:

a) Temporary cash investments

Mainly represented by exclusive investment funds, denominated in Brazilian reais, with a high market liquidity rate. Stated at cost, plus income earned through the balance sheet dates, net of provision for losses, when applicable, recorded in the statement of operations for the quarter and six-month period ended June 30, 2008 under the caption "Financial income".

b) Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable (current and noncurrent) are derived from sales of residential property units, and the debit balance of contracts is monetarily adjusted according to the respective clauses. The allowance for doubtful accounts is recorded, when applicable, in an amount considered sufficient by Management, taking into account the risks involved, to cover probable losses on the realization of receivables. For receivables from sale contracts for uncompleted units (under construction), the same procedures described in note 4.i are applicable. The amounts related to the monetary adjustment of trade accounts receivable are recorded in the statement of operations under the caption "Revenue from sale of real estate" until delivery of the keys and as financial income (interest income) after delivery of the keys.

c) Real estate held for sale

Stated at land acquisition cost plus construction costs incurred and other expenses related to the development process of projects under construction or completed, whose units have not yet been sold.

d) Prepaid expenses

Represented basically by expenses related to tangible assets (costs of sales booth, model apartments and respective furniture), advertising costs and other expenses related to the projects launched until December 31, 2007.

e) Investments

Investments in subsidiaries are accounted for under the equity method.

Goodwill is recorded in the statement of operations proportionally to the realization of business profits, estimated for three years.

f) Property and equipment

Stated at acquisition cost, less depreciation calculated under the straight-line method based on the estimated useful lives of the assets.

g) Income and social contribution taxes

Income tax in Brazil includes federal income and social contribution taxes, which are calculated according to regulatory accounting records.

As allowed by tax legislation, revenues from sales of real estate units are taxed on a cash basis and not under the criterion described in note 4.i) for revenue recognition. Every fiscal year, provided that legal requirements are met, the Company and each of its subsidiaries may choose to calculate tax income base using the taxable income, deemed income or detached assets criterion. Under the taxable income criterion, taxes are calculated on net income, at a rate of 25% for federal income tax and 9% for social contribution tax, totaling 34%. Under the deemed income criterion, income is deemed to be 8% of operating revenue, plus 100% of other revenues. Income and social contribution taxes are calculated by applying the rates of 25% and 9%, respectively, to the income deemed as 8% of revenues. Under the detached assets criterion, income and social contribution taxes are calculated at the rates of 2.2% and 1.15% on income from business operations.

h) Funds from shareholders

Represented by contributions from shareholders for the development of construction, recorded at original amounts, not subject to financial charges.

i) Revenue from real estate development and sale

Revenue from sale of properties, which includes sales revenues, costs of land and construction, and other property development costs, is recorded in income using the percentage-of-completion method. This percentage is measured based on the ratio of cost incurred to total estimated cost, in accordance with the criteria established by CFC Resolution No. 963/03, applicable to real estate companies. Trade accounts receivable from sales of units under construction are recorded under the percentage-of-completion method, and payments received in excess of these receivables are recorded in current liabilities under the caption “Advances from customers”. The balances of real estate development activities and sale of units under construction that, according to the criteria established by said Resolution, are no longer included in balance sheet accounts, are detailed in note 13. As regards completed units, sales revenues are fully recognized, and so are costs.

j) Use of estimates

The interim financial statements have been prepared in conformity with the standards established by CVM, which require Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amounts of revenues and expenses during the reporting period. In the preparation of these interim financial statements, some estimates were made by Management, including estimate of useful life of permanent assets, the determination of the allowance for doubtful accounts, contingent liabilities, provision for losses on tax credits, other provisions, and the fair value of financial instruments. Actual results could differ from those estimates.

k) Earnings per share

Calculated based on the number of shares outstanding at the balance sheet dates.

5. TEMPORARY CASH INVESTMENTS

The Company has funds invested in exclusive investment funds, as shown below, and the portfolio may be diversified with the investment in shares of investment funds available in the market, federal government securities, highly liquid fixed-income securities issued by a financial institution, and repurchase commitments, managed by a private institution:

	Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
Investment funds	236,783	235,322	236,783	235,322
Interest bearing account	-	-	3	452
Subject to repurchase commitments	-	-	4,118	4,391
	236,783	235,322	240,904	240,165

6. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	06/30/08	03/31/08
Receivables for property development - completed construction (a)	68,083	55,428
Receivables for property development - construction in progress (b)	195,220	152,153
Trade notes receivable - services	40	44
	263,343	207,625
Securitized receivables (c)	(988)	(1,734)
Allowance for doubtful accounts (d)	(2,231)	(2,231)
	260,124	203,660
Current	67,008	51,910
Noncurrent	193,116	151,750

(a) The Company, through its subsidiaries, finances up to 80% of the unit's price payable by the customer when the unit is delivered. Accounts receivable are monetarily adjusted based on the variation of the IGP-M (general market price index), plus interest of 12% per year. The amounts related to the monetary adjustment of and interest on trade accounts receivable are recorded in the statement of operations under the caption "Financial income" after delivery of the keys.

(b) The amounts related to the monetary adjustment of trade accounts receivable are recorded in the statement of operations under the caption "Revenue from sale of real estate" until delivery of the keys.

(c) The Company and its subsidiaries adopted, at the beginning of 2007, securitization programs to meet their cash requirements. The programs contain certain conditions and requirements, including co-obligation criteria. If the program conditions and requirements are not met, the funds provided by the program may be restricted or suspended, or their cost might increase.

(d) The allowance for doubtful accounts is recorded in an amount considered sufficient by Management to cover probable losses on the realization of receivables.

As of June 30 and March 31, 2008, the aging list of noncurrent receivables is as follows:

	Consolidated	
Year	06/30/08	03/31/08
2009	33,165	34,567
2010	54,092	38,842
2011	31,598	20,437
2012	19,464	15,775
2013	16,225	12,876
2014	13,619	10,825
2015	11,287	8,864
2016	8,018	5,919
2017	3,814	2,634
2018 and thereafter	1,834	1,011
	193,116	151,750

The table below shows the maturity of receivables for real estate development as of June 30 and March 31, 2008:

	Consolidated	
	06/30/08	03/31/08
Past due:		
Up to 30 days	1,359	1,389
31 to 60 days	776	326
61 to 90 days	438	430
91 to 120 days	289	645
Over 120 days	2,826	3,028
	5,688	5,818
Current	257,655	201,807
	263,343	207,625

Receivables securitized with co-obligation were generated upon the sale of part of receivables of the following subsidiaries at carrying amounts at the transaction dates:

	Consolidated	
	06/30/08	03/31/08
Camila Empreendimentos Imobiliários Ltda.	138	883
Paraíso Empreendimentos Imobiliários Ltda.	135	135
Silvana Empreendimentos Imobiliários Ltda.	715	716
	988	1,734

These operations are collateralized by properties financed upon the origin of real estate receivables.

7. REAL ESTATE HELD FOR SALE

Basically represented by the cost of real estate held for sale, completed or under construction, and land for future development, distributed as follows:

	Consolidated	
	06/30/08	03/31/08
Completed units	5,268	6,537
Units under construction	40,429	22,906
Land for future development	275,868	296,830
Advances to suppliers	6,163	5,469
	327,728	331,742
Current	194,736	150,323
Noncurrent	132,992	181,419

The cost of completed units and units under construction includes cost of works (materials, inside or outside labor and other related services), land and financial charges incurred during the construction period.

Land is stated at acquisition cost.

Land for new works will be used for development starting July 2008, according to the launches being carried out. Land with launches scheduled for July 2009 onward was classified in noncurrent assets as of June 30, 2008.

As of June 30, 2008, the Company, through its subsidiary Avignon Incorporadora Ltda., has a plot of land in the amount of R$6,952, equivalent to its equity interest in the subsidiary, for which environmental permits have not yet been obtained from the regulatory agencies according to a notice received on December 12, 2007. The Company's Management considers that such permits will be obtained without significant additional costs.

For the other plots of land in the region, in the amount of R$27,488, recorded in the subsidiaries Itagi Incorporadora Ltda. and Vanguarda Incorporadora Ltda, purchase and sale contracts are subject to a resolutory condition related to obtaining approvals for property development. Of said amount, R$17,168 is recorded as land payable.

As of June 30, 2008, the Company, through its subsidiary Gol Incorporadora Ltda., has a plot of land in the amount of R$24,599, which, according to Municipal Decree No. 49303, of March 11, 2008, was declared to be of public interest. The Company's Management, through its outside legal counsel, prepared a request for cancellation of the Public Interest Decree to the Municipal Government of São Paulo, which is pending appreciation, and at present it is not possible to estimate the outcome of said request. Of said amount, R$4,736 is recorded as land payable. On August 7, 2008, Decree No. 49873 was published in the Official Gazette of the City of São Paulo, revoking Decree No. 49303 of March 11, 2008.

8. RECOVERABLE TAXES

Represented basically by:

	Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
IRRF (withholding income tax)	6,413	4,477	6,448	4,513
INSS (social security contribution)	6	-	29	23
PIS and COFINS (taxes on revenue)	-	-	176	176
IRPJ (corporate income tax)	-	-	50	47
CSLL (social contribution on net profit)	-	-	19	19
Other	-	-	49	49
	6,419	4,477	6,771	4,827
Current	-	-	352	350
Noncurrent	6,419	4,477	6,419	4,477

9. CEPAC (ADDITIONAL BUILDING AREA BOND)

On February 22, 2008, the Company participated in a public offering auction in the electronic trading system Mega Bolsa for the CEPACs issued by the São Paulo Municipal Government related to the Urban Consortium Operation "Água Espraiada", and acquired 90,000 bonds, in the total amount of R$99,900. The remaining balance as of June 30, 2008 is R$57,181, of which R$24,642 is classified in current assets and R$32,539 in noncurrent assets according to their expected use in projects to be launched.

Part of these bonds was sold in the quarter ended June 30, 2008. See note 26.

10. PREPAID EXPENSES

Represented basically by expenses related to tangible assets (costs of sales booth, model apartments and respective furniture), advertising costs and other expenses related to the projects already launched, as follows:

	Consolidated	
	06/30/08	03/31/08
Current:		
Expenses on publicity and sales commission	4,888	5,272
Expenses on IPTU (municipal property tax)	-	4
	4,888	5,276
Noncurrent-		
Expenses on publicity and sales commission	9,278	10,380

As of June 30, 2008, the current portion will be amortized until June 2009, and the noncurrent portion will be amortized beginning July 2009, in both cases under the percentage-of-completion method.

11. INVESTMENTS

Subsidiary	Ownership interest - % Direct	Ownership interest - % Indirect	Capital	Shareholders' equity	Net income (loss)	Equity in subsidiaries	Investments 06/30/08	Investments 03/31/08
Analisys Consultoria, Planejamento e Participações S/S	99.99	-	5	(1,358)	(91)	-	-	-
Alfenas Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Alexandria Incorporadora Ltda.	99.99	-	1	6,819	(12)	(12)	6,819	1
Condomínio Ville de France - SCP	50.00	-	9,942	12,189	1,921	961	6,095	5,418
Arambaré Incorporadora Ltda.	99.99	-	1	5,177	(1,252)	(1,252)	5,177	4,138
Aurillac Incorporadora Ltda.	99.99	-	7,193	8,024	827	827	8,024	-
Bergamo Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Bonneville Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Camila Empreendimentos Imobiliários Ltda.	99.99	-	14,790	14,694	(570)	(570)	14,694	14,382
Caywoaa Incorporadora Ltda.	99.99	-	1	4,769	-	-	4,769	4,769
Center Jabaquara Empreendimentos Imobiliários Ltda.	99.99	-	407	525	(1)	(1)	525	470
Cremona Incorporadora Ltda.	70.00	-	1	25,806	(723)	(507)	18,064	18,102
Crow Incorporadora Ltda.	99.99	-	1	3,427	(502)	(502)	3,427	3,075
Curupá Empreendimentos Imobiliários Ltda.	99.99	-	110	5,217	1,889	1,889	5,217	3,097
Esmirna Incorporadora Ltda.		-	4,125	4,051	(13)	(13)	4,050	-
EZ TEC Técnica Engenharia e Construção Ltda.	99.99	-	1,826	416	(1,307)	(1,307)	416	596
Frorença Incorporadora Ltda.	99.99	-	1	2,311	-	-	2,311	2,251
Garicema Empreendimentos Imobiliários Ltda.	97.08	-	38,038	37,385	(33)	(33)	36,294	-
Genova Incorporadora S.A.	99.99	-	-	96	-	-	95	-
Giopris Empreendimentos Imobiliários Ltda.	99.99	-	19,234	61,507	15,810	15,810	61,507	51,658
Giovanna Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Gol Incorporadora Ltda.	99.99	-	1	19,453	-	-	19,453	19,044
Graúna Incorporadora Ltda.	99.99	-	1	9	-	-	9	-
Itagi Incorporadora Ltda.	80.00	-	1	2,611	(32)	(25)	2,089	-
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	50.00	-	1	3,666	(709)	(354)	1,833	-
Jauaperi Incorporadora Ltda.	99.99	-	3,451	21,692	11,448	11,448	21,692	12,884
Juriti Empreendimentos Imobiliários Ltda.	99.99	-	9,960	7,192	1,772	1,772	7,192	9,319
Lafaiete Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Lausanne Incorporadora Ltda.	99.99	-	1	548	(83)	(83)	548	1
Limoges Incorporadora Ltda.		-	17,724	17,519	(347)	(347)	17,519	-
Livorno Incorporadora Ltda.	99.99	-	1	21	(4)	(4)	21	-
Marcella Empreendimentos Imobiliários Ltda.	99.99	-	18,486	54,049	8,114	8,114	54,049	48,281
Marina Empreendimentos Imobiliários Ltda.	99.99	-	832	33,139	5,142	5,142	33,139	26,657
Mônaco Incorporação S.A.	40.00	-	30,463	32,957	(41)	(17)	13,183	14,810
Monza Incorporadora Ltda.	99.99	-	1	3,650	(1)	(1)	3,647	1
Otawa Incorporadora Ltda.	99.99	-	1	14	-	-	14	-

Subsidiary	Ownership interest - % Direct	Ownership interest - % Indirect	Capital	Shareholders' equity	Net income (loss)	Equity in subsidiaries	Investments 06/30/08	Investments 03/31/08
Paraíso Empreendimentos Imobiliários Ltda.	99.99	-	5,798	6,,371	229	229	6,371	9,727
Park Empreendimentos Imobiliários Ltda.	99.99	-	8,937	12,703	2,011	2,011	12,703	13,138
Priscilla Empreendimentos Imobiliários Ltda.	99.99	-	1,020	5,673	2,335	2,335	5,673	4,189
Santarém Incorporadora Ltda.	99.99	-	1	11,101	(22)	(22)	11,101	-
Savona Incorporadora Ltda.	90.00	-	1	5,957	(96)	(86)	5,361	-
Silvana Empreendimentos Imobiliários Ltda.	99.99	-	11,724	14,352	490	490	14,352	15,500
Tatuapé Empreendimentos Imobiliários Ltda.	99.99	-	20,194	33,628	4,890	4,890	33,628	42,134
Tec Vendas Consultoria de Imóveis Ltda.	99.99	-	1	205	168	168	204	93
Torino Incorporadora Ltda.	99.99	-	1	3,651	-	-	3,651	1
Trento Incorporadora Ltda.	99.99	-	1	2,011	-	-	2,011	1
Treviso Incorporadora Ltda.	99.99	-	1	14,202	(73)	(73)	14,202	-
Valentina Empreendimentos Imobiliários Ltda.	99.99	-	1	2,488	1,953	1,953	2,488	470
Vanguarda Incorporadora Ltda.	99.99	-	1	5,684	(1)	(1)	5,684	5,668
Verona Incorporadora Ltda.	99.99	-	1	4,450	(16)	(16)	4,445	1
Vermonth Incorporadora Ltda.	99.99	-	1	3,004	-	-	2,384	2,513
Village of Kings Incorporadora Ltda.	99.99	-	1	16,091	1,839	1,839	16,091	13,946
Wanessa Incorporadora Ltda.	50.00	-	1	12,114	(6)	(3)	6,057	-
Windsor Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
						54,649	498,284	346,341

Subsidiary	Ownership interest - % Direct	Ownership interest - % Indirect	Capital	Shareholders' equity	Net income (loss)	Equity in subsidiaries	Investments 06/30/08	Investments 03/31/08
Provision for investment losses:								
Analisys Consultoria, Planejamento e Participações S/S							(1.358)	(1.353)
Graúna Incorporadora Ltda.							-	(1)
Itagi Incorporadora Ltda.							-	(38)
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.							-	(290)
Livorno Incorporadora Ltda.							-	(3)
Otawa Incorporadora Ltda.							-	(36)
Santarém Incorporadora Ltda.							-	(23)
Savona Incorporadora Ltda.							-	(23)
Treviso Incorporadora Ltda.							-	(86)
Wanessa Incorporadora Ltda.							-	(143)
							(1.358)	(1.996)
Aurilac Incorporadora Ltda.	-	99.90	1	2,512	209	209	-	2,512
Avignon Incorporadora Ltda.	-	45.00	17,101	9,932	(2,216)	(997)	4,470	4,564
Esmirna Incorporadora Ltda.	-	99.90	1	(63)	(4)	-	-	-
Garicema Empreendimentos Imobiliários Ltda.	-	97.08	10	(671)	(12)	-	-	-
Limoges Incorporadora Ltda.	-	99.90	1	(1,405)	(259)	-	-	-

The investment balance as of June 30, 2008 includes all advances for future capital increase which were made until the close of the quarter ended June 30, 2008. The advances by subsidiary are as follows:

	Advance for future capital increase	
Subsidiary	06/30/08	03/31/08
Alexandria Incorporadora Ltda.	6,830	-
Arambaré Incorporadora Ltda.	7,868	6,558
Aurillac Incorporadora Ltda.	390	-
Camila Empreedimentos Imobiliários Ltda.	25	-
Caywoaa Incorporadora Ltda.	4,825	4,825
Center Jabaquara Empreendimentos Imobiliários Ltda.	70	-
Cremona Incorporadora Ltda.	18,632	18,354
Crown Incorporadora Ltda.	3,945	3,315
Curupá Empreendimentos Imobiliários Ltda.	2,427	1,447
EZ TEC Técnica Engenharia e Construção Ltda.	3,419	2,954
Frorença Incorporadora Ltda.	2,311	2,251
Garicema Empreendimentos Imobiliários Ltda.	50	-
Genova Incorporadora S.A.	95	-
Giopris Empreendimentos Imobiliários Ltda.	6,559	4,859
Gol Incorporadora Ltda.	19,748	19,338
Graúna Incorporadora Ltda.	10	-
Itagi Incorporadora Ltda.	2,150	-
Jauaperi Incorporadora Ltda.	2,307	-
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	2,222	-
Lausanne Incorporadora Ltda.	630	-
Limoges Incorporadora Ltda.	1,290	-
Livorno Incorporadora Ltda.	24	-
Marcella Empreendimentos Imobiliários Ltda.	11,954	11,754
Marina Empreendimentos Imobiliários Ltda.	21,876	17,887
Mônaco Incorporação S.A.	1,076	469
Monza Incorporadora Ltda.	3,650	-
Otawa Incorporadora Ltda.	50	-
Park Empreendimentos Imobiliários Ltda.	40	-
Priscilla Empreendimentos Imobiliários Ltda.	2,022	1,497
Santarém Incorporadora Ltda.	11,143	-
Savona Incorporadora Ltda.	5,449	-
Tec Vendas Consultoria de Imóveis Ltda.	106	105
Torino Incorporadora Ltda.	3,650	-
Trento Incorporadora Ltda.	2,010	-
Treviso Incorporadora Ltda.	14,290	-
Vanguarda Incorporadora Ltda.	5,695	5,685
Vermonth Incorporadora Ltda.	-	2,520
Verona Incorporadora Ltda.	4,465	-
Village of Kings Incorporadora Ltda.	14,276	14,021
Valentina Empreendimentos Imobiliários Ltda.	190	190
Wanessa Incorporadora Ltda.	6,103	-
	193,872	118,029

Investees have the specific purpose of carrying out property developments for the construction and sale of residential properties.

As of June 30, 2008, the amount of R$1,358 (R$1,996 as of March 31, 2008) related to the provision for investment losses represents investments in subsidiaries whose shareholders' equity is negative (shareholders' deficit) and is presented in current liabilities. The amount recorded as expense in the quarter ended June 30, 2008 was R$81 (R$160 as of June 30, 2007).

On October 1, 2007, the Company acquired ownership interest in Antilhas Empreendimentos Imobiliários Ltda. - Condomínio Ville de France - SCP. Goodwill of R$3,029 was determined on said acquisition, based on the project's future earnings, which at first will be amortized over a three-year period. In the quarter and six-month period ended June 30, 2008, the amounts of R$172 and R$331, respectively, were amortized. The unamortized goodwill balance as of June 30, 2008 is R$2,571 (R$2,743 as of March 31, 2008).

12. PROPERTY AND EQUIPMENT

Composed of:

		Company			
	Annual depreciation rate - %	06/30/08 Cost	Accumulated depreciation	Net	03/31/08 Net
Furniture and fixtures	10	69	(3)	66	67
Machinery and accessories	10	78	(7)	71	73
Facilities	10	47	-	47	-
Computers and peripherals	20	485	(69)	416	443
Equipment	10	-	-	-	149
Other	10	370	(9)	361	54
		1,049	(88)	961	786

		Consolidated			
	Annual depreciation rate - %	06/30/08 Cost	Accumulated depreciation	Net	03/31/08 Net
Furniture and fixtures	10	177	(38)	139	135
Machinery and accessories	10	88	(13)	75	77
Vehicles	20	135	(134)	1	-
Tools	10	15	(6)	9	10
Installations	10	152	(31)	121	83
Computers and peripherals	20	1,080	(342)	738	791
Other	10	427	(28)	399	239
		2,074	(592)	1,482	1,335

13. REAL ESTATE DEVELOPMENT AND SALE

As described in note 4.i, we present below the total amounts of real estate development and sale, which include the amounts already realized and presented in balance sheet accounts and the unrealized amounts, in accordance with the revenue recognition criterion established by CFC Resolution No. 963/03, applicable to real estate activities:

a) Trade accounts receivable

	Consolidated	
	06/30/08	03/31/08
Current assets:		
Trade accounts receivable - realized percentage	67,008	51,910
Trade accounts receivable - unrealized percentage	76,822	59,741
	143,830	111,651
Noncurrent assets:		
Trade accounts receivable - realized percentage	193,116	151,750
Trade accounts receivable - unrealized percentage	400,436	355,570
	593,552	507,320

b) Obligations to build

Represent the estimated contracted costs to be incurred in ongoing constructions of units already sold, less costs already incurred through June 30 and March 31, 2008:

Subsidiary	Project	Consolidated	
		06/30/08	03/31/08
Arambaré Incorporadora Ltda.	Condomínio Oásis Beach Club Premium Resort	11,018	9,534
Aurillac Incorporadora Ltda.	Condomínio Clima do Bosque	16,167	16,735
Crown Incorporadora Ltda.	Condomínio Bell'Aqua	8,304	-
Curupá Empreendimentos Imobiliários Ltda.	Condomínio Anália Franco	4,871	5,826
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Sports Village	19,122	19,099
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Santana	6,467	8,561
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Vila Mascote	6,014	9,171
Jauaperi Incorporadora Ltda.	Condomínio Clima Bothânico	37,817	43,650
Jauaperi Incorporadora Ltda.	Condomínio Clima do Parque	36,843	27,401
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	Condomínio Premiatto Residence Club	12,910	-

Subsidiary	Project	Consolidated	
		06/30/08	03/31/08
Limoges Incorporadora Ltda.	Condomínio Prime House Vila Mascote	7,829	-
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Splendor Ibirapuera	2,278	6,249
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Quality House Lapa	27,290	25,315
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Tatuapé	10,680	13,915
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Square	11,346	-
Park Empreendimentos Imobiliários Ltda.	Condomínio Collori	14,681	14,705
Park Empreendimentos Imobiliários Ltda.	Condomínio Evidence	6,774	6,097
Priscilla Empreendimentos Imobiliários Ltda.	Condomínio Vert	2,665	3,012
Condomínio Ville de France - SCP	Condomínio Ville de France	2,545	2,545
Tatuapé Empreendimentos Imobiliários Ltda.	Condomínio Dream View	-	727
Village of Kings Incorporadora Ltda.	Condomínio Mundeo Moema Business	8,788	-
		254.409	212,542

The amounts of construction cost contracted and cost incurred represent the total amounts from the beginning of projects.

c) Unearned income from sale of real estate

Subsidiary	Project	Consolidated	
		06/30/08	03/31/08
Arambaré Incorporadora Ltda.	Condomínio Oásis Beach Club Premium Resort	7,300	6,621
Aurillac Incorporadora Ltda.	Condomínio Clima do Bosque	10,549	10,751
Crown Incorporadora Ltda.	Condomínio Bell'Aqua	4,004	-
Curupá Empreendimentos Imobiliários Ltda.	Condomínio Anália Franco	5,181	5,837
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Sports Village	16,549	15,934
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Santana	7,515	9,835
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Vila Mascote	7,775	11,635
Jauaperi Incorporadora Ltda.	Condomínio Clima Bothânico	40,603	46,668
Jauaperi Incorporadora Ltda.	Condomínio Clima do Parque	34,472	22,959

Subsidiary	Project	Consolidated	
		06/30/08	03/31/08
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	Condomínio Premiatto Residence Club	7,094	-
Limoges Incorporadora Ltda.	Condomínio Prime House Vila Mascote	4,533	-
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Splendor Ibirapuera	2,544	6,972
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Quality House Lapa	23,081	21,116
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Tatuapé	9,824	12,417
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Square	5,166	-
Park Empreendimentos Imobiliários Ltda.	Condomínio Collori	17,804	17,584
Park Empreendimentos Imobiliários Ltda.	Condomínio Evidence	5,402	4,692
Priscilla Empreendimentos Imobiliários Ltda.	Condomínio Vert	6,023	7,159
Condomínio Ville de France - SCP	Condomínio Ville de France	2,813	2,195
Tatuapé Empreendimentos Imobiliários Ltda.	Condomínio Dream View	-	394
Village of Kings Incorporadora Ltda.	Condomínio Mundeo Moema Business	4,617	-
		222,849	202,769

14. LOANS AND FINANCING

				Consolidated	
				Balances	
Purpose	Currency	Charges	Final maturity	06/30/08	03/31/08
Mortgage loans	R$	TR + 12.00% p.a.	04/18/10	1,271	1,322
Current				421	399
Noncurrent				850	923

The loan taken to finance the construction works is collateralized by the financed property.

Maturities of noncurrent portion are as follows:

	Consolidated	
Year	06/30/08	03/31/08
2009	419	509
2010	431	414
	850	923

15. PAYROLL AND RELATED CHARGES

Represented basically by:

	Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
Accrued vacation and related charges	1,144	803	2,680	1,791
Payroll charges	489	479	1,344	1,172
Payroll	597	231	1,144	629
Management fees	154	155	342	330
	2,384	1,668	5,510	3,922

16. TAXES PAYABLE

Represented basically by:

	Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
IRPJ (corporate income tax)	285	-	1,447	831
CSLL (social contribution tax)	103	-	531	484
PIS (tax on revenue)	-	-	68	73
COFINS (tax on revenue)	-	-	307	333
Other	13	18	284	241
	401	18	2,637	1,962

17. ADVANCES FROM CUSTOMERS

As of June 30, 2008, the amount of R$8,791 (R$8,239 as of March 31, 2008) in the consolidated balance sheet refers to amounts received from customers in excess of the percentage of completion of the projects, as determined by CFC Resolution No. 963/03.

18. LAND PAYABLE

Subsidiary	Location	Consolidated	
		06/30/08	03/31/08
Alexandria Incorporadora Ltda.	Mogi das Cruzes	-	5,850
Arambaré Incorporadora Ltda.	Praia Grande	8,569	14,190
Avignon Incorporadora Ltda.	Bertioga	-	1,899
Boneville Incorporadora Ltda.	Sacomã	3,000	-
Esmirna Incorporadora Ltda.	Paraíso	-	20
Gol Incorporadora Ltda.	Pirituba	4,736	5,303
Itagi Incorporadora Ltda.	Bertioga	21,460	21,820
J.J. Rodrigues Empreendimentos Imob. SPE Ltda.	Jundiaí	3,169	6,338
Jauaperi Incorpordora Ltda.	Vila Guarani	62	62
Lausanne Incorporadora Ltda	Saúde	5,400	-
Limoges Incorporadora Ltda.	Campo Belo	140	287
Livorno Incorporadora Ltda.	Campos de Jordão	5,700	5,700
Santarém Incorporadora Ltda.	Vila Mariana	-	766
Savona Incorporadora Ltda.	Vila Mariana	-	1,600
Torino Incorporadora Ltda.	Santo Amaro	-	3,173
Trento Incorporadora Ltda.	Sacomã	-	1,671
Treviso Incorporadora Ltda.	Campo Belo	589	589
Vanguarda Incorporadora Ltda.	Bertioga	2,570	2,570
Vermonth Incorporadora Ltda.	Caraguatatuba	-	2,511
Verona Incorporadora Ltda.	Santo Amaro	1,757	3,784
		57,152	78,133
Current		42,989	60,595
Noncurrent		14,163	17,538

The amounts related to land payable represent land purchased from third parties by the subsidiaries above, for future developments that will start in 2008.

The amounts mentioned above are free of financial charges, except for the land purchased by the subsidiaries Gol Incorporadora Ltda. and Arambaré Incorporadora Ltda., which is subject to the annual variation of the IGP-M published by Fundação Getúlio Vargas.

Maturities of the noncurrent portion are as follows:

	Consolidated	
	06/30/08	03/31/08
2009	6,041	13,112
2010	2,302	1,910
2011	1,036	816
2012	3,661	816
2013	1,037	816
2014	86	68
	14,163	17,538

19. PROFIT SHARING

The Company has an employee profit sharing program. To calculate profit sharing, the Company considers targets related to the function, area and position of employees, which are established by Management. The accrued amount as of June 30, 2008 was R$378.

20. PREPAID AND DEFERRED TAXES

Deferred income tax, social contribution tax, PIS and COFINS are calculated based on revenue recorded in the statement of operations and not yet received. These taxes are paid as cash is received, in accordance with tax legislation. The tax basis for the period is as follows:

a) Breakdown of balances recorded in current and noncurrent assets and liabilities

	Consolidated	
	06/30/08	03/31/08
Assets:		
Prepaid income tax	227	225
Prepaid social contribution tax	123	121
Prepaid PIS and COFINS	412	406
	762	752
Current	473	463
Noncurrent	289	289
Liabilities-		
Revenues recognized under the percentage-of--completion method and not received	252,737	211,345
Deferred income tax	5,451	4,227
Deferred social contribution tax	2,939	2,273
Deferred PIS and COFINS	9,939	7,710
	18,329	14,210
Current	4,672	3,755
Noncurrent	13,657	10,455

The amounts classified as noncurrent will be realized beginning July 2009.

b) Breakdown of current and deferred income and social contribution tax expenses

	Consolidated	
	06/30/08 Quarter	06/30/08 6 months
Current:		
Income tax	(2,074)	(3,234)
Social contribution tax	(528)	(1,079)
	(2,602)	(4,313)
Deferred:		
Income tax	(368)	(1,044)
Social contribution tax	(1,539)	(1,902)
	(1,907)	(2,946)

c) Reconciliation of current income and social contribution tax expenses

Income and social contribution tax expenses are reconciled at statutory rates, as follows:

	Consolidated	
	06/30/08 Quarter	06/30/08 6 months
Subsidiaries' revenues taxed based on deemed income on a cash basis	41,117	77,182
Effect of current income and social contribution taxes (see note 4.g) with statutory rates)	(2,602)	(4,313)

d) Reconciliation of deferred income and social contribution taxes

Deferred income and social contribution taxes are reconciled at statutory rates, as follows:

	Consolidated	
	06/30/08	06/30/07
Increase in difference between taxable income and book income (*)	61,916	95,649
Effect of deferred income and social contribution taxes in the period - effective rate of 3.08% (see note 4.g with statutory rates)	(1,907)	(2,946)

(*) Under Federal Revenue Service Regulatory Instruction No. 84/79, property developers must pay taxes based on cash inflows from real estate projects. CFC Resolution No. 963/03 determines that revenue should be recognized under the percentage-of-completion method. Thus, deferred taxes are recognized based on the difference between taxable income and book income.

e) Reconciliation of income and social contribution taxes - current

	Company	
	06/30/08	06/30/07
Income (loss) before taxes	56,128	(5,623)
Tax rate - 34%	(19,084)	1,912
Effect on deductions	18,581	9,672
Effect on additions	(45)	-
Tax credit not recognized on tax losses	(92)	(11,584)
Current income and social contribution tax expense	(640)	-

The Company will record tax credits upon realization of future taxable income.

21. RELATED-PARTY TRANSACTIONS

The balances of related-party transactions represent amounts received upon the assignment of receivables by the shareholders in 2006 and new loans from the Company to its investees:

		Company		Consolidated	
		06/30/08	03/31/08	06/30/08	03/31/08
Long-term assets-					
Intercompany receivables due to capital contribution:					
Esmirna Incorporadora Ltda.		-	4,099	-	-
Garicema Empreendimentos Imobiliários Ltda.		-	35,598	-	-
Limoges Incorporadora Ltda.		-	12,371	-	-
Aurillac Incorporadora Ltda.		-	3,229	-	-
Avignon Incorporadora Ltda.		3,667	4,617	-	-
Itagi Incorporadora Ltda.		1,262	3,122	-	-
Otawa Incorporadora Ltda.		-	50	-	-
Wanessa Incorporadora Ltda.		-	6,033	-	-
Cremona Incorporadora Ltda.		372	-	-	-
Treviso Incorporadora Ltda.		-	13,890	-	-
Santarém Incorporadora Ltda.		-	10,034	-	-
J.J. Rodrigues Empreend. Imob. SPE Ltda.		6,404	1,053	-	-
Savona Incorporadora Ltda.		-	3,629	-	-
Graúna Incorporadora Ltda.		-	10	-	-
Analisys Consultoria, Planej. e Participações S/S		1,585	1,475	-	-
Tatuapé Empreendimentos Imobiliários Ltda.		-	-	-	-
Center Jab. Empreendimentos Imobiliários Ltda.		-	20	-	-
Jauaperi Incorporadora Ltda.		-	1,700	-	-
Livorno Incorporadora Ltda.		-	24	-	-
Verona Incorporadora Ltda.		-	450	-	-
Torino Incorporadora Ltda.		-	370	-	-
Trento Incorporadora Ltda.		-	200	-	-
Monza Incorporadora Ltda.		-	3,620	-	-
Alexandria Incorporadora Ltda.		-	650	-	-
Lausanne Incorporadora Ltda.		-	400	-	-
Bonneville Incorporadora Ltda.		100	-	-	-
Vermonth Incorporadora Ltda.		112	-	-	-
WZ Incorporação Imobiliária Privelige Ltda.	(*)	-	-	1,136	1,421
Trisul S.A.	(*)	-	-	3,202	-
Proberd Empreendimentos Imobiliários Ltda.	(*)	-	-	986	1,185
		13,502	106,644	5,324	2,606

		Company		Consolidated	
		06/30/08	03/31/08	06/30/08	03/31/08
Current liabilities-					
Intercompany payables:					
Camila Empreendimentos Imobiliários Ltda.		683	-	-	-
EZ TEC Técnica Engenharia e Construção Ltda.		-	1	-	-
Paraíso Empreendimentos Imobiliários Ltda.		2,057	2,057	-	-
Silvana Empreendimentos Imobiliários Ltda.		1,850	1,630	-	-
Park Empreendimentos Imobiliários Ltda.		2,686	2,756	-	-
WZ Incorporação Imobiliária Privelige Ltda.	(*)	-	-	1,213	702
Proberd Empreendimentos Imobiliários Ltda.	(*)	-	-	1,011	1,104
Alefico Administração e Participações Ltda.	(*)	-	-	1,333	2,614
Trisul S.A.	(*)	-	-	82	59
Juriti Empreendimentos Imobiliários Ltda.		-	620	-	-
Camila Empreendimentos Imobiliários Ltda.		-	483	-	-
Tatuapé Empreendimentos Imobiliários Ltda.		-	471	-	-
Marcella Empreendimentos Imobiliários Ltda.		8	10	-	-
		7,284	8,028	3,639	4,479

(*) Refer to transactions related to projects developed in partnership with these companies.

The loan agreements and intercompany accounts with shareholders and subsidiaries are not subject to financial charges.

In the quarter and six-month period ended June 30, 2008, in addition to intercompany loan agreements, legal advisory services, in the amount of R$206 (R$16 as of June 30, 2007), were contracted from Hatti, Franco e Advogados Associados, a company controlled by one of the Company's shareholders.

22. RESERVE FOR CONTINGENCIES

a) The Companies are parties to certain labor lawsuits for which the likelihood of unfavorable outcome is considered remote by the legal counsel.

b) Based on an individual analysis of tax contingencies, Management recorded a reserve in an amount considered sufficient to cover probable losses.

c) The Companies are not parties to any administrative or judicial proceedings for which the likelihood of unfavorable outcome is considered possible and that require disclosure.

Changes in reserve for contingencies for the quarters ended June 30 and March 31, 2008 are as follows:

	Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
Opening balance	445	41	4,336	3,856
Additions	-	404	-	480
Closing balance	445	445	4,336	4,336

23. SHAREHOLDERS' EQUITY

a) Capital

On March 3, 2007, the Extraordinary Shareholders' Meeting approved a capital increase of R$2,762 through the issuance of new shares, and a reverse stock split to 100,000,000 common shares without par value.

On April 27, 2007, the Extraordinary Shareholders' Meeting approved a capital increase to R$181,923 through the capitalization of the profit reserve and income for the quarter ended March 31, 2007, in the amounts of R$5,137 and R$8,824, respectively, without the issuance of new shares.

On May 17, 2007, the Company's capital was R$181,923, represented by 100,000,549 common shares without par value, through the assignment of assets.

At a meeting held on June 26, 2007, the Board of Directors approved a capital increase to R$653,355, with the public issuance of shares, represented by 142,857,926 common shares without par value.

At a meeting held on July 18, 2007, the Board of Directors approved a capital increase of R$70,715, with the issue of 6,428,606 common shares without par value, related to the overallotment option in connection with the public offering.

As of June 30 and March 31, 2008, the Company's capital is R$724,070, represented by 149,286,532 common shares without par value.

b) Dividends

In accordance with the bylaws, shareholders are entitled to a mandatory minimum dividend of 25% of net income for the year, calculated pursuant to Brazilian Corporate Law.

The allocation of income for the year ended December 31, 2007 is as follows:

	12/31/07
Net income for the year	45,922
Legal reserve - 5%	(2,296)
	43,626
Proposed dividends - 25%	(10,906)
Capital increase with income for the year	(8,824)
Profit retention reserve	(23,896)
	-

The allocation of the remaining balance of net income for the year to the profit retention reserve is intended to increase the Companies' operating activities.

Dividends were approved at the Annual Shareholders' Meeting held on April 15, 2008 and paid on April 30, 2008.

c) Treasury shares

At a meeting held on April 15, 2008, the Board of Directors approved a common stock buyback program for the purpose of holding shares in treasury and subsequently selling and/or cancelling them, without any capital reduction. The Company may acquire 4,860,000 common shares at the market price, representing approximately 10% of the outstanding shares. In the period ended June 30, 2008, 210,400 common shares were repurchased, totaling R$1,022

24. STOCK OPTION PLAN

The Company's bylaws provide for a stock option plan, as approved by the Extraordinary Shareholders' Meeting held on March 3, 2007, for officers, employees and contractors, and by June 30, 2008 none of the beneficiaries had exercised their call options. The stock option plan shall be limited to 2% of Company's shares.

25. CANCELLATION OF SALES

As of June 30, 2008, the amount of R$6,574 (R$2,441 as of June 30, 2007) represents cancellations in the period, related to contracts previously entered into, which include the effects of the results recorded under the percentage-of-completion method of the related works, Properties returned through cancellation are resold and, therefore, no provision for returns is recognized in the financial statements.

26. OTHER OPERATING INCOME

Represented principally by gain on sale of CEPACs in the amount of R$4,920.

27. FINANCIAL INCOME (EXPENSES)

Represented basically by:

	Company		Consolidated	
	06/30/08	06/30/07	06/30/08	06/30/07
Income:				
Financial income	14,078	560	14,234	674
Interest on trade accounts receivable	-	-	5,992	1,773
Other	-	-	574	49
	14,078	560	20,800	2,496
Expenses:				
CPMF (tax on banking transactions)	(9)	(1,617)	(19)	(2,043)
Interest and monetary variation	(12)	(252)	(109)	(252)
Other	(2)	(117)	(318)	(174)
	(23)	(1,986)	(446)	(2,469)

28. LEASE AGREEMENT

As of June 30, 2008, the Company has lease agreements for IT equipment, totaling R$1,304 (R$1,304 as of March 31, 2008), whose monthly installments are subject to adjustment based on fixed rates varying from 1.20% to 1.22% per month. The agreements have final maturity dates between September 2010 and January 2011.

Lease installments are recorded as expenses in the statement of operations. During the six--month period ended June 30, 2008, the amount of R$107 was recorded as lease expense.

As of June 30, 2008, the unrecognized amount of lease agreements in the interim financial statements is R$1,079 (R$1,079 as of March 31, 2008) and the related depreciation is R$104. The present value of agreements payable is R$992 (R$1,032 as of March 31, 2008).

29. FINANCIAL INSTRUMENTS

a) Exchange risk exposure

The Company and its subsidiaries are not exposed to exchange risks since they do not conduct foreign-currency transactions.

b) Interest rate risk exposure

The Company and its subsidiaries have loans with third parties, which are subject to the fluctuations in indexes established in the loan agreements. They are exposed to interest rate fluctuations on trade accounts receivable and temporary cash investment balances.

c) Concentration of risk

The Company and its subsidiaries maintain bank accounts and temporary cash investments in financial institutions approved by Management in accordance with objective criteria for diversification of risks. The trade accounts receivable balance is represented by several customers and none accounted for 10% or more of the total net operating revenue or trade accounts receivable balance.

d) Carrying amounts and fair value of financial instruments

Except for the captions “Intercompany payables” and “Intercompany receivables”, which are not subject to financial charges, the fair values as of June 30 and March 31, 2008 do not significantly differ from the carrying amounts and do not reflect subsequent changes in the economy, such as interest and tax rates and other variables that may affect their determination. The following methods and assumptions have been adopted to determine the fair value:

- Cash, banks and temporary cash investments - the carrying amounts stated in the balance sheets approximate the fair value due to the short-term maturity of these financial instruments.

In the quarters ended June 30 and March 31, 2008, the Company and its subsidiaries did not have derivative financial instruments.

30. INSURANCE

As of June 30, 2008, the Company and its subsidiaries have the following insurance contracts at amounts considered by Management to be in line with the risks involved:

a) Engineering risks - construction in progress - all risks policy, covering all risks involved in the construction of a project, such as fire, theft and execution damage, among others. This type of policy allows additional coverage according to the risks inherent in the work, among which are the following: civil and cross liability, extraordinary expenses, riots, employer's civil liability, and pain and suffering.

b) Business insurance - covers sales booths and model apartments against damage caused by fire, lightning, explosion and other.

c) Miscellaneous risks insurance - electronic equipment - covers possible thefts or electrical damage.

31. COMMITMENTS

The Company has rental agreements for two properties where its facilities are located, at a monthly cost of R$26, adjusted based on the IGP-M published by Fundação Getúlio Vargas. The term of the rental is five years, and early termination is subject to a fine equivalent to three months' rent.

The Company, through its subsidiaries, has long-term agreements in the amount of R$3,370 (R$8,098 as of March 31, 2008), related to the supply of raw material used for real estate projects.

32. AMENDMENT TO BRAZILIAN CORPORATE LAW - LAW No. 11638/07

On December 28, 2007, Law No. 11638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and Financial Statements. This Law is effective for fiscal years beginning on or after January 1, 2008 and was designed primarily to update the Brazilian Corporate Law, so as to enable the convergence of Brazilian accounting practices with international accounting standards (IFRS) and allow CVM to issue new accounting standards and procedures, in conformity with such international accounting standards. Certain of these changes shall be applied as of the beginning of the next fiscal year while others are subject to regulation by regulatory agencies.

The main changes that may affect the Company and its subsidiaries are summarized as follows:

- Replacement of the statement of changes in financial position by the statement of cash flows.

- Inclusion of the statement of value added. Management will disclose this statement at the close of the fiscal year 2008.

- Possibility of maintaining separate accounting records for purposes of complying with tax legislation and reflecting necessary adjustments in order to prepare the financial statements in conformity with Brazilian Corporate Law.

- Creation of two new account groups: (a) intangible assets; and (b) valuation adjustments to shareholders' equity, in order to record certain fair value adjustments, mainly for financial instruments; foreign exchange rate variations on foreign investments accounted for under the equity method of accounting (through December 31, 2007, this adjustment was recorded in profit and loss account); and certain fair value adjustments related to assets and liabilities as a result of a merger between unrelated parties that results in the transfer of control.

- Requirement of periodic analysis of the recoverability of amounts recorded in property and equipment, intangible assets and deferred charges.

- Requirement that certain long-term assets and liabilities be recorded at present value, and, if material, for certain other short-term assets and liabilities.

- Requirement to record under the caption "Property and equipment" those rights in tangible assets that are maintained or used in the operations of the Company's business, including those rights received as a result of transactions that transfer the benefits, risks and control of such assets to the Company.

As these changes have only been introduced recently, and some of them are still subject to regulation by regulatory agencies, Management is assessing all the effects of such changes and the following changes may be highlighted with relation to certain significant cases already measured:

- Financial lease presented in note 26.

- Inclusion of the statement of cash flows in note 34 to provide a better understanding of the operations of the Company and its subsidiaries.

33. SUBSEQUENT EVENTS

a) Pursuant to a purchase agreement and other covenants, on July 1, 2008, the subsidiary Bergamo Incorporadora Ltda. purchased a plot of land for R$5,300, which will be paid in two installments of R$2,120 and R$3,180, at the time the real estate project is approved by the proper public authorities and the deed is delivered, respectively. The two installments will be adjusted based on the IGP-M published by Fundação Getúlio Vargas.

b) On July 1, 2008, the Company sold 3,200 CEPACs to third parties, according to the CEPACs sale agreement and other covenants, for R$4,000, with a gain of R$448.

c) Pursuant to a purchase agreement and other covenants, on July 11, 2008, the subsidiary Otawa Incorporadora Ltda. purchased a plot of land for R$2,500, of which R$250 was paid in cash and the remaining balance of R$2,250 at the time the deed of purchase and sale was delivered.

d) Pursuant to a purchase agreement and other covenants, on July 18, 2008, the subsidiary Graúna Incorporadora Ltda. purchased a plot of land for R$3,400, of which R$340 was paid in cash and the remaining balance of R$3,060 was paid at the time the deed of purchase and sale was delivered.

34. CASH FLOWS

Shown below are the statements of cash flows for the quarters ended June 30, 2008 and 2007:

	Company		Consolidated	
	06/30/08	06/30/07	06/30/08	06/30/07
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	55,488	(5,623)	55,488	(5,623)
Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization of goodwill	331	-	331	-
Depreciation	56	7	116	97
Deferred taxes	-	-	6,414	1,402
Loss on acquisition of investment	-	-	-	-
Monetary variation	-	251	(5,992)	(620)
Accrued share subscription costs	-	7,092	-	7,092
Equity in subsidiaries	(54,649)	(28,446)	-	-
Provision for investment losses	81	159	-	-
Reserve for contingencies	404	21	480	703
Write-off of property and equipment	-	-	13	-
Write-off of investment	4,453	419	-	
Minority interest	-	-	(234)	(13)
Increase in assets:				
Trade accounts receivable	-	-	(81,020)	(16,027)
Acquisition of CEPAC	(61,272)	-	(61,272)	-
Real estate held for sale	-	-	(77,746)	(76,124)
Recoverable taxes	-	-	-	(97)
Prepaid expenses	-	(75)	2,854	(3,558)
Other receivables	(3,016)	(6)	(1,976)	(1,636)
(Increase) decrease in liabilities:				
Advances from customers	-	-	368	3,612
Trade accounts payable	524	545	5,908	4,021
Other payables	2,008	834	(2,714)	349
NET CASH USED IN OPERATING ACTIVITIES	(55,592)	(24,822)	(158,982)	(86,422)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investments	(66,063)	(598)	-	-
Dividends received from subsidiaries	23,403	-	-	-
Acquisition of property and equipment	(1,784)	(253)	(1,784)	(517)
NET CASH USED IN INVESTING ACTIVITIES	(44,444)	(851)	(1,784)	(517)
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank loans	-	15,270	394	15,270
Capital increase	-	471,432	-	471,432
Increase in minority interest	-	-	9,403	9,276
Intercompany loans	(41,558)	(51,331)	149	(1,586)
Dividends paid	(10,906)	(598)	(10,906)	(1,999)
Buyback of shares	(1,022)	-	(1,022)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(53,486)	434,773	(1,982)	492,393
(INCREASE) DECREASE IN CASH AND CASH EQUIVALENTS	(153,522)	409,100	(162,748)	405,454
Balance at beginning of quarter	390,936	11	409,089	10,820
Balance at end of quarter	237,414	409,111	246,341	416,274
TRANSACTIONS NOT REQUIRING CASH OUTLAY				
Land purchase financed by sellers	-	-	(49,438)	-
Income and social contribution taxes paid	253	-	2,738	946
Assignment of investments and rights (see note 1)	-	-	-	-
Transfer of CEPACs to investment	(4,091)	-	-	-
Intercompany receivables converted into capital contribution	(126,526)	-	-	-