DELOITTE TOUCHE TOHMATSU
#00018614
2010-2586

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

EZ TEC Empreendimentos e Participações S.A. and Subsidiaries

Individual and Consolidated Financial Statements
For the Year Ended December 31, 2010 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying individual and consolidated financial statements of EZ TEC Empreendimentos e Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion on the Financial Statements Prepared in Accordance with Accounting Practices Adopted in Brazil

In our opinion, the individual (Parent) and consolidated financial statements present fairly, in all material respects, the financial position of EZ TEC Empreendimentos e Participações S.A. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS), Applicable to Real Estate Development Entities in Brazil, as Approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of EZ TEC Empreendimentos e Participações S.A. as at December 31, 2010, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

Emphasis of Matter

As mentioned in note 2, the individual (Parent) and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil. The consolidated financial statements prepared in accordance with IFRS applicable to real estate development entities also include the provisions of OCPC Instruction 04 issued by the Accounting Pronouncements Committee, which addresses revenue recognition in the real estate development industry, as detailed in note 3.1.

Certain matters related to the meaning and application of the concept of continuous transfer of control and risks and rewards on the sale of real estate units will be analyzed by the International Financial Reporting Interpretation Committee (IFRIC). As a result of this analysis, real estate development companies may be required to review their revenue recognition accounting practices.

Other Matters

Statements of Value Added

We have also audited the individual and consolidated statements of value added ("DVA"), for the year ended December 31, 2010, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies, and considered supplemental information for IFRS, which does not require a presentation of DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

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

São Paulo, March 17, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walter Dalsasso
Engagement Partner

© 2011 Deloitte Touche Tohmatsu. All rights reserved.

MANAGEMENT'S COMMENTS

The management of EZTEC announces the results for 2010, a period in which the Company demonstrated to the market its ability to expand in a structured manner while increasing its already exceptional margins.

EZTEC registered record high launch volume in 2010, which grew by 75.4% in relation to 2009. A total of 12 projects were launched, which combined represented own PSV of R$887.1 million, a figure that is very close to the high end of the guidance given for the year, through which management committed to generate launch volume representing own PSV of between R$700.0 million and R$900.0 million.

EZTEC's contracted sales also set a new record, of R$748.0 million, for growth of 32.4% from the previous year. In this context, the highlight was the sale of R$410.5 million (54.9%) by our brokerage team, TEC Vendas, which is currently formed by 345 brokers, helping to contain selling expenses, which ended the year at 3.7% of contracted sales. As a result, EZTEC closed 2010 with units in inventory worth R$451.1 million, which represents 7.2 months of sales, which is one of the lowest ratios in the industry.

Another highlight in the year was the number of projects concluded, with a total of 8 projects delivered (all on time), of which 3 represented savings of more than 2.0% in relation to the initial budget, reflecting the rigorous cost control to which EZTEC's construction projects are subjected. The 8 projects delivered represented combined own PSV of R$414.7 million, and on average 94% of units have already been sold.

In 2010, EZTEC acquired 13 new lots for future development, all of which are well located, adding own PSV of R$926.2 million. These acquisitions enable the Company to rebuild its capacity for new launches, with a land bank representing total own PSV of R$3.8 billion at the close of 4Q10, and with an acquisition cost of 9.5%, which includes the expenses with expanding construction potential.

In recognition of the quality of its operations, in October 2010, EZTEC won the 1st PINI Developer of the Year Award, organized by the publisher PINI with the support of the Real Estate Center of the Polytechnic School at the University of São Paulo (NRE Poli-USP). In addition to financial performance, the award also considers relations between the Company and its clients, employees and suppliers, as well as its concern with society and the environment.

Also regarding quality, in February 2011, the Vanzolini Foundation recommended EZTEC for the Level A Certification from the Brazilian Housing Quality and Productivity Program (PBQP-H) and the ISO 9001 Certification. In 2010, the Company revalued, standardized and documented all technical processes to better structure itself for future growth.

EZTEC's financial highlights included surpassing the minimum guidance levels of 40% for gross margin and 30% for net margin established for the year, ending the year with gross margin of 46.8% and net margin of 38.3%, for increases on the prior year of 6.5 p.p. and 6.1 p.p.. This margin expansion was driven by the combination of the hikes in property prices during 2010 and the effective management of project costs and delivery deadlines.

The Company's operating growth led net income to a record high of R$243.7 million in the year, for growth of 49.6% on 2009. This result assured EZTEC one of the highest returns on equity (ROE) in the industry in 2010, of 26.7%. The payout of 25.0% of net income after legal deductions as dividends will total R$57.9 million, representing R$0.40 per share, subject to approval by the Shareholders' Meeting to be held on April 28, 2011.

EZTEC's financial solidity continues to be reflected by its high balance of cash, cash equivalents and financial investments of R$192.5 million, which after deducting the debt of R$57.4 million (composed exclusively of SFH financing lines for construction), stood at R$135.1 million. The Company also holds R$268.0 million in performing receivables, which are remunerated by the IGP-M+12% p.a. and are eligible for securitization. These funds will be allocated to the acquisition of new lots, the launch of new projects and working capital.

The solid results delivered have increased interest for information by local and foreign funds, which led to higher coverage of EZTEC by investment banks and brokerages. EZTEC stock is now covered by Banco do Brasil, Banif, BTG Pactual, Gradual Investimentos, Planner Corretora, Safra and Santander.

For 2011, EZTEC's management reinforces its confidence in the growth strategy in terms of segment (both residential and commercial), income standard (focus on middle and high income groups) and geographic exposure (focus on São Paulo Metropolitan Area). In February, EZTEC announced its guidance for the year, with launch volume of between R$1.0 billion and R$1.2 billion and no change in the minimum levels of gross margin of 40% and net margin of 30%, representing its commitment to growth supported by profitability.

As of the disclosure of this release, 5 projects had been launched in 2011, for combined own PSV of R$445.7 million, or 40.5% of the center of the guidance range given for the year. The pace of sales of 50% to 90% by the first week after launch clearly confirms the demand for properties in the São Paulo Metropolitan Area.

As another subsequent event, with the aim of boosting its stock liquidity, in January 2011, EZTEC published a material fact in which it announced the sale of up to 3,441,588 shares held in treasury within a period of 365 days. These shares were acquired in two buyback programs in 2008 and 2009 at the average price of R$3.10 per share. As of the disclosure of this release, 1,085,700 shares had already been sold to 5 funds at the average unit price of R$13.95 per share. In 2011, EZTEC stock has presented liquidity of R$3.4 million/day, or 71.1% higher than in 2010.

EZTEC takes this opportunity to express its appreciation for the confidence placed in its business model and to reaffirm its commitment to profitability and solidity.

Cordially,

EZTEC Management

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEET AS AT DECEMBER 31, 2010
(In thousands of Brazilian reais - R$)

		Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
ASSETS	Note	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
CURRENT ASSETS							
Cash and cash equivalents	4	94.542	84.617	168.682	163.326	128.447	189.700
Short-term investments	5	23.574	-	-	29.180	-	-
Trade accounts receivable	6	-	-	-	295.479	261.341	105.658
Properties for sale	7	-	-	-	236.748	204.238	150.464
Recoverable taxes	8	-	-	-	908	454	388
Prepaid taxes	19	-	-	-	437	473	540
Other receivables		278	270	331	1.652	1.853	1.838
Additional Potential for Construction Certificates (CEPAC)	9	63.844	26.502	-	63.844	26.502	-
Prepaid expenses		-	-	-	-	91	662
Total current assets		182.238	111.389	169.013	791.574	623.399	449.250
NONCURRENT ASSETS							
Trade accounts receivable	6	-	-	-	397.124	303.457	232.015
Properties for sale	7	-	-	-	163.536	152.875	197.397
Advanced taxes	19	-	-	-	212	294	295
Taxes to be offset	8	12.876	11.035	9.016	12.876	11.035	9.016
Additional Potential for Construction Certificates (CEPAC)	9	-	21.905	21.609	-	21.905	21.609
Due from related parties	20	12.871	9.081	6.848	2.398	3.351	2.169
Other receivables		18	18	16	5.016	12.977	1.123
Investments	10	968.472	818.002	611.785	3	3	3
Property, plant and equipment	11	5.900	1.660	1.339	6.105	1.992	1.797
Intangible assets	12	2.421	1.671	1.465	2.627	1.873	1.667
Total noncurrent assets		1.002.558	863.372	652.078	589.897	509.762	467.091
TOTAL ASSETS		1.184.796	974.761	821.091	1.381.471	1.133.161	916.341

		Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
CURRENT LIABILITIES							
Trade accounts payable		1.095	1.237	456	11.621	13.946	9.516
Labor obligations	15	2.741	1.909	1.260	6.329	6.315	4.340
Taxes and contributions	16	8	11	6	5.675	3.289	2.292
Borrowings and financing	14	-	-	-	24.688	17.557	614
Allowance for losses on investments	10	1.846	1.519	1.398	-	-	-
Accounts payable		32	4.977	65	6.050	8.924	1.010
Advances from customers	17	-	-	-	22.288	10.995	17.161
Land payable	18	-	-	-	31.317	11.014	7.393
Dividends payable	22	57.887	38.696	18.187	57.887	38.696	18.187
Due to related parties	20	22.222	12.792	8.529	2.439	2.566	3.800
Deferred taxes	19	-	-	-	22.870	17.611	7.471
Total current liabilities		85.831	61.141	29.901	191.164	130.913	71.784
NONCURRENT LIABILITIES							
Borrowings and financing	14	-	-	-	32.687	49.347	13.655
Land	18	-	-	-	10.354	2.855	7.340
Reserve for contingent liabilities	21	445	445	445	4.333	4.333	4.333
Deferred taxes	19	-	-	-	24.980	20.276	17.008
Capital contributions for future development projects		-	-	-	18	18	18
Other debts to third parties		-	502	465	1.293	519	1.258
Total noncurrent liabilities		445	947	910	73.665	77.348	43.612
SHAREHOLDERS' EQUITY							
Capital	22	724.070	724.070	724.070	724.070	724.070	724.070
Treasury shares	22	(10.681)	(10.681)	(8.839)	(10.681)	(10.681)	(8.839)
Earnings reserves	22	385.131	199.284	75.049	385.131	199.284	75.049
Company´s owners		1.098.520	912.673	790.280	1.098.520	912.673	790.280
Noncontrolling interests in subsidiaries' equity		-	-	-	18.122	12.227	10.665
Total shareholders' equity		1.098.520	912.673	790.280	1.116.642	924.900	800.945
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1.184.796	974.761	821.091	1.381.471	1.133.161	916.341

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

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010
(In thousands of Brazilian reais - R$, except basic earnings per share)

	Note	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
		12/31/2010	12/31/2009	12/31/2010	12/31/2009
NET OPERATING REVENUE	24	-	-	636.397	505.978
Cost of properties sold and services rendered		-	-	(338.729)	(302.326)
GROSS PROFIT		-	-	297.668	203.652
OPERATING INCOME (EXPENSES)					
Selling expenses	26	-	-	(28.050)	(14.616)
General and administrative expenses	26	(25.824)	(17.223)	(37.785)	(25.436)
Management fees	27	(4.853)	(2.739)	(5.465)	(3.239)
Equity in subsidiaries	10	266.195	165.179	-	-
Allowance for losses on investments	10	(327)	(120)	-	-
Tax expenses		(199)	(108)	(2.499)	(1.807)
Reversal of allowance for losses on CEPAC	9	3.333	4.191	3.333	4.191
Other operating expenses, net		(2.699)	(525)	(25)	(3.160)
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		235.626	148.655	227.177	159.585
Financial income	28	8.283	14.373	44.125	21.882
Financial expenses	28	(175)	(97)	(3.197)	(1.480)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		243.734	162.931	268.105	179.987
Current income tax and social contribution	19	-	-	(18.085)	(10.465)
Deferred income tax and social contribution	19	-	-	(4.558)	(6.331)
NET INCOME		243.734	162.931	245.462	163.191
ATTRIBUTABLE TO THE COMPANY´S OWNERS		243.734	162.931	243.734	162.931
ATTRIBUTABLE TO NONCONTROLLING INTERESTS		-	-	1.728	260
EARNINGS PER SHARE (IN R$) - BASIC	23	1,70	1,14	1,70	1,14

(*) There is no comprehensive income for the current and prior years.

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

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010
(In thousands of Brazilian reais - R$)

	Note	Capital	Treasury shares	Earnings reserve			Retained earnings	Company's owners	Noncontrolling interests in equity	Consolidated shareholders' equity
				Legal reserve	Withheld income	Expansion reserve				
OPENING BALANCES AS AT JANUARY 1, 2009		724.070	(8.839)	6.125	68.924	-	-	790.280	10.665	800.945
Transfer of reserves - General Shareholders Meeting		-	-	-	(68.924)	68.924	-	-	-	-
Noncontrolling interests in subsidiaries		-	-	-	-	-	-	-	1.302	1.302
Shares buyback	22	-	(1.842)	-	-	-	-	(1.842)	-	(1.842)
Net income for the year		-	-	-	-	-	162.931	162.931	260	163.191
Allocation of net income:										
Legal reserve	22	-	-	8.147	-	-	(8.147)	-	-	-
Proposed dividends	22	-	-	-	-	-	(38.696)	(38.696)	-	(38.696)
Expansion reserve	22	-	-	-	-	116.088	(116.088)	-	-	-
BALANCES AS AT DECEMBER 31, 2009		724.070	(10.681)	14.272	-	185.012	-	912.673	12.227	924.900
Noncontrolling interests in subsidiaries		-	-	-	-	-	-	-	4.167	4.167
Net income for the year		-	-	-	-	-	243.734	243.734	1.728	245.462
Allocation of net income:										
Legal reserve	22	-	-	12.187	-	-	(12.187)	-	-	-
Proposed dividends	22	-	-	-	-	-	(57.887)	(57.887)	-	(57.887)
Expansion reserve	22	-	-	-	-	173.660	(173.660)	-	-	-
BALANCES AS AT DECEMBER 31, 2010		724.070	(10.681)	26.459	-	358.672	-	1.098.520	18.122	1.116.642

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

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
(In thousands of Brazilian reais - R$)

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the year	243.734	162.931	245.462	163.191
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Adjustment of receivables to present value	-	-	6.631	6.144
Reversal of provision for CEPAC	(3.333)	(4.191)	(3.333)	(4.191)
Foreign exchange gains (losses), net	(2.238)	37	(24.219)	(2.438)
Depreciation and amortization	901	227	1.035	348
Write-off of investments	-	2.466	-	-
Equity in subsidiaries	(266.195)	(165.179)	-	-
Income tax and social contribution - current and deferred	-	-	22.643	16.796
Allowance for losses on investments	327	120	-	-
Write-off of property, plant and equipment	-	8	-	8
Increase (decrease) in operating assets:				
Trade accounts receivable	-	-	(104.373)	(228.261)
Acquisition of CEPAC	(43.157)	-	(43.157)	-
Properties for sale	-	-	14.796	5.723
Advanced expenses	-	-	91	571
Dividends received from subsidiaries	241.005	96.220	-	-
Other assets	(1.303)	(34.295)	7.483	(47.396)
Increase (decrease) in operating liabilities:				
Advances from customers	-	-	11.293	(6.166)
Trade accounts payable	(142)	781	(2.325)	4.430
Income tax and social contribution paid	-	-	(17.034)	(9.891)
Interest paid	-	-	(6.380)	(3.144)
Other liabilities	(4.642)	4.916	4.631	10.469
Net cash provided by (used in) operating activities	164.957	64.041	113.244	(93.807)
CASH FLOW FROM INVESTING ACTIVITIES				
Short-term investments	(21.859)	-	(27.148)	-
Capital contributions in subsidiaries	(94.226)	(125.085)	-	-
Purchase of property, plant and equipment and intangible assets	(5.891)	(759)	(5.901)	(761)
Net cash provided by (used in) investing activities	(121.976)	(125.844)	(33.049)	(761)
CASH FLOW FROM FINANCING ACTIVITIES				
Loans and financing	-	-	58.122	61.341
Payment of loans and financing	-	-	(68.782)	(9.299)
Noncontrolling interests in subsidiaries	-	-	4.167	1.302
Shares buyback	-	(1.842)	-	(1.842)
Related parties	5.640	(2.233)	(127)	-
Dividends paid	(38.696)	(18.187)	(38.696)	(18.187)
Net cash provided by (used in) financing activities	(33.056)	(22.262)	(45.316)	33.315
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9.925	(84.065)	34.879	(61.253)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	84.617	168.682	128.447	189.700
CASH AND CASH EQUIVALENTS AT END OF YEAR	94.542	84.617	163.326	128.447

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

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED DECEMBER 31, 2010
(In thousands of Brazilian reais - R$)

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
REVENUES				
Properties sold and services rendered	-	-	660.622	523.163
Other revenues	96	135	-	-
	96	135	660.622	523.163
INPUTS ACQUIRED FROM THIRD PARTIES (including taxes - ICMS, IPI, PIS and COFINS)				
Cost of properties sold and services rendered	-	-	(315.296)	(277.153)
Materials, electric energy, outside services and other	(12.109)	(8.714)	(44.950)	(27.268)
Recovery of assets	3.006	4.071	3.333	4.191
Other	(2.994)	(765)	(2.524)	(4.971)
	(12.097)	(5.408)	(359.437)	(305.201)
GROSS VALUE ADDED (CONSUMED)	(12.001)	(5.273)	301.185	217.962
DEPRECIATION AND AMORTIZATION	(901)	(227)	(1.035)	(348)
NET VALUE ADDED (CONSUMED) RECORDED BY THE COMPANY	(12.902)	(5.500)	300.150	217.614
WEALTH RECEIVED IN TRANSFER				
Equity in subsidiaries	266.195	165.179	-	-
Financial income	8.283	14.373	44.125	21.882
	274.478	179.552	44.125	21.882
TOTAL WEALTH TO BE DISTRIBUTED	261.576	174.052	344.275	239.496
DISTRIBUTION OF WEALTH	261.576	174.052	344.275	239.496
Personnel:				
Direct compensation	11.091	7.820	31.387	29.211
Benefits	3.074	784	4.054	1.086
FGTS	522	289	3.229	1.716
Taxes, rates and contributions:				
Federal	2.458	1.610	54.422	40.722
Municipal	65	28	2.067	1.597
Debt capital:				
Financial expenses	175	97	3.197	1.480
Rental	457	493	457	493
Own capital:				
Proposed dividends	57.887	38.696	57.887	38.696
Withheld income for the year	185.847	124.235	185.847	124.235
Noncontrolling interests in withheld income	-	-	1.728	260

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

1. GENERAL INFORMATION

EZ TEC Empreendimentos e Participações S.A. ("Company"), headquartered at Alameda Jauaperi, 299, City of São Paulo, São Paulo State, is listed in BM&FBOVESPA's New Market since June 21, 2007, and its shares are traded under the ticker symbol "EZTC3". EZ TEC Empreendimentos e Participações S.A. is the Parent of the companies mentioned in Note 10 to the financial statements. The Company's individual and consolidated financial statements for the year ended December 31, 2010 comprise the Company and its subsidiaries.

The Company, through its subsidiaries, is engaged mainly in: (a) the development and sale of real estate projects of any nature, including through financing; (b) the management and lease of own real estate; (c) the plotting of land; (d) the construction of condominiums; (e) the provision of services related to the construction, supervision, studies and projects and performance of any construction works and civil engineering services of all technical and economic types; and (f) the investment in other companies as partner or shareholder.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

These financial statements include:

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Standards (IFRSs), applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), identified as Consolidated – IFRS and BR GAAP.

- The Company's individual financial statements prepared in accordance with accounting practices adopted in Brazil (BR GAAP), identified as Parent - BR GAAP.

The accounting practices adopted in Brazil comprise the provisions of the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the CPC and approved by CVM and CFC.

The Parent's individual financial statements present the investments in subsidiaries and jointly-owned subsidiaries under the equity method, which differ from the IFRSs, which require these investments to be measured at cost or fair value.

However, there is no difference between the consolidated shareholders' equity and net income presented by the Company and the shareholders' equity and net income presented in the individual financial statements, attributable to the Company's owners. Accordingly, the Company's consolidated and individual financial statements are presented as a single set, in the side-by-side format.Basis of preparation

The individual and consolidated financial statements have been prepared based on historical cost, unless stated otherwise.

In preparing the individual financial statements, the Company adopted the new accounting practices adopted in Brazil introduced by CPC technical pronouncements 15 to 40. The effects of adopting IFRSs and these new pronouncements issued by the CPC are discussed in note 3.

2.3. Basis of consolidation

The consolidated financial statements include the operations of the Company and those of the subsidiaries (created for the specific purpose of performing in real estate management activities) described in Note 10. All intercompany transactions and balances have been fully eliminated in consolidation and non-controlling interests are disclosed separately.

a) Investments in subsidiaries

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Under this method, the components of assets and liabilities and income and are fully combined and noncontrolling interests are calculated by applying the percentage interest of noncontrolling shareholders on the subsidiaries' equity.

b) Investments in jointly-owned subsidiaries

The Company holds shared interest in the companies where the contracts, or bylaws and/or agreements provide for shared control.

The Company recognizes its interest in jointly-owned subsidiaries in its consolidated financial statements under the proportionate consolidation method. The Company's interests in the assets, liabilities and income (expenses) of jointly-owned subsidiaries are combined with similar items, on a line by line basis, in the Company's consolidated financial statements.

In the Parent's individual financial statements, interests in subsidiaries and jointly-owned subsidiaries are stated under the equity method.

2.4. Business combination

In the consolidated financial statements, business acquisitions are accounted for using the acquisition method. Business combinations are measured at fair value, which is calculated by adding the fair values of the assets transferred by the buyer, the liabilities incurred by the buyer to the former owners of the acquiree and the equity issued by the Company in exchange for the control of the acquiree. Costs associated with the acquisition, when incurred, were expensed in the income statement.

Noncontrolling interests that correspond to current interests and give their holders the right to a proportionate share of the entity's net assets in event of liquidation, may be initially measured at fair value or based on the proportionate share of the noncontrolling interests of the identifiable net assets of the acquiree.

2.5. Functional and reporting currency

The individual and consolidated financial statements are expressed in Brazilian reais (R$), which is the functional and reporting currency of the Company.

2.6. Use of estimates and judgment

The financial statements have been prepared in accordance with accounting practices adopted in Brazil (CPC) and International Financial Reporting Standards (IFRSs), applicable to real estate development entities in Brazil, as approved by CPC, CVM and CFC, which require Management to make estimates that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. In preparing these financial statements, Management made some estimates, such as the estimated useful lives of property, plant and equipment, the amount of the allowance for doubtful accounts, discount rates at present value adopted to measure certain assets and liabilities, budgeted construction costs, reserve for contingencies, provision for tax losses, other provisions and fair value of financial instruments. Actual results could differ from those estimates.

2.7. Financial instruments

Financial assets and financial liabilities are recognized when the Company and its subsidiaries are parties to the agreement.

Financial assets and financial liabilities are initially measured at fair value. The fair value of financial assets and financial liabilities is added to or deducted from the transaction costs directly attributable to the purchase or issue of such financial assets and financial liabilities (except for financial assets and financial liabilities recognized at fair value in profit or loss) after initial recognition, when applicable. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

a) Financial assets

- Cash and cash equivalents

  Include cash and banks, highly-liquid investments in investment funds and financial treasury bills, that are readily convertible into a known cash amount and and subject to an insignificant risk of change in value. Stated at cost, plus income earned through the balance sheet date, net of provision for losses, when applicable.

- Short-term investments

  Refer to short-term, highly-liquid and held-to-maturity bank certificates of deposit (CDBs). At the balance sheet dates, all short-term investments are measured at amortized cost and their effects are recognized in profit or loss.

- Trade accounts receivable and allowance for doubtful accounts

  Trade accounts receivable (current and noncurrent), presented as accounts receivable, arise from sales of residential units, and the outstanding balance of the contracts is adjusted for inflation in conformity with the respective adjustment clauses and discounted to present value. The allowance for doubtful accounts is recorded in an amount considered sufficient by Management to cover probable losses on the realization of receivables, considering the risks involved, when applicable. For credits arising from contracts for the sale of units under construction the procedures described in note 2.16 are applied. The amounts related to the inflation adjustments on amounts receivable are recorded in profit or loss, under “Revenues from properties sold” until delivery of keys and under “Financial income” (interest income) after delivery of keys.

b) Financial liabilities

- Borrowings and financing

  Represented basically by real estate financing whose related funds are invested in construction works. Stated at their original amounts, plus interest and inflation adjustment as set forth in the agreements.

c) Other financial assets and financial liabilities subject to indexation

Assets and liabilities denominated in Brazilian reais (R$) and subject to indexation are adjusted for inflation based on the effective interest method, by applying the relevant indices as of the balance sheet dates. Similarly, exchange gains and losses and inflation adjustments are recognized in income statement, when accrued and incurred.

d) Equity instruments (treasury shares)

The buyback of shares in the Company is recognized and deducted directly from equity. No gain or loss is recognized in income or losses due to the purchase, sale, issuance or cancellation of the Company's own equity instruments.

2.8. Properties for sale

Represented by the cost of acquisition of land, plus construction costs and other expenditures related to the development of projects under construction or completed, whose units have not been sold yet.

Charges on loans and financing for the development of real estate are capitalized during construction and recognized in profit or loss as units are sold.

2.9. Investments

Investments in subsidiaries and jointly-owned subsidiaries are accounted for under the equity method.

2.10. Property, plant and equipment

Stated at cost, with depreciation recorded under the straight-line method, based on the useful lives of assets, except for leasehold improvements, which are depreciated over the lease term of the properties.

An item of property, plant and equipment is offset upon disposal or when there is no future economic benefits resulting from its continuous use. Any gain or loss from the sale or offset of an item of property, plant and equipment is determined by the difference between the sales amount received and the carrying value of the asset sold, recognized in the income statement.

The Company and its subsidiaries elected to maintain the historical costs of property, plant and equipment items instead of using the deemed cost, in accordance with paragraphs 20 to 29 of technical interpretation ICPC 10 – Interpretation on the First-time Adoption for Property, Plant and Equipment and Investment Properties of Technical Pronouncements CPCs 27, 28, 37 and 43, to account for the opening balance of property, plant and equipment on the first-time adoption of technical pronouncement CPC 27 and technical interpretation ICPC 10. The Company's and its subsidiaries' management did not adopt the deemed cost since it understands that it would have no significant effects as a significant portion of property, plant and equipment refers to leasehold improvements in 2010 and is amortized over the lease term of the property.

2.11. Impairment of tangible and intangible assets with definite useful lives

At year-end, the Company reviews the carrying amount of tangible and intangible assets to determine if there are any indications that they are impaired and, where necessary, the impairment loss amount is measured.

When the impairment loss is subsequently reversed, the carrying amount of the asset increases to the reviewed estimate of its recoverable value, provided that it does not exceed the carrying amount that would have been determined had no impairment losses been recognized for the asset in prior years. The reversal of the impairment loss is promptly recognized in the income statement.

For the years ended December 31, 2010 and 2009, there was no indication of impairment of tangible and intangible assets.

2.12. Reserve for contingencies

These are recognized based on actual obligations (legal or presumed) from past events, based on which the amounts can be reasonably determined and the settlement of which is probable.

The reserves for legal contingencies are recognized when the Company and its subsidiaries have a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and its present value can be reliably estimated.

2.13. Accrued warranties

Recorded in an amount considered sufficient to cover maintenance costs on real estate projects over the warranty period. The accrual is recognized as a contra entry to income (expenses) to the extent cost of sales are incurred; any potential unused remaining balance is reversed after the warranty period.

2.14. Income tax and social contribution

Current

As required by Brazilian tax legislation, revenue from sales of real estate units are taxed on a cash basis and not based on the criterion described in note 2.15 for recognition of such revenue. On an annual basis, provided that legal requirements are met, the Company and its subsidiaries may elect to calculate taxable income based on the taxable income or deemed income criteria, and/or on project-related assets. Under the taxable income regime, taxes are calculated as a percentage of net income, determined by applying the tax rates of 25% for federal income tax and 9% for social contribution, totaling 34%. According to taxation based on presumed income, it is calculated as 8% and 12% of operating income for income tax and social contribution, respectively, plus 100% of other revenues. Income tax and social contribution are calculated by applying tax rates of 25% and 9%, respectively.

For project-related assets, income tax and social contribution are calculated on revenues from real estate development at the rates of 1.89% and 0.98%, respectively.

2.15. Deferred taxes

Deferred income tax, social contribution (CSLL), taxes on revenue (PIS and COFINS) are recognized as current and noncurrent based on the expected date of payment of the installments under purchase and sale agreements. Deferred taxes refer to the difference between recognition under the percentage of completion, as described in note 2.16., and the tax criterion, according to which revenue is taxed when received.

2.16. Revenue from real estate development and sale

Revenue from the sale of properties, which comprises sales revenues, land and construction costs, and other expenses inherent in the respective real estate development, is recorded in income during construction based on the percentage of completion, and this percentage is calculated based on the actual costs incurred in relation to total estimated costs for the project, in accordance with the criteria established in OCPC 04 technical guideline – Application of Technical Interpretation ICPC 02 to Brazilian Real Estate Entities, as approved by CVM and CFC, considering the analysis of operations as to the compliance with the requirements set forth in such technical instruction for recognition of revenue and expenses. Trade accounts receivable for sale of units under construction are recognized under the percentage-of-completion method, and payments received, and, when greater than these receivables, recorded in current liabilities under "Advances from customers".

The balances of real estate development and properties under construction sold which, according to the criteria established by such pronouncements, are no longer included in the balances of the assets and liabilities are detailed in Note 13. For units completed, sales revenues and the related costs are fully recorded.

Certain matters related to the meaning and application of the concept of continuous transfer of control and risks and rewards on the sale of real estate units will be analyzed by the International Financial Reporting Interpretation Committee (IFRIC). As a result of this analysis, real estate development companies may be required to review their revenue recognition accounting practices.

2.17. Adjustment to present value of receivables and land payable

In accordance with CPC 12 – Adjustment to Present Value, the Company, through its subsidiaries, adjusted the balances of long-term receivables from incomplete units and plots of land payable to present value, considering as discount rate the variation of the National Treasury Bills – series B - NTN-B which is aligned with the Extended Consumer Price Index (IPCA) variation.

For short-term receivables, the effect thereof on financial statements as a whole is evaluated.

2.18. Statement of Value Added (DVA)

This statement shows the wealth generated by the Company and its distribution during a specific period and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements and supplementary information to the consolidated financial statements, since this statement is not required nor mandatory under the IFRSs.

The DVA was prepared based on the information obtained from the accounting records used as the basis for the preparation of the financial statements and in accordance with the provisions set forth in the CPC 09 technical pronouncement – Statement of Value Added. The first part of the DVA presents the wealth generated by the Company, represented by revenues (gross sales, including the taxes levied on revenues, other revenues and the effects from allowance for doubtful accounts) and inputs acquired by third parties (sales cost and acquisitions of materials, electric energy and third-party services, including the taxes levied on the acquisition, the effects from losses and recovery of assets and depreciation and amortization) and the value added received from third parties (equity in subsidiaries, financial income and other revenues). The second part of the statement of value added presents the distribution of wealth among personnel, taxes, fees and contributions, lenders and lessors, and shareholders.

2.19. New and revised standards and interpretations issued and not yet adopted

The Company and its subsidiaries did not adopt the following new and revised IFRSs already issued but not yet effective:

Standard	Title/Amendment	Effective date
Amendments to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	Applicable to annual periods beginning on or after July 1, 2010
Amendments to IFRS 1	Elimination of Fixed Dates for First-time Adopters of IFRSs	Applicable to annual periods beginning on or after July 1, 2011
Amendments to IFRS 7	Disclosures - Transfers of Financial Assets	Applicable to annual periods beginning on or after January 1, 2013

Standard	Title/Amendment	Effective date
IFRS 9 (as amended in 2010)	Financial Instruments	Applicable to annual periods beginning on or after January 1, 2011
Amendments to IAS 12	Deferred Taxes – Recovery of the Underlying Assets When the Asset Is Measured under IAS 407 Fair Value Framework	Applicable to annual periods beginning on or after January 1, 2012
Amendments to IAS 32	Classification of Rights	Applicable to annual periods beginning on or after February 1, 2010
Amendments to IFRIC 14	Prepayments of Minimum Funding Requirements	Applicable to annual periods beginning on or after January 1, 2011

The Company's management believes that the application of certain standards above, to be adopted in its consolidated financial statements on their effective dates, could impact previously reported amounts. However, it is not possible to provide a reasonable estimate of this effect until a detailed review is made at the time of their adoption.

CPC has not enacted yet the respective pronouncements and amendments to the new and revised IFRSs presented previously. Because of the CPC's and the CVM's commitment to keep the set of standards issued updated according to the changes made by the International Accounting Standards Board (IASB), we expect that such pronouncements and amendments be issued by the CPC and approved by the CVM by the date they become effective.

3. FIRST-TIME ADOPTION OF NEW ACCOUNTING PRACTICES ADOPTED IN BRAZIL AND IFRSs APPLICABLE TO REAL ESTATE DEVELOPMENT ENTITIES IN BRAZIL

The consolidated financial statements for the year ended December 31, 2010 are the first ones to be presented in conformity with IFRSs, as approved by CPC, CVM and CFC. The Company applied the accounting policies set out in note 2 for all periods presented, which includes the balance sheet as at the transition date, defined as January 1, 2009. For the measurement of the adjustments of the opening balances and in preparing the balance sheet as at the transition date, the Company applied the mandatory exceptions and certain optional exemptions to the retrospective application prescribed by CPC 37(R1) technical pronouncement - First–time Adoption of International Financial Reporting Standards, as described below.

3.1. Optional exemptions in the adoption of the new pronouncements

Based on CPC 37(R1) technical pronouncement (equivalent to the IFRS 1), the first-time adoption of the new pronouncements allows the application of voluntary procedures if there are differences in relation to the accounting practices previously adopted; however, the standard also allows the adjustment of certain transactions on a retroactive basis.

Management's judgment on the optional exemptions in the first-time adoption of the new pronouncements is as follows:

a) The first-time adopter may elect not to apply the technical pronouncement CPC 15 – Business Combination (IFRS 3R - "Business Combination") retrospectively to past business combinations (business combinations conducted prior to the date of transition to IFRS). However, the Company elected to re-prepare and restate all business combinations so as to align to IFRS 3R by recognizing identifiable assets acquired and contingent liabilities in the opening balance sheet. To recognize the identifiable assets acquired, the Company adopted estimated fair values and interest rates that reflect market conditions on the acquisition date, transition date and subsequent comparative reporting periods.

b) Measurement of property, plant and equipment at fair value: the Company elected not to remeasure its property, plant and equipment at deemed cost on the transition date but instead to maintain assets based on the historical acquisition cost, as described in note 2.10.

3.2. Effects of adopting the new accounting pronouncements issued by the CPC on the individual financial statements

In preparing its individual financial statements, the Company adopted all technical pronouncements and related interpretations and technical guidelines issued by CPC and approved by CVM and CFC, which, together with the accounting practices included in the Brazilian Corporate Law, comprise the accounting practices adopted in Brazil.

In measuring the adjustments and preparing the opening balance sheet, the Company applied the requirements contained in technical pronouncement CPC 43(R1) – First-time Adoption of Technical Pronouncements CPC 15 to 40 and adjusted its individual financial statements so that when consolidated they produced the same amounts of equity, attributable to the owners of the Company, and net income of the consolidation prepared in accordance with IFRSs applicable to real estate activities in Brazil, as approved by CPC, CVM and CFC, by applying technical pronouncement CPC 37(R1). Accordingly, the Company made in the individual financial statements the adjustments for the IFRS adoption in the consolidated financial statements. This procedure was adopted to obtain the same net income and shareholders' equity attributable to the owners of the Company in the individual and consolidated financial statements.

At January 1, 2009, the Company adjusted its financial statements in order to reflect the terms included in technical pronouncement CPC 15 and restated, in the Parent, the goodwill from intangible assets to investments and, in the Consolidated, from intangible assets to properties for sale. Except for this reclassification, there were no other adjustments arising from the adoption of new CPCs and IFRSs that changed the balances of liabilities, shareholders' equity, profit or losses and cash flows previously presented.

The effects on the transition balance are as follows:

Effects of adopting CPCs on the Parent's assets as at January 1, 2009 and December 31, 2009

	At 01/01/2009 (transition date)			At 12/31/2009 (date of the last period presented according to previous accounting practices)		
Line items	Prior BR GAAP	Effect of adoption of new CPCs	Restated BR GAAP	Prior BR GAAP	Effect from adoption of new CPCs	Restated BR GAAP
Current assets	169,013	-	169,013	111,389	-	111,389
Total current assets	169,013	-	169,013	111,389	-	111,389
Noncurrent assets:						
Investments	608,636	3,149	611,785	811,831	6,171	818,002
Intangible assets	4,614	(3,149)	1,465	7,842	(6,171)	1,671
Other noncurrent assets	38,828	-	38,828	43,699	-	43,699
Total noncurrent assets	652,078	-	652,078	863,372	-	863,372
Total assets	821,091	-	821,091	974,761	-	974,761

Effects of adopting IFRSs on the consolidated assets as at January 1, 2009 and December 31, 2009

	At 01/01/2009 (transition date)			At 12/31/2009 (date of the last period presented according to previous accounting practices)		
Line items	Prior BR GAAP	Effect from transition to IFRSs	IFRS and BR GAAP	Prior GAAP	Effect from transition to IFRSs	IFRS and BR GAAP
Current assets:						
Properties for sale	147,315	3,149	150,464	198,067	6,171	204,238
Other current assets	298,786	-	298,786	419,161	-	419,161
Total current assets	446,101	3,149	446,101	617,228	6,171	623,399
Noncurrent assets:						
Intangible assets	4,816	(3,149)	1,667	8,044	(6,171)	1,873
Other noncurrent assets	465,424	-	465,424	507,889	-	507,889
Total noncurrent assets	470,240	(3,149)	470,240	515,933	(6,171)	515,933
Total assets	916,341	-	916,341	1,133,161	-	1,133,161

3.3. Effects from the adoption of IFRSs and new accounting practices adopted in Brazil on net income and shareholders' equity for each quarter of 2009 and 2010

The Company elected to restate the 2010 interim financial statements (ITRs) comparatively with the 2009 interim financial statements, adjusted to the accounting practices adopted in Brazil effective in 2010 and IFRSs, in presenting the first 2011 interim financial statements, as permitted by CVM Resolution 656, of January 25, 2011. As disclosed in note 3.2., there were no effects arising from the adoption of IFRSs or the new accounting practices adopted in Brazil which could affect the balances of liabilities, shareholders' equity and profit or losses disclosed in each of the 2010 interim financial statements.

These interim financial statements have been subjected to special review procedures applied by the Company's independent auditors, in accordance with CVM requirements for Interim Financial Statements (NPA 06 of the Brazilian Institute of Independent Auditors (IBRACON)), including the adjustments arising from the adoption of the new accounting practices; accordingly, they were not subjected to auditing procedures, and were, therefore, not audited.

4. CASH AND CASH EQUIVALENTS

Represented by:

	Parent - BR GAAP			Consolidated IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
Cash and banks	619	350	362	46,116	24,498	9,847
Financial investment funds (a):						
Financial investment funds (b)	88,565	84,267	144,605	110,523	90,981	144,605
Financial Treasury Bills	5,358	-	-	6,687	-	-
Repurchase transactions (102.2% to 105.0% of the Interbank Deposit Certificate (CDI)	-	-	-	-	10,245	3,810
Bank Deposit Certificate (CDB) (99.8% to 103.5% of CDI)	-	-	23,715	-	2,723	31,438
	94,542	84,617	168,682	163,326	128,447	189,700

(a) Representing amounts in exclusive fixed income investment funds; therefore, the portfolio may be diversified through investment fund shares available in the market, federal government securities, fixed-income securities issued by a financial institution and repurchase agreements, highly liquid, managed by a private institution.

(b) Refer to short-term investments in open-ended investment funds whose purpose is to invest in highly liquid DI-indexed units of investment funds.

Short-term investments in the exclusive fund's portfolio are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

5. SHORT-TERM INVESTMENTS

As at December 31, 2010, R$23,574 and R$29,180, Parent and consolidated, respectively, refer to investments in CDBs, redeemable in over 90 days, to be held to maturity, with rates varying between 99.8% and 110.5% of the CDI rate.

6. TRADE ACCOUNTS RECEIVABLE

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Receivables from real estate development– completed works	268,016	223,361	91,806
Receivables from real estate development– construction in progress (*)	426,982	344,106	249,006
Trade notes receivable - services	28	28	28
	695,026	567,495	340,840
Securitized credits	(192)	(466)	(936)
Allowance for doubtful accounts	(2,231)	(2,231)	(2,231)
	692,603	564,798	337,673
Current	295,479	261,341	105,658
Noncurrent	397,124	303,457	232,015

(*) Net amounts of adjustments to present value, as at December 31, 2010, of R$29,503 (R$22,914 as at December 31, 2009 and R$17,070 as at January 1, 2009).

As at December 31, 2010 and 2009 and January 1, 2009, the aging list of noncurrent assets by maturity is as follows:

	Consolidated - IFRS and BR GAAP		
Year	12/31/2010	12/31/2009	01/01/2009
2010	-	-	92,355
2011	-	91,106	42,851
2012	122,987	60,043	24,520
2013	101,863	35,719	20,285
2014	42,787	30,589	17,058
2015	35,276	26,093	14,395
2016	29,370	22,017	11,079
2017	24,011	17,179	6,312
After 2018	40,830	20,711	3,160
	397.124	303.457	232.015

The aging list of trade accounts receivable as at December 31, 2010 and January 1, 2009, due to real estate development, is as follows:

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Past due:			
Up to 30 days	5,112	21,112	1,720
From 31 to 60 days	43,483	4,821	617
From 61 to 90 days	4,194	1,079	591
From 91 to 120 days	20,725	1,149	727
Above 120 days	11,905	5,267	4,032
	85,419	33,428	7,687
Current	609,607	534,067	333,153
	695,026	567,495	340,840

Out of the amounts past due as at December 31, 2010, approximately 83% refers to customers whose request for bank financing to settle their debt balance is being analyzed.

Securitized credits with co-obligation arise from the sale of a portion of trade accounts receivable of the following subsidiaries, at carrying amounts, on the transaction dates:

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Camila Empreendimentos Imobiliários Ltda.	-	39	137
Paraíso Empreendimentos Imobiliários Ltda.	-	-	135
Silvana Empreendimentos Imobiliários Ltda.	192	427	664
	192	466	936

The allowance for doubtful accounts has not changed over the years since it refers to receivables prior to 2002, that are not subject to mortgage on properties, which are being claimed at courts.

Such transactions are collateralized by mortgage on the financed properties when real estate credits are originated, except for those mentioned above.

7. PROPERTIES FOR SALE

Primarily comprised of construction cost of properties for sale, completed and under construction, and land for future developments, as shown below:

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Completed units	13,998	16,826	6,308
Units under construction	92,229	77,741	49,483
Land for new projects	287,341	256,343	286,620
Advances to suppliers	6,716	6,203	5,450
	400,284	357,113	347,861
Current	236,748	204,238	150,464
Noncurrent	163,536	152,875	197,397

Land for new projects will be developed beginning 2011, according to the launchings in progress. The developments scheduled to be launched after 2012 were classified under noncurrent assets.

As at December 31, 2010, the Company, through its subsidiary Avignon Incorporadora Ltda., owns a plot of land, in the amount of approximately R$6,952, equivalent to its percentage interest in the subsidiary, for which no environmental licenses were obtained from regulatory bodies in view of the notice received on December 12, 2007. The Company's management understands that the licenses will be obtained without significant additional costs.

In addition to this land, the Company owns other plots of land in the region of Bertioga, São Paulo State, in the amount of R$5,998**,** recorded in subsidiaries Itagi Incorporadora Ltda. and Vanguarda Incorporadora Ltda.

As at December 31, 2010, the Company's management evaluated its "Land for new projects" according to market evaluation reports and, based on the result of these evaluations, concluded that no impairment adjustment is required, as their carrying amounts are lower than their fair values.

For the year ended December 31, 2010, capitalized interest amounts to R$745 (R$1,193 as at December 31, 2009), consolidated.

8. RECOVERABLE TAXES

Represented by:

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
Withholding Income Tax (IRRF) (*)	12,870	11,029	9,010	13,432	11,127	9,081
Social Security Contribution (INSS)	6	6	6	29	29	29
Social Integration Program Tax on Revenue (PIS) and Social Security Funding Tax on Revenue (COFINS)	-	-	-	179	175	175
Corporate Income Tax (IRPJ)	-	-	-	66	66	50
Social Contribution on Net Income (CSLL)	-	-	-	25	20	20
Others	-	-	-	53	72	49
	12,876	11,035	9,016	13,784	11,489	9,404
Current liabilities	-	-	-	908	454	388
Noncurrent	12,876	11,035	9,016	12,876	11,035	9,016

(*) The income tax on short-term investments represents withholdings, including in prior years, which, in accordance with article 66 of Law 8383/91, with the new wording established by article 58 of Law 9069/95, establishes the right of offset against taxes of the same nature or reimbursement request, which ensures the Company its full realization at adjusted amounts. During 2011, the Company's management will define how such right will be used.

9. ADDITIONAL POTENTIAL FOR CONSTRUCTION CERTIFICATES (CEPAC)

On February 22, 2008, the Company participated in the public auction in the electronic trading system, Mega Bolsa, concerning the CEPAC negotiation, conducted by the Municipality of São Paulo, related to the urban consortium operation, Água Espraiada, and acquired 90,000 shares, totaling R$99,900.

As at December 31, 2010, the balance amounts to R$63,844 (R$48,407 as at December 31, 2009 and R$21,609 as at January 1, 2009), stated at cost, less provision for adjustment to the quoted price of the last auction held on August 31, 2010.

This amount is classified in current assets according to estimated use in projects to be launched.

10. INVESTMENTS

		Parent - BR GAAP						
			Shareholders' equity (shareholders'	Net income (loss) for the	Equity in	Investments		
Subsidiary	Equity interest - %	Capital	(deficit)	year	subsidiaries	12/31/2010	12/31/2009	01/01/2009
AK 14 Empreendimentos e Participações Ltda.	60.00	1	9,469	(65)	(39)	5,681	-	-
Alfenas Incorporadora Ltda.	99.99	9,877	10,242	(1,625)	(1,625)	10,242	9,657	-
Alexandria Incorporadora Ltda.	99.99	7,226	17,541	(2,128)	(2,128)	17,541	6,960	6,943
Analisys Consultoria, Planejamento e Participações S/S	99.99	5	(1,582)	(72)	-	-	-	-
Arapanés Incorporadora Ltda.	99.99	1	5,867	(9)	(9)	5,867	-	-
Antilhas Empreendimentos Imobiliários Ltda. - Condomínio Ville de France - SCP (1)	50.00	9,942	23,801	6,098	3,049	11,900	8,869	7,625
Arambaré Incorporadora Ltda.	99.99	23,409	18,907	(691)	(691)	18,907	17,853	13,309
Ares da Praça Empreendimento Imobiliário Ltda.	70.00	7,525	8,833	(136)	(95)	6,183	6,116	5,722
Aurillac Incorporadora Ltda.	99.99	16,538	18,607	9,172	9,172	18,607	25,950	11,783
Áustria Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Bergamo Incorporadora Ltda.	99.99	1,001	1,057	(7)	(7)	1,057	109	4
Camila Empreendimentos Imobiliários Ltda.	99.99	14,860	13,958	(69)	(69)	13,958	14,026	14,816
Blumenau Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Cabo Frio Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Catarina Incorporadora Ltda.	99.99	1	2,701	-	-	2,701	-	-
Cayowaa Incorporadora Ltda.	99.99	4,826	4,860	(15)	(15)	4,860	4,764	4,765
Center Jabaquara Empreendimentos Imobiliários Ltda.	99.99	837	1,519	(162)	(162)	1,519	662	609
Crown Incorporadora Ltda.	99.99	6,026	21,051	4,138	4,138	21,049	13,812	3,679
Curupá Empreendimentos Imobiliários Ltda.	99.99	5,212	6,447	3,511	3,511	6,447	9,020	8,799
Elba Incorporadora Ltda.	99.99	5,247	13,113	(163)	(163)	13,113	4,177	1
Esmirna Incorporadora Ltda.	99.99	8,265	22,107	9,617	9,616	22,105	12,488	5,393
E.Z.L.I. Empreendimento Imobiliário Ltda.	70.00	18,548	18,626	(287)	(201)	13,038	12,995	12,992
EZ TEC Técnica Engenharia e Construção Ltda.	99.99	11,056	(219)	(4,941)	(4,722)	-	104	819
Florença Incorporadora Ltda.	99.99	4,002	4,507	345	345	4,507	2,752	2,503
Garicema Empreendimentos Imobiliários Ltda.	99.99	54,687	82,005	22,032	22,032	82,005	59,729	38,679
Genova Incorporadora S.A. (1)	50.00	5,090	14,008	8,042	4,021	7,004	2,992	596
Giopris Empreendimentos Imobiliários Ltda.	99.99	35,838	48,812	26,763	26,763	48,812	67,154	78,189
Giovanna Incorporadora Ltda.	99.99	1	3,342	(65)	(65)	3,342	1	-
Gol Incorporadora Ltda.	99.99	23,469	23,898	(3)	(3)	23,898	22,766	20,927
Grauna Incorporadora Ltda.	99.99	3,651	3,812	(68)	(68)	3,812	3,600	3,581
Guara Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Hannover Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Iracema Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Itagi Incorporadora Ltda.	80.00	5,404	463	(48)	(39)	370	372	337

		Parent - BR GAAP						
			Shareholders' equity (shareholders'	Net income (loss)		Investments		
Subsidiary	Equity interest - %	Capital	(deficit)	for the year	Equity in subsidiaries	12/31/2010	12/31/2009	01/01/2009
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda. (1)	50.00	18,533	47,060	17,390	8,695	23,530	13,952	7,827
Jauaperi Incorporadora Ltda.	99.99	24,837	70,081	37,839	37,839	70,081	101,683	53,881
Juriti Empreendimentos Imobiliários Ltda.	99.99	7,025	6,476	318	318	6,476	6,157	6,927
Lafaiete Incorporadora Ltda.	99.99	1	3	(1)	(1)	3	1	3
Lausane Incorporadora Ltda.	99.99	8,401	16,383	8,929	8,929	16,383	6,958	6,275
Limoges Incorporadora Ltda.	99.99	27,516	42,644	14,864	14,864	42,644	23,917	17,430
Livorno Incorporadora Ltda.	99.99	8,586	8,683	(126)	(126)	8,683	8,578	8,497
Luzitânia Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Marcella Empreendimentos Imobiliários Ltda.	99.99	37,430	53,627	26,621	26,621	53,627	45,956	43,034
Marina Empreendimentos Imobiliários Ltda.	99.99	29,173	46,801	14,557	14,557	46,801	50,234	41,109
Mix Residencial Ltda.	99.99	1	1	(1)	(1)	1	1	1
Mônaco Incorporação S.A. (1)	40.00	34,767	37,246	(258)	(103)	14,898	13,141	13,348
Monza Incorporadora Ltda.	99.99	13,262	18,289	12,308	12,308	18,289	17,731	9,914
Otawa Incorporadora Ltda.	99.99	3,482	3,572	(777)	(777)	3,572	3,469	2,673
Paraíso Empreendimentos Imobiliários Ltda.	99.99	5,798	6,079	208	208	6,079	6,131	6,519
Park Empreendimentos Imobiliários Ltda.	99.99	15,808	24,095	7,852	7,852	24,095	30,648	19,944
Priscilla Empreendimentos Imobiliários Ltda.	99.99	15,312	11,682	(4,843)	(4,843)	11,682	12,226	7,943
Reno Incorporadora Ltda.	99.99	1	11	-	-	11	-	-
Santarém Incorporadora Ltda.	99.99	15,765	32,138	9,626	9,626	32,138	22,512	13,144
Savona Incorporadora Ltda.	90.00	7,946	23,124	8,263	7,437	20,811	13,332	7,242
San Diego Incorporadora Ltda.	99.99	11,052	18,103	11,082	11,082	18,103	10,386	2
Santa Lidia Empreendimentos e Participações SPE Ltda. (1)	50.00	17,392	23,327	(1,263)	(631)	11,663	11,130	-
Serra Azul Incorporadora Ltda.	99.99	1	1	(20)	(20)	1	-	-
Silvana Empreendimentos Imobiliários Ltda.	99.99	11,764	11,564	220	220	11,564	10,992	13,342
Solidaire Empreendimentos Imobiliários Ltda. (1)	50.00	20	(92)	(5)	-	-	-	-
Tatuapé Empreendimentos Imobiliários Ltda.	99.99	20,969	20,981	2,979	2,979	20,981	19,582	28,577
Tec Vendas Consultoria de Imóveis Ltda.	99.90	106	222	1,140	1,139	222	581	222
Tirol Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Torino Incorporadora Ltda.	99.99	4,521	12,427	4,320	4,320	12,427	3,734	3,719
Toscana Incorporadora Ltda.	99.99	5,023	6,010	(107)	(107)	6,010	2,003	2
Trento Incorporadora Ltda.	99.99	3,511	3,977	981	981	3,977	2,626	2,416
Treviso Incorporadora Ltda.	90.00	24,659	36,862	10,611	9,550	33,175	12,081	14,435
Valentina Empreendimentos Imobiliários Ltda.	99.99	191	196	(2)	(2)	196	2,488	2,488
Vanguarda Incorporadora Ltda.	99.99	5,716	4,956	(12)	(12)	4,956	4,950	5,682
Verona Incorporadora Ltda.	99.99	11,901	19,639	3,421	3,421	19,639	12,493	6,579
Vermonth Incorporadora Ltda.	99.99	3,511	4,095	104	104	4,095	3,931	2,360
Venezia Incorporadora Ltda.	99.99	1	1	-	-	1	-	-
Village of Kings Incorporadora Ltda.	99.99	15,840	41,996	16,511	16,511	41,996	25,045	14,943
Wanessa Incorporadora Ltda. (1)	50.00	12,960	14,047	1,442	721	7,023	6,253	6,085
Win Consultoria Imobiliária Ltda.	99.99	1	2	(2)	(2)	2	1	2
Windsor Incorporadora Ltda.	99.99	1	728	(8)	(8)	728	-	-
Subtotal					266,195	965,096	811,831	608,636
Business combination (2)						3,376	6,171	3,149
Total investments						968,472	818,002	611,785

(1) Jointly-owned subsidiaries and consolidated proportionally to interest. The other investments are fully consolidated.

(2) In business combination, amounts of properties for sale were recognized, which, after acquired, were stated at fair value and, on subsequent periods, tested for impairment by internal and external analysts, as follows:

	Parent (BR GAAP)		
Properties for sale acquired from companies:	12/31/2010	12/31/2009	1º.01.2009
Antilhas Empreendimentos Imobiliários Ltda. - Condomínio Ville de France - SCP	-	1,514	2,175
Garicema Empreendimentos Imobiliários Ltda.	678	869	-
Genova Incorporadora S.A.	1,719	2,809	974
Santa Lidia Empreendimentos e Participações SPE Ltda.	979	979	-
	3,376	6,171	3,149

Allowance for losses on investments with shareholders' deficit:

	Parent - BR GAAP		
Allowance for losses on investments	12/31/2010	12/31/2009	01/01/2009

Analisys Consultoria, Planejamento e Participações S/S	(1,582)	(1,519)	(1,398)
EZ TEC Técnica Engenharia e Construção Ltda.	(219)	-	-
Solidaire Empreendimentos Imobiliários Ltda.	(45)	-	-
	(1,846)	(1,519)	(1,398)

As at December 31, 2010, the amount of R$1,846 (R$1,519 as at December 31, 2009 and R$1,398 as at January 1, 2009), recorded under allowance for losses on investments, is equivalent to the interest in investments with shareholders' deficit and recorded under current liabilities. As at December 31, 2010, an amount of R$327 (R$120 as at December 31, 2009) was recorded as expenses in profit or loss.

11. PROPERTY, PLANT AND EQUIPMENT

Comprised of:

	Parent - BR GAAP					
	Balance as at 01/01/2009	Additions	Write-offs	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Cost						
Furniture and fixtures	79	8	-	87	517	604
Machinery and accessories	78	-	-	78	57	135
Vehicles	-	-	-	-	61	61
Tools	-	-	-	-	6	6
Facilities	57	8	(8)	57	11	68
Computers and peripherals	495	532	-	1,027	993	2,020
Improvements	185	5	-	190	3,248	3,438
Equipment	630	3	-	633	81	714
	1,524	556	(8)	2,072	4,974	7,046
Accumulated depreciation						
Furniture and fixtures	(7)	(8)	-	(15)	(29)	(44)
Machinery and accessories	(15)	(15)	-	(30)	(23)	(53)
Vehicles	-	-	-	-	(7)	(7)
Tools	-	-	-	-	(1)	(1)
Facilities	-	(9)	-	(9)	(6)	(15)
Computers and peripherals	(118)	(102)	-	(220)	(280)	(500)
Improvements	(20)	(31)	-	(51)	(322)	(373)
Equipment	(25)	(62)	-	(87)	(66)	(153)
	(185)	(227)	-	(412)	(734)	(1,146)
	1,339	329	(8)	1,660	4,240	5,900

	Consolidated - IFRS and BR GAAP					
	Balance as at 01/01/2009	Additions	Write-offs	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Cost						
Furniture and fixtures	187	9	-	196	515	711
Machinery and accessories	88	3	-	91	57	148
Vehicles	139	-	-	139	60	199
Tools	15	-	-	15	6	21
Facilities	164	-	(10)	154	10	164

	Consolidated - IFRS and BR GAAP					
	Balance as at 01/01/2009	Additions	Write-offs	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Computers and peripherals	1,090	532	-	1,622	993	2,615
Improvements	185	7	-	192	3,247	3,439
Equipment	685	-	-	685	87	772
	2,553	551	(10)	3,094	4,975	8,069

	Consolidated - IFRS and BR GAAP					
	Balance as at 01/01/2009	Additions	Write-offs	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Accumulated depreciation						
Furniture and fixtures	(47)	(18)	-	(65)	(42)	(107)
Machinery and accessories	(22)	(17)	-	(39)	(24)	(63)
Vehicles	(133)	(3)	-	(136)	(15)	(151)
Tools	(7)	(1)	-	(8)	(2)	(10)
Facilities	(39)	(12)	2	(49)	(15)	(64)
Computers and peripherals	(444)	(200)	-	(644)	(362)	(1,006)
Improvements	(20)	(31)	-	(51)	(323)	(374)
Equipment	(44)	(66)	-	(110)	(79)	(189)
	(756)	(348)	2	(1,102)	(862)	(1,964)
	1,797	203	(8)	1,992	4,113	6,105

The following annual rates are adopted to calculate depreciation:

Furniture and fixtures	10%
Machinery and accessories	10%
Vehicles	20%
Tools	10%
Facilities	10%
Computers and peripherals	20%
Improvements	20%
Others	10%

12. INTANGIBLE ASSETS

	Parent - BR GAAP				
	Balance as at 01/01/2009	Additions	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Software license:					
Cost	1,465	206	1,671	914	2,585
Amortization	-	-	-	(166)	(166)
Trademarks and patents:					
Cost	-	-	-	3	3
Amortization	-	-	-	(1)	(1)
	1,465	206	1,671	750	2,421

	Consolidated - IFRS and BR GAAP				
	Balance as at 01/01/2009	Additions	Balance as at 12/31/2009	Additions	Balance as at 12/31/2010
Software license:					
Cost	1,667	206	1,873	914	2,787
Amortization	-	-	-	(171)	(171)
Trademarks and patents:					
Cost	-	-	-	13	13

Amortization	-	-	-	(2)	(2)
	1,667	206	1,873	754	2,627

13. TRANSACTIONS REGARDING REAL ESTATE DEVELOPMENT AND PROPERTY SALES

As described in note 2.16, the total amounts of sale of units under construction, including the amounts already realized and recorded in balance sheet accounts and the amounts not yet realized, identified below as "unrealized", due to the revenue recognition method prescribed in technical instruction OCPC 04 applicable to real estate activities, are as follows:

a) Trade accounts receivable

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Current assets:			
Accounts receivable - % realized	295,479	261,341	105,658
Accounts receivable - % unrealized	150,030	139,996	73,086
	445,509	401,337	178,744
Noncurrent:			
Accounts receivable - % realized	397,124	303,457	232,015
Accounts receivable - % unrealized	453,622	352,425	301,964
	850,746	655,882	533,979

b) Construction obligations

Represent the estimates of agreed-upon costs to be incurred in constructions in progress of units already sold, less costs already incurred through December 31, 2010 and 2009, in the amounts of R$342,986 and R$295,025, respectively, and R$243,778 as at January 1, 2009.

c) Unearned revenue from properties for sale

As at December 31, 2010, unearned revenue from properties for sale totaled R$260,666 (R$197,396 as at December 31, 2009 and R$131,272 as at January 1, 2009).

14. BORROWINGS AND FINANCING

		Consolidated - IFRS and BR GAAP					
Financial institution	Purpose	Currency	Charges	Final maturity	12/31/2010	12/31/2009	01/01/2009
Banco Itaú S.A.	Working capital	R$	-	January 2011	178	-	
Banco Real S.A.	Mortgage loans	R$	TR + 12.0% p.a.	June 2009	-	-	733
Banco Real S.A.	Mortgage loans	R$	TR + 12.0% p.a.	May 2009	-	-	620
Banco ABN AMRO Real S.A.	Mortgage loans	R$	TR + 12.5% p.a.	December 2011	14,202	-	-
Banco ABN AMRO Real S.A.	Mortgage loans	R$	TR + 12.0% p.a.	October 2011	400	-	-
Banco ABN AMRO Real S.A.	Mortgage loans	R$	TR + 10.5% p.a.	October 2011	-	2,039	-

				Consolidated - IFRS and BR GAAP			
Financial institution	Purpose	Currency	Charges	Final maturity	12/31/2010	12/31/2009	01/01/2009
Banco Santander Banespa S.A.	Mortgage loans	R$	TR + 10.5% p.a.	September 2010	-	7,458	1,946
Banco Santander S.A.	Mortgage loans	R$	TR + 10.5% p.a.	October 2010	-	10,099	10,970
Banco Santander S.A.	Mortgage loans	R$	TR + 10.2% p.a.	May 2011	-	17,463	-
Banco Santander Banespa S.A.	Mortgage loans	R$	TR + 10.2% p.a.	January 2011	-	6,386	-
Unibanco - União Bancos Brasileiros S.A.	Mortgage loans	R$	TR + 10.4% p.a.	July 2010	-	9,048	-
Banco Itaú S.A.	Mortgage loans	R$	TR + 11.0% p.a.	October 2011	-	2,103	-
Unibanco - União Bancos Brasileiros S.A.	Mortgage loans	R$	TR + 10.4% p.a.	December 2011	9,765	2,718	-
Banco Itaú S.A.	Mortgage loans	R$	TR + 11.0% p.a.	February 2012	-	3,499	-
Banco Itaú S.A.	Mortgage loans	R$	TR + 10.2% p.a.	March 2012	4,305	1,294	-
Banco Itaú S.A.	Mortgage loans	R$	TR + 11.0% p.a.	April 2012	10,644	1,955	-
Banco Itaú S.A.	Mortgage loans	R$	TR + 10.5% p.a.	June 2012	15,892	2,102	-
Caixa Econômica Federal	Mortgage loans	R$	TR + 8.3% p.a.	March 2013	1,989	740	-
					57,375	66,904	14,269
Current liabilities					24,688	17,557	614
Noncurrent					32,687	49,347	13,655

Borrowings and financing are contingent upon the development of real estate, secured by real estate mortgages.

15. PAYROLL AND RELATED TAXES

Represented by:

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01.01.2009	12/31/2010	12/31/2009	01.01.2009
Accrued vacation and related taxes	520	459	311	1,871	2,481	1,471
Taxes on payroll	805	562	436	2,067	1,942	1,566
Salaries and bonuses payable (*)	1,014	666	381	1,860	1,492	998
Management fees	402	222	132	531	400	305
	2,741	1,909	1,260	6,329	6,315	4,340

(*) Includes provision for bonuses payable to employees based on overall goals defined by Management. R$1,977 were charged to administrative and selling expenses, for the year ended December 31, 2010 (R$918 for the year ended December 31, 2009).

16. TAX OBLIGATIONS

Represented by:

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01,01,2009	12/31/2010	12/31/2009	01,01,2009
IRPJ	-	-	-	1,969	1,222	920
CSLL	-	-	-	1,051	663	431
PIS	-	-	-	417	217	143
COFINS	-	-	-	2,049	938	660
Other	8	11	6	189	249	138
	8	11	6	5,675	3,289	2,292

17. ADVANCE FROM CUSTOMERS

As at December 31, 2010, the amount of R$22,288 (R$10.995 as at December 31, 2009 and R$17,161 as at January 1, 2009) recorded in the consolidated financial statements corresponds to the trade accounts receivable in excess of the percentage-of-completion of the real estate projects.

18. LAND PAYABLE

		Consolidated - IFRS and BR GAAP		
In subsidiary	Location	12/31/2010	12/31/2009	01/01/2009
Arambaré Incorporadora Ltda.	Praia Grande	3,032	3,781	4,861
Arapanés Incorporadora Ltda.	Tatuapé	7	-	-
Aurillac Incorporadora Ltda.	Praia Grande	1,958	-	-
Bergamo Incorporadora Ltda.	Mooca	4,575	4,900	-
Bonneville Incorporadora Ltda.	Sacomã	-	-	1,821
Catarina Incorporadora Ltda.	Jundiaí	3,799	-	-
Center Jabaquara Empreendimentos Imobiliários Ltda.	Jabaquara	831	-	-
Elba Incorporadora Ltda.	Santana	618	-	-
Esmirna Incorporadora Ltda.	Paraíso	-	-	882
Giopris Empreendimentos Imobiliários Ltda.	Jucumã	499	-	-
Gol Incorporadora Ltda.	Pirituba	-	920	3,281
Jauaperi Incorporadora Ltda.	Vila Guarani	-	-	62
Juriti Empreendimentos Imobiliários Ltda.	Santo Amaro	5,774	-	-
Paraíso Empreendimentos Imobiliários Ltda.	Saúde	2,823	-	-
Santarém Incorporadora Ltda.	Vila Mariana	-	-	1,000
Solidaire Empreendimentos Imobiliários Ltda.	Campo Belo	225	-	-
San Diego Incorporadora Ltda.	Indianópolis	902	863	-
Toscana Incorporadora Ltda.	Pinheiros	-	1,875	-
Trento Incorporadora Ltda.	Sacomã	2,606	-	-
Treviso Incorporadora Ltda.	Campo Belo	-	-	256
Vanguarda Incorporadora Ltda.	Bertioga	-	-	2,570
Verona Incorporadora Ltda.	Vila Mascote	447	1,530	-
Village of Kings Incorporadora Ltda.	Piraporinha	3,924	-	-
Windsor Incorporadora Ltda.	Tremembé	9,651	-	-
		41,671	13,869	14,733
Current liabilities		31,317	11,014	7,393

Noncurrent	10,354	2,855	7,340

As at December 31, 2010, land payable refer to land acquired from third parties by the abovementioned subsidiaries for future real estate development, which will take place at the beginning of 2011, except for the land acquired by subsidiary San Diego Incorporadora Ltda., whose real estate project was launched in 2010.

These amounts are not subject to financial charges, except for the land acquired by subsidiaries Arambaré Incorporadora Ltda., which is adjusted for inflation based on the General Market Price Index disclosed by Fundação Getúlio Vargas (IGP-M/FGV), and San Diego Incorporadora Ltda., which is adjusted for inflation based on the yield on savings accounts. Land payables not adjusted for inflation are adjusted to present value, in accordance with criteria similar to those described in note 2.17.

Maturities of noncurrent portion are as follows:

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01.01.2009
2010	-	-	2,266
2011	-	926	3,036
2012	9,309	926	941
2013	965	926	941
2014	80	77	156
	10,354	2,855	7,340

19. PREPAID AND DEFERRED TAXES

Deferred income tax, social contribution, PIS and COFINS are calculated based on unearned revenues recognized in profit or loss for the year. Taxes are paid when revenues are realized as prescribed by tax legislation. The calculation basis for the year is as follows:

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

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Assets:			
Prepaid income tax	192	228	247
Prepaid social contribution	104	123	133
Prepaid PIS and COFINS	353	416	455
	649	767	835
Current liabilities	437	473	540
Noncurrent	212	294	295

	Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009
Basis for calculation of deferred tax liabilities:	724,529	590,409	357,910
Deferred income tax	14,848	11,812	7,624
Deferred social contribution	7,773	6,140	4,013
Deferred PIS and COFINS	25,229	19,935	12,842
	47,850	37,887	24,479
Current liabilities	22,870	17,611	7,471
Noncurrent	24,980	20,276	17,008

The noncurrent portion will be realized beginning January 2011.

b) Breakdown of IRPJ and CSLL expenses – current and deferred

	Consolidated IFRS and BR GAAP	
	12/31/2010	12/31/2009
Current:		
IRPJ	(12,034)	(6,847)
CSLL	(6,051)	(3,618)
	(18,085)	(10,465)
Deferred:		
IRPJ	(3,010)	(4,174)
CSLL	(1,548)	(2,157)
	(4,558)	(6,331)

c) Reconciliation of IRPJ and CSLL expenses - current

IRPJ and CSLL expenses are reconciled at statutory rates, as follows:

	Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009
Revenues from subsidiaries taxed under the deemed income regime – cash basis	586,615	298,386
Effects of current income tax and social contribution for the year (see note 2.15. at statutory rates)	(18,085)	(10,465)

d) Reconciliation of IRPJ and CSLL effects - deferred

Deferred IRPJ and CSLL expenses are reconciled at statutory rates, as follows:

	Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009
Increase in difference between tax and book revenues (*)	158,338	270,432
Effects of deferred income tax and social contribution for the year (see note 2.15. at statutory rates)	(4,558)	(6,331)

(*) Pursuant to Federal Revenue Service's Regulatory Instruction 84/79, real estate development companies are required to collect taxes based on revenues from real estate projects. Technical interpretation ICPC 02 – Construction Contracts for the Real Estate Industry and technical instruction OCPC 04 determine that revenues are recognized under the percentage-of-completion method . Accordingly, the difference between tax and book revenue is the basis for recognition of deferred taxes.

e) Reconciliation of IRPJ and CSLL expenses - current

	Parent - BR GAAP	
	12/31/2010	12/31/2009
Operating income before IRPJ and CSLL	243,734	162,931
Rate - 34%	(82,869)	(55,397)
Effects on deductions (equity in subsidiaries)	90,506	56,161
Effects of other deductions	2,416	2,129
Effects on additions	(1,304)	(219)
Unrecognized tax credits on tax loss carryforwards	8,749	2,674

The Company adopted the taxable income regime and does not record tax credits; they are only recorded when future earnings are realized.

20. RELATED-PARTY TRANSACTIONS

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
Noncurrent assets (*):						
Alexandria Incorporadora Ltda.	11	-	-	-	-	-
Alfenas Incorporadora Ltda.	15	-	-	-	-	-
Analisys Consultoria, Planejamento e Participações S/S	1.768	1.706	1.596	-	-	-
Antilhas Empreendimentos Imobiliários Ltda. - Condomínio Ville de France - SCP	2	-	-	-	-	-
Arapanés Incorporadora Ltda.	150	-	-	-	-	-
Aurillac Incorporadora Ltda.	4	-	-	-	-	-
Avignon Incorporadora Ltda.	3,668	3,668	3,667	-	-	-
Bonneville Incorporadora Ltda.	4	-	-	-	-	-
Crown Incorporadora Ltda.	4	-	-	-	-	-
Curupá Empreendimentos Imobiliários Ltda.	3	-	-	-	-	-
Florença Incorporadora Ltda.	3	-	-	-	-	-
Genova Incorporadora S.A.	402	2,431	-	-	-	-
Gênea Administração, Incorporação e Participações Ltda.	-	-	-	219	1,215	-
Giopris Empreendimentos Imobiliários Ltda.	15	-	-	-	-	-
Itagi Incorporadora Ltda.	1,206	1,206	1,207	-	-	-
Jauaperi Incorporadora Ltda.	4	-	-	-	-	-
Marcella Empreendimentos Imobiliários Ltda.	200	-	-	-	-	-
Marina Empreendimentos Imobiliários Ltda.	7	-	-	-	-	-
Mônaco Incorporação S.A.	-	8	1	-	-	-
Proberd Empreendimentos Imobiliários Ltda.	-	-	-	947	971	986
San Diego Incorporadora Ltda.	12	-	-	-	-	-
Santa Lidia Empreendimentos e Participações SPE Ltda.	22	-	-	-	-	-
Santarém Incorporadora Ltda.	3	-	-	-	-	-
Savona Incorporadora Ltda.	4	43	-	-	-	-
Solidaire Empreendimentos Imobiliários Ltda.	4,601	-	-	-	-	-
Tirol Incorporadora Ltda.	2	-	-	-	-	-
Torino Incorporadora Ltda.	3	-	-	-	-	-
Trento Incorporadora Ltda.	14	-	-	-	-	-
Treviso Incorporadora Ltda.	24	-	-	-	-	-
Trisul S.A.	-	-	-	96	-	-
Venezia Incorporadora Ltda.	1	-	-	-	-	-
Vermonth Incorporadora Ltda.	-	-	377	-	-	-
Verona Incorporadora Ltda.	3	-	-	-	-	-
Wanessa Incorporadora Ltda.	716	-	-	-	-	-
WZ Incorporação Imobiliária Privelige Ltda.	-	-	-	1,136	1,165	1,183
Others	-	19	-	-	-	-
	12,871	9,081	6,848	2,398	3,351	2,169
Noncurrent liabilities (*):						
Alefico Administração e Participações Ltda.	-	-	-	8	8	1,352
Camila Empreendimentos Imobiliários Ltda.	2,034	784	684	-	-	-
Constrac Construtora e Empreendimentos Imobiliários Ltda.	-	-	-	-	5	-
Juriti Empreendimentos Imobiliários Ltda.	2,390	790	-	-	-	-
Marcella Empreendimentos Imobiliários Ltda.	-	-	7	-	-	-
Paraíso Empreendimentos Imobiliários Ltda.	2,332	2,782	2,782	-	-	-
Park Empreendimentos Imobiliários Ltda.	2,686	2,686	2,686	-	-	-
Patrimônio Construções e Empreendimentos Imobiliários Ltda.	-	-	-	6	-	-
Proberd Empreendimentos Imobiliários Ltda.	-	-	-	1,147	1,160	1,098
Silvana Empreendimentos Imobiliários Ltda.	-	2,650	2,370	-	-	-
Tatuapé Empreendimentos Imobiliários Ltda.	6,295	1,700	-	-	-	-
Tec Vendas Consultoria de Imóveis Ltda.	600	600	-	-	-	-
Torino Incorporadora Ltda.	1,000	-	-	-	-	-
Trisul S.A.	-	-	-	-	99	-
Vanguarda Incorporadora Ltda.	800	800	-	-	-	-
Vermonth Incorporadora Ltda.	4,085	-	-	-	-	-
WZ Incorporação Imobiliária Privelige Ltda.	-	-	-	1,278	1,294	1,350
	22,222	12,792	8,529	2,439	2,566	3,800

(*) Represents loan agreements not subject to financial charges.

For the year ended December 31, 2010, in addition to the abovementioned transactions, the Company carried out or maintains the following transactions:

- Acquisition by the controlling shareholder of residential units in the amount of R$5,820. The contracting conditions, including the price of the real estate acquired, are in accordance with the conditions and fair values adopted by the Company with third parties in the same real estate development project.

- Lease contract with the controlling shareholder for the property where part of its facilities is located, at the monthly cost of R$110, annually adjusted for inflation based on the positive variation of IGP DI-FGV. The lease contract is effective for five years and a fine equivalent to three months' lease shall be imposed in case of termination.

21. RESERVE FOR CONTINGENCIES

a) The Company and its subsidiaries are parties to certain labor lawsuits assessed by the legal counsel as remote loss.

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

c) The Company and its subsidiaries are parties to lawsuits assessed as possible loss, in the amount of R$887 (of which R$514 refer to civil lawsuits and R$373 refer to labor lawsuits) and R$510 (of which R$382 refer to civil lawsuits and R$128 refer to labor lawsuits), respectively, as at December 31, 2010.

d) As at December 31, 2010, the Company and its subsidiaries do not have contingent assets with probable gains that might require disclosure.

There were no changes in the reserve for contingencies relating to lawsuits assessed as probable loss during the year ended December 31, 2010.

22. SHAREHOLDERS' EQUITY

a) Capital

As at December 31, 2010, the Company's capital was R$724,070, divided into 146,724,120 common shares without par value.

b) Dividends

In accordance with the Company's bylaws, shareholders are entitled to a minimum dividend of 25% of the net income for the year, adjusted pursuant to the Brazilian corporate law.

The allocation of the net income for the years ended December 31, 2010 and 2009 is as follows:

	Parent - BR GAAP	
	12/31/2010	12/31/2009
Net income for the year	243,734	162,931
Legal reserve - 5%	(12,187)	(8,147)
	231,547	154,784
Proposed dividends - 25%	(57,887)	(38,696)
Expansion reserve	(173,660)	(116,088)
	-	-

The Company's management, as set forth in article 34, letter "f", of the Bylaws, proposed the allocation of the remaining balance of net income for the year to the expansion reserve in order to expand its operating activities, such as the purchase of new land, development and launching of residential and commercial real estate to be performed by using the current land bank.

c) Treasury shares

The Board of Directors' meetings held on April 15, 2008 and September 12, 2008 approved the program to buyback the Company's common shares to be held in treasury for subsequent sale and/or cancelation, without capital reduction. The Company acquired 6,004,000 common shares at the amount of R$20,216, at fair value; of which, 2,562,412 shares were cancelled at the Extraordinary General Meeting held on September 23, 2008, based on the average buyback acquisition price for allocation to the earning retention reserve in the amount of R$9,535; as at December 31, 2009, after the buyback, 3,441,588 shares remained outstanding, in the amount of R$10,681. As at December 31, 2010, the fair value of treasury shares calculated based on the last stock exchange quotation prior to the balance sheet date was R$48,285 (R$29,253 as at December 31, 2009).

23. BASIC EARNINGS PER SHARE

The basic earnings per share is as follows:

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Income attributable to controlling shareholders	243,734	162,931	243,734	162,931
Weighted average of outstanding common shares (in thousands)	143,283	143,458	143,283	143,458
Basic earnings per share (in R$)	1.70	1.14	1.70	1.14

24. NET SALES

Net sales are as follows:

	Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009
Gross operating revenue:		
Revenue from sale of properties	696,501	562,829
Revenue from rents and services provided	2,799	2,860
Total gross operating revenue	699,300	565,689
Deductions from gross revenue:		
Cancelled sales	(38,678)	(42,526)
Taxes on sales, including deferred taxes	(24,225)	(17,185)
Total gross revenue deductions	(62,903)	(59,711)
Net sales	636,397	505,978

25. CANCELLED SALES

As at December 31, 2010, the amount of R$38,678 (R$42,526 as at December 31, 2009) corresponds to cancelled sales during the year, relating to agreements entered into previously, that include the effects of revenues recognized under the percentage-of-completion method. Real estate returned through cancellation are resold and, therefore, no provision for return is recognized in the financial statements.

26. EXPENSES BY NATURE

Represented by:

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Cost of sales and services:				
Cost of construction/land	-	-	(326,376)	(297,806)
Capitalized financial charges	-	-	(8,262)	(2,533)
Maintenance/guarantee	-	-	(4,091)	(1,987)
	-	-	(338,729)	(302,326)
Selling:				
Advertising expenses and others	-	-	(16,896)	(8,124)
Expenses with stand	-	-	(11,154)	(6,492)
	-	-	(28,050)	(14,616)

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
General and administrative expenses:				
Payroll and related taxes	(9,218)	(7,020)	(13,225)	(10,423)
Employee benefits	(3,073)	(1,115)	(4,053)	(1,536)
Depreciation and amortization	(901)	(227)	(1,035)	(348)
Service expenses	(9,038)	(6,306)	(12,091)	(8,794)
Rentals and common area maintenance fees	(921)	(398)	(1,476)	(703)
Maintenance of properties	(133)	(68)	(438)	(376)
Taxes and fees	(66)	(69)	(1,174)	(307)
Other expenses	(2,474)	(2,020)	(4,293)	(2,949)
	(25,824)	(17,223)	(37,785)	(25,436)

27. MANAGEMENT COMPENSATION

On April 29, 2010, the General Shareholders' Meeting approved an overall, annual management compensation in the amount of R$7,000.

During 2010, expenses paid as management compensation, in the Consolidated, totaled R$5,465 (R$3,239 as at December 31, 2009), of which R$4,840 was fixed and R$625 was variable (R$2,935 fixed and R$304 variable as at December 31, 2009).

28. FINANCIAL INCOME (EXPENSES)

Comprised of:

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Revenues:				
Financial income	7,634	14,369	10,564	15,675
Interest income on trade accounts receivable	-	-	30,063	5,019
Other	649	4	3,498	1,188
	8,283	14,373	44,125	21,882
Expenses:				
Interest and inflation adjustments losses	(151)	(41)	(195)	(141)
Discounts on trade accounts receivable	-	-	(1,818)	(832)
Other	(24)	(56)	(1,184)	(507)
	(175)	(97)	(3,197)	(1,480)

29. STOCK OPTION PLAN

The Company's bylaws provides for a stock option plan, approved at the Extraordinary General Meeting, held on March 3, 2007, to directors, executive officers, employees and service providers and, up to December 31, 2010, no stock option was issued. The stock option plan limit is 2% of the Company's capital.

30. LEASE AGREEMENTS

As at December 31, 2010 and 2009, the Company had lease agreements referring to IT equipment, totaling R$1,462, whose monthly installments are subject to adjustment based on fixed rates varying from 1.20% to 1.22% per month. The agreements mature in August 2011.

The considerations of lease agreements are recorded as expenses in the income statement. As at December 31, 2010, an amount of R$457 (R$493 as at December 31, 2009) was recorded.

31. FINANCIAL INSTRUMENTS

31.1. Capital risk management

The Company and its subsidiaries manage their capital to ensure regular business continuity and, at the same time, maximize return for all stakeholders or parties involved in their operations, by optimizing debt and equity balance. The Company's overall strategy remains unchanged since 2009.

The Company's and its subsidiaries' equity structure consists of their net debt (borrowings and financing detailed in note 14, less cash and cash equivalents and short-term investments detailed in notes 4 and 5, respectively) and the Company's shareholders' equity (which includes capital, revenue reserves and non-controlling interests).

The Company is not subject to any external requirement on capital.

31.2. Net cash

The net cash ratio is as follows:

	Parent - BR GAAP		Consolidated - IFRS and BR GAAP	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Borrowings and financing (a)	-	-	(57,375)	(66,904)
Cash and cash equivalents and short-term investments (b)	118,116	84,617	192,506	128,447
Net cash	118,116	84,617	135,131	61,543
Shareholders' equity (c)	1,098,520	912,673	1,116,642	924,900
Net cash	0.11	0.09	0.12	0.07

(a) Short and long-term loans and financing, as defined in note 14.

(b) Cash and cash equivalents and short-term investments, as described in notes 4 and 5, respectively.

(c) Shareholders' equity includes capital, revenue reserves and non-controlling interest.

31.3. Categories of financial instruments

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
Financial assets						
Loans and receivables:						
Cash and cash equivalents	94,542	84,617	168,682	163,326	128,447	189,700
Trade accounts receivable	-	-	-	692,603	564,798	337,673
Related parties	12,871	9,081	6,848	2,398	3,351	2,169
Short-term investments	23,574	-	-	29,180	-	-
Financial liabilities						
Amortized cost:						
Trade payables	1,095	1,237	456	11,621	13,946	9,516
Borrowings and financing	-	-	-	57,375	66,904	14,269
Trade accounts payable	32	4,977	65	6,050	8,924	1,010
Land payable	-	-	-	41,671	13,869	14,733
Related parties	22,222	12,792	8,529	2,439	2,566	3,800

31.4. Financial risk management

The Company monitors and manages the financial risks inherent in its activities. These risks comprise market risk (changes in interest rates), credit risk and liquidity risk. The main purpose of the financial risk management strategy is to maintain the Company's exposure to these risks at minimum levels by using non-derivative financial instruments and assessing and controlling credit and liquidity risks.

31.5. Market risk management

The Company is engaged in real estate development, construction and sale. In addition to the risks generally affecting the real estate market, such as interruption of supply and volatility of prices of materials and construction equipment, changes in the supply of and demand for real estate developments in certain regions, strikes and environmental and zoning laws, the Company's activities are specifically affected by the following risks:

- The economic environment in Brazil, that could adversely affect the growth of the real estate sector as a whole, through slowdown of economy, increase of interest rates, currency fluctuation and political instability, among other factors.

- Future constraints in view of new market regulation or conditions and inflation adjustment of receivables, in accordance with certain inflation-adjustment rates, as currently permitted, which could make a project to become financially or economically unfeasible.

- The level of interest of buyers in a new project launched or the sales price per unit necessary to sell all units may be below expected, thus making the project to be less profitable than expected.

- In case of bankruptcy or significant financial problems faced by a big real estate company, the sector may be adversely affected as a whole, which could decrease the customers' confidence in other companies operating in the sector.

- Conditions of the local and regional real estate market, such as excess supply, shortage of land in certain regions and significant increase of land acquisition costs.

- Risk of buyers having negative perception of the security, convenience and attractiveness of the Company's properties, as well as their location.

- The Company's profit margins could be affected due to the increase in operating costs, including investments, insurance premium, real estate taxes and public tariffs.

- The real estate development opportunities may decrease.

- The construction and sale of real estate units may not be completed on schedule, thus resulting in increase of construction costs or termination of sales contracts.

- Default after delivery of the units acquired in installments. The Company has the right to file collection lawsuits, whose objective is to receive amounts due and/or repossess the unit from the defaulting buyer; however, the Company cannot assure that it will be able to recover the total debt balance or, once the property is repossessed, to sell it under reasonable conditions.

- Potential changes in the policies issued by the National Monetary Council (CMN) on the allocation of funds to the National Housing System (SFH) could reduce the offer of credit to customers.

- The decrease in the fair value of land held in inventory, before the real estate is developed, and the inability to maintain the margins previously projected for the related real estate projects.

31.6. Exposure to currency risks

The Company and its subsidiaries are not exposed to currency risks since they do not carry out foreign currency-denominated transactions.

31.7. Exposure to interest rate risks

The Company and its subsidiaries contracted loans with third parties, subject to index variations as set forth in the related contracts, based on the Reference Rate (TR) and interest. They are exposed to interest rate variations on trade accounts receivable and short-term investment balances, in this case, based on the CDI rate variation.

As at December 31, 2010, the Company's and its subsidiaries' management carried out a 12-month period sensitivity analysis, as determined by CVM Instruction 475, of December 17, 2008, which does not necessarily represent the Company's expectations. A decrease (income) and increase (expense) of 25% and 50% in expected interest rates on short-term investments and borrowings and financing was taken into account, adopting a rate of 11.75% (CDI) and 0.6887% (TR):

	Parent - BR GAAP			Consolidated - IFRS and BR GAAP		
Indices	Scenario I probable	Scenario II (25%)	Scenario II I (50%)	Scenario I probable	Scenario II (25%)	Scenario II I (50%)
Assets						
Short-term investments (CDI decrease)	13,806	11,045	9,204	16,026	12,821	10,684
Liabilities						
Borrowings and financing (TR increase)	-	-	-	395	494	593

31.8. Liquidity risk management

The Company and its subsidiaries manage the liquidity risks by maintaining reserves and credit lines considered as adequate, through continuous monitoring of estimates and actual cash flow and combination of the maturity dates of financial assets and liabilities.

31.9. Risk concentration

The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, according to objective criteria for mitigation of credit risks. Trade accounts receivable include several customers' balances and no customer's balance accounts for 10% or more of total net operating revenue or receivables.

31.10. Fair value of financial instruments

The carrying amounts of the Company's and its subsidiaries' financial instruments as at December 31, 2010 and 2009 and January 1, 2009, stated at amortized cost, as described in note 31.3., approximate their market values, since the nature and characteristics of conditions contracted are similar to those available in the market on the date of the financial statements. The balance of cash and cash equivalents, as well as short-term investments, is indexed to the CDI rate; accordingly, the amounts recorded approximate the market value of these financial instruments.

For the years ended 2010 and 2009, the Company and its subsidiaries had not derivatives or other instruments with similar risk.

32. INSURANCE

The Company and its subsidiaries have, as at December 31, 2010, the following insurance agreements:

a) Engineering risk – civil construction works - "All Risks" insurance policy, covers all risks involved in the construction of a real estate, such as fire, theft and defects, among others. This policy allows additional coverage according to construction risks, including general civil and cross liability, extraordinary expenses, riots, employer's civil liability and moral damages.

b) Corporate insurance – covers sales stands and model apartments against fire, theft, lightning, explosion and others.

c) Sundry risk insurance – electronic equipment – covers theft or electric damages.

d) General civil liability insurance of management.

33. COMMITMENTS

The Company entered into lease contracts for two properties where its facilities are located, with a monthly lease amount of R$26, adjusted based on the IGP-M/FGV rate variation. The lease contract is effective for five years and a fine equivalent to three months' lease shall be imposed in case of termination.

As at December 31, 2010, the Company entered into, through its subsidiaries, long-term contracts in the amount of R$30,947 (R$31,838 as at December 31, 2009) for the supply of raw materials used in the real estate developments.

34. ADDITIONAL INFORMATION – STATEMENTS OF CASH FLOWS

Transactions not involving cash disbursements are as follows:

	Parent - BR GAAP	Consolidated - BR GAAP and IFRS	
	12/31/2010	12/31/2010	12/31/2009
Purchase of land financed by sellers	-	27,802	864
CEPACs transferred to subsidiaries and used in the operation	31,054	31,054	-

35. SEGMENT REPORTING

The Company's management focus its business on real estate development activities.

The information is analyzed based on internal managerial report by real estate development project and the Company's Executive Board is responsible for the allocation of funds between commercial and residential projects:

a) Main income (loss) accounts by segment:

	Consolidated - IFRS and BR GAAP			
	Selling		Residential	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Gross revenue	102,201	108,726	597,099	456,963
Deductions from gross revenue	(6,013)	(9,459)	(56,890)	(50,252)
Net revenue	96,188	99,267	540,209	406,711
Cost of properties sold and services rendered	(45,827)	(56,913)	(292,902)	(245,413)
Gross profit	50,361	42,354	247,307	161,298
Selling expenses	(2,763)	(4,895)	(25,287)	(9,721)

b) Main assets and liabilities by segment:

	Consolidated - IFRS and BR GAAP			
	Selling		Residential	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Assets:				
Trade accounts receivable	111,231	72,014	581,372	492,784
Properties for sale	91,988	54,748	308,296	302,365
Liabilities:				
Borrowings and financing	-	-	57,375	66,904
Advances from customers	5,298	2,115	16,990	8,880

36. SUBSEQUENT EVENTS

a) The meeting held on January 27, 2011 approved the sale, in the stock exchange, of up to 3,441,588 registered common shares, without par value, issued by the Company and held in treasury. Through the date of approval of the financial statements, 1,085,700 shares were traded, totaling R$15,147, resulting in a gain of R$11,778.

b) On February 18, 2011, jointly-owned subsidiary Bonneville Incorporadora Ltda., under a purchase and sale agreement and other covenants, acquired a property for R$3,100.

c) On March 3, 2011, subsidiary Arapanés Incorporadora Ltda., under a purchase and sale agreement and other covenants, acquired a property for R$800.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Company's Board of Directors and authorized for issuance on March 17, 2011.
