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

EZ TEC Empreendimentos e Participações S.A. and Subsidiaries

Interim Financial Statements for the Quarter Ended March 31, 2008 and Independent Accountants' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

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

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

1. We have reviewed the accounting information included in the accompanying Quarterly Information of EZ TEC Empreendimentos e Participações S.A. and subsidiaries related to the first quarter ended March 31, 2008, consisting of the individual (Company) and consolidated balance sheets and the related statements of income and cash flows, the performance report and the related notes, prepared under the responsibility of the Company's Management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), in conjunction with the Brazilian Federal Accounting Council (CFC), and consisted principally of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the Quarterly Information; and (b) review of the information and subsequent events that have or could have material effects on the financial position and results of operations of the Company and its subsidiaries.

3. As mentioned in note 31, on December 28, 2007 Law No. 11,638 was enacted, altering, revoking and adding new provisions to Law No. 6,404/76 (Brazilian Corporate Law). This Law is effective for fiscal years beginning on or after January 1, 2008 and introduced changes in Brazilian accounting practices. Although this Law has already become effective, certain changes introduced by it are subject to regulation by regulatory agencies before being applied by companies. Concurrently with this process, the Brazilian Securities and Exchange Commission (CVM), through Instruction No. 469, of May 2, 2008, has provided guidance for public companies on the disclosure and accounting for certain changes introduced by Law No. 11,638/07. As Management has not yet completed the studies of the changes introduced by Law No. 11,638/07, the effects that these changes might have on the Company's financial statements are not being disclosed or recorded in the Quarterly Information mentioned above.

4. Based on our review, except for the effects that might result from the matter mentioned in the preceding paragraph, we are not aware of any material modifications that should be made to the accounting information included in the Quarterly Information referred to in paragraph 1 for them to be in conformity with standards established by the CVM, specifically applicable to the preparation of Quarterly Information, including CVM Instruction No. 469/08.

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

São Paulo, May 6, 2008

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walter Dalsasso
Engagement Partner

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF MARCH 31, 2008 AND DECEMBER 31, 2007
(In thousands of Brazilian reais - R$)

	03/31/08		12/31/07	
ASSETS	Company	Consolidated	Company	Consolidated
CURRENT ASSETS				
Cash and banks	148	7,173	145	14,234
Temporary cash investments	235,322	240,165	390,791	394,855
Trade accounts receivable	-	51,910	-	43,801
Real estate held for sale	-	150,323	-	144,496
Recoverable taxes	-	350	-	348
Prepaid taxes	-	463	-	428
CEPAC (additional building area bond)	34,721	34,721	-	-
Other receivables	309	1,855	247	1,650
Prepaid expenses	4	5,276	-	5,178
Total current assets	270,504	492,236	391,183	604,990
NONCURRENT ASSETS				
Long-term assets:				
Trade accounts receivable	-	151,750	-	129,311
Real estate held for sale	-	181,419	-	154,924
Prepaid expenses	-	10,380	-	11,842
Prepaid taxes	-	289	-	300
Recoverable taxes	4,477	4,477	3,410	3,410
CEPAC (additional building area bond)	65,179	65,179	-	-
Intercompany receivables	106,644	2,606	94,628	2,361
Other receivables	130	4,733	222	4,813
Permanent assets:				
Goodwill on investments	2,743	2,743	2,902	2,902
Investments	346,341	3	278,902	3
Property and equipment	786	1,335	320	912
Intangible assets	709	911	245	447
Total noncurrent assets	527,009	425,825	380,629	311,225
TOTAL ASSETS	797,513	918,061	771,812	916,215

	03/31/08		12/31/07	
LIABILITIES AND SHAREHOLDERS' EQUITY	Company	Consolidated	Company	Consolidated
CURRENT LIABILITIES				
Trade accounts payable	892	8,022	394	6,567
Payroll and related charges	1,668	3,922	1,141	3,108
Taxes payable	18	1,962	18	2,117
Loans	-	399	-	392
Provision for investment losses	1,996	-	1,526	-
Accounts payable	450	1,432	1,825	2,846
Advances from customers	-	8,239	-	8,423
Land payable	-	60,595	-	82,318
Dividends payable	10,906	10,906	10,906	10,906
Intercompany payables	8,028	4,479	5,234	3,489
Deferred taxes	-	3,755	-	3,179
Total current liabilities	23,958	103,711	21,044	123,345
NONCURRENT LIABILITIES				
Long-term liabilities:				
Loans	-	923	-	485
Land payable	-	17,538	-	24,272
Reserve for contingencies	445	4,336	41	3,856
Deferred taxes	-	10,455	-	8,736
Contributions for future developments	-	-	-	3,333
Other debts with third parties	465	723	465	481
Total noncurrent liabilities	910	33,975	506	41,163
MINORITY INTEREST	-	7,730	-	1,445
SHAREHOLDERS' EQUITY				
Capital	724,070	724,070	724,070	724,070
Profit reserves	26,192	26,192	26,192	26,192
Retained earnings	22,383	22,383	-	-
Total shareholders' equity	772,645	772,645	750,262	750,262
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	797,513	918,061	771,812	916,215

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

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

EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR THE QUARTERS ENDED MARCH 31, 2008 AND 2007
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	03/31/08	03/31/07	03/31/08	03/31/07
GROSS OPERATING REVENUE				
Revenue from sale of real estate	-	-	68,198	25,298
Revenue from rentals	-	-	325	182
Total gross operating revenue	-	-	68,523	25,480
Cancelled sales	-	-	(3,666)	1,685
Taxes on sales, including deferred taxes	-	-	(2,443)	970
Total deductions from gross revenue	-	-	(6,109)	2,655
NET REVENUE	-	-	62,414	22,825
Cost of real estate sold	-	-	(32,184)	(10,447)
Cost of services and rentals	-	-	(161)	(20)
GROSS PROFIT	-	-	30,069	12,358
OPERATING (EXPENSES) INCOME				
Selling expenses	-	-	(5,927)	(1,059)
Administrative expenses	(6,830)	(432)	(8,857)	(2,321)
Management fees	(574)	-	(678)	(80)
Reserve for contingencies	(404)	(11)	(480)	(305)
Tax expenses	(92)	-	(222)	(44)
Equity in subsidiaries	23,060	9,486	-	-
Provision for investment losses	(470)	(190)	-	-
Other operating expenses, net	(169)	(28)	(186)	36
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	14,521	8,825	13,719	8,585
FINANCIAL INCOME (EXPENSES)				
Financial income	8,129	-	11,530	1,358
Financial expenses	(15)	(1)	(206)	(397)
NONOPERATING INCOME (EXPENSES)	-	-	8	(1)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES AND MINORITY INTEREST	22,635	8,824	25,051	9,545
INCOME AND SOCIAL CONTRIBUTION TAXES				
Current	(252)	-	(1,711)	(943)
Deferred	-	-	(1,039)	222
INCOME BEFORE MINORITY INTEREST	22,383	8,824	22,301	8,824
MINORITY INTEREST	-	-	82	-
NET INCOME	22,383	8,824	22,383	8,824

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

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EZ TEC EMPREENDIMENTOS E PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2008 AND 2007
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	03/31/08	03/31/07	03/31/08	03/31/07
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	22,383	8,824	22,383	8,824
Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization of goodwill	159	-	159	-
Depreciation	17	-	51	43
Deferred taxes	-	-	1,039	(401)
Loss on acquisition of investment	-	29	-	-
Monetary variation	-	-	(2,907)	(506)
Equity in subsidiaries	(23,060)	(9,486)	-	-
Provision for investment losses	470	190	-	-
Reserve for contingencies	404	10	480	305
Write-off of property and equipment	-	-	13	-
Minority interest	-	-	(82)	-
Increase in assets:				
Trade accounts receivable	-	-	(27,641)	10,809
Acquisition of CEPAC	(99,900)	-	(99,900)	-
Real estate held for sale	-	-	(60,780)	(4,539)
Recoverable taxes	-	-	-	(27)
Prepaid expenses	-	-	1,364	(1,678)
Other receivables	(1,041)	(57)	(1,463)	(405)
(Increase) decrease in liabilities:				
Advances from customers	-	-	(184)	1,426
Trade accounts payable	497	-	1,455	(27,188)
Other payables	1,948	218	(2,587)	8,658
NET CASH USED IN OPERATING ACTIVITIES	(98,123)	(272)	(168,600)	(4,679)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investments	(48,630)	-	-	-
Dividends received from subsidiaries	4,250	(207)	-	(202)
Acquisition of property and equipment	(947)	-	(952)	(238)
NET CASH USED IN INVESTING ACTIVITIES	(45,327)	(207)	(952)	(440)
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank loans	-	-	445	-
Increase in minority interest	-	-	6,367	-
Intercompany loans	(12,016)	477	989	(1,594)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(12,016)	477	7,801	(1,594)
DECREASE IN CASH AND CASH EQUIVALENTS	(155,466)	(2)	(161,751)	(6,713)
Balance at beginning of quarter	390,936	11	409,089	10,820
Balance at end of quarter	235,470	9	247,338	4,107
TRANSACTIONS NOT REQUIRING CASH OUTLAY				
Land purchase financed by sellers	-	-	(28,457)	-
Income and social contribution taxes paid	-	-	1,253	857
Assignment of investments and rights (see note 1)				

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

1. OPERATIONS

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

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

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

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The individual (Company) and consolidated interim financial statements for the quarter ended March 31, 2008, consisting of the balance sheets and the related statements of income, have been prepared in accordance with accounting practices established by the Brazilian Corporate Law (Law No. 6,404/76, including subsequent amendments), standards and instructions of the Brazilian Securities Commission (CVM), technical pronouncements issued by the Brazilian Institute of Independent Auditors (IBRACON), and resolutions from the Federal Accounting Council (CFC).

The preparation of interim financial statements requires Management to make estimates that affect the reported amounts of assets, liabilities and other transactions for the year/period reported, and to disclose contingent assets and liabilities as of the interim financial statement dates. The interim financial statements include the estimates used for determining items, such as budgeted costs of projects, reserves necessary for economically unrecoverable assets, reserve for unrecognized credits as regards deferred income tax and the recognition of contingent liabilities. Actual results may differ from the estimates.

3. CONSOLIDATION CRITERIA

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

4. SIGNIFICANT ACCOUNTING PRACTICES

Significant accounting practices are as follows:

a) Temporary cash investments

Mainly represented by exclusive investment funds, denominated in Brazilian reais, with a high market liquidity rate. Stated at cost, plus income earned through the balance sheet dates, net of provision for losses, when applicable, recorded in the statement of income for the quarter ended March 31, 2008 under the caption "Financial income".

b) Trade accounts receivable and allowance for doubtful accounts

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

c) Real estate held for sale

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

d) Prepaid expenses

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

e) Investments

Investments in subsidiaries are accounted for under the equity method.

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

f) Property and equipment

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

g) Income and social contribution taxes

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

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

h) Funds from shareholders

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

i) Revenue from real estate development and sale

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

j) Use of estimates

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

k) Earnings per share

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

5. TEMPORARY CASH INVESTMENTS

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

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
Investment funds	235,322	390,791	235,322	390,791
Interest bearing account	-	-	452	4
Subject to repurchase commitments	-	-	4,391	4,039
Bank certificate of deposit	-	-	-	21
	235,322	390,791	240,165	394,855

6. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	03/31/08	12/31/07
Receivables for property development - completed construction (a)	55,428	56,474
Receivables for property development - construction in progress (b)	152,153	120,612
Trade notes receivable - services	44	142
	207,625	177,228
Securitized receivables (c)	(1,734)	(1,885)
Allowance for doubtful accounts (d)	(2,231)	(2,231)
	203,660	173,112
Current	51,910	43,801
Noncurrent	151,750	129,311

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

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

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

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

As of March 31, 2008 and December 31, 2007, the aging list of noncurrent receivables is as follows:

	Consolidated	
Year	03/31/08	12/31/07
2009	34,567	35,773
2010	38,842	29,488
2011	20,437	16,430
2012	15,775	13,264
2013	12,876	10,833
2014	10,825	9,087
2015	8,864	7,386
2016	5,919	4,518
2017	2,634	1,880
2018 and thereafter	1,011	652
	151,750	129,311

The table below shows the maturity of receivables for real estate development as of March 31, 2008 and December 31, 2007:

	Consolidated	
	03/31/08	12/31/07
Past-due:		
From Up to 30 days	1,389	1,457
From 31 to 60 days	326	1,244
From 61 to 90 days	430	562
From 91 to 120 days	645	376
From Over 120 days	3,028	2,563
	5,818	6,202
Current	201,807	171,026
	207,625	177,228

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

	Consolidated	
	03/31/08	12/31/07
Camila Empreendimentos Imobiliários Ltda.	883	1,035
Paraíso Empreendimentos Imobiliários Ltda.	135	135
Silvana Empreendimentos Imobiliários Ltda.	716	715
	1,734	1,885

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

7. REAL ESTATE HELD FOR SALE

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

	Consolidated	
	03/31/08	12/31/07
Completed units	6,537	7,529
Units under construction	22,906	22,868
Land for future development	296,830	262,245
Advances to suppliers	5,469	6,778
	331,742	299,420
Current	150,323	144,496
Noncurrent	181,419	154,924

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

Land is stated at acquisition cost.

Land for new works will be used for development starting April 2008, according to the launchings being carried out. Land with launchings scheduled for April 2009 onward was classified in noncurrent assets as of March 31, 2008.

As of March 31, 2008, the Company, through its subsidiary Avignon Incorporadora Ltda., has a plot of land in the amount of R$6,952, equivalent to its equity interest in the subsidiary, for which environmental permits have not yet been obtained from the regulatory agencies according to a notice received on December 12, 2007. The Company's Management considers that such permits will be obtained without significant additional costs. For the other plots of land in the region, in the amount of R$29,387, purchase and sale contracts are subject to a resolutory condition related to obtaining approvals for property development.

As of March 31, 2008, the Company, through its subsidiary Gol Incorporadora Ltda., has a plot of land in the amount of R$24,599, which according to Municipal Decree No. 49,303, of March 11, 2008, was declared to be of public interest. The Company's Management, through its legal counsel, prepared a request for cancellation of the Public Interest Decree to the Municipal Government of São Paulo, which is pending appreciation, and at present it is not possible to estimate the outcome of said request.

8. RECOVERABLE TAXES

Represented basically by:

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
IRRF (withholding income tax)	4,477	3,410	4,513	3,448
INSS (social security contribution)	-	-	23	23
PIS and COFINS (taxes on revenue)	-	-	176	174
IRPJ (corporate income tax)	-	-	47	47
CSLL (social contribution on net profit)	-	-	19	19
Other	-	-	49	47
	4,477	3,410	4,827	3,758
Current	-	-	350	348
Noncurrent	4,477	3,410	4,477	3,410

9. CEPAC (ADDITIONAL BUILDING AREA BOND)

On February 22, 2008, the Company participated in a public offering auction in the electronic trading system Mega Bolsa for the CEPACs issued by the São Paulo Municipal Government related to the Urban Consortium Operation "Água Espraiada", and acquired 90,000 bonds, in the total amount of R$99,900, of which R$34,721 is classified in current assets and R$65,179 in noncurrent assets according to their expected use in projects to be launched.

10. PREPAID EXPENSES

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

	Consolidated	
	03/31/08	12/31/07
Current:		
Expenses on publicity and sales commission	5,272	5,168
Expenses on IPTU (municipal property tax)	4	10
	5,276	5,178
Noncurrent-		
Expenses on publicity and sales commission	10,380	11,842

As of March 31, 2008, the current portion will be amortized until March 2009, and the noncurrent portion will be amortized beginning April 2009, in both cases under the percentage-of-completion method.

11. INVESTMENTS

Direct subsidiary	Ownership interest - % Direct	Indirect	Capital	Shareholders' equity	Net income (loss)	Equity in Subsidiaries	Investments 03/31/08	12/31/07
Analisys Consultoria, Planejamento e Participações S/S	99.99	-	5	(1,353)	(76)	-	-	-
Alfenas Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Alexandria Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Condomínio Ville de France - SCP	50.00	-	9,942	10,836	568	284	5,418	5,142
Arambaré Incorporadora Ltda.	99.99	-	1	4,138	(981)	(981)	4,138	1,308
Bergamo Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Bonneville Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Camila Empreendimentos Imobiliários Ltda.	99.99	-	14,790	14,382	(856)	(856)	14,382	15,239
Caywoaa Incorporadora Ltda.	99.99	-	1	4,769	-	-	4,769	4,770
Center Jabaquara Empreendimentos Imobiliários Ltda.	99.99	-	407	470	8	8	470	462
Cremona Incorporadora Ltda.	70.00	-	1	25,860	(272)	(191)	18,102	3,439
Crow Incorporadora Ltda.	99.99	-	1	3,075	(224)	(224)	3,075	3,089
Curupá Empreendimentos Imobiliários Ltda.	99.99	-	110	3,097	748	748	3,097	1,629
EZ TEC Técnica Engenharia e Construção Ltda.	99.99	-	1,826	596	(662)	(662)	596	698
Frorença Incorporadora Ltda.	99.99	-	1	2,251	-	-	2,251	2,211
Genova Incorporadora Ltda.	99.99	-	-	-	-	-	-	1
Giopris Empreendimentos Imobiliários Ltda.	99.99	-	19,234	51,658	7,662	7,662	51,658	43,146
Giovanna Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Gol Incorporadora Ltda.	99.99	-	1	19,044	-	-	19,044	18,464
Grauna Incorporadora Ltda.	99.99	-	1	(1)	-	-	-	-
Itagi Incorporadora Ltda.	80.00	-	1	(47)	(1)	-	-	-
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	50.00	-	1	(579)	(579)	-	-	-
Jauaperi Incorporadora Ltda.	99.99	-	3,451	12,884	4,947	4,947	12,884	7,937
Juriti Empreendimentos Imobiliários Ltda.	99.99	-	9,960	9,319	1,575	1,575	9,319	9,824
Lafaiete Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Lausanne Incorporadora Ltda.	99.99	-	1	1	-	-	1	-
Livorno Incorporadora Ltda.	99.99	-	1	(3)	(4)	-	-	1
Marcella Empreendimentos Imobiliários Ltda.	99.99	-	18,486	48,281	2,546	2,546	48,281	46,735
Marina Empreendimentos Imobiliários Ltda.	99.99	-	832	26,657	2,650	2,650	26,657	13,277
Mônaco Incorporação SPE Ltda.	50.00	-	28,875	29,620	(38)	(19)	14,810	14,829
Monza Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Otawa Incorporadora Ltda.	99.99	-	1	(36)	-	-	-	-
Paraíso Empreendimentos Imobiliários Ltda.	99.99	-	5,798	9,727	125	125	9,727	9,603
Park Empreendimentos Imobiliários Ltda.	99.99	-	8,937	13,138	1,285	1,285	13,138	11,853
Priscilla Empreendimentos Imobiliários Ltda.	99.99	-	1,020	4,189	1,376	1,376	4,189	3,613
Santarém Incorporadora Ltda.	99.99	-	1	(23)	(2)	-	-	-
Savona Incorporadora Ltda.	99.99	-	1	(22)	(22)	-	-	-

Direct subsidiary	Ownership interest - % Direct	Indirect	Capital	Shareholders' equity	Net income (loss)	Equity in Subsidiaries	Investments 03/31/08	12/31/07
Silvana Empreendimentos Imobiliários Ltda.	99.99	-	11,724	15,500	127	127	15,500	15,543
Tatuapé Empreendimentos Imobiliários Ltda.	99.99	-	20,194	42,134	2,720	2,720	42,134	39,414
Tec Vendas Consultoria de Imóveis Ltda.	99.99	-	1	93	56	56	93	36
Torino Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Trento Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Treviso Incorporadora Ltda.	99.99	-	1	(89)	(73)	-	-	-
Valentina Empreendimentos Imobiliários Ltda.	99.99	-	1	470	(64)	(64)	470	535
Vanguarda Incorporadora Ltda.	99.99	-	1	5,668	-	-	5,668	2,688
Verona Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
Vermonth Incorporadora Ltda.	99.99	-	1	2,513	-	-	2,513	13
Village of Kings Incorporadora Ltda.	99.99	-	1	13,946	(52)	(52)	13,946	3,397
Wanessa Incorporadora Ltda.	50.00	-	1	(286)	(6)	-	-	-
Windsor Incorporadora Ltda.	99.99	-	1	1	-	-	1	1
						23,060	346,341	278,902
Provision for investment losses:								
Analisys Consultoria, Planejamento e Participações S/S							(1,353)	(1,278)
Grauna Incorporadora Ltda.							(1)	(1)
Itagi Incorporadora Ltda.							(38)	(36)
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.							(290)	-
Livorno Incorporadora Ltda.							(3)	-
Otawa Incorporadora Ltda.							(36)	(36)
Santarém Incorporadora Ltda.							(23)	(20)
Savona Incorporadora Ltda.							(23)	-
Treviso Incorporadora Ltda.							(86)	(15)
Wanessa Incorporadora Ltda.							(143)	(140)
							(1,996)	(1,526)
Aurilac Incorporadora Ltda.	-	99.90	1	2,512	209	209	2,512	2,303
Avignon Incorporadora Ltda.	-	45.00	17,101	10,141	(2,007)	(903)	4,564	5,467
Esmirna Incorporadora Ltda.	-	99.90	1	(63)	(4)	-	-	-
Garicema Empreendimentos Imobiliários Ltda.	-	97.08	10	(671)	(12)	-	-	-
Limoges Incorporadora Ltda.	-	99.90	1	(1,405)	(259)	-	-	-

The investment balance as of March 31, 2008 includes all advances for future capital increase, which were made until the close of the quarter ended March 31, 2008. The advances made, by subsidiary, are as follows:

Subsidiary	Advance for future capital increase
Arambaré Incorporadora Ltda.	6,558
Caywoaa Incorporadora Ltda.	4,825
Cremona Incorporadora Ltda.	18,354
Crown Incorporadora Ltda.	3,315
Curupá Empreendimentos Imobiliários Ltda.	1,447
EZ TEC Técnica Engenharia e Construção Ltda.	2,954
Frorença Incorporadora Ltda.	2,251
Giopris Empreendimentos Imobiliários Ltda.	4,859
Gol Incorporadora Ltda.	19,338
Marcella Empreendimentos Imobiliários Ltda.	11,754
Marina Empreendimentos Imobiliários Ltda.	17,887
Mônaco Incorporação SPE Ltda.	469
Priscilla Empreendimentos Imobiliários Ltda.	1,497
Tec Vendas Consultoria de Imóveis Ltda.	105
Vanguarda Incorporadora Ltda.	5,685
Vermonth Incorporadora Ltda.	2,520
Village of Kings Incorporadora Ltda.	14,021
Valentina Empreendimentos Imobiliários Ltda.	190
	118,029

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

As of March 31, 2008, the amount of R$1,996 (R$1,526 as of December 31, 2007) related to the provision for investment losses represents the portion of investments in which shareholders' equity is negative (shareholders' deficit) and is presented in current liabilities. The amount recorded as expense in the quarter ended March 31, 2008 totaled R$470 (R$190 as of March 31, 2007).

On October 1, 2007, the Company acquired ownership interest in Antilhas Empreendimentos Imobiliários Ltda. - Condomínio Ville de France - SCP. Goodwill of R$3,029 was determined on said acquisition, based on the project's future earnings, which at first will be amortized over a three-year period. During the quarter ended March 31, 2008, amortization totaled R$159. The unamortized goodwill balance as of March 31, 2008 is R$2,743 (R$2,902 as of December 31, 2007).

On December 13, 2007, the Company acquired shares of Analisys Consultoria, Planejamento e Participações S/S. Goodwill of R$2,120 was determined on said acquisition, which was fully amortized due to lack of economic fundamentals.

12. PROPERTY AND EQUIPMENT

Composed of:

		Company			
	Annual depreciation rate - %	03/31/08			12/31/07
		Cost	Accumulated depreciation	Net	Net
Furniture and fixtures	10	69	(2)	67	22
Machinery and accessories	10	76	(3)	73	18
Computers and peripherals	20	483	(40)	443	270
Equipment	10	150	(1)	149	-
Other	10	54	-	54	10
		832	(46)	786	320

		Consolidated			
	Annual depreciation rate - %	03/31/08			12/31/07
		Cost	Accumulated depreciation	Net	Net
Furniture and fixtures	10	178	(43)	135	99
Machinery and accessories	10	86	(9)	77	23
Vehicles	20	135	(135)	-	-
Tools	10	15	(5)	10	9
Installations	10	111	(28)	83	80
Computers and peripherals	20	1,078	(287)	791	648
Other	10	249	(10)	239	53
		1,852	(517)	1,335	912

13. REAL ESTATE DEVELOPMENT AND SALE

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

a) Trade accounts receivable

	Consolidated	
	03/31/08	12/31/07
Current assets:		
Trade accounts receivable - realized percentage	51,910	43,801
Trade accounts receivable - unrealized percentage	59,741	52,440
	111,651	96,241
Noncurrent assets:		
Trade accounts receivable - realized percentage	151,750	129,311
Trade accounts receivable - unrealized percentage	355,570	316,853
	507,320	446,164

b) Obligations to build

Represent the estimated contracted costs to be incurred in ongoing constructions of units already sold, less costs already incurred through March 31, 2008 and December 31, 2007:

Subsidiary	Project	Consolidated	
		03/31/08	12/31/07
Arambaré Incorporadora Ltda.	Condomínio Oásis Beach Club Premium Resort	9,534	1,201
Aurillac Incorporadora Ltda.	Condomínio Clima do Bosque	16,735	16,712
Curupá Empreendimentos Imobiliários Ltda.	Condomínio Anália Franco	5,826	6,798
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Sports Village	19,099	17,480
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Santana	8,561	10,897
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Vila Mascote	9,171	12,006
Jauaperi Incorporadora Ltda.	Condomínio Clima Bothânico	43,650	47,173
Jauaperi Incorporadora Ltda.	Condomínio Clima do Parque	27,401	-
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Splendor Ibirapuera	6,249	8,478
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Quality House Lapa	25,315	20,567
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Tatuapé	13,915	17,260
Park Empreendimentos Imobiliários Ltda.	Condomínio Collori	14,705	15,420
Park Empreendimentos Imobiliários Ltda.	Condomínio Evidence	6,097	5,320
Priscilla Empreendimentos Imobiliários Ltda.	Condomínio Vert	3,012	2,280
Condomínio Ville de France - SCP	Condomínio Ville de France	2,545	2,702
Tatuapé Empreendimentos Imobiliários Ltda.	Condomínio Dream View	727	708
		212,542	185,002

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

c) Unearned income from sale of real estate

Subsidiary	Project	Consolidated	
		03/31/08	12/31/07
Arambaré Incorporadora Ltda.	Condomínio Oásis Beach Club Premium Resort	6,621	891
Aurillac Incorporadora Ltda.	Condomínio Clima do Bosque	10,751	10,586
Curupá Empreendimentos Imobiliários Ltda.	Condomínio Anália Franco	5,837	6,990
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Sports Village	15,934	14,054
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Santana	9,835	12,453
Giopris Empreendimentos Imobiliários Ltda.	Condomínio Splendor Vila Mascote	11,635	15,116
Jauaperi Incorporadora Ltda.	Condomínio Clima Bothânico	46,668	50,356
Jauaperi Incorporadora Ltda.	Condomínio Clima do Parque	22,959	-
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Splendor Ibirapuera	6,972	9,975
Marcella Empreendimentos Imobiliários Ltda.	Condomínio Quality House Lapa	21,116	17,100
Marina Empreendimentos Imobiliários Ltda.	Condomínio Splendor Tatuapé	12,417	14,909
Park Empreendimentos Imobiliários Ltda.	Condomínio Collori	17,584	18,156
Park Empreendimentos Imobiliários Ltda.	Condomínio Evidence	4,692	4,968
Priscilla Empreendimentos Imobiliários Ltda.	Condomínio Vert	7,159	5,917
Condomínio Ville de France - SCP	Condomínio Ville de France	2,195	2,242
Tatuapé Empreendimentos Imobiliários Ltda.	Condomínio Dream View	394	578
		202,769	184,291

14. LOANS AND FINANCING

			Consolidated		
				Balances	
Purpose	Currency	Charges	Final maturity	03/31/08	12/31/07
Mortgage loans	R$	TR + 12.00% p.y.	04/18/10	1,322	602
Working capital (b)	R$	23.87% p.y.	11/10/09	-	214
Working capital (a)	R$	100% CDI + 25.00% p.y.	03/03/08	-	26
Working capital (b)	R$	18.86% p.y.	08/23/09	-	20
Direct consumer credit (b)	R$	23.87% p.y.	07/14/09	-	15
				1,322	877
Current				399	392
Noncurrent				923	485

(a) Loan settled on January 11, 2008.

(b) Loan settled on February 28, 2008.

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

Maturities of noncurrent portion are as follows:

	Consolidated	
Year	03/31/08	12/31/07
2009	509	450
2010	414	35
	923	485

15. PAYROLL AND RELATED CHARGES

Represented basically by:

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
Accrued vacation and related charges	803	413	1,791	1,142
Payroll charges	479	402	1,172	1,112
Payroll	231	198	629	551
Management fees	155	128	330	303
	1,668	1,141	3,922	3,108

16. TAXES PAYABLE

Represented basically by:

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
IRPJ (corporate income tax)	-	-	831	842
CSLL (social contribution on net profit)	-	-	484	486
PIS (tax on revenue)	-	-	73	105
COFINS (tax on revenue)	-	-	333	485
Other	18	18	241	199
	18	18	1,962	2,117

17. ADVANCES FROM CUSTOMERS

As of March 31, 2008, the amount of R$8,239 (R$8,423 as of December 31, 2007) in the consolidated balance sheet refers to amounts received from customers in excess of the percentage of completion of the projects, as determined by Federal Accounting Council (CFC) Resolution No. 963/03.

18. LAND PAYABLE

Subsidiary	Location	Consolidated	
		03/31/08	12/31/07
Alexandria Incorporadora Ltda.	Mogi das Cruzes	5,850	-
Arambaré Incorporadora Ltda.	Praia Grande	14,190	16,614
Avignon Incorporadora Ltda.	Bertioga	1,899	1,899
Cremona Incorporadora Ltda.	Guarulhos	-	9,300
Esmirna Incorporadora Ltda.	Paraíso	20	620
Gol Incorporadora Ltda.	Pirituba	5,303	5,668
Itagi Incorporadora Ltda.	Bertioga	21,820	22,180
J.J. Rodrigues Empreendimentos Imobiliários SPE Ltda.	Jundiaí	6,338	6,338
Jauaperi Incorporadora Ltda.	Vila Guarani	62	62
Limoges Incorporadora Ltda.	Campo Belo	287	293
Livorno Incorporadora Ltda.	Campos do Jordão	5,700	5,700
Santarém Incorporadora Ltda.	Vila Mariana	766	3,049
Savona Incorporadora Ltda.	Vila Mariana	1,600	3,546
Torino Incorporadora Ltda.	Santo Amaro	3,173	-
Trento Incorporadora Ltda.	Sacomã	1,671	-
Treviso Incorporadora Ltda.	Campo Belo	589	13,447
Vanguarda Incorporadora Ltda.	Bertioga	2,570	6,890
Vermonth Incorporadora Ltda.	Caraguatatuba	2,511	-
Verona Incorporadora Ltda.	Santo Amaro	3,784	-
Village of Kings Incorporadora Ltda.	Moema	-	10,984
		78,133	106,590
Current		60,595	82,318
Noncurrent		17,538	24,272

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

The amounts mentioned above are free of financial charges, except for the land purchased by the subsidiary Gol Incorporadora Ltda., which is subject to the annual variation of IGP-M (general market price index) published by Fundação Getúlio Vargas.

Maturities of the noncurrent portion are as follows:

	Consolidated	
	03/31/08	12/31/07
2009	13,112	19,846
2010	1,910	1,910
2011	816	816
2012	816	816
2013	816	816
2014	68	68
	17,538	24,272

19. PROFIT SHARING

The Company has an employee profit sharing program. To calculate profit sharing, the Company considers targets related to the function, area and position of employees, which are established by Management.

20. PREPAID AND DEFERRED TAXES

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

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

	Consolidated	
	03/31/08	12/31/07
Assets:		
Prepaid income tax	225	217
Prepaid social contribution tax	121	117
Prepaid PIS and COFINS	406	394
	752	728
Current	463	428
Noncurrent	289	300

	Consolidated	
	03/31/08	12/31/07
Liabilities-		
Revenues recognized under the percentage-of--completion method and not received	211,345	176,950
Deferred income tax	4,227	3,541
Deferred social contribution tax	2,273	1,912
Deferred PIS and COFINS	7,710	6,462
	14,210	11,915
Current	3,755	3,179
Noncurrent	10,455	8,736

The amounts classified as noncurrent will be realized beginning 2009.

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

	Consolidated	
	03/31/08	03/31/07
Current:		
Income tax	(1,160)	(565)
Social contribution tax	(551)	(378)
	(1,711)	(943)
Deferred:		
Income tax	(676)	144
Social contribution tax	(363)	78
	(1,039)	222

c) Reconciliation of current income and social contribution tax expenses

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

	Consolidated	
	03/31/08	03/31/07
Subsidiaries' revenues taxed based on deemed income on a cash basis	36,065	14,012
Effect of current income and social contribution taxes (see note 4.g) with statutory rates)	(1,711)	(943)

Reconciliation of deferred income and social contribution taxes

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

	Consolidated	
	03/31/08	03/31/07
(Increase) decrease in difference between taxable income and book income (*)	(33,735)	3,294
Effect of deferred income and social contribution taxes in the period - effective rate of 3.08% (see note 4.g) with statutory rates)	(1,039)	222

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

d) Reconciliation of income and social contribution taxes - current

	Company	
	03/31/08	03/31/07
Net income for the period before taxes	22,635	8,824
Tax rate - 34%	(7,696)	(3,000)
Effect on deductions	7,840	3,225
Effect on additions	(351)	(68)
Tax credit not recognized on tax losses	(45)	(157)
Current income and social contribution tax expense	(252)	-

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

21. RELATED-PARTY TRANSACTIONS

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

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
Long-term assets-				
Intercompany receivables due to capital contribution:				
Camila Empreendimentos Imobiliários Ltda.	-	16	-	-
Esmirna Incorporadora Ltda.	4,099	2,609	-	-
Garicema Empreendimentos Imobiliários Ltda.	35,598	35,458	-	-
Limoges Incorporadora Ltda.	12,371	11,971	-	-
Aurillac Incorporadora Ltda.	3,229	3,229	-	-
Avignon Incorporadora Ltda.	4,617	4,168	-	-
Itagi Incorporadora Ltda.	3,122	2,803	-	-
Otawa Incorporadora Ltda.	50	1,050	-	-

		Company		Consolidated	
		03/31/08	12/31/07	03/31/08	12/31/07
Wanessa Incorporadora Ltda.		6,033	5,843	-	-
Cremona Incorporadora Ltda.		-	8,244	-	-
Treviso Incorporadora Ltda.		13,890	1,890	-	-
Santarém Incorporadora Ltda.		10,034	6,137	-	-
J.J. Rodrigues Empreendim. Imobil. SPE Ltda.		1,053	544	-	-
Savona Incorporadora Ltda.		3,629	1,354	-	-
Grauna Incorporadora Ltda.		10	10	-	-
Analisys Consultoria, Planejamento e Participações S/S		1,475	1,173	-	-
Tatuapé Empreendimentos Imobiliários Ltda.		-	8,129	-	-
Center Jab. Empreendimentos Imobiliários Ltda.		20	-	-	-
Jauaperi Incorporadora Ltda.		1,700	-	-	-
Livorno Incorporadora Ltda.		24	-	-	-
Verona Incorporadora Ltda.		450	-	-	-
Torino Incorporadora Ltda.		370	-	-	-
Trento Incorporadora Ltda.		200	-	-	-
Monza Incorporadora Ltda.		3,620	-	-	-
Alexandria Incorporadora Ltda.		650	-	-	-
Lausanne Incorporadora Ltda.		400	-	-	-
WZ Incorporação Imobiliária Privelige Ltda.	(*)	-	-	1,421	1,287
Proberd Empreendimentos Imobiliários Ltda.	(*)	-	-	1,185	1,074
		106,644	94,628	2,606	2,361
Current liabilities-					
Intercompany payables:					
EZ TEC Técnica Engenharia e Construção Ltda.		1	1	-	-
Paraíso Empreendimentos Imobiliários Ltda.		2,057	1,557	-	-
Silvana Empreendimentos Imobiliários Ltda.		1,630	780	-	-
Park Empreendimentos Imobiliários Ltda.		2,756	2,896	-	-
WZ Incorporação Imobiliária Privelige Ltda.	(*)	-	-	702	299
Proberd Empreendimentos Imobiliários Ltda.	(*)	-	-	1,104	705
Alefico Administração e Participações Ltda.	(*)	-	-	2,614	2,485
Trisul S.A.	(*)	-	-	59	-
Juriti Empreendimentos Imobiliários Ltda.		620	-	-	-
Camila Empreendimentos Imobiliários Ltda.		483	-	-	-
Tatuapé Empreendimentos Imobiliários Ltda.		471	-	-	-
Marcella Empreendimentos Imobiliários Ltda.		10	-	-	-
		8,028	5,234	4,479	3,489

The amount of R$53,093 related to receivables held by the shareholders of the subsidiaries as of October 31, 2006, used as contribution to the Company's capital, for which there is no maturity date, was settled during the quarter ended March 31, 2008 (R$8,129 as of December 31, 2007).

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

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

In the quarter ended March 31, 2008, in addition to intercompany loan agreements, legal advisory services, in the amount of R$97 (R$8 as of March 31, 2007), were contracted from Hatti, Franco e Advogados Associados, a company controlled by one of the Company's shareholders.

22. RESERVE FOR CONTINGENCIES

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

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

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

Changes in reserve for contingencies for the quarter ended March 31, 2008 and year ended December 31, 2007 are as follows:

	Company		Consolidated	
	03/31/08	12/31/07	03/31/08	12/31/07
Opening balance	41	5	3,856	1,930
Additions	404	36	480	1,926
Closing balance	445	41	4,336	3,856

23. SHAREHOLDERS' EQUITY

a) Capital

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

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

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

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

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

As of March 31, 2008 and December 31, 2007, the Company's capital is R$724,070, represented by 149,286,532 common shares without par value.

b) Dividends

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

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

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

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

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

24. STOCK OPTION PLAN

The Company's bylaws provide for a stock option plan, as approved by the Extraordinary Shareholders' Meeting held on March 3, 2007, for officers, employees and contractors, and by March 31, 2008 none of the beneficiaries had exercised their call options. The stock option plan shall be limited to 2% of Company's shares.

25. CANCELLATION OF SALES

As of March 31, 2008, the amount of R$3,666 (R$1,685 as of March 31, 2007) represents cancellations in the period, related to contracts previously entered into, which include the effects of the results recorded under the percentage-of-completion method of the related works. Properties returned through cancellation are resold and, therefore, no provision for returns is recognized in the financial statements.

26. FINANCIAL INCOME (EXPENSES)

Represented basically by:

	Company		Consolidated	
	03/31/08	03/31/07	03/31/08	03/31/07
Income:				
Financial income	8,098	-	8,216	86
Interest on trade accounts receivable	-	-	2,940	1,188
Other	31	-	374	84
	8,129	-	11,530	1,358
Expenses:				
CPMF (tax on banking transactions)	(9)	-	(20)	(258)
Interest and monetary variation	(4)	-	(2)	-
Other	(2)	(1)	(52)	(116)
Discounts on trade accounts receivable	-	-	(132)	(23)
	(15)	(1)	(206)	(397)

27. LEASE AGREEMENT

As of March 31, 2008, the Company has lease agreements for IT equipment, totaling R$1,304 (R$581 as of December 31, 2007), whose monthly installments are subject to adjustment based on fixed rates varying from 1.20% to 1.22% per month. The agreements have final maturity dates between September 2010 and January 2011.

Lease installments are recorded as expenses in the statement of income. During the quarter ended March 31, 2008, the amount of R$24 was recorded as lease expense.

As of March 31, 2008, the unrecognized amount of lease agreements in the interim financial statements is R$1,079 (R$484 as of December 31, 2007) and the related depreciation is R$69. The present value of agreements payable is R$1,032 (R$456 as of December 31, 2007).

28. FINANCIAL INSTRUMENTS

a) Exchange risk exposure

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

b) Interest rate risk exposure

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

c) Concentration of risk

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

d) Carrying amounts and fair value of financial instruments

Except for the captions "Funds from shareholders", "Intercompany payables" and "Intercompany receivables", which are not subject to financial charges, the fair values as of March 31, 2008 and December 31, 2007 significantly differ from the carrying amounts and do not reflect subsequent changes in the economy, such as interest and tax rates and other variables that may affect their determination. The following methods and assumptions have been adopted to determine the fair value:

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

As of March 31, 2008 and December 31, 2007, the Company and its subsidiaries did not have derivative financial instruments.

29. INSURANCE

As of March 31, 2008, the Company and its subsidiaries have the following insurance contracts at amounts considered by Management to be in line with the risks involved:

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

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

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

30. COMMITMENTS

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

The Company, through its subsidiaries, has long-term agreements in the amount of R$8,098 (R$2,746 as of December 31, 2007), related to the supply of raw material used for real estate projects.

31. AMENDMENT TO BRAZILIAN CORPORATE LAW - LAW No. 11,638/07

On December 28, 2007, Law No. 11,638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and Financial Statements. This Law is effective for fiscal years beginning on or after January 1, 2008 and was designed primarily to update the Brazilian Corporate Law, so as to enable the convergence of Brazilian accounting practices with international accounting standards (IFRS) and allow the Brazilian Securities Commission (CVM) to issue new accounting standards and procedures, in conformity with such international accounting standards. Certain of these changes shall be applied as of the beginning of the next fiscal year while others are subject to regulation by regulatory agencies.

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

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

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

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

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

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

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

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

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

- Financial lease presented in note 27.

- Inclusion of the statement of cash flows in note 33 to provide a better understanding of the operations of the Company and its subsidiaries.

32. SUBSEQUENT EVENTS

On April 14, 2008, the subsidiary Verona Incorporadora Ltda. acquired a plot of land for R$520, according to a purchase agreement and other covenants. Of this total, R$52 was paid in cash and the remaining R$468 will be paid in one monthly installment of R$156 and two installments of R$156.

At a meeting held on April 15, 2008, the Board of Directors approved a Common Stock Buyback Program for holding the shares in treasury and subsequently selling or cancelling them, without any capital reduction. The Company may acquire 4,860,000 common shares at market price, representing approximately 10% of the outstanding shares.

On May 5, 2008, the subsidiary Bonneville Incorporadora Ltda. acquired a plot of land for R$3,100, according to a purchase agreement and other covenants. Of this total, R$100 was paid in cash and the remaining R$3,000 will be paid in three installments adjusted based on the IGP-M (general market price index) published by Fundação Getúlio Vargas.