

(A free translation of the original in Portuguese)

EVEN Construtora e Incorporadora S.A. and Subsidiaries

**Financial Statements at
December 31, 2009 and 2008
and Report of Independent Auditors**

(A free translation of the original in Portuguese)

Report of Independent Auditors

To the Board of Directors and Stockholders
EVEN Construtora e Incorporadora S.A.

- 1 We have audited the accompanying balance sheets of EVEN Construtora e Incorporadora S.A. and the consolidated balance sheets of EVEN Construtora e Incorporadora S.A. and its subsidiaries at December 31, 2009 and 2008, and the related statements of income, changes in stockholders' equity, cash flows and value added of EVEN Construtora e Incorporadora S.A., as well as the related consolidated statements of income, cash flows and value added for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.
- 2 We conducted our audits in accordance with approved Brazilian auditing standards, which require that we perform the audit to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audit taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the Company, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements, and (c) assessing the accounting practices used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- 3 In our opinion, the financial statements audited by us present fairly, in all material respects, the financial position of EVEN Construtora e Incorporadora S.A. and of EVEN Construtora e Incorporadora S.A. and its subsidiaries at December 31, 2009 and 2008, and the results of its operations, the changes in stockholders' equity, its cash flows and value added to the operations of EVEN Construtora e Incorporadora S.A., and the consolidated results of operations, cash flows and value added to the operations of EVEN Construtora e Incorporadora S.A. and its subsidiaries, for the years then ended, in accordance with accounting practices adopted in Brazil.

São Paulo, March 1, 2010

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Valdir Renato Coscodai
Contador CRC 1SP165875/O-6

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Balance Sheets at December 31

In thousands of reais

(A free translation of the original in Portuguese)

Assets	Parent company		Consolidated		Liabilities and stockholders' equity	Parent company		Consolidated	
	2009	2008	2009	2008		2009	2008	2009	2008
Current assets					Current liabilities				
Cash and cash equivalents (Note 3)	105,263	112,380	281,571	262,179	Loans and financing (Note 9)	25,361		136,264	84,042
Restricted accounts (Note 4)			32,220	59,952	Suppliers	153	1,271	34,592	34,114
Accounts receivable (Note 5)	6,599	19,649	1,033,999	540,539	Accounts payable for purchase of properties (Note 14)	847	5,318	17,242	31,194
Units for sale and land (Note 6)	15,823	14,745	555,226	452,092	Current accounts with property development partners (Note 12)	407	225	7,115	7,381
Current accounts with property development partners (Note 12)	16,765	12,735	40,492	20,950	Advances from customers (Note 13)	507	348	129,737	101,110
Deferred income tax and social contribution (Note 16)	319	2,421	319	2,421	Taxes and contributions payable	10,401	11,857	31,886	25,723
Taxes and contributions to be offset	7,485	9,178	11,506	11,152	Deferred income tax and social contribution (Note 16)	319	2,421	34,357	21,546
Other accounts receivable	16,079	14,039	54,891	29,404	Related parties (Note 11)	165,443	11,801	3,050	4,967
					Debentures (Note 10)	16,830	14,291	16,830	14,291
					Proposed dividends (Note 17(b))	29,733	14,258	29,733	14,258
					Assignment of receivables (Note 5(b))	2,067	5,636	15,316	12,303
					Other accounts payable	13,273	1,750	30,464	12,812
	168,333	185,147	2,010,224	1,378,689		265,341	69,176	486,586	363,741
Non-current assets					Non-current liabilities				
Long-term receivables					Loans and financing (Note 9)	126,610	142,133	433,672	216,234
Accounts receivable (Note 5)	24,105	30,287	136,577	143,999	Accounts payable for purchase of properties (Note 14)	2,425	3,121	27,752	38,627
Units for sale and land (Note 6)			101,675	200,746	Taxes payable (Note 15)	440	1,263	40,528	26,064
Advances for future capital increase (Note 7)	192,372	141,363	1,165	3,606	Advances for future investments (Note 7)			3,552	4,115
Related parties (Note 11)	8,916	4,479	200	601	Deferred income tax and social contribution (Note 16)	1,163	1,851	4,538	4,439
Deferred income tax and social contribution (Note 16)	1,163	1,851	1,163	1,924	Debentures (Note 10)	303,751	248,934	303,751	248,934
Other accounts receivable	6,866	4,963	7,341	4,976	Stock option plan (Note 20)	1,946	6,893	1,946	6,893
					Assignment of receivables (Note 5(b))	18,090	19,570	43,788	35,173
					Other accounts payable	428	439	8,802	4,207
	233,422	182,943	248,121	355,852		454,853	424,204	868,329	584,686
Investments (Note 7)	1,160,256	883,460	11	11	Minority interest			32,060	23,909
Goodwill (Note 7)	2,511	4,615			Stockholders' equity (Note 17)				
Property and equipment (Note 8)	6,819	5,015	11,518	23,336	Capital	757,264	757,262	757,264	757,262
Intangible assets (Note 8)	2,752	3,360	2,893	3,532	Transaction costs		(22,784)		(22,784)
					Stock option plan (Note 20)	10,981	8,996	10,981	8,996
					Revenue reserves	85,654	27,686	117,547	45,610
	1,405,760	1,079,393	262,543	382,731		853,899	771,160	885,792	789,084
Total assets	1,574,093	1,264,540	2,272,767	1,761,420	Total liabilities and stockholders' equity	1,574,093	1,264,540	2,272,767	1,761,420

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

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Statements of Income Years Ended December 31

In thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2009	2008	2009	2008
Gross operating revenue				
Real estate development and resales	7,567	24,390	1,198,130	837,087
Services rendered	51,678	44,479	20,302	28,813
Deductions	(5,736)	(5,925)	(50,227)	(38,377)
Net operating revenue	53,509	62,944	1,168,205	827,523
Cost of sales	(42,788)	(31,313)	(835,886)	(551,881)
Gross profit	10,721	31,631	332,319	275,642
Operating income (expenses)				
Selling expenses (Note 2.2(p))	(4,896)	(2,160)	(70,880)	(88,063)
General and administrative	(64,220)	(61,228)	(68,513)	(68,334)
Management fees	(8,311)	(9,570)	(8,311)	(9,570)
Other operating income (expenses), net	1,964	(3,155)	3,276	(4,375)
	(75,463)	(76,113)	(144,428)	(170,342)
Operating profit (loss) before results on equity investments and financial results	(64,742)	(44,482)	187,891	105,300
Results on equity investments (Note 7)				
Equity in the results of investees	225,313	126,843		
Allowance for losses	(1,262)	(2,641)		
Amortization of goodwill	(2,104)	(3,298)		
Financial result				
Financial expenses	(53,613)	(48,358)	(43,844)	(38,860)
Financial income	6,893	13,197	35,468	35,270
Monetary and exchange variations, net		(96)		(3,975)
	175,227	85,647	(8,376)	(7,565)
Income before taxation	110,485	41,165	179,515	97,735
Income tax and social contribution				
Current			(28,104)	(18,727)
Deferred taxes			(15,773)	(7,421)
			(43,877)	(26,148)
Net income before minority interest	110,485	41,165	135,638	71,587
Minority interest			(11,184)	(12,496)
Net income for the year	110,485	41,165	124,454	59,091
Outstanding shares at the end of the year	178,730,052	178,500,030		
Net income per share at the end of the year- R\$	0.62	0.23		

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

EVEN Construtora e Incorporadora S.A.

Statements of Changes in Stockholders' Equity

In thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Capital	Transaction costs	Stock option plan	Revenue reserves		Retained earnings	Total
				Legal	Profit retention		
At December 31, 2007	607,257	(22,784)	5,443	779			590,695
Increase and payment of capital (Note 17)	150,005						150,005
Stock option plan (Note 20)			3,553				3,553
Net income for the year						41,165	41,165
Appropriation of net income							
Legal reserve				2,058		(2,058)	
Proposed dividends - R\$ 0.08 per share (Note 17)						(14,258)	(14,258)
Profit retention reserve (Note 17(b))					24,849	(24,849)	
At December 31, 2008	757,262	(22,784)	8,996	2,837	24,849		771,160
Absorption of transaction costs		22,784			(22,784)		
Increase and payment of capital (Note 17)	2						2
Stock option plan (Note 20)			1,985				1,985
Net income for the year						110,485	110,485
Appropriation of net income							
Legal reserve				5,524		(5,524)	
Proposed dividends - R\$ 0.17 per share (Note 17)						(29,733)	(29,733)
Profit retention reserve (Note 17(b))					75,228	(75,228)	
At December 31, 2009	<u>757,264</u>	<u></u>	<u>10,981</u>	<u>8,361</u>	<u>77,293</u>	<u></u>	<u>853,899</u>

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

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Statements of Cash Flows Years Ended December 31

In thousands of reais

(A free translation of the original in Portuguese)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income before taxation	110,485	41,165	179,515	97,735
Expenses (income) not affecting cash flows				
Result on sale of investment	(182)	(1,230)		
Amortization of goodwill	2,104	3,298		
Equity in the results of investees	(225,313)	(126,843)		
Depreciation and amortization	2,474	2,118	3,448	5,860
Residual value of sales stands written off			12,679	
Provision for losses on investees	(1,262)	(2,641)		
Stock option plan	(2,960)	5,098	(2,960)	5,098
Accrued interest	32,819	23,716	35,279	27,911
	<u>(81,835)</u>	<u>(55,319)</u>	<u>227,961</u>	<u>136,604</u>
Changes in assets and liabilities				
Increase in restricted accounts			27,732	(59,952)
Increase in accounts receivable	19,232	(960)	(486,038)	(304,657)
Decrease (increase) in units for sale and land	(1,078)	10,709	(4,063)	(169,689)
Increase in accounts with property development partners, net of amounts classified in liabilities	(3,848)	(8,299)	(19,808)	(8,952)
Increase in taxes and contributions to be offset	1,693	(3,805)	(354)	(4,778)
Increase in other assets	(3,943)	(12,993)	(27,852)	(19,546)
Increase (decrease) in suppliers	(1,118)	(2,587)	478	8,547
Increase (decrease) in accounts payable for the purchase of properties	(5,167)	(7,571)	(24,827)	(38,296)
Increase (decrease) in advances from customers	159	(2)	28,627	71,092
Increase in taxes and contributions payable	(2,279)	7,024	20,627	26,229
Increase (decrease) in discount of receivables	(5,049)		11,628	
Increase (decrease) in other liabilities	11,512	216	22,247	12,308
Increase (decrease) in minority interest			(3,033)	(3,784)
	<u>(71,721)</u>	<u>(73,587)</u>	<u>(226,675)</u>	<u>(354,874)</u>
Cash used in operations	(71,721)	(73,587)	(226,675)	(354,874)
Interest paid	(33,763)	(29)	(59,979)	(2,474)
Income tax and social contribution paid			(28,104)	(18,727)
	<u>(105,484)</u>	<u>(73,616)</u>	<u>(314,758)</u>	<u>(376,075)</u>
Cash flows from investing activities				
Acquisitions of property and equipment	(3,670)	(3,228)	(3,670)	(25,363)
Increase in investments	(139,205)	(312,882)		
Profit distributions received	93,844	86,365		
Amount received (paid) on sale (acquisition) of interest	(5,940)	34,610		
Advances for future capital increase	(49,747)	(105,575)		
	<u>(104,718)</u>	<u>(300,710)</u>	<u>(3,670)</u>	<u>(25,363)</u>
Net cash used in investing activities	(104,718)	(300,710)	(3,670)	(25,363)

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Statements of Cash Flows Years Ended December 31 In thousands of reais

(continued)

	Parent company		Consolidated	
	2009	2008	2009	2008
Cash flows from investing activities				
Third parties				
Advances for future capital increase in investees, carried out by partners			1,878	1,416
Inflow through the issue of debentures	75,000	250,000	75,000	250,000
New loans and financing	18,627	209,776	416,440	373,781
Payment of loans and financing	(25,491)	(230,804)	(139,726)	(286,900)
	<u>68,136</u>	<u>228,972</u>	<u>353,592</u>	<u>338,297</u>
Stockholders/related parties				
Inflow from (payment to) related parties, net	149,205	8,419	(1,516)	(216)
Capital payment	2	150,005	2	150,005
Dividends paid	(14,258)	(6,897)	(14,258)	(6,897)
	<u>203,085</u>	<u>380,499</u>	<u>337,820</u>	<u>481,189</u>
Net cash provided by financing activities				
	<u>203,085</u>	<u>380,499</u>	<u>337,820</u>	<u>481,189</u>
Net increase (decrease) in cash and cash equivalents	(7,117)	6,173	19,392	79,751
Balances of cash and cash equivalents				
At the beginning of the year	<u>112,380</u>	<u>106,207</u>	<u>262,179</u>	<u>182,428</u>
At the end of the year	<u>105,263</u>	<u>112,380</u>	<u>281,571</u>	<u>262,179</u>

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

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Statements of Value Added Years Ended December 31

In thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2009	2008	2009	2008
Income				
Real estate development and resales and services	59,245	68,869	1,218,432	865,900
Other income	182	1,230		
Allowance for doubtful accounts - reversal/(establishment)	(747)	175	(747)	175
	58,680	70,274	1,217,685	866,075
Inputs acquired from third parties				
Cost	(5,909)	(11,407)	(799,005)	(531,974)
Materials, energy, outsourced services and others	(24,485)	(19,503)	(94,066)	(109,885)
	(30,394)	(30,910)	(893,071)	(641,859)
Gross value added	28,286	39,364	324,614	224,216
Retentions				
Depreciation and amortization	(2,474)	(2,118)	(3,448)	(5,860)
Amortization of goodwill in subsidiaries	(2,104)	(3,298)		
	(4,578)	(5,416)	(3,448)	(5,860)
Value added generated by the entity	23,708	33,948	321,166	218,356
Value added received through transfer				
Equity in the results of investees	225,313	126,843		
Gain (loss) in investees	(1,262)	(2,641)		
Financial income - including monetary variations	6,893	13,101	35,468	31,295
	230,944	137,303	35,468	31,295
Total value added to distribute	254,652	171,251	356,634	249,651
Distribution of value added				
Salaries and social charges	(53,754)	(42,481)	(53,754)	(42,481)
Employer profit sharing	(10,730)	(6,611)	(10,730)	(6,611)
Stock option plan	2,960	(5,098)	2,960	(5,098)
Management fees	(8,311)	(9,570)	(8,311)	(9,570)
Taxes, charges and contributions	(18,341)	(16,212)	(104,939)	(73,689)
Financial expenses - including monetary variations	(53,613)	(48,358)	(43,844)	(38,860)
Rental	(2,378)	(1,756)	(2,378)	(1,755)
Minority interest			(11,184)	(12,496)
Dividends	(29,733)	(14,258)	(29,733)	(14,258)
Profits reinvested	(80,752)	(26,907)	(94,721)	(44,833)
	(254,652)	(171,251)	(356,634)	(249,651)

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

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EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

1 Operations

EVEN Construtora e Incorporadora S.A. (the "Company") is a publicly-held company with its head office located in São Paulo, State of São Paulo, which was registered as a listed corporation with the Brazilian Securities Commission (CVM) on March 2, 2007. As from April 2, 2007, its shares started to be traded on the São Paulo Stock Exchange (BOVESPA) New Market - under the symbol EVEN3.

The main activities of the Company and its subsidiaries are residential real estate development and investments in other companies.

Real estate development projects are carried out by the Company and its subsidiaries or in association with other partners. Third parties participate directly in the development projects or through investments in companies formed for the specific purpose of developing the projects.

The subsidiaries share the Company's structures as well as the corporate, management and operating costs.

The Company is subject to arbitration at the Capital Markets Arbitration Chamber, in accordance with the Commitment Clause which is part of the Company's by-laws.

2 Financial Statement Presentation and Significant Accounting Practices

2.1 Financial statement presentation

These financial statements were approved by the Company's Board of Directors on March 1, 2010.

The financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil, based on the provisions of Brazilian Corporation Law and the rules of the Brazilian Securities Commission (CVM).

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

The main accounting practices adopted in the preparation of these financial statements are those applicable for the financial statements ended December 31, 2009, which will be different from the practices to be used for the preparation of the financial statements at December 31, 2010, as described in item 2.3 below.

The preparation of financial statements requires the use of estimates to record certain assets, liabilities and other transactions. Therefore, the Company's financial statements include various estimates related to the selection of the useful lives of property and equipment, provisions for contingent liabilities, income tax, budgeted costs and other similar liabilities. The actual results may differ from those estimated.

The following reclassifications were made to some balance sheet account amounts compared to fiscal year ended December 31, 2008: (a) transfer of discounted receivables in the amount of R\$ 25,206 (consolidated: R\$ 47,476), from assets to corresponding liabilities; (b) transfer of unappropriated charges on the issuance of debentures, in the amount of R\$ 1,442 (parent company and consolidated), from current assets to current liabilities (R\$ 376) and to non-current liabilities (R\$ 1,066); and transfer of the Stock Option Plan in the amount of R\$ 8,996, from non-current liabilities to stockholders' equity.

2.2 Description of the significant accounting practices adopted

(a) Cash and cash equivalents

These comprise cash and bank deposits, stated at cost, and short-term investments in investment funds and securities with high liquidity which are readily convertible into known amounts of cash and are subject to immaterial risk of change in value. In the balance sheet and in the statements of cash flows, cash and cash equivalents are presented net of balances on overdraft accounts.

(b) Financial instruments

(i) Classification and measurement

The Company classifies its financial assets according to the following categories: measured at fair value through results and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets when first recorded.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

Financial assets measured at fair value through profit or loss

These are financial assets held for active and frequent trading, classified as cash equivalents. Gains or losses arising from the fair value variations of financial assets are recorded in the statements of income in "financial result" in the period they occur.

Loans and receivables

These comprise loans granted and receivables which are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. Loans and receivables are included in current assets, except for those with maturity of more than 12 months after the balance sheet date (these are classified as non-current assets). The Company's loans and receivables comprise loans granted to associated companies, trade accounts receivable, other accounts receivable, cash and certain cash equivalents. Loans and receivables are recorded at amortized cost, based on the effective interest rate method.

Fair value

Fair values of investments with publicly-available quotations are based on current purchase prices. For financial assets without an active market or public quotation, the Company determines fair value through valuation techniques, which use recent transactions with third parties, references to other substantially similar instruments, discounted cash flow analysis and option pricing models which preferentially use information from external sources rather than internally-generated data.

The Company evaluates, at the balance sheet date, if there is objective evidence that a financial asset or a group of financial assets is impaired in relation to its recoverable value. If there is such evidence for available-for-sale financial assets, the cumulative loss - calculated as the difference between the acquisition cost and current market value minus any impairment loss of this financial asset previously recognized in results - is transferred from equity (carrying value adjustments) to the statement of income.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

(c) Trade accounts receivable

Units are sold mainly during the launch and construction phases of real estate projects. In these cases, trade accounts receivable are calculated based on the ratio between cost incurred of units sold (including land) and total budgeted cost, applied to the total revenue from units sold, adjusted according to contractual terms, thus determining the amount of accumulated revenue to be recognized, from which amounts received are deducted.

The results for units sold on credit are appropriated at the time of sale, regardless of the contracted payment terms of the sale. Interest and monetary variation levied on accounts receivable of finished units are appropriated to financial result, on an accrual basis.

The allowance for doubtful accounts is set up when there is objective evidence that the Company will not be able to collect all the debts according to the original terms of the accounts receivable. The provision constituted based on this assessment corresponds to the accounts receivable relating to the units delivered and with installments past due for over 180 days, since the customer only takes possession of the property when the contractual obligations have been complied with. The amount of the provision corresponds to the book value of accounts receivable since, in these circumstances, it is difficult to estimate the recoverable value.

The present value of trade accounts receivable related to unfinished units sold is calculated based on government securities interest rates indexed to the Amplified Consumer Price Index (IPCA). This rate is compatible with the nature, term and risks of similar transactions under market conditions, with an average rate of 5.7% p.a. for the year ended December 31, 2009 (December 31, 2008 – 8.6% p.a.).

(d) Inventories

The units ready to be sold are stated at construction cost, which is lower than net realizable value. For the units under construction, the portion recorded in inventories corresponds to the cost incurred on the units not yet sold.

Cost comprises materials, labor (own or outsourced) and other construction-related costs, including the financial cost of the capital invested (financial charges on accounts payable for purchases of land and on real estate financing transactions incurred during the construction period).

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

The net realizable value is the sale price estimated for the normal course of business, decreased by the construction costs and selling expenses. When construction costs of finished or under-construction units exceed the estimated cash flows of sales, impairment is recorded in the period when it is determined that the book value is not recoverable. The recovery of the book value of each real estate project is reviewed when events or changes in macroeconomic scenarios indicate that it may not be recoverable. If this occurs, a provision is established.

Land is stated at acquisition cost, increased by any financial charges generated by the related accounts payable. In the case of barter of units to be constructed, the cost corresponds to the estimated cash price of the units to be constructed and delivered in exchange. The land is registered only upon the formalization of the title deed and is not recognized in the financial statements during the negotiation process, regardless of the probability of success or status of the negotiation.

(e) Income tax and social contribution on net income

Income tax and social contribution are calculated at the standard rate of 15% for income tax, plus a 10% surcharge, and at 9% for social contribution, on accounting profit for the year adjusted in accordance with the criteria established by tax legislation for companies taxed on the taxable income method.

As permitted by tax legislation, certain subsidiaries with previous year billings less than R\$ 48,000 opted for the presumed profit basis. For these companies, the bases of calculation of income tax and social contribution are computed at the rates of 8% and 12%, respectively, on gross revenues (at 32% when the revenue arises from services rendered and at 100% when it arises from financial revenues), to which the standard rates for income tax and social contribution are applied.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available to be used for offset of temporary differences, taking into consideration projections of future results, prepared and based on internal assumptions and future economic scenarios which could, therefore, suffer changes. Deferred income tax and social contribution are presented in Note 16.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

(f) Investments in subsidiaries

(i) Equity value

When the Company holds more than 50% of the voting capital of another company, this company is considered to be a subsidiary. Where the holding is less than 50% of the voting capital, agreements guarantee the Company the right to veto decisions that may significantly affect the subsidiary's business, thereby granting the Company shared control.

The Company's investments in subsidiaries are stated on the equity method of accounting, with the equity in results recorded in the statement of income as operating income (or expenses). Unrealized gains or transactions between the Company and its subsidiaries are eliminated to the extent of the Company's participation; unrealized losses are also eliminated, except when the transaction provides evidence of a permanent loss (impairment) of the transferred asset.

The Company's investments in subsidiaries include goodwill (net of accumulated amortization) on the acquisition. When the Company's participation in a subsidiary's loss equals or exceeds the amount invested, the Company does not recognize additional losses, unless it has assumed obligations, made payments on behalf of the investee, or made advances for future capital increase.

The cost of acquisition of a subsidiary is measured against the book value of the subsidiary's net assets. The amount of the cost of acquisition which exceeds this value is recorded as goodwill.

When necessary, the subsidiaries' accounting practices are altered to ensure uniformity with the practices adopted by the Company.

(ii) Goodwill

Goodwill is determined on the acquisition or subscription of capital in another company and is represented by the value of the cost of acquisition of the investment which exceeds the amount of equity in the investee, calculated by applying the percentage of acquisition or subscription to the investee's net equity.

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Goodwill is amortized in accordance with the basis on which it was determined over its estimated useful life. Management determines the estimated useful life of an investment based on its evaluation of an acquired company at the time of the acquisition, taking into consideration factors such as inventories of land, capacity of generating results in the developments launched and/or to be launched in the future and other inherent aspects. When goodwill is not economically justified, it is immediately recognized as a loss in the results for the year.

(g) Property and equipment

Property and equipment are stated at cost of acquisition, less depreciation calculated on the straight-line basis, at the annual rates listed in Note 8.

The head offices of the Company and its branches and subsidiaries are located in properties rented from third parties.

(h) Impairment of assets

Property and equipment and other non-current assets, including goodwill and intangible assets, are reviewed to identify evidence of impairment annually, and also whenever events or alterations in the circumstances indicate that the book value may not be recoverable. In this case, the recoverable value is calculated to verify if there is any loss. In the event of a loss, it is recognized at the amount by which the book value of the asset exceeds its recoverable value, which is the higher between the net sales price and the value in use of an asset. For evaluation purposes, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(i) Provisions

Provisions are recognized when the Company has a legal or informal present obligation as a result of past events, it is probable that a cash outflow is necessary to settle the obligation and a reliable estimate of the amount can be made.

The Company recognizes a provision for onerous contracts when the benefits expected to be obtained from a contract are lower than the unavoidable costs to satisfy the obligations assumed in the contract.

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(j) Employee and manager benefits

In April 2008 the Company implemented a life insurance program with a survival coverage clause (private pension program of the Free Benefit Generating Life Plan (VGBL) type), for its eligible employees and managers. The program requires monthly contributions by the Company, which does not assume any obligations to participants after they retire or leave the Company (Note 21).

The plan costs are accounted for based on the monthly contribution amounts which represent the Company's obligation, as provided for in contract.

The Company has a stock option plan, as detailed in Note 20.

Also, the Company has bonus plans, usually recognized at the end of the year, when a reliable estimate of the amount can be made by the Company's management.

(k) Share-based remuneration

The Company offers share-based remuneration plans, to be settled in the Company's stock for the employees and either in cash or in the Company's stock for the executives, according to which the Company receives services in consideration for stock options. The fair value of options granted is recognized as an expense, during the period in which the right is acquired (when specific vesting conditions must be met), with a contra entry to stockholders' equity for the employees' options and to liabilities for the executives' options, on a prospective basis.

At the base date of the financial statements, the Company reviews the estimated number of options which will be acquired based on the conditions. The company also remeasures the fair value of the options granted and recorded under liabilities. Subsequently, it recognizes the impact of the review of initial estimates in the statement of income, with a contra entry to stockholders' equity, for the employees' stock options and to liabilities, for the executives' stock options. If the executives decide to settle their options in the Company's stock, the corresponding amount is transferred to stockholders' equity.

(l) Loans, financing and debentures

Loans and financing are recorded on the receipt of the funds, net of the transaction costs, increased by charges and interest calculated on a pro rata basis in relation to the period expired, net of the payments made.

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Debentures not convertible into shares are recognized in a manner similar to loans and financing.

(m) Capital

Capital is exclusively comprised of common shares, classified in stockholders' equity.

(n) Revenue reserves

The legal reserve is calculated at 5% of net income for the year, in accordance with Law No. 6404/76.

The balance of the revenue reserves refers to the retention of the remaining retained earnings balance in order to be utilized in the business growth project established in the investment plan, according to the capital budget proposed by the Company's management, which will be submitted for approval at the Annual Stockholders' Meeting.

(o) Determination of the results of developments and sales of real estate and others

For the sales of unfinished units of development projects which are no longer under the effects of the corresponding contingency clause included in the development specifications, the procedures and rules established by Resolution No. 963 of the Federal Accounting Council (CFC) are complied with, as follows:

- . the costs incurred for units sold (including land) are fully recognized in results;
- . the percentage of costs incurred on units sold (including land) is computed in relation to total budgeted costs, and this percentage is applied to the total sales price of the units sold, adjusted according to the terms established in the sales contract, in order to determine the revenue to be recognized;
- . the amount of revenue calculated, including monetary indexation charges, net of installments already received, is classified as accounts receivable or advances from customers, when applicable;

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- financial charges directly related to real estate projects, on accounts payable for purchase of land and real estate financing transactions, as well as financial charges of other financing transactions indirectly related to real estate projects, including debentures, incurred during the construction period are appropriated to the cost incurred and recognized in the result upon the sales of the units of the real estate project to which they were appropriated.

Financial charges of financing transactions whose funds were not invested in real estate projects are appropriated to financial result when incurred, as well as those relating to accounts payable for purchase of land and real estate financing transactions incurred after the conclusion of the construction.

(p) Selling expenses

Charges related to sales commissions are the responsibility of the purchaser of the property and do not represent expenses of the Company and its subsidiaries.

The expenses with advertising, marketing, promotions and other similar activities are recognized in the results directly related to each project.

Expenditures incurred and directly related to the construction of sales stands and model apartments, when the estimated useful life is longer than one year, have tangible characteristics and therefore are recorded in "Property and equipment" and depreciated according to the estimated useful life. The related depreciation charge is allocated to the account "Selling expenses".

(q) Consolidated financial statements

The consolidated financial statements include the financial statements of EVEN Construtora e Incorporadora S.A. and its subsidiaries (individually and under shared control or formed for the specific purpose of managing real estate development projects), as mentioned in Note 7, as well as of the exclusive fund for financial investments of the Company and its subsidiaries, as mentioned in Note 3. The consolidated financial statements eliminate intercompany accounts, income and expenses, as well as the investments between the companies and minority interests are disclosed separately. The financial statements of the companies under shared control are consolidated proportionally.

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The Company incurred financial charges on the issue of debentures (Note 10), the funds from which were, among others, invested in the purchase of new land and developments in construction (Note 6) of subsidiary companies. The resources were transferred through advances or subscriptions of capital (Note 7). As a result, a part of the financial charges incurred by the parent company on the debentures is being appropriated for consolidation purposes to the cost incurred in the developments of the subsidiary companies, and the portion remaining in their inventory is presented as a reconciling item of stockholders' equity and net income between the Parent Company and the related consolidated amounts,

	<u>2009</u>		<u>2008</u>	
	<u>Net income for the year</u>	<u>Stockholders' equity</u>	<u>Net income for the year</u>	<u>Stockholders' equity</u>
Balances of the Parent company	110,485	853,899	41,165	771,160
Reversal of (provision for) net capital deficiency of subsidiaries			2	
Reversal of interest on inventories from previous year	(17,924)			
Capitalization of interest incurred by the parent company in developments under construction of the subsidiaries	31,893	31,893	17,924	17,924
	<u>13,969</u>	<u>31,893</u>	<u>17,926</u>	<u>17,924</u>
Consolidated balances	<u>124,454</u>	<u>885,792</u>	<u>59,091</u>	<u>789,084</u>

2.3 Accounting pronouncements and interpretations of standards that are not yet effective

The accounting pronouncements and interpretations of standards listed below were published and are mandatory for years beginning on or after January 1, 2010. In addition, other pronouncements and interpretations were also published, which alter the accounting practices adopted in Brazil, within the process of convergence with international standards. The standards below are only those that could (or should) more significantly affect the Company's financial statements. Under the terms of these new standards, the figures for 2009, presented herein, should be restated for comparison purposes when the 2010 financial statements are prepared. The Company did not elect early adoption of these standards for the year ended December 31, 2009.

- . CPC 22 – Segment Information
- . CPC 30 – Revenues and ICPC 02 – Real Estate Construction Contracts
- . CPC 36 – Consolidated Financial Statements

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- . CPC 37 - First-time Adoption of International Financial Reporting Standards
- . CPC 38 to 40 – Financial Instruments: Recognition, Measurement, Presentation and Disclosure

The Company will have to prepare information by segment, and changes should occur in the presentation of the consolidated financial statements, one of which is the presentation of minority shareholders' interest as an item of stockholders' equity.

ICPC 02, in combination with CPC 30, brings significant changes to the accounting practices previously established by OCPC 01 for real estate development entities. The Company is assessing the impacts that these changes will have on its financial statements but has not quantified them yet.

With respect to release to the market of financial statements prepared in accordance with international accounting standards, BM&FBOVESPA has disclosed, through External Communication No. 021/2009 of November 16, 2009, that, in view of the evolution of Brazilian legislation on accounting practices, Companies listed in the New Market do not have to prepare them for the year ended December 31, 2009, but will have to present them, on a comparison basis, with the financial statements for the year ending December 31, 2010. This procedure has also been established by the Brazilian Securities Commission (CVM) for all other publicly-traded companies through CVM Instruction No. 457 of July 16, 2007.

3 Cash and Cash Equivalents

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash and banks	3,069	2,174	24,690	11,858
Investment funds – fixed rate (i)	53,844	106,293	123,726	154,950
Investment fund - Stone (ii)	48,350	3,913	133,155	95,371
	<u>105,263</u>	<u>112,380</u>	<u>281,571</u>	<u>262,179</u>

- (i) Average rates equivalent to 100.5% to 104% of the variation of the Interbank Deposit Certificate (CDI).

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- (ii) Exclusive fund for investments of the Company and its subsidiaries, presented in a consolidated manner. The investments of this fund are valued at market value at December 31 and correspond to: (i) Repurchase and sale commitments, in the amount of R\$ 12,364 (2008 - R\$ 23,388); (ii) Bank Deposit Certificates (CDBs), in the amount of R\$ 60,620 (2008 - R\$ 54,868); (iii) National Treasury Bonds, in the amount of R\$ 58,646 (2008 - R\$ 17,115); and (iv) debentures issued by energy companies, in the amount of R\$ 1,525. All fund investments are valued at market value.

4 Restricted Accounts

These are represented by funds from financing granted by financial institutions to committed purchasers of projects under construction, which are made available to the Company as the construction works on these projects progress.

5 Trade Accounts Receivable and Discount of Receivables

(a) Trade accounts receivable

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Completed projects	<u>25,471</u>	<u>27,575</u>	<u>261,855</u>	<u>93,306</u>
Projects under construction				
Recognized revenue	73,183	65,879	1,783,059	1,221,129
Adjustment to present value		(245)	(25,928)	(31,272)
Installments received	<u>(66,670)</u>	<u>(42,740)</u>	<u>(847,129)</u>	<u>(598,091)</u>
	<u>6,513</u>	<u>22,894</u>	<u>910,002</u>	<u>591,766</u>
Recognized accounts receivable	31,984	50,469	1,171,857	685,072
Long-term receivables	(24,105)	(30,287)	(136,577)	(143,999)
Allowance for doubtful accounts	<u>(1,280)</u>	<u>(533)</u>	<u>(1,281)</u>	<u>(534)</u>
Current assets	<u>6,599</u>	<u>19,649</u>	<u>1,033,999</u>	<u>540,539</u>

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Trade accounts receivable are indexed mainly according to the National Civil Construction Index (INCC) up to the delivery of completed units and, subsequently, according to the General Market Price Index (IGP-M) or the Amplified Consumer Price Index (IPCA), plus interest of 12% per annum, calculated on a *pro rata temporis* basis as from the completion and delivery of the unit sold.

The balance of accounts receivable from units sold and not yet completed is not fully recognized in the financial statements, because the amount of revenue recorded is limited to the portion of revenue recognized for accounting purposes (in accordance with the criteria described in Note 2.2(o)), net of the installments already received.

Additional information on the total balance of accounts receivable related to real estate development projects, without considering the effects of adjustment to present value, is summarized as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Recognized accounts receivable	31,984	50,714	1,197,785	716,344
Portion recorded in advances from customers (Note 13)			(128,264)	(99,299)
Revenue not recognized (i)	<u>80</u>	<u>6,329</u>	<u>1,374,454</u>	<u>1,255,851</u>
Total accounts receivable	32,064	57,043	2,443,975	1,872,896
Installments receivable within one year	<u>(13,263)</u>	<u>(28,920)</u>	<u>(1,054,799)</u>	<u>(582,697)</u>
Long-term installments receivable	<u>18,801</u>	<u>28,123</u>	<u>1,389,176</u>	<u>1,290,199</u>

Accounts receivable, net of effects of adjustments to present value, may be summarized as follows, by maturity year:

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Year	Parent company		Consolidated	
	2009	2008	2009	2008
2009		28,920		582,697
2010	13,263	7,463	1,054,799	552,873
2011	5,495	6,431	729,974	376,234
2012	4,592	5,374	345,402	78,248
2013	3,070	3,309	74,325	57,986
2014 onwards	5,644	5,546	239,475	224,858
	<u>32,064</u>	<u>57,043</u>	<u>2,443,975</u>	<u>1,872,896</u>

The main information on projects under construction, arising from the units sold, is as follows:

	Parent company		Consolidated	
	2009	2008	2009	2008
Unappropriated sales revenue (i)	80	6,329	1,374,454	1,255,851
Budgeted cost to be incurred on units sold (ii)	(48)	(3,422)	(904,979)	(834,400)
	<u>32</u>	<u>2,907</u>	<u>469,475</u>	<u>421,451</u>

(i) Subject to effects of adjustments to present value when recognized.

(ii) Does not correspond to accounting information and is also unaudited information.

(b) Discount of receivables

Discounted receivables, in the amount of R\$ 20,157 at the parent company (2008 - R\$ 25,206) and R\$ 59,104 in the consolidated (2008 - R\$ 47,476), are stated in liabilities (current and non-current) and correspond to the discount of accounts receivable on completed developments, at rates varying between 10% and 12% p.a., plus IGP-M or IPCA.

The receivables which were discounted have been given in guarantee together with the commitment to honor the payment of any defaulting credits.

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6 Units for Sale and Land

This account comprises the costs of units (completed and under construction) and land for future real estate development projects, as shown below:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Advances for purchase of land	2,422	2,493	12,278	28,862
Land	10,230	8,890	132,344	202,924
Projects under construction	571		480,175	409,543
Advances to suppliers			5,996	7,023
Completed units	<u>2,600</u>	<u>3,362</u>	<u>26,108</u>	<u>4,486</u>
	15,823	14,745	656,901	652,838
Long-term receivables			<u>(101,675)</u>	<u>(200,746)</u>
Current assets	<u>15,823</u>	<u>14,745</u>	<u>555,226</u>	<u>452,092</u>

The long-term portion refers to land for development projects which are expected to be launched in a period exceeding 12 months.

Units for sale granted as guarantees are mentioned in Note 9.

Costs incurred and to be incurred for projects under construction are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cost incurred with units in inventory	571		480,175	409,543
Total budgeted costs (*) to be incurred for units in inventory	<u>2</u>	<u>98</u>	<u>495,353</u>	<u>834,413</u>
Unappropriated costs of units in inventory	573	98	975,528	1,243,956
Budgeted cost (*) of units sold to be incurred	<u>48</u>	<u>3,422</u>	<u>904,979</u>	<u>834,400</u>
Total unappropriated costs	<u>621</u>	<u>3,520</u>	<u>1,880,507</u>	<u>2,078,356</u>

(*)Does not correspond to accounting information and is also unaudited information.

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Changes in financial charges from bank financing transaction appropriated to cost during the construction period (mentioned in Note 2(o)), are as follows:

	<u>2009</u>	<u>2008</u>
Balance in inventories at the beginning of the year	20,645	491
Financial charges incurred in the period		
Financing of land (i)	16,701	8,834
Real estate credit transactions	29,418	14,969
Other financing transactions (ii)	<u>9,218</u>	<u>18,268</u>
	<u>55,337</u>	<u>42,071</u>
Appropriation of financial charges to cost of sales	<u>(39,370)</u>	<u>(21,917)</u>
Balance in inventories at the end of the year	<u><u>36,612</u></u>	<u><u>20,645</u></u>

(i) Does not include financial charges on accounts payable for land, being limited to bank loans obtained for this specific purpose.

(ii) Results mainly from the issuance of debentures.

7 Investments

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
In subsidiaries	1,160,245	883,449		
Tax incentives and other	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Investments	<u><u>1,160,256</u></u>	<u><u>883,460</u></u>	<u><u>11</u></u>	<u><u>11</u></u>
Unamortized goodwill	<u><u>2,511</u></u>	<u><u>4,615</u></u>		

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(a) The main information on the investees is as follows:

Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Wholly-owned subsidiaries								
Alef Empreendimentos Imobiliários Ltda.	100.00	100.00	463	1,405	4,503	5,839	4,503	5,839
Alpha Even Rio Empreendimentos Imobiliários Ltda.	100.00	100.00	(621)	(197)	5,097	4,338	5,097	4,338
Andromeda Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,633	(1,512)	13,000	9,951	13,000	9,951
Antlia Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(180)	(177)	9,221	6,588	9,221	6,588
Apus Even Empreendimentos Imobiliários Ltda. (iv)	100.00	100.00		(22)		3,249		3,249
Aquila Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	180	125	180	125
Aries Even Empreendimentos Imobiliários Ltda.	100.00	100.00	776	644	11,311	8,325	11,311	8,325
Auriga Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	420	421	420	421
Armadillo Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	3	(2)	3	
Bear Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(1,217)	(171)	4,843	5,816	4,843	5,816
Bee Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	3	(2)	3	
Birds Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	9	(3)	9	
Boulevard São Francisco Empreendimentos Imobiliários Ltda.	100.00	100.00	4,553	4,677	21,742	21,254	21,742	21,254
Butterfly Even Empreendimentos Imobiliários Ltda.	100.00	100.00	12	(3)	10	9	10	9
Caelum Even Empreendimentos Imobiliários Ltda.	100.00	100.00	873	1,750	18,098	8,581	18,098	8,581
Camelopardalis Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	178	36	178	36
Capricornus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	11,755	11,535	45,327	35,193	45,327	35,193
Cassiopeia Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	83	84	83	84
Cat Even Empreendimentos Imobiliários Ltda.	100.00	100.00	5,701	(2)	5,705	(2)	5,705	
Centaurus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	9,152	1,359	32,205	22,678	32,205	22,678
Cepheus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	5,360	3,837	31,478	19,995	31,478	19,995
Cetus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,804	1,556	17,554	14,370	17,554	14,370
Chamaeleon Even Empreendimentos Imobiliários Ltda.	100.00	100.00	4,840	1,739	30,511	23,026	30,511	23,026
Circinus Empreendimentos Imobiliários Ltda.	100.00	100.00	2,155	671	23,572	11,691	23,572	11,691
City Projects Empreendimentos Ltda. (v)	100.00	50.00	(2,379)	5,089	18,978	31,229	18,978	15,615
Colinas do Morumbi Empreendimentos Imobiliários Ltda.	100.00	100.00	(1,409)	(4,265)	8,619	9,822	8,619	9,822
Columba Even Empreendimentos Imobiliários Ltda.	100.00	100.00	11,677	4,111	22,047	17,524	22,047	17,524
Concetto Empreendimentos Imobiliários Ltda.	100.00	100.00	1,750	3,243	6,532	6,633	6,532	6,633
Delphinus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	500	(412)	29,313	28,533	29,313	28,533
Delta Even Rio Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	2	(3)	2	
Dolphin Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	4	(2)	4	
Dragon Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	2	(2)	2	
Eagle Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	2	(2)	2	

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Elephant Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	24	18	24	18
Epsilon Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,376	6,909	9,264	11,838	9,264	11,838
Epsilon Even Rio Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	2	(3)	2	
Eridanus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	4	(10)	143	252	143	252
Especiale Empreendimentos Imobiliários Ltda.	100.00	100.00	1,714	878	9,349	8,534	9,349	8,534
Even Arts Ibirapuera Empreendimentos Imobiliários Ltda.	100.00	100.00	4,266	4,356	15,495	13,989	15,495	13,989
Even Brisa Alpha Empreendimentos Imobiliários Ltda.	100.00	100.00	10,989	2,409	22,132	7,427	22,132	7,427
Even Brisa Beta Empreendimentos Imobiliários Ltda.	100.00	100.00	1,556	1,307	11,067	9,511	11,067	9,511
Even Brisa Omicron Empreendimentos Imobiliários Ltda.	100.00	100.00	(10)	(1,478)	(840)	(830)		
Fornax Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,497	686	36,434	25,238	36,434	25,238
Fox Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	679	(5)	679	
Gamma Even Rio Empreendimentos Imobiliários Ltda.	100.00	100.00	(16)	(80)	4,046	4,062	4,046	4,062
Gemini Even Empreendimentos Imobiliários Ltda.	100.00	100.00	10	(4)	183	762	183	762
Giraffe Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(664)	(16)	3,502	3,485	3,502	3,485
Goat Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	3	(2)	3	
Gorilla Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(771)	(6)	10,271	8,747	10,271	8,747
Green Prestação de Serviços de Construção Civil Ltda.	100.00	100.00	(3,161)	(1,213)	(1,580)	(1,082)		
Grus Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	56	56	56	56
Hamster Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,517	(728)	4,384	1,380	4,384	1,380
Hercules Even Empreendimentos Imobiliários Ltda.	100.00	100.00	3,695	2,611	22,674	18,979	22,674	18,979
Horologium Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	56	56	56	56
Horse Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	14	(3)	14	
Iluminatto Empreendimentos Imobiliários Ltda.	100.00	100.00	1,822	6,405	12,243	16,821	12,243	16,821
Indus Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	459	459	459	459
Kangaroo Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	3	(1)	3	
Kappa Even Empreendimentos Imobiliários Ltda.	100.00	100.00	687	2,008	6,930	7,162	6,930	7,162
Koala Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	8	(3)	8	
Lacerta Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	17	12	17	12
Leo Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	59	54	59	54
Leopard Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,594	(479)	8,130	3,301	8,130	3,301
Libra Even Empreendimentos Imobiliários Ltda.	100.00	100.00	6,320	(6)	14,557	5,833	14,557	5,833
Lion Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	64	59	64	59
Lionfish Even Empreendimentos Imobiliários Ltda.	100.00	100.00	38	(1,097)	5,955	3,876	5,955	3,876
Lizard Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	3	(1)	3	
Lyra Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	18	(1)	18	
Mensa Even Empreendimentos Imobiliários Ltda.	100.00	100.00	16	(3)	49	839	49	839
Microscopium Even Empreendimentos Imobiliários Ltda.	100.00	100.00	559	(1,083)	7,361	5,011	7,361	5,011

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Monkey Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	26	17	26	17
Monoceros Even Empreendimentos Imobiliários Ltda.	100.00	100.00	5,790	1,969	18,461	12,103	18,461	12,103
Mozodiel do Campo Ltda.	100.00	100.00	2,157	7,903	6,320	12,604	6,320	12,604
Musca Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	15	16	15	16
Octans Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(8)	(1,020)	20,714	11,667	20,714	11,667
Omicron Even Empreendimentos Imobiliários Ltda.	100.00	100.00	4,870	3,393	18,775	10,355	18,775	10,355
Ophiuchus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,857	(831)	12,308	10,074	12,308	10,074
Ox Even Empreendimentos Imobiliários Ltda.	100.00	100.00	5,788	(72)	20,888	14,335	20,888	14,335
Panda Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,168	178	8,771	8,013	8,771	8,013
Panther Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(1)	(2)	2	(1)	2	
Pavo Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(5)	285	116	285	116
Peacock Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	3	(1)	3	
Pegasus Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	14	9	14	9
Penguins Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(5)	18	8	18	8
Perseus Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	51	46	51	46
Phi Even Empreendimentos Imobiliários Ltda.	100.00	100.00	4,363	3,488	13,773	10,940	13,773	10,940
Pictor Even Empreendimentos Imobiliários Ltda.	100.00	100.00	223	(390)	13,670	11,797	13,670	11,797
Pisces Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,841	(159)	9,115	5,649	9,115	5,649
Polar bear Even Empreendimentos Imobiliários Ltda.	100.00	100.00	355	(834)	5,071	1,926	5,071	1,926
Puppis Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(1)	(3)	21	7	21	7
Pyxis Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(2)	(30)	223	197	223	197
Rabbit Even Empreendimentos Imobiliários Ltda.	100.00	100.00	334	(1,029)	4,392	357	4,392	357
Reticulum Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	11	6	11	6
Sagitta Even Empreendimentos Imobiliários Ltda.	100.00	100.00	5	(3)	123	113	123	113
Sagittarius Even Empreendimentos Imobiliários Ltda.	100.00	100.00	3,232	(22)	10,196	6,166	10,196	6,166
Scorpius Even Empreendimentos Imobiliários Ltda.	100.00	100.00	3,546	439	19,879	14,664	19,879	14,664
Sculptor Even Empreendimentos Imobiliários Ltda.	100.00	100.00	580	(392)	3,917	2,118	3,917	2,118
Scutum Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(199)	(4)	3,412	2,626	3,412	2,626
Sea Horse Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	2	(2)	2	
Serpens Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	257	247	257	247
Shark Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(18)	(7)	13,530	13,528	13,530	13,528
Sheep Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(174)	(30)	7,345	6,564	7,345	6,564
Snake Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(3)	150	140	150	140
Squirrel Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,607	(532)	6,375	4,983	6,375	4,983
Tabor Empreendimentos Imobiliários Ltda.	100.00	100.00	12,842	3,551	45,329	39,587	45,329	39,587
Taurus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,276	448	12,990	7,853	12,990	7,853
Telescopium Even Empreendimentos Imobiliários Ltda.	100.00	100.00	957	(1,109)	19,878	15,601	19,878	15,601

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Tiger Even Empreendimentos Imobiliários Ltda.	100.00	100.00	9,759	(4)	31,267	15,699	31,267	15,699
Toucan Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,632	(5)	10,629	3,332	10,629	3,332
Vida Viva Butantã Empreendimentos Imobiliários Ltda.	100.00	100.00	7,094	(45)	18,072	10,247	18,072	10,247
Vida Viva Mooca Empreendimentos Imobiliários Ltda.	100.00	100.00	1,602	4,224	7,966	10,671	7,966	10,671
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.	100.00	100.00	(11)	3,309	7,138	7,648	7,138	7,648
Vida Viva Tatuapé Empreendimentos Imobiliários Ltda.	100.00	100.00	1,233	3,791	8,275	8,701	8,275	8,701
Vivre Empreendimentos Imobiliários Ltda.	100.00	100.00	3,518	(550)	13,131	9,614	13,131	9,614
Volans Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(6)	944	945	944	945
Westeven Empreendimentos Imobiliários Ltda.	100.00	100.00	(626)	4,665	5,819	6,446	5,819	6,446
Whale Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(2)	5,897	(1)	5,897	
Window Jardins Empreendimentos Imobiliários S.A.	100.00	100.00	(40)	494	331	371	331	371
Wolf Even Empreendimentos Imobiliários Ltda.	100.00	100.00		(4)	6	(4)	6	
Zeta Even Empreendimentos Imobiliários Ltda.	100.00	100.00	501	(327)	4,753	1,736	4,753	1,736
							976,724	737,299

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Subsidiaries with minority interests								
Campo Belíssimo Participações Imobiliárias S.A. (j)	50.92	50.92	17,258	20,647	54,698	37,440	27,852	19,064
Even Brisa Delta Empreendimentos Imobiliários Ltda.	85.00	85.00	(7)	(11)	105	112	89	95
Even Brisa Epsilon Empreendimentos Imobiliários Ltda.	85.00	85.00	(8)	(19)	20	28	17	24
Even Brisa Eta Empreendimentos Imobiliários Ltda.	85.00	85.00	(2,153)	(534)	(2,188)	(35)		
Even Brisa Gamma Empreendimentos Imobiliários Ltda.	85.00	85.00	11	(10)	265	255	225	216
Even Brisa Kappa Empreendimentos Imobiliários Ltda.	85.00	85.00	1,858	(1,900)	628	(1,230)	533	
Even Brisa Lambda Empreendimentos Imobiliários Ltda.	85.00	85.00	(2)	(8)	38	39	32	33
Even Brisa Omega Empreendimentos Imobiliários Ltda.	85.00	85.00	(8)	(10)	(18)	(10)		
Even Brisa Phi Empreendimentos Imobiliários Ltda.	85.00	85.00	(3)	(3)	(6)	(3)		
Even Brisa Sigma Empreendimentos Imobiliários Ltda.	85.00	85.00	(3)	(3)	(6)	(3)		
Even Brisa Zeta Empreendimentos Imobiliários Ltda.	85.00	85.00	2,678	327	5,771	3,093	4,905	2,629
Plaza Mayor Empreendimentos Imobiliários Ltda.	75.00	75.00	19,295	24,701	46,046	36,751	34,535	27,563
Sociedade em Conta de Participação - Even Construterpins	64.29	64.29	780	1,170	6,632	6,617	4,264	4,254
Sociedade em Conta de Participação (SCP) - Even MDR	66.67	66.67	(1,140)	1,941	5,882	9,085	3,922	6,057
Tucana Even Empreendimentos Imobiliários Ltda.	80.00	80.00	2,884	556	5,934	4,350	4,747	3,480
							81,121	63,415
Subsidiaries under common control (iii)								
Aliko Investimento Imobiliário Ltda.	50.00	50.00	(2,857)	5,393	4,020	6,883	2,011	3,442
Cygnus Even Empreendimentos Imobiliários Ltda.	50.00	50.00	7,008	5,148	12,727	5,719	6,364	2,860
Disa-Catisa Even Empreendimentos Imobiliários Ltda.	50.00	50.00		(269)	31,729	31,728	15,864	15,864
Dog Even Empreendimentos Imobiliários Ltda. (ii)	7.50	7.50		(25)		4,656		349
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	40.00	(617)	349	2,799	6,094	1,120	2,438
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	22.90	22.90	449	(244)	2,683	1,765	614	404
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.	22.90	22.90	(55)	(55)	400	360	92	82
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	22.90	22.90	59	(53)	647	427	148	98
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	22.90	22.90	205	(160)	1,628	1,181	373	270
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.	45.80	45.80	(4)	(13)	(16)	(12)		
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	22.90	22.90	201	(75)	809	436	185	100
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.	45.80	45.80	(37)	(44)	340	298	156	136
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	22.90	22.90	(1,760)	(252)	1,944	1,672	445	383
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	50.00	2,730	1,841	6,541	3,870	3,270	1,935
Melnick Even Incorporações e Construções S.A.	50.00	50.00	2,333	(4,874)	24,140	11,035	12,070	5,518
Neibenfluss Empreendimentos Ltda.	50.00	50.00	(2)	(98)	7,491	7,493	3,746	3,747

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2009	2008	2009	2008	2009	2008	2009	2008
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	50.00	1,007	1,620	1,889	861	945	430
Parqueven Empreendimentos Ltda.	50.00	50.00	29,442	4,578	28,338	3,896	14,169	1,948
Tricity Empreendimento e Participações Ltda.	50.00	50.00	6,205	7,842	81,655	85,461	40,828	42,731
							102,400	82,735
							1,160,245	883,449

(i) Direct and indirect holdings total 70.46%.

(ii) Direct and indirect holdings total 53.75%.

(iii) Proportional consolidation.

(iv) On June 19, 2009, 100% of the investment in the subsidiary Apus Even Empreendimentos Imobiliários Ltda. was sold for R\$ 4,700, whose book value on that date was R\$ 4,039.

(v) On November 12, 2009, the total interest of third parties in City Projects Empreendimentos Imobiliários Ltda., equivalent to 50% on interest in its capital, was acquired for R\$ 10,640. This transaction included goodwill in the amount of R\$ 478, which was fully amortized due to the inexistence of economic substance.

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(b) The main information on indirect investees is summarized as follows:

Companies	Indirect holding - %		Net income (loss) for the period		Net equity	
	2009	2008	2009	2008	2009	2008
Evisa Empreendimentos Imobiliários Ltda. (i)	50	50	(1,140)	1,941	5,882	9,085
Norteven Empreendimentos Ltda. (ii)	50	50	48	1,567	2,368	20,012
Terra Vitris Empreendimentos Imobiliários Ltda. (ii)	50	50	462	(293)	10,024	5,019
Lepus Even Empreendimentos Imobiliários Ltda. (ii)	50	50	5		11,379	11,374
Dog Even Empreendimentos Imobiliários Ltda. (ii)	46.25	46.25	(36)		4,621	4,656
Blue Whale Even Empreendimentos Imobiliários Ltda. (ii)	50	50	13		16,011	15,998
Beta Even Rio Empreendimentos Imobiliários Ltda. (ii)	50	50	(40)		2,170	

(i) Proportional consolidation.

(ii) Proportional consolidation through the subsidiary under common control Tricity Empreendimento e Participações Ltda.

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(c) Unamortized goodwill:

	<u>Parent company</u>	
	<u>2009</u>	<u>2008</u>
Alef Empreendimentos Imobiliários Ltda.	4	3
Aliko Investimento Imobiliário Ltda.	592	696
Campo Belíssimo Participações Imobiliárias S.A.		19
Even Brisa Beta Empreendimentos Imobiliários Ltda.	973	1,396
Even Brisa Alpha Empreendimentos Imobiliários Ltda.	721	1,253
Even Brisa Zeta Empreendimentos Imobiliários Ltda.	198	239
Mozodiel do Campo Ltda.		704
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.		215
Other companies	23	90
	<u>2,511</u>	<u>4,615</u>

Goodwill basically relates to the adjustment to fair value of land for real estate development projects in each of the above mentioned companies, with respect to their book values. The amortization is being calculated and recorded proportionally to the recognition of results from the real estate development projects related to the land of the mentioned subsidiaries or special-purpose partnerships.

The unamortized balances are presented in the consolidated financial statements in the caption "Units for sale and land".

(d) The changes in investments may be summarized as follows:

	<u>At the beginning of the year</u>	<u>Capital subscription (reduction)</u>	<u>Distributed profits</u>	<u>Equity in the results</u>	<u>Other (*)</u>	<u>At the end of the year</u>
Subsidiaries with minority interest	63,415		(10,406)	28,111	1	81,121
Subsidiaries under common control	82,735	5,797	(8,578)	22,461	(15)	102,400
Wholly-owned subsidiaries	737,299	132,841	(74,860)	174,741	6,703	976,724
Year ended December 31, 2009	<u>883,449</u>	<u>138,638</u>	<u>(93,844)</u>	<u>225,313</u>	<u>6,688</u>	<u>1,160,245</u>
Year ended December 31, 2008	<u>562,579</u>	<u>312,237</u>	<u>(86,365)</u>	<u>126,843</u>	<u>(31,845)</u>	<u>883,449</u>

(*) See subjects (iv) and (v) of item (a) of this Note.

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- (e) The total balances of balance sheet and statement of income accounts of the subsidiaries under common control, direct and indirect, included in the consolidated financial statements in proportion to the percentage holding are summarized as follows:

				Assets	
	Holding - %	Current	Long-term receivable	Investments and property and equipment	Total
At December 31, 2009					
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	3,250			3,250
Tricity Empreendimento e Participações Ltda.	50.00	58,795	7,235	23,460	89,490
Aliko Investimento Imobiliário Ltda.	50.00	16,218			16,218
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	19,759	950		20,709
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	24,030			24,030
Parqueven Empreendimentos Ltda.	50.00	179,634			179,634
Evisa Empreendimentos Imobiliários Ltda. (indirect subsidiary)	50.00	9,578			9,578
Cygnus Empreendimentos Imobiliários Ltda.	50.00	35,081			35,081
Disa Catisa Empreendimentos Imobiliários	50.00	34,861		233	35,094
Neibenfluss Empreendimentos Ltda.	50.00	22,704			22,704
Melnick Even Incorporações e Construções S.A.	50.00	56,051		2,864	58,915
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	22.90	3,018			3,018
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.	22.90	377		22	399
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	22.90	672			672
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	22.90	2,166			2,166
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.	45.80	401			401
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	22.90	864			864
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.	45.80	331		18	349
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	22.90	4,619			4,619
At December 31, 2008					
City Projects Empreendimentos Ltda.	50.00	39,039	756		39,795
Dog Even Empreendimentos Imobiliários Ltda.	7.5	4,856			4,856
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	6,935			6,935
Tricity Empreendimento e Participações Ltda.	50.00	68,888	15,988	16,715	101,591
Aliko Investimento Imobiliário Ltda.	50.00	26,180		14	26,194
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	7,126	26		7,152
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	17,504			17,504
Parqueven Empreendimentos Ltda.	50.00	75,296	28,686		103,982
Evisa Empreendimentos Imobiliários Ltda. (indirect subsidiary)	50.00	12,728			12,728
Cygnus Empreendimentos Imobiliários Ltda.	50.00	28,688			28,688
Disa Catisa Empreendimentos Imobiliários	50.00	34,078		232	34,310

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

	Assets				
	Holding - %	Current	Long-term receivable	Investments and property and equipment	Total
Neibenfluss Empreendimentos Ltda.	50.00	21,803			21,803
Melnick Even Incorporações e Construções S.A.	50.00	24,436	146	867	25,449
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	22.90	1,679		95	1,774
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.	22.90	343		17	360
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	22.90	409		18	427
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	22.90	1,119		62	1,181
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.	45.80	1			1
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	22.90	418		18	436
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.	45.80	280		14	294
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	22.90	1,544		1,336	2,880
	Liabilities and net equity (net capital deficiency)				
	Holding - %	Current	Non-current	Net equity	Total
At December 31, 2009					
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	44	407	2,799	3,250
Tricity Empreendimento e Participações Ltda.	50.00	4,482	3,353	81,655	89,490
Aliko Investimento Imobiliário Ltda.	50.00	10,789	1,409	4,020	16,218
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	3,081	11,087	6,541	20,709
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	20,853	1,288	1,889	24,030
Parqueven Empreendimentos Ltda.	50.00	64,909	86,387	28,338	179,634
Evisa Empreendimentos Imobiliários Ltda. (indirect subsidiary)	50.00	777	2,919	5,882	9,578
Cygnus Empreendimentos Imobiliários Ltda.	50.00	20,172	2,182	12,727	35,081
Disa Catisa Empreendimentos Imobiliários	50.00	3,365		31,729	35,094
Neibenfluss Empreendimentos Ltda.	50.00	15,213		7,491	22,704
Melnick Even Incorporações e Construções S.A.	50.00	33,446	1,329	24,140	58,915
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	22.90	198	137	2,683	3,018
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.	22.90	(1)		400	399
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	22.90		25	647	672
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	22.90	419	119	1,628	2,166
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.	45.80	417		(16)	401
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	22.90	4	51	809	864
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.	45.80	9		340	349
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	22.90	2,423	252	1,944	4,619

EVEN Construtora e Incorporadora S.A. and Subsidiaries

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In thousands of reais, unless otherwise indicated

	Liabilities and net equity (net capital deficiency)				
	Holding - %	Current	Non-current	Net equity	Total
At December 31, 2008					
City Projects Empreendimentos Ltda.	50.00	4,661	3,905	31,229	39,795
Dog Even Empreendimentos Imobiliários Ltda.	7.5	200		4,656	4,856
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	266	575	6,094	6,935
Tricity Empreendimento e Participações Ltda.	50.00	2,430	13,700	85,461	101,591
Aliko Investimento Imobiliário Ltda.	50.00	17,393	1,918	6,883	26,194
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	2,971	311	3,870	7,152
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	15,756	887	861	17,504
Parqueven Empreendimentos Ltda.	50.00	69,581	30,505	3,896	103,982
Evisa Empreendimentos Imobiliários Ltda. (indirect subsidiary)	50.00	3,340	303	9,085	12,728
Cygnus Empreendimentos Imobiliários Ltda.	50.00	18,903	4,066	5,719	28,688
Disa Catisa Empreendimentos Imobiliários	50.00	2,582		31,728	34,310
Neibenfluss Empreendimentos Ltda.	50.00	14,310		7,493	21,803
Melnick Even Incorporações e Construções S.A.	50.00	12,736	1,678	11,035	25,449
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	22.90	9		1,765	1,774
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.	22.90			360	360
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	22.90			427	427
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	22.90			1,181	1,181
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.	45.80	13		(12)	1
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	22.90			436	436
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.	45.80	(4)		298	294
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	22.90	1,208		1,672	2,880

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

	Result for the year						
	Net revenue	Costs	Operating expenses	Financial result	Other income and expenses	Income tax and social contribution	Net income (loss) for the year
At December 31, 2009							
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	358	(954)	(90)	82		(13)	(617)
Tricity Empreendimento e Participações Ltda.	596	(500)	5,529	936	(112)	(244)	6,205
Aliko Investimento Imobiliário Ltda.	3,978	(6,383)	(198)	57	(186)	(125)	(2,857)
Jardim Goiás Empreendimentos Imobiliários Ltda.	11,482	(8,100)	39	(275)	6	(422)	2,730
Nova Suíça Empreendimentos Imobiliários Ltda.	10,923	(8,600)	(210)	(822)	12	(296)	1,007
Parqueven Empreendimentos Ltda.	112,104	(77,221)	(2,868)	1,362		(3,935)	29,442
Evisa Empreendimentos Imobiliários Ltda.		(262)	(529)	(314)		(35)	(1,140)
Cygnus Empreendimentos Imobiliários Ltda.	18,013	(10,382)	(417)	459		(665)	7,008
Disa Catisa Empreendimentos Imobiliários							
Neibenfluss Empreendimentos Ltda.			(2)				(2)
Melnick Even Incorporações e Construções S.A.	47,760	(37,459)	(7,456)	1,138	55	(1,705)	2,333
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.	3,364	(1,940)	(879)	1		(97)	449
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.			(52)	(3)			(55)
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.	371	(199)	(98)	(3)		(12)	59
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.	2,550	(1,670)	(595)	(5)		(75)	205
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.			(4)				(4)
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.	799	(434)	(136)	(3)		(25)	201
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.			(37)				(37)
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.	4,039	(2,568)	(3,102)	(3)		(126)	(1,760)
At December 31, 2008							
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	5,151	(4,754)	(112)	22		42	349
Dog Even Empreendimentos Imobiliários Ltda.			(25)				(25)
Tricity Empreendimento e Participações Ltda.	18,177	(15,938)	(2,008)	584	8,069	(1,042)	7,842
Aliko Investimento Imobiliário Ltda.	19,641	(12,776)	(690)	(178)	5	(609)	5,393
Jardim Goiás Empreendimentos Imobiliários Ltda.	7,197	(5,037)	(311)	307		(315)	1,841
Nova Suíça Empreendimentos Imobiliários Ltda.	12,572	(9,923)	(500)	(101)		(428)	1,620
Parqueven Empreendimentos Ltda.	31,335	(23,307)	(2,093)	(265)		(1,092)	4,578
Evisa Empreendimentos Imobiliários Ltda.	15	(1,405)	1,657	1,196		478	1,941
Cygnus Empreendimentos Imobiliários Ltda.	17,777	(10,600)	(1,456)	1		(574)	5,148
Disa Catisa Empreendimentos Imobiliários			(269)				(269)
Neibenfluss Empreendimentos Ltda.			(93)	(5)			(98)

EVEN Construtora e Incorporadora S.A. and Subsidiaries

**Notes to the Financial Statements
at December 31, 2009 and 2008**

In thousands of reais, unless otherwise indicated

	Result for the year						
	Net revenue	Costs	Operating expenses	Financial result	Other income and expenses	Income tax and social contribution	Net income (loss) for the year
Melnick Even Incorporações e Construções S.A.	5,398	(3,148)	(6,484)	(448)		(192)	(4,874)
Fazenda Roseira Delta Empreendimentos Imobiliários Ltda.			(244)				(244)
Fazenda Roseira Gamma Empreendimentos Imobiliários Ltda.			(55)				(55)
Fazenda Roseira Kappa Empreendimentos Imobiliários Ltda.			(53)				(53)
Fazenda Roseira Zeta Empreendimentos Imobiliários Ltda.			(160)				(160)
Fazenda Roseira Beta Empreendimentos Imobiliários Ltda.			(13)				(13)
Fazenda Roseira Alpha Empreendimentos Imobiliários Ltda.			(75)				(75)
Fazenda Roseira Eta Empreendimentos Imobiliários Ltda.			(44)				(44)
Fazenda Roseira Epsilon Empreendimentos Imobiliários Ltda.			(252)				(252)

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

- (f) Advances for future capital increases were made to the following subsidiaries:

	Assets			
	Parent company		Consolidated	
	2009	2008	2009	2008
Subsidiaries with minority interest	35,558	35,008		
Subsidiaries under common control	56,536	50,701	1,165	2,136
Wholly-owned subsidiaries	104,592	58,706		1,470
Allowance for losses in investees with net capital deficiency	(4,314)	(3,052)		
	<u>192,372</u>	<u>141,363</u>	<u>1,165</u>	<u>3,606</u>

The consolidated balance of advances for future capital increase in liabilities results from advances made to the subsidiaries under common control by partners in the developments, with no defined term for capitalization, the composition of which is as follows:

	Liabilities	
	Consolidated	
	2009	2008
<i>Quality Building</i>		
Empreendimento Plaza Mayor (Vila Leopoldina)	2,685	2,685
Empreendimento The Gift (Parqueven)		571
	<u>2,685</u>	<u>3,256</u>
Tucana Even Empreendimentos Imobiliários Ltda.	<u>867</u>	<u>859</u>
	<u>3,552</u>	<u>4,115</u>

8 Property and Equipment and Intangible Assets

	Parent company		Consolidated		Depreciation - %
	2009	2008	2009	2008	
Machinery and equipment (cost)	1,423	371	1,863	413	10
Accumulated depreciation	(159)	(98)	(176)	(101)	
Furniture and fixtures (cost)	1,994	1,888	2,728	2,477	10
Accumulated depreciation	(550)	(367)	(659)	(407)	
Computers (cost)	1,905	1,855	2,392	2,199	20
Accumulated depreciation	(973)	(617)	(1,111)	(662)	
Facilities (cost)	1,762	1,758	2,460	2,396	10
Accumulated depreciation	(504)	(329)	(614)	(371)	
Leasehold improvements	980	492	980	492	50

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

	<u>Parent company</u>		<u>Consolidated</u>		<u>Depreciation - %</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Accumulated depreciation	(329)	(156)	(329)	(156)	
Sales stands (cost)			7,023	20,335	(*)
Accumulated depreciation			(4,314)	(3,589)	
Other (cost)	1,291	239	1,296	338	
Accumulated depreciation	(21)	(21)	(21)	(28)	
Property and equipment	<u>6,819</u>	<u>5,015</u>	<u>11,518</u>	<u>23,336</u>	
Software (cost)	6,347	5,458	6,549	5,650	20
Accumulated depreciation	(3,595)	(2,098)	(3,656)	(2,118)	
Intangible assets	<u>2,752</u>	<u>3,360</u>	<u>2,893</u>	<u>3,532</u>	
	<u>9,571</u>	<u>8,375</u>	<u>14,411</u>	<u>26,868</u>	

(*) Costs incurred with the construction of sales stands and model apartments are only capitalized when the estimated useful-economic life is longer than one year and are depreciated in accordance with the estimated useful life of approximately 24 months, which varies in accordance with each development, and are written off upon the end of the end of the sale activities or demolition.

Review and adjustment of estimated useful lives

As required by Technical Interpretation ICPC 10 of the Brazilian Accounting Pronouncements Committee, approved by CVM Resolution 619/09, the Company concluded its first periodical review of the estimated economic useful lives of its property and equipment items used to calculate depreciation, as well as the review to determine estimated residual values.

It should be noticed out that the review of the useful life of the principal component of property and equipment, represented by sales stands, was already being made on a monthly basis, considering the sales levels of the corresponding development and their estimated demolition.

To analyze the other items, the Company considered its operating plan for the next years, internal history, such as the level of maintenance and use of the items. Considering that historically the Company does not sell its main property and equipment items, the residual value of property and equipment items was considered to be equal to zero. The review mentioned above did not cause any impacts on the estimated remaining useful lives of property and equipment items, in comparison with the current ones, and will not impact depreciation charges for the year ending December 31, 2010.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

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9 Loans and Financing

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
In local currency				
Financing for the purchase of land (i)	151,971	142,133	151,970	142,133
Real estate credit (ii)			417,966	158,143
	<u>151,971</u>	<u>142,133</u>	<u>569,936</u>	<u>300,276</u>
Current liabilities	<u>(25,361)</u>		<u>(136,264)</u>	<u>(84,042)</u>
Non-current liabilities	<u>126,610</u>	<u>142,133</u>	<u>433,672</u>	<u>216,234</u>

Main information on loans and financing:

- (i) The financing for the purchase of land is subject to 100% of the Interbank Deposit Certificate (CDI) rate, plus a spread of 2.0% p.a.
- (ii) Real estate financing transactions are subject to the Referential Interest Rate (TR), plus 11% to 12% p.a.

The financing transactions were guaranteed by the following assets:

	<u>2009</u>	<u>2008</u>
Inventories (cost incurred on units to be sold)	367,448	73,116
Accounts receivable	183,532	
Land	52,886	137,125
Quotas of a subsidiary's capital (book balance of the investment)		349
	<u>603,866</u>	<u>210,590</u>

Non-current amounts fall due as follows:

<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
2010		71,066		112,353
2011	26,553		303,090	25,827
2012	93,102	71,067	115,622	74,598

EVEN Construtora e Incorporadora S.A. and Subsidiaries

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<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
2013	6,955		14,960	3,456
	<u>126,610</u>	<u>142,133</u>	<u>433,672</u>	<u>216,234</u>

Long-term real estate financing agreements contain clauses of accelerated maturity in the event of default on the commitments assumed, such as the use of proceeds in accordance with the terms of the agreements, registration of mortgages on the real estate development projects, compliance with the construction schedules and others. The Company has been in compliance with the terms of these agreements.

10 Debentures

	<u>Parent company and Consolidated</u>	
	<u>2009</u>	<u>2008</u>
First issue	130,000	150,000
Second issue	100,000	100,000
Third issue	75,000	
Principal	305,000	250,000
Unappropriated transaction costs	(1,852)	(1,442)
Interest payable	17,433	14,667
	<u>320,581</u>	<u>263,225</u>
Current liabilities	<u>(16,830)</u>	<u>(14,291)</u>
Non-current liabilities	<u>303,751</u>	<u>248,934</u>

At a meeting held on October 26, 2007, the Company's Board of Directors approved the creation of the Company's First Debenture Distribution Program ("Program"), the purpose of which is to make it possible for the Company to realize public debenture offerings, under the terms of Article 11 and subsequent articles of CVM Normative Instruction No. 400, of December 29, 2003. The Program was effective for up to two years, as from the date of registration with the CVM, and the total amount is up to R\$ 500,000. Under this Program, the Company may only issue simple debentures, not convertible into shares.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

(a) First issue

Also at this meeting, the Board of Directors approved the Company's second debenture issue (the first under the Program), in a single series, of subordinated type, with the following characteristics:

- . Registration date – January 30, 2008.
- . Type of issue – not convertible into shares.
- . Date of settlement – February 6, 2008.
- . Maturity date – October 1, 2012.
- . Remuneration basis – CDI variation plus spread of 1.30% p.a.
- . Type of guarantee - subordinated.
- . Face value - R\$ 10.
- . Number of securities issued – 15,000.
- . Total amount issued – 150,000.

The resources obtained were utilized for the prepayment of the bank credit note, as disclosed to the market on October 26, 2007.

The General Meeting of Debenture Holders held on December 3, 2009 approved an extraordinary amortization, in the amount of R\$ 20,000, carried out on December 21, 2009, and the following terms and conditions have been re-agreed on:

- . Maturity date – October 1, 2013.
- . Amortizations:
 - .. R\$ 50,000 on October 1, 2011.
 - .. R\$ 50,000 on October 1, 2012.
 - .. R\$ 30,000 on October 1, 2013.
- . Remuneration payment – half-yearly on April 1 and October 1 (2010 to 2013).
- . Remuneration basis – CDI variation plus spread of 1.85% p.a.

There are restrictive conditions as defined in the definitive prospectus of the First Program for Public Distribution of Debentures issued by the Company, dated January 31, 2008.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

(b) Second issue

The Board of Directors approved on January 29, 2008 and ratified on January 31, 2008 the third issue of the Company's debentures (the second under the Program), which was carried out in a single series, of subordinated type, with the following characteristics:

- . Registration date – February 20, 2008.
- . Type of issue – not convertible into shares.
- . Date of settlement – February 21, 2008.
- . Maturity date – October 15, 2012.
- . Remuneration basis - IPCA variation, plus interest of 8.75% p.a.
- . Type of guarantee - subordinated.
- . Face value - R\$ 10.
- . Number of securities issued – 10,000.
- . Amount issued – 100,000.

There are restrictive conditions as defined in the supplement to the definitive prospectus of the First Program for Public Distribution of Debentures issued by the Company, dated February 20, 2008.

The Company is in compliance with the commitments undertaken in the prospectuses in accordance with their terms.

The costs related to the issue of debentures totaled R\$ 1,791 and are being appropriated to results over the period through maturity of the debentures.

(c) Third issue

The Board of Directors approved on November 19, 2009 the fourth issue of the Company's debentures (the third under the Program), which was carried out in a single series, of subordinated type, with the following characteristics:

- . Registration date - December 9, 2009.
- . Type of issue – not convertible into shares
- . Date of settlement – December 4, 2009.
- . Maturity date - June 4, 2013.
- . Remuneration basis – CDI plus interest of 1.9% p.a.
- . Type of guarantee - subordinated.
- . Face value - R\$ 1,000.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

- . Number of securities issued - 75.
- . Amount issued – 75,000.

The costs related to the issue of debentures totaled R\$ 790 and are being appropriated to results over the period through maturity of the debentures.

There are restrictive conditions as defined in the definitive prospectus of the Third Program for Public Distribution of Debentures issued by the Company, dated December 9, 2009.

EVEN Construtora e Incorporadora S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

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11 Related Parties

(a) Loan transactions

	Parent company				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	2009	2008	2009	2008	2009	2008	2009	2008
Subsidiary companies	8,318	939	159,196	5,500				
Campo Belíssimo Empreendimentos Imobiliários Ltda.		2,291						502
Sociedade em Conta de Participação - Even Construterpins	68							
Evisa Empreendimentos Imobiliários Ltda.								
Plaza Mayor Empreendimentos Imobiliários Ltda.		56						
Even Brisa Kappa Empreendimentos Imobiliários Ltda.	38							
Even Brisa Delta Even Empreendimentos Imobiliários Ltda.	3							
Even Brisa Zeta Even Empreendimentos Imobiliários Ltda.	30							
Even Brisa Eta Empreendimentos Imobiliários Ltda.	27							
Even Brisa Kappa Empreendimentos Imobiliários Ltda.	20							
Even Brisa Gamma Empreendimentos Imobiliários Ltda.	6							
Even Brisa Omega Empreendimentos Imobiliários Ltda.	12							
Even Brisa Epsilon Empreendimentos Imob	5							
Sociedade em Conta de Participação (SCP) - Even MDR			6,247	6,301			720	774
Subsidiaries with minority interests	209	2,347	6,247	6,301			720	1,276
Aliko Investimentos Imobiliários Ltda.	38	332			19	166		
Norteven Empreendimentos Imobiliários Ltda.	40	36			20	18		
Terra Vitris Empreendimentos Imobiliários Ltda.	146	146			73	73		
Tricity Empreendimento e Participações Ltda.		25				12		
Parqueven Empreendimentos Ltda.	154				77			
City Projects Empreendimentos Ltda.		643				321		
Window Jardins Empreendimentos Imobiliários S.A.							2,330	3,562
Subsidiaries under common control	378	1,182				590	2,330	3,562
	8,905	4,468	165,443	11,801	189	590	3,050	4,838
Other related parties								
ABC Construtora e Incorporadora Ltda.	4	4			4	4		129

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	Parent company				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	2009	2008	2009	2008	2009	2008	2009	2008
ABC T&K Participações S.A.		7			7	7		
	11	11			11	11		129
	<u>8,916</u>	<u>4,479</u>	<u>165,443</u>		<u>200</u>	<u>601</u>	<u>3,050</u>	<u>4,967</u>
Current			165,443	11,801			3,050	4,967
Non-current	<u>8,916</u>	<u>4,479</u>			<u>200</u>	<u>601</u>		

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The balances with Campo Belíssimo, City Projects and Tricity are subject to interest equivalent to the variation of the Interbank Deposit Certificate (CDI) rate. The balances are payable in accordance with the cash flows of the related developments.

Other balances with subsidiaries bear no financial charges and have no predetermined maturity dates.

The consolidated balances with subsidiaries arise from the proportional consolidation of the financial statements.

(b) Remuneration of management

Key management personnel include the Directors and executive officers. Remuneration paid, including bonus, is shown below:

	<u>2009</u>	<u>2008</u>
Board of Directors	145	147
Executive Board		
In cash	10,811	12,159
Stock option plan (Note 20(a))	<u>715</u>	<u>4,046</u>
	<u>11,671</u>	<u>16,352</u>

12 Current Accounts with Property Development Partners

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Development				
Duo Alto de Pinheiros	7,965	3,857	7,965	3,857
Granja Julieta			3,862	2,644
Particolare	1,187	3,129	1,187	3,129
Other	<u>561</u>	<u>48</u>	<u>771</u>	<u>(8)</u>
	<u>9,713</u>	<u>7,034</u>	<u>13,785</u>	<u>9,622</u>

Loans with partners

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	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Baucis Participações Ltda.	6	14	6	14
Brisa Empreendimentos Ltda.	784	772	784	772
Villa Reggio Empreendimentos Imobiliários Ltda.	71	570	71	570
Concord Incorporações Imobiliárias Ltda.		26		26
ARC Engenharia Ltda.	564	321	564	321
Inmax Construções	1,628	400	1,628	400
JCR Construção Civil Ltda.			450	2,154
	<u>3,053</u>	<u>2,103</u>	<u>3,503</u>	<u>4,257</u>
In consortia				
Consórcio Roseira	3,592	3,373	3,592	3,373
Consórcio Rossi			2,869	1,621
Colinas do Morumbi			(6,584)	(7,184)
Consórcio Cidade Jardim			2,658	1,880
Melnick Participações Ltda.			13,554	
	<u>3,592</u>	<u>3,373</u>	<u>16,089</u>	<u>(310)</u>
	<u>16,358</u>	<u>12,510</u>	<u>33,377</u>	<u>13,569</u>
Balance in current assets	16,765	12,735	40,492	20,950
Balance in current liabilities	(407)	(225)	(7,115)	(7,381)
	<u>16,358</u>	<u>12,510</u>	<u>33,377</u>	<u>13,569</u>

The Company participates in real estate development projects together with partners, directly or through related companies, by means of corporate holdings. The management structure of these projects and the cash management are centralized in the company leading the project, which also monitors the construction work and the budgets. Therefore, the company leading the project ensures the investment of the necessary funds are made as well as their allocation in accordance with the plans. The sources and use of the resources of each project are reflected in these balances, considering the respective percentage holding, which are not subject to restatement or financial charges, and do not have predetermined maturity dates.

The average term of development and completion of the projects in which funds are invested is three years, always based on the planning and financial schedules of each project. The allocation of funds in this manner permits that the business conditions agreed with each partner and for each project are concentrated on specific structures that are most suitable for the characteristics of each project.

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The loan balances with development partners are mainly subject to 100% of the Interbank Deposit Certificate (CDI) rate, plus interest between 3.5% and 4% per annum, with maturities subject to renegotiation to the long term, complying with the average term of development and completion of the related projects, except for the balances with Brisa Empreendimentos Ltda. and Villa Reggio Empreendimentos Imobiliários Ltda., which bear no financial charges.

13 Advances from Customers

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Amounts received for sale of projects not yet developed and other advances	507	348	1,473	1,811
Units sold from projects under construction				(92,847)
Appropriated revenue				113,417
Installments received in cash				78,729
Installments for which land was received in exchange			128,264	
			128,264	99,299
	<u>507</u>	<u>348</u>	<u>129,737</u>	<u>101,110</u>

14 Accounts Payable for the Purchase of Properties and Commitments Assumed

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Accounts payable in cash, subject to:				
CDI variation		4,658		4,658
NCC variation			17,478	18,343
INPC variation, plus interest of 8% p.a.			6,367	7,810
IGPM variation, plus interest of 10% p.a.				4,510
IGPM variation, plus interest of 12% p.a.	3,272	3,781	3,273	17,311
Other			17,876	17,189
	<u>3,272</u>	<u>8,439</u>	<u>44,994</u>	<u>69,821</u>
Current liabilities	<u>(847)</u>	<u>(5,318)</u>	<u>(17,242)</u>	<u>(31,194)</u>
Non-current liabilities	<u>2,425</u>	<u>3,121</u>	<u>27,752</u>	<u>38,627</u>

Long-term amounts fall due as follows:

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<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
2010	2,425	3,121	12,746	23,902
2011			4,423	3,584
2012			10,382	11,141
2013 onwards			201	
	<u>2,425</u>	<u>3,121</u>	<u>27,752</u>	<u>38,627</u>

The Company has commitments to purchase land, not yet recorded as there are matters pending resolution by the sellers before preparation of the final deed and transfer of the related title to the Company, to its subsidiaries or to partners. Such commitments total R\$ 262,528, of which R\$ 223,351 will be settled using barter of real estate units to be constructed and R\$ 35,558 will be settled by participation in the sales proceeds of the related developments.

15 Long-term Taxes Payable

Long-term taxes payable refer to Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) on the difference between development revenue recognized on the accrual basis and taxable revenue which follows the cash basis.

16 Income Tax and Social Contribution

(a) Deferred

The Company and its subsidiaries have the following balances for future offset, deduction from or addition to the calculation basis of future taxable income, computed based on taxable profit. Additionally, they have some differences to be taxed in future years, arising from profits on real estate activities taxed on the cash basis, which were recognized in the accounting records on the accrual basis, considering taxation on the presumed or taxable profit basis. These amounts are shown below:

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	Parent company		Consolidated	
	2009	2008	2009	2008
(i) Credits to be offset - taxable profit basis				
Income tax and social contribution losses to be offset against future taxable income	238,107	133,079	239,703	134,544
Unamortized goodwill (d)	16,991	19,710	16,991	19,710
Temporary exclusions and additions	9,821	(60,611)	10,845	(65,665)
(ii) Taxable liabilities - taxable profit				
Difference between income from real estate activities taxed on the cash basis and recognized in the accounting records on the accrual basis	4,359	12,565	6,238	17,618
(iii) Taxable liabilities - presumed profit				
Difference between income from real estate activities taxed on the cash basis and recognized in the accounting records on the accrual basis			1,193,961	649,188

As a result of the tax assets and liabilities mentioned above, the following tax effects (deferred income tax and social contribution) were recorded:

	Parent company		Consolidated	
	2009	2008	2009	2008
Current assets				
Income tax and social contribution losses	319	2,421	319	2,421
Non-current assets				
Income tax and social contribution losses	1,163	1,851	1,163	1,924
	1,482	4,272	1,482	4,345
Current liabilities				
Difference in income from real estate operations – taxable profit basis	319	2,421	1,874	4,967
Difference in income from real estate operations – presumed profit basis			32,483	16,579
	319	2,421	34,357	21,546
Non-current liabilities				
Difference in income from real estate operations – taxable profit basis	1,163	1,851	247	1,023
Difference in income from real estate operations – presumed profit basis			4,291	3,416
	1,163	1,851	4,538	4,439
	1,482	4,272	38,895	25,985
Net amount of income tax and social contribution			(37,413)	(21,640)
Charged to results for the year			(15,773)	(7,421)

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Considering the current operations of the Parent Company, which consist mainly of investments in other companies, no tax assets were recognized with in respect to: (i) the total accumulated balance of income tax and social contribution losses; (ii) the balance of expenses temporarily non-deductible in the determination of the taxable income; and (iii) the unamortized goodwill, arising from mergers.

The taxation of the difference between profit taxed on a cash basis and that recognized in the accounting records on the accrual basis occurs over an average period of five years, considering the period of receipt of revenues and the completion of the corresponding construction work.

Income tax and social contribution losses available for offset against future taxable income have no expiry date, but their offset is limited to 30% of taxable income of each future base period.

Income tax and social contribution were calculated at the rates of 25% and 9%, respectively.

(b) For the year

The income tax and social contribution charges for the year may be summarized as follows:

	Consolidated	
	2009	2008
Calculation basis		
Taxable profit		
Income tax	(3,179)	
Social contribution	(1,144)	
	<u>(4,323)</u>	
Presumed profit		
Income tax	(25,684)	(16,979)
Social contribution	(13,870)	(9,169)
	<u>(39,554)</u>	<u>(26,148)</u>
Charged to results for the year	<u>(43,877)</u>	<u>(26,148)</u>

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Income tax and social contribution due on the taxable profit of the Parent Company and subsidiaries were calculated as described in Note 2(e).

(c) Reconciliation of income tax and social contribution expenses

The reconciliation of income tax and social contribution expenses at nominal and effective rates is as follows:

	Consolidated	
	2009	2008
Income before income tax and social contribution	179,515	97,735
Loss in the Parent Company before income tax and social contribution and equity in the results of investees. The Parent Company had tax losses for the period, without the recognition of the related tax credit	113,566	83,037
	<u>293,081</u>	<u>180,772</u>
Combined nominal rate of income tax and social contribution - %	<u>34</u>	<u>34</u>
Income tax and social contribution at the statutory rates	99,648	61,462
Adjustments for calculation at the effective rate		
Difference of income tax and social contribution charges of subsidiaries calculated on the presumed profit basis at differentiated rates and bases	(54,431)	(31,597)
Other	(1,340)	(3,717)
Charged to results for the period	<u>43,877</u>	<u>26,148</u>

(d) Other

The Extraordinary General Meeting held on October 31, 2006 approved the merger of Donneville Participações Ltda., which became the Company's stockholder on March 17, 2006. Net assets merged, stated at book value as determined by a specialized company, as of September 30, 2006, were represented by the interest held by the merged company in the Company's capital and the related goodwill, based on expected future profitability, in the amount of R\$ 27,186, net of provision established in the same amount, not affecting total net assets. This provision was established by the merged company due to the fact that there was no expectation of generation of future taxable income in the latter and the merging Company to absorb the tax benefit of the amortization of this goodwill.

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17 Stockholders' Equity

(a) Capital

Capital comprises 178,730,052 (2008 – 178,500,030) nominative common shares, with no par value and fully paid-up, totaling R\$ 757,264 (2008 - R\$ 757,262).

The Board of Directors Meeting held on April 1, 2009 approved a capital increase of R\$ 2, through the issuance of 230,022 new common shares with no par value, which were fully subscribed on that date and paid up during April and June 2009, according to Subscription Bulletins signed by the respective beneficiaries of the Stock Options, as mentioned in Note 20.

In accordance with the Company's by-laws, the Board of Directors is authorized to approve an increase in capital of up to R\$ 1,000,000, through the issue of nominative common shares with no par value.

An agreement signed by the group of controlling stockholders established, among other matters, voting relations at the Stockholders' meetings and the preemptive rights with respect to shares sold by those stockholders.

(b) Appropriation of net income

According to the Company's by-laws, after offset of losses and appropriation to legal reserve, 25% of the remaining net income for the year is allocated to the mandatory annual dividend distribution.

The calculation of dividends at December 31, 2009 and 2008 is as follows:

	Parent company	
	2009	2008
Net income for the year	110,485	41,165
Appropriation to legal reserve	(5,524)	(2,058)
Calculation basis	104,961	39,107
Minimum statutory dividend - %	25	25
Minimum mandatory dividend - R\$ 0.15 per share	26,240	9,777
Supplementary dividend	3,493	4,481
Dividend proposed by management - R\$ 0.17 per share	29,733	14,258

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As described in Note 6, at December 31, 2009 the budgeted cost of units sold amounts to R\$ 904,979 and of units yet to be sold to R\$ 495,353, representing a total cost of R\$ 1,400,332 to be incurred on development projects already launched. Management proposes that the remaining net income of R\$ 75,228 be allocated to the profit retention reserve to cover commitments assumed.

18 Contingencies

The civil lawsuits in which the subsidiaries are defendants amount to R\$ 7,724, and mainly refer to disputes about adjustment clause in contracts and interest on amounts to be collected as a result of these contracts. According to information provided by legal counsel, an unfavorable outcome is considered probable in some of these lawsuits, in a total amount of R\$ 657 (December 31, 2008 - R\$ 46). The allowance for losses on total receivables reflected in the financial statements, as mentioned in Note 5, totals R\$ 1,280 (December 31, 2008 - R\$ 533).

Additionally, some subsidiaries are defendants, directly or indirectly, in:

- . labor claims amounting to R\$ 9,461 (2008 - R\$ 4,963), the unfavorable outcome of which, in the appeals filed by the Company, is classified by management, based on the assessment of legal counsel, as possible - R\$ 9,314 (2008 - R\$ 3,361) and remote - R\$ 148 (2008 - R\$ 1,626). There are no claims classified as probable loss;
- . tax collection proceedings, in a total of R\$ 58, the unfavorable outcome of which, in the appeals filed by the Company, is classified by management, based on the assessment of legal counsel, as remote.

The financial statements include a provision for contingencies of R\$ 667 (2008 - R\$ 579), recorded in "Other accounts payable" in current liabilities.

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19 Financial Instruments

(a) Considerations on risks

(i) Credit risk

Credit risk is considered almost inexistent considering the collateral guarantee of recovery of the units sold in the event of default during the construction period. The consolidated financial statements include an allowance of R\$ 1,280 (2008 - R\$ 533), to cover expected losses on the recovery of accounts receivable related to completed units, representing 0.7% of this portfolio.

(ii) Currency risk

Currency risk is regarded as practically nil, as there are no assets and liabilities denominated in foreign currencies, nor significant dependence on imported materials in the Company's operations. Furthermore, the Company does not index its sales to foreign currencies.

(iii) Interest rate risk

The interest rates on loans and financing, debentures and accounts payable for the purchase of land are mentioned in Notes 9, 10 and 14, respectively. The interest rates on financial investments are mentioned in Note 3. Accounts receivable of units concluded, as mentioned in Note 5, bear interest of 12% p.a. on a *pro rata temporis* basis. Also, as mentioned in Notes 11 and 12, a part of the balances owed to or by related parties and development partners bear no financial charges.

(iv) Liquidity risk

This is the risk of not having liquid funds sufficient to meet the Company's financial commitments, due to the mismatch of terms or volume in expected receipts and payments.

To manage liquidity of cash in local currency, assumptions for future disbursements and receipts are determined, and these are monitored daily by the treasury area.

(v) Exchange rate risk

Exchange rate risk is practically nil as there are no assets and liabilities denominated in foreign currencies, nor significant dependence on imported materials in the Company's operations. Furthermore, the Company does not index its sales to foreign currencies.

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(i) Financial risk management

The Company's risk management policy provides guidelines on transactions and requires the diversification of transactions and counterparties. According to this policy, the nature and general position of financial risks are monitored and managed on a regular basis to evaluate their results and their financial impact on cash flows. The credit limits and hedge quality of counterparties are also periodically reviewed.

(b) Valuation of financial instruments

The Company operates with various asset and liability financial instruments, especially cash and cash equivalents and loans and financing described below together with the criteria for their valuation. Considering the terms and characteristics of these instruments, the book values approximate the fair values.

(i) Cash and cash equivalents

The market value of these assets does not significantly differ from the amounts presented in the financial statements (Note 3). The contractual rates reflect usual market conditions.

(ii) Loans, financing and debentures

The conditions and terms of the loans and financing obtained and debentures issued are presented in Notes 9 and 10, respectively. The settlement amounts of these liabilities do not significantly differ from the amounts recorded in the financial statements.

(c) Derivative financial instruments

The Company and its subsidiaries do not have derivative financial instruments, recognized or not as assets or liabilities in the balance sheet, such as futures or options contracts (purchase and sale commitments of foreign currency, indexes or shares), swaps, forward contracts, hedge or any other derivative, including exotic derivatives.

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(d) Sensitivity analysis

The table below presents the sensitivity analysis of the financial instruments describing the risks that may result in material losses for the Company. It describes the most probable scenario (scenario I) according to an evaluation carried out by management, considering a three-month period, when the next financial information, including this analysis, should be disclosed. In addition, in accordance with CVM Instruction 475/08, two other scenarios (II and III) are presented, which contemplate deterioration of 25% and 50%, respectively, in the risk variable selected, when compared to scenario I.

<u>Instrument/operation</u>	<u>Description</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
Interest rate risk				
Loans - CDI	1.0 p.p variation	1,520	380	760
Loans - TR	1.0 p.p variation	4,180	1,045	2,090
Debentures - IPCA	1.0 p.p variation	1,000	250	500
Debentures - CDI	1.0 p.p variation	2,050	513	1,025
Loans granted - CDI	1.0 p.p variation	171	43	86

20 Stock Option Plan

The Extraordinary General Meeting held on March 7, 2007 approved the inclusion employees of the Company among the beneficiaries of the Stock Option Plan, the structure and implementation guidelines of which were approved at a Stockholders' Meeting held on February 13, 2007. At meetings held on June 29, 2007 and September 14, 2007, the Board of Directors approved the grants of the first and second stock option lots, respectively, to executive officers and employees, taking into consideration the statutory limit of 5% of the total shares that comprise the Company's capital. The terms and conditions of these options are as follows:

(a) First lot, approved on June 29, 2007

- (i) Number of stock options granted to the beneficiaries: 0.82% of the total shares issued by the Company to the executive officers and employees who benefit from this option, according to Stock Option Agreements entered into on this date and filed in the Company's head office, with a maximum dilution potential of 0.81% of the prior basis.

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- (ii) Subscription price: the exercise price of the option was R\$ 0.01 per share, which is the price paid by the beneficiaries, in cash, upon subscription.
- (iii) Terms and conditions for the exercise of the option:
 - . Immediate for the portion related to the first $\frac{1}{4}$ of the stock options to be subscribed or purchased by managers.
 - . As from April 1, 2008, April 1, 2009 and April 1, 2010, respectively, for the $\frac{3}{4}$ subsequent lots, each of them corresponding to $\frac{1}{4}$ of the total stock options granted.

On June 29, 2007, the issue of 287,528 new common shares with no par value was approved, which were fully subscribed on that date and paid up during July 2007, through Subscription Bulletins signed by the respective beneficiaries of the Stock Options, related to the portion of the first $\frac{1}{4}$ of the shares to be purchased by managers. The market value of the shares amounted to R\$ 5,228, taking into consideration the stock quote on the date of each payment for the shares.

On April 1, 2008, the issue of 287,528 new common shares with no par value was approved, which were subscribed and paid up by the respective beneficiaries of the Stock Options, related to the portion of the second $\frac{1}{4}$ of the shares purchased by managers. The market value of the shares amounted to R\$ 2,943, taking into consideration the stock quote at the date of each payment for the shares.

The Board of Directors Meeting held on July 11, 2008 approved the issue of 140,000 new common shares, with no par value, related to the portions corresponding to the third $\frac{1}{4}$ and fourth $\frac{1}{4}$ of the shares, purchased upon a executive officer left the Company. The market value of the shares, taking into consideration the stock quote at the date of the payment, totaled R\$ 1,103.

On April 1, 2009, the issue of 230,022 new common shares with no par value was approved, which were fully subscribed on that date and paid up during April and June 2009, through Subscription Bulletins signed by the respective beneficiaries of the Stock Options, related to the portion of the third $\frac{1}{4}$ of the shares. The market value of the shares amounted to R\$ 715, taking into consideration the stock quote at the date of each payment.

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(b) Second lot, approved on September 14, 2007

- (i) Number of stock options granted to the beneficiaries: 0.43% of the total shares issued by the Company to the beneficiaries, according to Stock Option Agreements entered into on this date and filed in the Company's head office, with a maximum dilution potential of 0.43% of the prior basis.
- (ii) Subscription price: the exercise price of the option will be R\$ 15.11 per share, adjusted by the Amplified Consumer Price Index (IPCA) of the Brazilian Institute of Geography and Statistics (IBGE), which is the price to be paid by the beneficiaries, in cash, upon the exercise of the option, in accordance with item (iii) below.
- (iii) Terms and conditions for the exercise of the option:

As from September 14, 2007, the grace and option exercise periods will be as follows:

- . One year for 50% of the stock options;
- . Two years for another 50% of the stock options;
- . Up to the third year for the full exercise of the stock options.

No decisions have been taken to date in respect to the issue of new shares relating to the second lot.

The market value of each option granted is estimated based on the Black-Scholes option pricing model. The market value of the stock options relating to the second lot (employees) is estimated at the grant date and recorded under a specific item in stockholders' equity, while the market value of stock options of the first lot (executive officers), due to the fact that managers may opt to receive the corresponding amount in cash, is estimated at the date of the financial statements and recorded under a specific item in liabilities. Assumptions used to record stock option programs were: (i) volatility calculated based on historical observations of asset price, considering the same term of observations related to the remaining term for option exercise, with an average volatility of 9.30%; (ii) without expectation of distribution of dividends; (iii) market risk-free interest rate for the option term upon the grant, which varied between 10.61% and 11.77%, and (iv) duration, as mentioned in items (a) and (b), related to each one of the issues.

The Company recognized an expense of R\$ 12,927 (2008 - R\$ 15,889), of which R\$ 1,946 (2008 - R\$ 6,893) in current liabilities and R\$ 10,981 (2008 - R\$ 8,996) in stockholders' equity.

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Notes to the Financial Statements at December 31, 2009 and 2008

In thousands of reais, unless otherwise indicated

21 Pension Plan

In April 2008, the Company implemented a private pension plan of the VGBL type. Under the plan rules, the Company's contributions are equal to 100% of the employees' contributions, in accordance with a contribution scale based on salary ranges, which vary from 1% to 6% of the employees' compensation. The contributions are invested in the following funds:

- (a) UBB AIG Corporate I FIQ FI Special Fixed Income Fund;
- (b) UBB AIG Corporate IV FIQ FI Special Fixed Income Fund;
- (c) PREVER Platinum RV 49 FIQ de FI Special Multi Market Fund (Compound Plan).

The plan manager is Unibanco AIG Seguros & Previdência and the Company contributions totaled R\$ 210 (2008 - R\$ 132).

22 Insurance Coverage

The Company and its subsidiaries have insurance coverage as indicated below:

- (a) Engineering risk - (i) basic - R\$ 3,568,209 (December 31, 2008 - R\$ 4,645,131), (ii) other - R\$ 173,866 (December 31, 2008 - R\$ 228,832).
 - (i) Basic - accidents (sudden and unpredictable causes) in the construction site, such as damage from natural causes or acts of God, windstorms, storms, lightning, flood, earthquakes, etc., as well as damage resulting from the construction work, use of defective or improper materials, construction defects and collapse of structures.
 - (ii) Other - extraordinary expenses, removal of debris, riots, strikes, joint construction liability, etc.
- (b) Sundry risks - R\$ 3,616 (December 31, 2008 - R\$ 2,766).

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