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REGISTRANT'S NAME

Even Construtora e Incorporadora SA

*CURRENT ADDRESS

Rua Funchal, 418

29° e 30° pavimentos

Conjuntos 2001 e 3001

Condôminio

E-Tower São Paulo

**FORMER NAME

Vila Olimpia

**NEW ADDRESS

CEP 04551-060

Brazil

FILE NO. 82-

35201

FISCAL YEAR

12/31/07

• Complete for initial submissions only ** Please note name and address changes

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2008 MAY 19 A 9:51

OFFICE OF INTERNATIONAL CORPORATE FINANCE

SHEARMAN & STERLING LLP
100 F STREET, N.E. SUITE 3628 WASHINGTON, D.C. 20549

May 14, 2008

BY HAND

Mr. Michael Coco
Securities and Exchange Commission
Division of Corporate Finance
Mailstop 3628
100 F Street, N.E.
Washington, D.C. 20549

Even Construtora e Incorporadora S.A.
Additional Submission Pursuant to Rule 12g3-2(b)
Under the Securities Exchange Act of 1934

Dear Mr. Coco:

Reference is made to our letter dated April 30, 2008, on behalf of our client, Even Construtora e Incorporadora S.A. (the "Company"), requesting the Company's exemption pursuant to paragraph (b) of Rule 12g3-2 (the "Rule") under the Securities Exchange Act of 1934, as amended.

As per your request, please find attached hereto the Company's and its subsidiaries' financial statements for the fiscal years ended December 31, 2007 and 2006, and the Report of Independent Auditors. Pursuant to paragraph (b)(4) of the Rule, the information attached hereto consists of translations into or summaries in English of the information described in paragraph (b)(1)(i) of the Rule.

All information and documents are being furnished under Rule 12g3-2(b)(1) under the Exchange Act, with the understanding that such information and documents will not be deemed "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Exchange Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Exchange Act.

Please provide the undersigned with (i) a confirmation that the Company's name has been added to the U.S. Securities and Exchange Commission's list of foreign private issuers furnishing information pursuant to Rule 12g3-2(b) under the Exchange Act and (ii) the SEC file

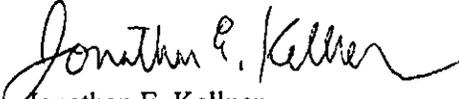
SHEARMAN & STERLING LLP

number to be used in connection with the furnishing of future information by the Company pursuant to the Rule.

If you have any questions or require any further information, please do not hesitate to call the undersigned at +55 11 3702-2209.

Please acknowledge receipt of this letter and the enclosures by stamping the enclosed copy of this letter and returning it to our messenger.

Very truly yours,


Jonathan E. Kellner

Enclosure

082-35201

(A free translation of the original in Portuguese)

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2009 MAY 19 A 9 01

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

**EVEN Construtora e
Incorporadora S.A. and
EVEN Construtora e
Incorporadora S.A. and
Subsidiaries**

**Financial Statements at
December 31, 2007 and 2006
and Report of Independent Auditors**

ARIS
12-31-07

(A free translation of the original in Portuguese)

Report of Independent Auditors

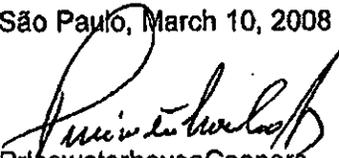
To the Board of Directors and Stockholders
EVEN Construtora e Incorporadora S.A.

- 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, 2007 and 2006, and the related statements of income, of changes in stockholders' equity and of changes in financial position of EVEN Construtora e Incorporadora S.A., as well as the related consolidated statements of income and of changes in financial position, 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 Companies, (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, 2007 and 2006, and the results of operations, the changes in stockholders' equity and the changes in financial position of EVEN Construtora e Incorporadora S.A., as well as the consolidated results of operations and of changes in financial position, for the years then ended, in accordance with accounting practices adopted in Brazil.

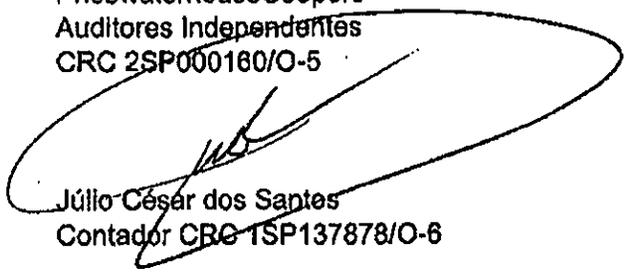
EVEN Construtora e Incorporadora S.A.

- 4 Our audits were conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph, taken as a whole. The statements of cash flows are presented for purposes of additional analysis of the Company and its subsidiaries and are not a required part of the basic financial statements. The statements of cash flows have been subjected to the auditing procedures described in the second paragraph and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

São Paulo, March 10, 2008



PriceWaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



Júlio César dos Santos
Contador CRC 1SP137878/O-6

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Statements of Income
Years Ended December 31**

In thousands of reals, unless otherwise indicated

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2007	2006	2007	2006
Gross operating revenue				
Real estate development and sales	29,607	18,144	431,349	203,179
Services rendered	30,672	12,226	18,414	12,226
Deductions	(4,928)	(2,444)	(21,327)	(9,955)
Net operating revenue	55,351	27,926	428,436	205,450
Cost of sales	(22,945)	(11,824)	(262,032)	(130,903)
Gross profit	32,406	16,102	166,404	74,547
Operating expenses				
Selling expenses	(4,038)	(1,688)	(48,806)	(17,342)
General and administrative	(35,860)	(20,024)	(38,388)	(22,130)
Management fees	(4,538)	(62)	(4,536)	(62)
Other operating expenses, net	(338)	(1,888)	(382)	(1,830)
	(44,560)	(23,660)	(92,092)	(41,364)
Operating profit (loss) before results on equity investments, financial results and expenses with public offer of shares	(12,154)	(7,558)	74,312	33,183
Results on equity investments (Note 7)				
Equity in the results of investees	62,900	33,047		
Gains (losses) in subsidiaries	(29)	42		
Amortization of goodwill	(1,854)	(4)		
Allowance for losses	(113)			
Financial results				
Financial expenses	(18,350)	(5,540)	(24,188)	(6,539)
Financial income	20,307	2,811	25,958	5,921
Monetary and exchange variations, net	398	494	(1,379)	221
Expenses with public offer of shares	(22,764)		(22,764)	
	40,475	30,850	(22,391)	(2,397)
Operating income	28,321	23,292	51,921	30,786
Non-operating results, net	720	142	720	(168)
Income before taxation	29,041	23,434	52,641	30,618
Income tax and social contribution				
Current			(5,389)	(4,824)
Deferred			(10,744)	2,182
			(16,133)	(2,342)
Net income before minority interest	29,041	23,434	36,508	28,276
Minority interest			(6,435)	(5,877)
Net income for the year	29,041	23,434	30,073	22,399
Net income per share at the end of the year - R\$	0.21	0.51		

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

(A free translation of the original in Portuguese)

	Capital	Capital reserve - share premium	Revenue reserves		Retained earnings	Total
			Legal	Retained profit		
At December 31, 2005	12,128				7,286	19,414
Capital increase (Note 16)	33,876	53,662				87,538
Capitalization of reserve (Note 16)	53,662	(53,662)				
Net Income for the year					23,434	23,434
Appropriation of net income						
Legal reserve			1,172		(1,172)	
Proposed dividends - R\$ 0.12 per share (Note 16)					(5,566)	(5,566)
Revenue reserve				23,982	(23,982)	
At December 31, 2006	99,666		1,172	23,982		124,820
Capital increase and payment (Note 16)	507,591					507,591
Net Income for the year					29,041	29,041
Appropriation of net income						
Legal reserve			1,452		(1,452)	
Proposed dividends - R\$ 0.12 per share (Note 16)					(6,897)	(6,897)
Revenue reserve				20,692	(20,692)	
At December 31, 2007	<u>607,257</u>		<u>2,624</u>	<u>44,674</u>		<u>654,555</u>

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

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Statements of Changes In Financial Position
Years Ended December 31
In thousands of reais**

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2007	2006	2007	2006
Financial resources were provided by				
Operations				
Net Income for the year	29,041	23,434	30,073	22,399
Expenses (Income) not affecting working capital				
Equity in the results of investees	(62,900)	(33,047)		
Amortization of goodwill	1,854	4		
(Gain) loss in subsidiaries	29	(42)		
Allowance for losses	113			
Depreciation	1,192	135	1,195	141
Residual value of property and equipment disposals		11		11
Long-term taxes payable	862	96	8,712	1,696
Financial charges on long-term liabilities	3,668	74	4,024	945
Deferred income tax and social contribution			10,744	(2,182)
Minority interest			6,435	5,877
	<u>(26,153)</u>	<u>(9,335)</u>	<u>61,183</u>	<u>28,897</u>
Resources used in operations	<u>26,153</u>	<u>9,335</u>		
			<u>61,183</u>	<u>28,897</u>
Third and related parties				
Accounts payable for purchase of properties	3,487	2,848	32,488	45,148
Loans and financing	150,000		190,863	3,056
Advances for future investments				4,959
Other accounts payable		910	1	668
Increase in minority interest			835	21
Dividends received	5,023	7,685		
Stockholders				
Capital increase	507,691	87,538	507,691	87,538
	<u>666,081</u>	<u>98,989</u>	<u>731,878</u>	<u>141,390</u>
Total funds provided	<u>666,081</u>	<u>98,989</u>	<u>793,061</u>	<u>170,277</u>
Financial resources were used for				
Operations	26,153	9,335		
Long-term receivables				
Accounts receivable	4,094	1,461	61,144	46,601
Other assets	635		535	
Land			21,839	
Advances for future capital increase		61,223	725	3,207
Related parties, net of liabilities	8,458		885	
Investments	434,238	24,661		
Property and equipment	3,958	4,020	3,950	4,042
Transfer from long-term liabilities to current liabilities				
Loans and financing	481	124	50,085	995
Other accounts payable	1,137			
Proposed dividends	6,897	5,668	6,897	5,566
Total funds used	<u>485,931</u>	<u>126,390</u>	<u>146,060</u>	<u>60,411</u>
Increase (decrease) in working capital	<u>180,150</u>	<u>(27,401)</u>	<u>647,001</u>	<u>109,866</u>

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Statements of Changes in Financial Position
Years Ended December 31
In thousands of reais**

(continued)

	Parent company		Consolidated	
	2007	2008	2007	2008
Changes in working capital				
Current assets				
At the end of the year	189,293	55,644	954,959	354,731
At the beginning of the year	(55,544)	(29,540)	(354,731)	(134,615)
	<u>113,749</u>	<u>26,004</u>	<u>600,228</u>	<u>220,116</u>
Current liabilities				
At the end of the year	35,146	101,547	141,225	187,998
At the beginning of the year	(101,547)	(48,142)	(187,998)	(77,748)
	<u>(66,401)</u>	<u>53,405</u>	<u>(46,773)</u>	<u>110,250</u>
Increase (decrease) in working capital	<u>180,150</u>	<u>(27,401)</u>	<u>647,001</u>	<u>109,866</u>

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

**EVEN Construtora e Incorporadora S.A. and
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)

	Parent company		Consolidated	
	2007	2006	2007	2006
Cash flows from operating activities				
Net income for the period	28,041	23,434	30,073	22,389
Expenses (Income) not affecting the cash flow				
Depreciation of property and equipment	1,192	135	1,195	141
Amortization of goodwill	1,854	4		
Equity in the results of investees	(62,800)	(33,047)		
(Gains) losses in subsidiaries	29	(42)		
Allowance for losses	113			
Residual value of property and equipment disposals		11		11
Deferred income tax and social contribution			10,744	(2,182)
Minority Interest			6,435	6,877
	<u>(30,671)</u>	<u>(9,505)</u>	<u>48,447</u>	<u>26,248</u>
Changes in current and long-term assets and liabilities				
Decrease (increase) in accounts receivable	(13,541)	(8,015)	(211,353)	(85,883)
Decrease (increase) in units for sale and land	(2,172)	(1,839)	(263,844)	(147,092)
Decrease (increase) in accounts with development partners, net of installments recorded in liabilities	(2,283)	(2,334)	(3,149)	(3,765)
Decrease (increase) in taxes and contributions available for offset	(4,489)	(758)	(5,208)	(924)
Decrease (increase) in deferred selling expenses	171	185	(25,442)	(10,107)
Decrease (increase) in other assets	(5,381)	(2,020)	(9,302)	(4,899)
Increase (decrease) in suppliers	1,828	2,139	16,383	8,325
Increase (decrease) in accounts payable for purchase of properties	3,289	7,293	(6,000)	107,141
Increase (decrease) in advances from customers	(889)	546	(7,017)	(764)
Increase (decrease) in taxes and contributions payable	3,106	998	11,920	8,278
Increase (decrease) in other liabilities	(1,154)	(440)	132	(823)
Increase (decrease) in minority interest			895	21
Net cash used in operating activities	<u>(52,176)</u>	<u>(13,772)</u>	<u>(454,818)</u>	<u>(104,446)</u>
Cash flows from investing activities				
Purchase of property and equipment	(3,958)	(4,020)	(3,950)	(4,042)
Increase in investments	(434,238)	(24,881)		
Profits received from subsidiaries	5,023	7,895		
Advances for future capital increase		(81,223)	(725)	(3,207)
Net cash used in investing activities	<u>(433,173)</u>	<u>(102,209)</u>	<u>(4,675)</u>	<u>(7,249)</u>
Cash flows from financing activities				
From third parties				
New loans and financing	157,487	73,879	209,628	76,494
Payment of loans and financing	(78,852)	(8,507)	(83,950)	(19,269)
Interest paid	(141)		(2,711)	
	<u>78,504</u>	<u>65,372</u>	<u>112,967</u>	<u>57,235</u>

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

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

(continued)

	Parent company		Consolidated	
	2007	2008	2007	2008
From stockholders/related parties				
Amounts received from (paid to) related parties, net	3,214	(30,318)	3,882	(23,422)
Advances for future capital increase in investees made by the partners				4,959
Payment of capital	507,591	87,538	507,591	87,538
Dividends paid	(5,566)		(5,566)	
	<u>605,239</u>	<u>57,220</u>	<u>605,887</u>	<u>69,075</u>
Net cash generated by financing activities	<u>583,743</u>	<u>122,592</u>	<u>618,854</u>	<u>126,310</u>
Increase in cash and cash equivalents	<u>88,384</u>	<u>6,611</u>	<u>159,563</u>	<u>14,615</u>
Balance of cash and cash equivalents				
At the end of the period	108,207	7,813	182,428	22,865
At the beginning of the period	7,813	1,202	22,865	8,250
Increase in cash and cash equivalents	<u>88,384</u>	<u>6,611</u>	<u>159,563</u>	<u>14,615</u>

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

(A free translation of the original in Portuguese)

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
at December 31, 2007 and 2006**
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 the arbitration at the Capital Markets Arbitration Chamber, in accordance with the Commitment Clause which is part of the Company's Bylaws.

**2 Significant Accounting Practices and
Presentation of the Financial Statements**

These financial statements were approved by the Company's Board of Directors on March 10, 2008.

The financial statements have been prepared in accordance with accounting practices adopted in Brazil (as determined by Corporate Law), and the resolutions and additional regulations of the Brazilian Securities Commission (CVM).

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
at December 31, 2007 and 2006
In thousands of reais, unless otherwise indicated**

amounts of revenues and expenses during the reporting period. Estimates include, but are not limited to, the selection of the useful lives of property and equipment, the provisions necessary for contingent liabilities, the determination of provisions for taxes, budgeted costs and other similar charges. Actual results could differ from those estimates.

The principal accounting practices adopted in the preparation of these financial statements (Parent Company and Consolidated) are defined below:

(a) Cash and cash equivalents

Cash and cash equivalents include investments in investment funds, stated at the value of the quota on the balance date, and cash on hand and bank deposits stated at cost.

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

The result for finished units sold on credit is recognized when the sale is made, regardless of the receipt of the contractual amount.

Interest and monetary variations on accounts receivable from finished units are appropriated to financial results when incurred, in accordance with the accrual basis of accounting.

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

- . The costs incurred with 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, and to selling expenses, in order to determine the revenue and selling expenses 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.

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
at December 31, 2007 and 2006**
In thousands of reals, unless otherwise indicated

Financial charges on accounts payable for purchases of land and on real estate financing transactions incurred during the construction period are appropriated to the cost incurred and recognized in results upon the sale of the development units to which they are directly related. Financial charges on other financing transactions are recognized in results when incurred, as well as on the accounts payable for purchases of land and on real estate financing transactions incurred after the conclusion of the construction.

The other revenues and expenses, including advertising and marketing, are recognized in results on the accrual basis.

The allowance for doubtful accounts is set up when there is an 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, since the customer only takes possession of the property when the contractual obligations have been complied with.

(c) Units for sale and land

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).

The net realizable value is the sale price estimated for the normal business operations, decreased by the construction costs and selling expenses.

Land is stated at acquisition cost, increased by any financial charges generated by the related accounts payable. In the case of exchanges for units to be constructed, the cost corresponds to the cost incurred plus the cost budgeted up to the conclusion 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.

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
at December 31, 2007 and 2006**
In thousands of reais, unless otherwise indicated

(d) Selling expenses

Deferred selling expenses refer to construction costs, the cost of maintenance of sales stands, and other expenses directly related to each development project, and are recognized in results based on the same criteria adopted to recognize revenues and costs of units sold (Note 2(b)). Charges related to sales commissions are the responsibility of the purchaser of the property and do not represent the income or expense of the Company and its subsidiaries.

The other selling expenses, including advertising and publicity are recognized in results when incurred, on the accrual basis of accounting.

**(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 book income 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, whose previous year turnover had not exceeded 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), upon 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 against 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 15.

(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. In relation to companies under common control in which the Company's holding represents 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.

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
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In thousands of reais, unless otherwise indicated**

The Company's investments in subsidiaries are stated on the equity method of accounting. In accordance with this method, the Company's participation in the increase or decrease of the subsidiaries' net equity, after the acquisition, resulting from the determination of a net profit or loss for the period or due to gains or losses in capital reserves or to prior year adjustments, is recorded as operating income (or expense). The impact of the variation in the percentage of participation in a subsidiary's capital is recorded as non-operating income (or expense). Gains or unrealized 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 this company, 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 other company's net equity.

Goodwill is amortized in accordance with the basis on which it was determined over its estimated useful life. Management determines the 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.

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On every balance sheet date, the Company's management evaluates whether there are indications of permanent loss (Impairment). If these indications do exist, an analysis is carried out to verify whether the book value of the goodwill is fully recoverable. If the book value exceeds the recoverable amount, the amount is reduced with a corresponding entry to the results.

(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, which take into consideration the economic useful lives of the assets.

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

(h) Employee benefits

The Company and its subsidiaries do not have pension plans or any other pension benefits for their employees.

The Company maintains a stock option plan, as detailed in Note 19.

(i) Accounts payable for the purchase of properties

The accounts payable for the purchase of properties are recognized at the amounts corresponding to the contractual obligations assumed and are presented, when applicable, increased by charges and interest, calculated on a pro rata basis in relation to the period incurred, net of the amortizations realized.

Obligations related to the exchange of plots of land for units to be constructed are recorded at the budgeted costs to be incurred for the construction of the units to be exchanged. Subsequently, they are stated at their amortized cost, i.e., decreased by the costs incurred on the construction of the units exchanged and adjusted, when applicable, by the budgetary variations in the cost to be incurred for the referred units.

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(j) Loans and financing

Loans are recorded on the receipt of the resources, net of the transaction costs, increased by charges and interest, calculated on a pro rata basis in relation to the period incurred, net of the amortizations realized.

(l) Capital

Capital is exclusively represented by common shares, classified as stockholders' equity.

(m) Revenue reserves

The legal reserve is calculated based on 5% of the net income for the year, in accordance to Law no. 6404/76.

The balance of the revenue reserves refers to the retention of the 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 was approved by the Supervisory Board on March 10, 2008, and which will be discussed at the General Meeting, in compliance with Article 196 of Brazilian Corporate Law.

(n) Dividends

Pursuant to the Company's Bylaws a minimum dividend of 25% of net income, calculated under the terms of Brazilian Corporate Law, will be attributed each year to the stockholders.

(o) 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. The consolidated financial statements exclude intercompany accounts, revenue and expenses, as well as the investments. Minority interests are disclosed separately. The financial statements of the companies under shared control are consolidated proportionally.

As described in Note 7, certain subsidiaries have a net capital deficiency (excess of liabilities over assets), for which no advances for future capital increase were made. As management understands that the losses are not permanent, it decided not to record a provision to cover a future payment of the net capital deficiency. As a result, the corresponding amount is being presented as a reconciling item of stockholders' equity and net income, between the Parent Company and the related consolidated amounts, as shown below:

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	December 31		
	2007		2006
	Net income for the year	Stockholders' equity	Stockholders' equity
Balances of the parent company	29,041	654,555	124,820
Net capital deficiency of the subsidiaries			
Even Brisa Sigma Empreendimentos Imobiliários Ltda.	(1)	(1)	
Even Brisa Omega Empreendimentos Imobiliários Ltda.	(1)	(1)	
Even Brisa Phi Empreendimentos Imobiliários Ltda.	(1)	(1)	
Centaurus Even Empreendimentos Imobiliários Ltda.	1		(1)
Kappa Even Empreendimentos Imobiliários Ltda.	1		(1)
Viva Vida Butantã Even Empreendimentos Imobiliários Ltda.	1		(1)
Omicron Even Empreendimentos Imobiliários Ltda.	1		(1)
Phi Even Empreendimentos Imobiliários Ltda.	2		(2)
Columba Even Empreendimentos Imobiliários Ltda.	2		(2)
Águia Even Empreendimentos Imobiliários Ltda.	2		(2)
Cygnus Even Empreendimentos Imobiliários Ltda.	2		(2)
Gemini Even Empreendimentos Imobiliários Ltda.	2		(2)
Serpens Even Empreendimentos Imobiliários Ltda.	2		(2)
Tabor Empreendimentos Imobiliários Ltda.	3		(3)
Vivre Empreendimentos Imobiliários Ltda.	6		(6)
Even Arts Ibirapuera Empreendimentos Imobiliários Ltda.	33		(33)
Alko Investimento Imobiliário Ltda.	54		(54)
Concetto Empreendimentos Imobiliários Ltda.	75		(75)
Especiate Empreendimentos Imobiliários Ltda.	128		(128)
Boulevard São Francisco Empreendimentos Imobiliários Ltda.	325		(325)
Parqueven Empreendimentos Ltda.	395		(395)
	1,032	(3)	(1,035)
Consolidated balances	30,073	654,552	123,785

3 Cash and Cash Equivalents

	Parent company		Consolidated	
	2007	2006	2007	2006
Cash and banks	27,762	7,796	73,581	16,312
Investment funds - fixed rate (*)	78,445	17	108,847	6,553
	106,207	7,813	182,428	22,865

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(*) Average rates of remuneration equivalent to the variation of the Interbank Deposit Certificate (CDI).

4 Accounts Receivable

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Completed projects	<u>34,040</u>	<u>4,001</u>	<u>49,081</u>	<u>28,960</u>
Projects under construction				
Recognized revenue	<u>43,198</u>	<u>34,191</u>	<u>589,152</u>	<u>184,274</u>
Installments received	<u>(19,859)</u>	<u>(24,925)</u>	<u>(241,081)</u>	<u>(76,761)</u>
	<u>23,339</u>	<u>9,266</u>	<u>348,071</u>	<u>107,513</u>
Recognized accounts receivable	<u>57,379</u>	<u>13,267</u>	<u>397,152</u>	<u>136,473</u>
Discounts of receivables	<u>(31,303)</u>	<u>(863)</u>	<u>(52,368)</u>	<u>(3,173)</u>
	<u>26,076</u>	<u>12,404</u>	<u>344,784</u>	<u>133,300</u>
Long-term receivables	<u>(6,422)</u>	<u>(2,328)</u>	<u>(113,832)</u>	<u>(52,688)</u>
Allowance for doubtful accounts	<u>(708)</u>	<u>(577)</u>	<u>(708)</u>	<u>(577)</u>
Current assets	<u>18,946</u>	<u>9,499</u>	<u>230,244</u>	<u>80,035</u>

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), plus interest of 12% "per annum", calculated on a "pro rata" basis as from the delivery of the unit sold.

Discounts of receivables correspond to accounts receivable from completed developments, at rates of between 10% and 12% per annum, plus the General Market Price Index (IGP-M), or the Amplified Consumer Price Index (IPCA) variation. The receivables which were discounted have been offered in guarantee as well as the commitment to honor the payment commitments of any defaulting credits.

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The balance of accounts receivable from units sold and not yet completed is not fully recognized in the financial statements, because the amount recorded revenue is limited to the portion of revenue recognized for accounting purposes (in accordance with the criteria described in Note 2(b)), net of installments already received.

Additional information on the balance of accounts receivable related to real estate development projects, net of installments received, is summarized as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Recognized accounts receivable	57,379	13,267	397,152	136,473
Portion recorded in advances from customers (Note 12)		(683)	(605)	(7,408)
Revenue not recognized	<u>17,019</u>	<u>22,263</u>	<u>703,084</u>	<u>264,677</u>
Total accounts receivable	74,398	34,847	1,099,631	393,742
Installments receivable in one year	<u>(28,921)</u>	<u>(10,387)</u>	<u>(344,130)</u>	<u>(93,460)</u>
Long-term installments receivable	<u>45,477</u>	<u>24,460</u>	<u>755,501</u>	<u>300,282</u>

The maturities of accounts receivable are as follows:

<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
2007		10,387		93,460
2008	28,921	11,751	344,130	86,362
2009	14,866	4,966	287,392	95,941
2010	8,539	2,402	210,994	20,555
2011	7,216	2,175	43,897	17,941
2012	6,877	2,094	38,892	16,599
2013	3,847	909	34,171	13,981
2014 onwards	<u>5,332</u>	<u>163</u>	<u>140,155</u>	<u>48,903</u>
	<u>74,398</u>	<u>34,847</u>	<u>1,099,631</u>	<u>393,742</u>

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

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	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Unappropriated gross revenue	17,019	22,263	703,084	264,677
Cost of units sold to be incurred	(8,982)	(13,213)	(438,373)	(168,666)
	8,037	9,050	264,711	96,011
Unappropriated sales expenses	(209)	(216)	(13,618)	(5,047)
	<u>7,828</u>	<u>8,834</u>	<u>251,093</u>	<u>90,964</u>

5 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>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Advances for purchase of land	140	175	28,161	215
Land		18,679	196,901	146,157
Properties under construction	506	4,428	232,914	68,437
Completed properties	<u>24,808</u>		<u>26,824</u>	<u>6,147</u>
	<u>25,454</u>	<u>23,282</u>	<u>484,800</u>	<u>220,956</u>
Long-term			<u>(21,839)</u>	
Current assets	<u>25,454</u>	<u>23,282</u>	<u>462,961</u>	<u>220,956</u>

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

From the total consolidated cost incurred with properties under construction to be sold, R\$ 26,658 (2006 - R\$ 18,447) was pledged as collateral for loans and financing (Note 9).

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The main information relating to costs incurred and to be incurred, as well as to unappropriated commercial expenses, for units not yet sold of developments under construction is as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cost incurred with units in inventory	506	4,428	232,914	68,437
Budgeted costs to be incurred for units in inventory	<u>762</u>	<u>7,532</u>	<u>579,460</u>	<u>178,402</u>
	<u>1,268</u>	<u>11,960</u>	<u>812,374</u>	<u>246,839</u>
Unappropriated sales expenses of units in inventory	170	334	28,228	11,357
	<u>1,438</u>	<u>12,294</u>	<u>840,602</u>	<u>258,196</u>

The table below summarizes the total unappropriated costs and expenses, incurred and to be incurred, of the developments under construction:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Inventories of properties under construction	506	4,428	232,914	68,437
Unappropriated sales expenses	<u>379</u>	<u>550</u>	<u>41,846</u>	<u>16,404</u>
Costs and expenses incurred	<u>885</u>	<u>4,978</u>	<u>274,760</u>	<u>84,841</u>
Budgeted costs to be incurred for units sold	<u>8,982</u>	<u>13,213</u>	<u>438,373</u>	<u>168,666</u>
Unappropriated costs and expenses	<u>9,867</u>	<u>18,191</u>	<u>713,133</u>	<u>253,507</u>

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6 Unappropriated Sales Expenses

(a) Movement

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
At the beginning of the year	550	715	16,404	6,297
Expenses Incurred in the construction and maintenance of sales stands and other related expenses	<u>85</u>	<u>136</u>	<u>33,124</u>	<u>13,906</u>
Appropriated to the result	<u>(256)</u>	<u>(301)</u>	<u>(7,682)</u>	<u>(3,799)</u>
At the end of the year	<u>379</u>	<u>550</u>	<u>41,846</u>	<u>16,404</u>

The increase in the unappropriated sales expenses, represented by the expenses incurred in the construction and maintenance of sales stands and other related expenses, mainly arises from the substantial increase in the number of real estate development projects launched during the year ended December 31, 2007 and from expenses incurred with development projects expected to be launched in subsequent periods.

**(b) Reconciliation with selling expenses
in the results for the year**

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Appropriation of expenses on the construction and maintenance of sales stands and other related expenses	(256)	(301)	(7,682)	(3,799)
Expenses on advertising, publicity and others	<u>(3,782)</u>	<u>(1,385)</u>	<u>(41,124)</u>	<u>(13,543)</u>
Total of selling expenses in the result for the year	<u>(4,038)</u>	<u>(1,686)</u>	<u>(48,806)</u>	<u>(17,342)</u>

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(c) Total selling expenses incurred in the year

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Expenses on the construction and maintenance of sales stands and other related expenses	(85)	(136)	(33,124)	(13,906)
Expenses on advertising, publicity and others	<u>(3,782)</u>	<u>(1,385)</u>	<u>(41,124)</u>	<u>(13,543)</u>
Total selling expenses	<u>(3,867)</u>	<u>(1,521)</u>	<u>(74,248)</u>	<u>(27,449)</u>

7 Investments

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
In subsidiaries	618,688	83,058		
Tax incentives and others	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
	<u>618,699</u>	<u>83,069</u>	<u>11</u>	<u>11</u>
Unamortized goodwill	8,920	6,329		
Unamortized negative goodwill		<u>(110)</u>		
	<u>8,920</u>	<u>6,219</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	
	2007	2006	2007	2006	2007	2006	2007	2006
Subsidiaries								
Alef Empreendimentos Imobiliários Ltda.	100.00	100.00	2,957	2,098	10,269	7,311	10,269	7,311
Alpha Even Rio Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)			
Andromeda Even Empreendimentos Imobiliários Ltda.	100.00		(45)		7,207		7,207	
Antília Even Empreendimentos Imobiliários Ltda.	100.00		(2)		40		40	
Apus Even Empreendimentos Imobiliários Ltda.	100.00		(30)		3,275		3,275	
Aquila Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(2)	(2)	130	(2)	130	
Áries Even Empreendimentos Imobiliários Ltda.	100.00		(40)		3,967		3,967	
Armadillo Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Auriga Even Empreendimentos Imobiliários Ltda.	100.00		(5)		424		424	
Bear Even Empreendimentos Imobiliários Ltda.	100.00		(4)		1,590		1,590	
Bee Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Beta Even Rio Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)			
Birds Even Empreendimentos Imobiliários Ltda.	100.00		(2)		(1)			
Blue Whale Even Empreendimentos Imobiliários Ltda.	100.00		(35)		8,917		8,917	
Boulevard São Francisco Empreendimentos Imobiliários Ltda.	100.00	100.00	1,608	(324)	13,038	(325)	13,038	
Butterfly Even Empreendimentos Imobiliários Ltda.	100.00		(1)		12		12	
Caelum Even Empreendimentos Imobiliários Ltda.	100.00		597		6,516		6,516	
Camelopardalis Even Empreendimentos Imobiliários Ltda.	100.00		(3)		39		39	
Campo Bellissimo Participações Imobiliárias S.A. (f)	50.92	50.92	7,883	8,695	23,485	15,602	11,958	7,944
Capricornus Even Empreendimentos Imobiliários Ltda.	100.00		(398)		24,716		24,716	
Cassiopeia Even Empreendimentos Imobiliários Ltda.	100.00		(5)		87		87	
Cat Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Centaurus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,299	(2)	21,228	(2)	21,228	
Cepheus Even Empreendimentos Imobiliários Ltda.	100.00		1,149		18,275		18,275	

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2007	2006	2007	2006	2007	2006	2007	2006
Cetus Even Empreendimentos Imobiliários Ltda.	100.00		(27)		12,205		12,205	
Chamaleon Even Empreendimentos Imobiliários Ltda.	100.00		(344)		19,598		19,598	
Círculus Empreendimentos Imobiliários Ltda.	100.00		(560)		3,463		3,463	
Colinas do Morumbi Empreendimentos Imobiliários Ltda.	100.00		(12)		6,113		6,112	
Columba Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,098	(2)	18,189	(2)	18,189	
Concelto Empreendimentos Imobiliários Ltda.	100.00	100.00	2,049	(74)	5,840	(75)	5,840	
Delphinus Even Empreendimentos Imobiliários Ltda.	100.00		(798)		16,096		16,096	
Delta Even Rio Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)		(1)	
Dog Even Empreendimentos Imobiliários Ltda.	100.00				3,854		3,854	
Dolphin Even Empreendimentos Imobiliários Ltda.	100.00		(1)				(1)	
Dragon Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Eagle Even Empreendimentos Imobiliários Ltda.	100.00							
Elephant Even Empreendimentos Imobiliários Ltda.	100.00		(5)		22		22	
Epsilon Even Empreendimentos Imobiliários Ltda.	100.00	100.00	3,858	562	13,428	708	13,428	708
Epsilon Even Rio Empreendimentos Imobiliários Ltda.	100.00		(1)					
Eridanus Even Empreendimentos Imobiliários Ltda.	100.00		(5)		262		262	
Especialte Empreendimentos Imobiliários Ltda.	100.00	100.00	623	(128)	6,250	(128)	6,250	
Even Arts Ibirapuera Empreendimentos Imobiliários Ltda.	100.00	100.00	1,974	(33)	15,127	(32)	15,127	
Even Brisa Alpha Empreendimentos Imobiliários Ltda.	100.00		541		4,907		4,907	
Even Brisa Beta Empreendimentos Imobiliários Ltda.	100.00		(950)		5,510		5,510	
Even Brisa Delta Empreendimentos Imobiliários Ltda.	100.00		(2)		(2)		(2)	
Even Brisa Epsilon Empreendimentos Imobiliários Ltda.	100.00		(2)		(2)		(2)	
Even Brisa Eta Empreendimentos Imobiliários Ltda.	100.00		(7)		(7)		(7)	
Even Brisa Gamma Empreendimentos Imobiliários Ltda.	100.00		(8)		(8)		(8)	
Even Brisa Kappa Empreendimentos Imobiliários Ltda.	100.00		(4)		(4)		(4)	
Even Brisa Lambda Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)		(1)	
Even Brisa Omega Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)		(1)	

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2007	2006	2007	2006	2007	2006	2007	2006
Even Brisa Omicron Empreendimentos Imobiliários Ltda.	100.00		(43)		53		52	
Even Brisa Phi Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)			
Even Brisa Sigma Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)			
Even Brisa Zeta Empreendimentos Imobiliários Ltda.	100.00		(16)		2,752		2,752	
Fornax Even Empreendimentos Imobiliários Ltda.	100.00		(935)		19,627		19,627	
Fox Even Empreendimentos Imobiliários Ltda.	100.00		(3)		(2)			
Gamma Even Rio Empreendimentos Imobiliários Ltda.	100.00	100.00	(1)	(2)	(1)	(2)	765	(2)
Gemini Even Empreendimentos Imobiliários Ltda.	100.00		(15)		765			
Giraffe Even Empreendimentos Imobiliários Ltda.	100.00		(1)		(1)			
Goat Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Gonilla Even Empreendimentos Imobiliários Ltda.	100.00		(3)		(2)		59	
Grus Even Empreendimentos Imobiliários Ltda.	100.00		(4)		59			
Hamster Even Empreendimentos Imobiliários Ltda.	100.00							
Hercules Even Empreendimentos Imobiliários Ltda.	100.00		(305)		12,533		12,532	
Horologium Even Empreendimentos Imobiliários Ltda.	100.00		(2)		60		60	
Horologium Even Empreendimentos Imobiliários Ltda.	100.00		(2)		(1)			
Horse Even Empreendimentos Imobiliários Ltda.	100.00	100.00	3,048	1,278	10,251	2,879	10,251	2,879
Illuminatio Empreendimentos Imobiliários Ltda.	100.00		(5)		483		463	
Indus Even Empreendimentos Imobiliários Ltda.	100.00							
Kangaroo Even Empreendimentos Imobiliários Ltda.	100.00	100.00	357	(1)	2,904	(1)	2,904	
Kappa Even Empreendimentos Imobiliários Ltda.	100.00		(2)		(1)			
Koala Even Empreendimentos Imobiliários Ltda.	100.00		(2)		16		15	
Lacerta Even Empreendimentos Imobiliários Ltda.	100.00		(4)		58		58	
Leo Even Empreendimentos Imobiliários Ltda.	100.00		(16)		3,780		3,780	
Leopard Even Empreendimentos Imobiliários Ltda.	100.00		(39)		9,959		9,959	
Lepus Even Empreendimentos Imobiliários Ltda.	100.00		(4)		10		10	
Libra Even Empreendimentos Imobiliários Ltda.	100.00		(2)		62		62	

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	2007	2006	2007	2006	2007	2006	2007	2006
Lionfish Even Empreendimentos Imobiliários Ltda.	100.00		(11)		2,250		2,250	
Lizard Even Empreendimentos Imobiliários Ltda.	100.00							
Lyra Even Empreendimentos Imobiliários Ltda.	100.00		(1)		1		1	
Mensa Even Empreendimentos Imobiliários Ltda.	100.00		(95)		842		842	
Microscopium Even Empreendimentos Imobiliários Ltda.	100.00		(1)		5,453		5,453	
Monkey Even Empreendimentos Imobiliários Ltda.	100.00		1,801		20		20	
Monoceros Even Empreendimentos Imobiliários Ltda.	100.00		2,727	(168)	13,216	102	13,216	102
Mozodiell do Campo Ltda.	100.00	100.00	(1)		5,205		5,205	
Musca Even Empreendimentos Imobiliários Ltda.	100.00		(1)		19		19	
Octans Even Empreendimentos Imobiliários Ltda.	100.00		(1)		20		20	
Ontoron Even Empreendimentos Imobiliários Ltda.	100.00	100.00	1,995	(1)	8,439	(1)	8,438	
Ophituchus Even Empreendimentos Imobiliários Ltda.	100.00		(193)		5,621		5,621	
Ox Even Empreendimentos Imobiliários Ltda.	100.00		(6)		1		1	
Panda Even Empreendimentos Imobiliários Ltda.	100.00				3,755		3,755	
Panther Even Empreendimentos Imobiliários Ltda.	100.00		(4)		71		70	
Pavo Even Empreendimentos Imobiliários Ltda.	100.00		(5)		13		13	
Pegasus Even Empreendimentos Imobiliários Ltda.	100.00		(2)		13		13	
Penguins Even Empreendimentos Imobiliários Ltda.	100.00		(2)		49		49	
Perseus Even Empreendimentos Imobiliários Ltda.	100.00	100.00	2,546	(2)	11,734	(2)	11,734	
Phi Even Empreendimentos Imobiliários Ltda.	100.00		(18)		4,347		4,347	
Pictor Even Empreendimentos Imobiliários Ltda.	100.00		(1)		30		29	
Pisces Even Empreendimentos Imobiliários Ltda.	100.00		9,723	451	25,147	452	18,660	339
Plaza Mayor Even Empreendimentos Imobiliários Ltda.	75.00	75.00	(1)		40		40	
Polar bear Even Empreendimentos Imobiliários Ltda.	100.00		(2)		10		10	
Puppis Even Empreendimentos Imobiliários Ltda.	100.00		(3)		228		228	
Pyxis Even Empreendimentos Imobiliários Ltda.	100.00							

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2007	2006	2007	2006	2007	2006	2007	2006
Rabbit Even Empreendimentos Imobiliários Ltda.	100.00		(3)		825		825	
Reticulum Even Empreendimentos Imobiliários Ltda.	100.00		(2)		10		10	
Sagitta Even Empreendimentos Imobiliários Ltda.	100.00		(4)		117		116	
Sagittarius Even Empreendimentos Imobiliários Ltda.	100.00		(28)		5,497		5,497	
Scorpius Even Empreendimentos Imobiliários Ltda.	100.00		5		8,034		8,034	
Sculptor Even Empreendimentos Imobiliários Ltda.	100.00		(5)		57		58	
Scutum Even Empreendimentos Imobiliários Ltda.	100.00		(3)		14		14	
Sea Horse Even Empreendimentos Imobiliários Ltda.	100.00							
Serpens Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(22)	(2)	251	(2)	251	
Shark Even Empreendimentos Imobiliários Ltda.	100.00		(1)		15		15	
Sheep Even Empreendimentos Imobiliários Ltda.	100.00		1		1		1	
Snake Even Empreendimentos Imobiliários Ltda.	100.00		(2)		143		143	
Special-purpose company - Even Construterpins	64.29	64.29	4,691	2,404	13,395	9,259	8,929	5,952
Special-purpose company - Even MDR	66.67	66.67	(1,737)	11,279	7,144	8,882	4,763	5,921
Squirrel Even Empreendimentos Imobiliários Ltda.	100.00		(2)		1,146		1,146	
Tabor Even Empreendimentos Imobiliários Ltda.	100.00	100.00	(637)	(3)	32,688	(3)	32,688	
Taurus Even Empreendimentos Imobiliários Ltda.	100.00		286		6,993		6,992	
Telescopium Even Empreendimentos Imobiliários Ltda.	100.00		(286)		13,834		13,834	
Tiger Even Empreendimentos Imobiliários Ltda.	100.00		(1)		18		18	
Toucan Even Empreendimentos Imobiliários Ltda.	100.00		(114)		5,074	(1)	5,074	
Vida Viva Curitiba Even Empreendimentos Imobiliários Ltda.	100.00	100.00	754	474	6,168	3,414	6,168	3,414
Vida Viva Mooca Empreendimentos Imobiliários Ltda.	100.00	100.00	1,113	(176)	4,871	3,088	4,871	3,068
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.	100.00	100.00	715	35	5,168	468	5,168	466
Vida Viva Tatupé Empreendimentos Imobiliários Ltda.	100.00	100.00	124	(6)	11,015	(6)	11,015	
Vive Empreendimentos Imobiliários Ltda.	100.00	100.00	(51)		950		950	
Volans Even Empreendimentos Imobiliários Ltda.	100.00	100.00	4,674	1,713	11,072	5,812	11,072	5,812
Westeven Empreendimentos Imobiliários Ltda.	100.00	100.00						

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Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)		Investment	
	2007	2006	2007	2006	2007	2006	2007	2006
Whale Even Empreendimentos Imobiliários Ltda.	100.00							
Wolf Even Empreendimentos Imobiliários Ltda.	100.00		(1)					
Zeta Even Empreendimentos Imobiliários Ltda.	100.00		(236)		2,645		2,645	
Subsidiaries under common control (ii)								
Allko Investimento Imobiliário Ltda.	50.00	50.00	2,517	244	2,040	(109)	1,020	
City Projects Empreendimentos Ltda.	50.00	50.00	12,107	11,643	49,016	44,784	24,526	22,392
Cygnus Even Empreendimentos Imobiliários Ltda.	50.00	100.00	(89)	(2)	617	(2)	309	
Disa-Catisa Even Empreendimentos Imobiliários Ltda.	50.00		(2)		31,998		15,999	
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	40.00	6,637	201	11,028	3,377	4,411	1,351
Jardim Golés Empreendimentos Imobiliários Ltda.	50.00	50.00	750	(131)	2,501	1,871	1,300	935
Nova Suíça Empreendimentos Imobiliários Ltda.	50.00	50.00	(568)	(126)	(144)	446		225
Parqueven Empreendimentos Ltda.	50.00	50.00	2,147	(777)	18,390	(789)	9,195	
Tricity Empreendimento e Participações Ltda.	50.00	50.00	14,276	8,307	40,034	18,372	20,017	9,186
Tucana Even Empreendimentos Imobiliários Ltda.	80.00		(19)		3,795		3,036	
Window Jardins Empreendimentos Imobiliários S.A.	49.90	49.90	2,145	2,287	4,883	10,126	2,437	5,053
							618,688	83,058

(i) Direct and indirect holdings total 70.46%.

(ii) Proportional consolidation.

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

Companies	Company's holding - %		Net income (loss) for the year		Net equity (net capital deficiency)	
	2007	2006	2007	2006	2007	2006
Evisa Empreendimentos Imobiliários Ltda. (i)	50.00	50.00	(2,315)	15,038	11,634	13,951
Norteven Empreendimentos Ltda. (ii)	50.00	50.00	8,863	3,209	21,230	2,823
Terra Vitrís Empreendimentos Imobiliários Ltda. (ii)	50.00	50.00	3,640	1,159	8,817	4,742

(i) Proportional consolidation.

(ii) Proportional consolidation through the parent company Tricity Empreendimento e Participações Ltda.

(c) Unamortized goodwill (negative goodwill):

	Parent company	
	2007	2006
Alef Empreendimentos Imobiliários Ltda.	13	40
Aiko Investimento Imobiliário Ltda.	1,753	2,332
Campo Belíssimo Participações Imobiliárias S.A.	42	75
Even Brisa Beta Empreendimentos Imobiliários Ltda.	1,595	
Even Brisa Alpha Empreendimentos Imobiliários Ltda.	1,460	
Even Brisa Zeta Empreendimentos Imobiliários Ltda.	1,100	
Mozodiel do Campo Ltda.	2,415	3,380
Special-purpose company - Even MDR		7
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.	383	495
Window Jardins Empreendimentos Imobiliários S.A.		(110)
Other companies	159	
	<u>8,920</u>	<u>6,219</u>

Goodwill basically relates to the excess of the market values of plots of land, destined for real estate development projects in each of the above mentioned companies, in relation to their book values. The amortization is being calculated and recorded proportionally to the recognition of results from the real estate development projects of these subsidiaries or special-purpose companies.

Unamortized balances are presented in the consolidated financial statements under "Units for sale".

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

	December 31, 2005	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2006	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2007
ABC Desenvolvimento Imobiliário Ltda.	85								2,957		10,268
Alef Empreendimentos Imobiliários Ltda.	4,812	377		2,098	(85)	7,311	7,251		1,020		1,020
Alto Investimento Imobiliário Ltda.		(176)		176	24		42		(45)		7,206
Andromeda Even Empreendimentos Imobiliários Ltda.							3,305		(30)		40
Antila Even Empreendimentos Imobiliários Ltda.							133		(4)		3,275
Apus Even Empreendimentos Imobiliários Ltda.							4,007		(40)		129
Aquila Even Empreendimentos Imobiliários Ltda.							1		(1)		3,957
Artes Even Empreendimentos Imobiliários Ltda.							429		(5)		424
Armadillo Even Empreendimentos Imobiliários Ltda.							1,595		(4)		1,591
Auriza Even Empreendimentos Imobiliários Ltda.							1		(1)		
Bear Even Empreendimentos Imobiliários Ltda.							1		(1)		
Bee Even Empreendimentos Imobiliários Ltda.							1		(1)		
Birds Even Empreendimentos Imobiliários Ltda.							8,952		(35)		8,917
Blue Whale Ewan Empreendimentos Imobiliários Ltda.							11,917		1,120		13,037
Boulevard São Francisco Empreendimentos Imobiliários Ltda.							13		(1)		12
Butterfly Even Empreendimentos Imobiliários Ltda.							5,918		597		6,516
Caelum Even Empreendimentos Imobiliários Ltda.							42		(3)		39
Camelopardalla Ewan Empreendimentos Imobiliários Ltda.									4,014		11,958
Campo Bailestone Participações Imobiliárias S.A.				3,997	550	7,944			(398)		24,716
Capricornus Even Empreendimentos Imobiliários Ltda.		3,397					25,114		(5)		87
Cassiopeia Even Empreendimentos Imobiliários Ltda.							92		(1)		
Cat Even Empreendimentos Imobiliários Ltda.							1		(1)		
Canlaurus Even Empreendimentos Imobiliários Ltda.							19,929		1,298		21,227
Cepheus Even Empreendimentos Imobiliários Ltda.							17,128		1,148		18,275
Cetus Even Empreendimentos Imobiliários Ltda.							12,232		(27)		12,205
Chamaeleon Even Empreendimentos Imobiliários Ltda.							18,942		(344)		19,598
Circinus Empreendimentos Imobiliários Ltda.							4,023		(560)		3,463
City Project Empreendimentos Ltda.									(3,800)		24,542
Colinas do Morumbi Empreendimentos Imobiliários Ltda.	18,170			5,821	1	22,392			6,934	18	6,112
Colúmba Even Empreendimentos Imobiliários Ltda.			(1,600)				8,124		(12)		8,112
Conceito Empreendimentos Imobiliários Ltda.							16,092		2,086		18,188
Cygnus Even Empreendimentos Imobiliários Ltda.							3,868		1,971		5,839
							353		(47)	3	309

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	December 31, 2005	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2006	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2007
Delphinus Even Empreendimentos Imobiliários Ltda.							16,894		(788)		16,098
Disa-Cardisa Even Empreendimentos Imobiliários Ltda.							16,000		(1)		15,999
Dog Even Empreendimentos Imobiliários Ltda.							3,854		(1)		3,854
Dolphin Even Empreendimentos Imobiliários Ltda.							503		2,599	(42)	4,411
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	1,267			81	3	1,351			(5)		22
Elephant Even Empreendimentos Imobiliários Ltda.							8,784		3,936		13,428
Epilion Even Empreendimentos Imobiliários Ltda.			146	562		708			(5)		262
Erdanus Even Empreendimentos Imobiliários Ltda.							267		427		6,249
Especialê Empreendimentos Imobiliários Ltda.							5,822		1,941		15,126
Even Arts Ibirapuera Empreendimentos Imobiliários Ltda.							13,185		527		4,807
Even Arts Alpha Empreendimentos Imobiliários Ltda.							4,380		(950)		5,510
Even Brisa Bela Empreendimentos Imobiliários Ltda.							95		(43)		52
Even Brisa Omicron Empreendimentos Imobiliários Ltda.							2,768		(16)		2,752
Even Brisa Zeta Empreendimentos Imobiliários Ltda.							20,562		(935)		19,627
Fornax Even Empreendimentos Imobiliários Ltda.							1		(1)		785
Fox Even Empreendimentos Imobiliários Ltda.							782		(17)		
Gemini Even Empreendimentos Imobiliários Ltda.							1		(1)		
Giraffe Even Empreendimentos Imobiliários Ltda.							1		(1)		59
Gorilla Even Empreendimentos Imobiliários Ltda.							83		(4)		12,532
Grus Even Empreendimentos Imobiliários Ltda.							12,837		(305)		60
Harcules Even Empreendimentos Imobiliários Ltda.							82		(2)		
Horologium Even Empreendimentos Imobiliários Ltda.							1		(1)		
Horse Even Empreendimentos Imobiliários Ltda.							4,323		3,048		10,250
Illuminatio Empreendimentos Imobiliários Ltda.		1,601		1,278		2,879			(5)		463
Indus Even Empreendimentos Imobiliários Ltda.		1,001		(88)		935			375	(10)	1,300
Jardim Goiás Empreendimentos Imobiliários Ltda.							2,548		358		2,904
Kappa Even Empreendimentos Imobiliários Ltda.							1		(1)		15
Koala Even Empreendimentos Imobiliários Ltda.							17		(2)		58
Lacerta Even Empreendimentos Imobiliários Ltda.							62		(4)		3,780
Leo Even Empreendimentos Imobiliários Ltda.							3,786		(18)		9,658
Leopard Even Empreendimentos Imobiliários Ltda.							9,998		(39)		10
Lepus Even Empreendimentos Imobiliários Ltda.							14		(4)		62
Libra Even Empreendimentos Imobiliários Ltda.							64		(2)		2,250
Lion Even Empreendimentos Imobiliários Ltda.							2,281		(11)		
Lionfish Even Empreendimentos Imobiliários Ltda.											

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	December 31, 2005	Capital subscription (reduction)	Profit distributed	Net equity	December 31, 2006	Capital subscription (reduction)	Profit distributed	Net equity	December 31, 2007
Lyra Even Empreendimentos Imobiliários Ltda.									
Mensa Even Empreendimentos Imobiliários Ltda.		843		(1)		843		(1)	842
Microscopium Even Empreendimentos Imobiliários Ltda.		5,548		(95)		5,548		(95)	5,453
Monkey Even Empreendimentos Imobiliários Ltda.		21		(1)		21		(1)	20
Monoceros Even Empreendimentos Imobiliários Ltda.		11,415		1,801		11,415		1,801	13,216
Mozadial do Campo Ltda.		2,387	102	(188)		2,387		2,717	5,206
Musca Even Empreendimentos Imobiliários Ltda.		20		(1)		20		(1)	19
Nova Sulça Empreendimentos Imobiliários Ltda.		21	225	(83)		21		(212)	20
Odara Even Empreendimentos Imobiliários Ltda.		6,444				6,444		(1)	8,437
Omicron Even Empreendimentos Imobiliários Ltda.		5,814				5,814		1,983	6,821
Ophichus Even Empreendimentos Imobiliários Ltda.		1				1		(183)	1
Ox Even Empreendimentos Imobiliários Ltda.		3,761				3,761		(8)	3,755
Panda Even Empreendimentos Imobiliários Ltda.		8,550				8,550		837	8,195
Parqueven Empreendimentos Ltda.	1	74		6	(7)	74		(4)	70
Pavo Even Empreendimentos Imobiliários Ltda.		18				18		(5)	13
Pegasus Even Empreendimentos Imobiliários Ltda.		15				15		(2)	13
Penguinus Even Empreendimentos Imobiliários Ltda.		51				51		(2)	49
Perseus Even Empreendimentos Imobiliários Ltda.		9,189				9,189		2,544	11,733
Phi Even Empreendimentos Imobiliários Ltda.		4,365				4,365		(18)	4,347
Pictor Even Empreendimentos Imobiliários Ltda.		30				30		(1)	29
Piscosa Even Empreendimentos Imobiliários Ltda.		11,250	1	339	(1)	11,250		7,268	18,860
Plaza Mayor Empreendimentos Imobiliários Ltda.		41				41		(1)	40
Polgar beer Even Empreendimentos Imobiliários Ltda.		12				12		(2)	10
Puppis Even Empreendimentos Imobiliários Ltda.		231				231		(3)	228
Pyxis Even Empreendimentos Imobiliários Ltda.		828				828		(3)	825
Rabbit Even Empreendimentos Imobiliários Ltda.		12				12		(2)	10
Reclitium Even Empreendimentos Imobiliários Ltda.		120				120		(4)	116
Sagitta Even Empreendimentos Imobiliários Ltda.		5,525				5,525		(28)	5,497
Sagittarius Even Empreendimentos Imobiliários Ltda.		8,029				8,029		5	8,034
Scorpius Even Empreendimentos Imobiliários Ltda.		63				63		(5)	58
Scutlor Even Empreendimentos Imobiliários Ltda.		17				17		(3)	14
Scutum Even Empreendimentos Imobiliários Ltda.		274				274		(25)	251
Serpens Even Empreendimentos Imobiliários Ltda.		16				16		(1)	15
Shark Even Empreendimentos Imobiliários Ltda.		1				1			1

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	December 31, 2005	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2006	Capital subscription (reduction)	Profit distributed	Net equity	Other	December 31, 2007
Snake Even Empreendimentos Imobiliários Ltda.				1,544	42	5,952	145		2,889	(2)	143
Special-purpose company - Even Construterplus	4,348	18	(6,095)	7,520	(58)	5,921	78		(1,156)		8,929
Special-purpose company (SCP) - Even MDR	5,029	(475)								(2)	4,783
Squirrel Even Empreendimentos Imobiliários Ltda.							1,148		(639)		1,146
Tabor Empreendimentos Imobiliários Ltda.							33,335		288		32,696
Taurus Even Empreendimentos Imobiliários Ltda.							6,706		(286)		6,982
Telescopium Even Empreendimentos Imobiliários Ltda.							14,120				13,834
Tiger Even Empreendimentos Imobiliários Ltda.							19			(1)	18
Trisly Empreendimento e Participações Ltda.	2,881			6,735	(430)	9,188	3,916		8,915		20,017
Tucana Even Empreendimentos Imobiliários Ltda.							3,051		(15)		3,036
Vida Viva Butantã Empreendimentos Imobiliários Ltda.		2,941		474	(1)	3,414	5,188		(115)		5,073
Vida Viva Moroca Empreendimentos Imobiliários Ltda.		3,244		(176)		3,068	2,024		728		6,167
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.		431		35		466	716		1,087		4,871
Vida Viva Tatupé Empreendimentos Imobiliários Ltda.							3,986		702		5,166
Vivre Empreendimentos Imobiliários Ltda.							10,886		119		11,075
Volans Even Empreendimentos Imobiliários Ltda.		4,099		1,713	(1)	5,812	1,001		(51)		950
Westeven Empreendimentos Imobiliários Ltda.	1	1,181		1,141	5	5,053	1,855	(1,223)	4,627		11,071
Window Jardins Empreendimentos Imobiliários S.A.	2,726						(3,687)		1,070		2,436
Wolf Even Empreendimentos Imobiliários Ltda.							1			(1)	
Zeta Even Empreendimentos Imobiliários Ltda.							2,881		(237)		2,644
	<u>39,320</u>	<u>18,344</u>	<u>(7,695)</u>	<u>33,047</u>	<u>42</u>	<u>83,058</u>	<u>477,782</u>	<u>(5,023)</u>	<u>62,900</u>	<u>(29)</u>	<u>618,688</u>

There were no changes in the investments held in the companies Alpha Even Rio, Beta Even Rio, Delta Even Rio, Dragon Even, Eagle Even, Epsilon Even Rio, Even Brisa Delta, Even Brisa Epsilon, Even Brisa Eta, Even Brisa Gamma, Even Brisa Kappa, Even Brisa Lambda, Even Brisa Omega, Even Brisa Phi, Even Brisa Sigma, Gamma Even Rio, Goat Even, Hamster Even, Kangaroo Even, Lizard Even, Peacock Even, Sea Horse Even, Toucan Even and Whale Even (all of them bearing the name Empreendimentos Imobiliários Ltda.).

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As mentioned in Note 1, the Company's main activity is residential real estate development, principally through investments in other companies. As regards the resources invested in the subsidiaries in 2007, R\$ 48,099 refers to the capitalization of a portion of the balance of the advance for future capital increase existing at December 31, 2006.

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

	Holding - %	Assets			Total
		Current	Long-term receivable	Permanent	
At December 31, 2007					
City Projects Empreendimentos Ltda.	50.00	83,603	2,326		85,929
Window Jardins Empreendimentos Imobiliários S.A.	49.90	11,249	2,232	4	13,485
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	20,518			20,518
Tricity Empreendimento e Participações Ltda.	50.00	40,636	34,525	9,243	84,303
Aliko Investimento Imobiliário Ltda.	50.00	9,134		17	9,151
Jardim Golás Empreendimentos Imobiliários Ltda.	50.00	4,998			4,998
Nova Sulça Empreendimentos Imobiliários Ltda.	50.00	3,602			3,602
Parqueven Empreendimentos Ltda.	50.00	60,214	11,577		71,791
Evisa Empreendimentos Imobiliários Ltda. (Indirect subsidiary)	50.00	18,320	225		18,545
Cygnus Even Empreendimentos Imobiliários Ltda.	50.00	3,276			3,276
Disa-Catisa Even Empreendimentos Imobiliários	50.00	32,810			32,810
Tucana Even Empreendimentos Imobiliários Ltda.	80.00	<u>3,868</u>			<u>3,868</u>
At December 31, 2006					
City Projects Empreendimentos Ltda.	50.00	51,751	15,824		67,575
Window Jardins Empreendimentos Imobiliários S.A.	49.90	16,103		6	16,109
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	4,351			4,351
Tricity Empreendimento e Participações Ltda.	50.00	6,259		13,727	19,986
Aliko Investimento Imobiliário Ltda.	50.00	1,930	123		2,053
Jardim Golás Empreendimentos Imobiliários Ltda.	50.00	3,344			3,344
Nova Sulça Empreendimentos Imobiliários Ltda.	50.00	4,585			4,585
Parqueven Empreendimentos Ltda.	50.00	46,088			46,088
Evisa Empreendimentos Imobiliários Ltda. (Indirect subsidiary)	50.00	<u>14,365</u>	<u>7,085</u>		<u>21,450</u>

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	Holding - %	Liabilities and stockholders' equity			Total
		Current	Long-term liabilities	Stockholders' equity	
At December 31, 2007					
City Projects Empreendimentos Ltda.	50.00	19,371	17,267	49,291	85,929
Window Jardins Empreendimentos Imobiliários S.A.	49.90	8,254	348	4,883	13,485
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	8,423	928	11,168	20,518
Tricity Empreendimento e Participações Ltda.	50.00	19,198	24,828	40,479	84,303
Alko Investimento Imobiliário Ltda.	50.00	5,412	1,330	2,409	9,151
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	2,397		2,601	4,998
Nova Sulça Empreendimentos Imobiliários Ltda.	50.00	3,590	158	(144)	3,602
Parqueven Empreendimentos Ltda.	50.00	31,825	21,492	18,474	71,791
Evisa Empreendimentos Imobiliários Ltda. (Indirect subsidiary)	50.00	5,199	1,712	11,634	18,545
Cygnus Even Empreendimentos Imobiliários Ltda.	50.00	2,658		618	3,276
Disa-Catisa Even Empreendimentos Imobiliários	50.00	812		31,998	32,810
Tucana Even Empreendimentos Imobiliários Ltda.	80.00	73		3,795	3,868
At December 31, 2006					
City Projects Empreendimentos Ltda.	50.00	18,110	6,881	44,784	67,575
Window Jardins Empreendimentos Imobiliários S.A.	49.90	1,671	4,312	10,126	16,109
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	40.00	862	112	3,377	4,351
Tricity Empreendimento e Participações Ltda.	50.00	1,614		18,372	19,986
Alko Investimento Imobiliário Ltda.	50.00	2,161		(108)	2,053
Jardim Goiás Empreendimentos Imobiliários Ltda.	50.00	1,473		1,871	3,344
Nova Sulça Empreendimentos Imobiliários Ltda.	50.00	1,405	2,734	446	4,585
Parqueven Empreendimentos Ltda.	50.00	17,088	29,809	(789)	46,088
Evisa Empreendimentos Imobiliários Ltda. (Indirect subsidiary)	50.00	6,449	1,050	13,951	21,450

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	<u>Net revenue</u>	<u>Costs</u>	<u>Operating expenses</u>	<u>Financial result</u>	<u>Other operating income</u>	<u>Income tax and social contribution</u>	<u>Net income (loss) for the year</u>
At December 31, 2007							
City Projects							
Empreendimentos Ltda.	62,331	(42,448)	(4,153)	2,086		(6,711)	12,107
Window Jardins Empreendimentos Imobiliários S.A.	10,750	(7,498)	(565)	(198)		(349)	2,145
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	17,217	(9,704)	(284)	(62)		(530)	6,637
Tricity Empreendimento e Participações Ltda.	64,884	(44,098)	(3,811)	(731)	3,104	(5,273)	14,277
Alko Investimento Imobiliário Ltda.	9,428	(5,708)	(971)	58		(290)	2,517
Jardim Goiás Empreendimentos Imobiliários Ltda.	3,638	(2,502)	(398)	164		(152)	749
Nova Sulça Empreendimentos Imobiliários Ltda.	2,791	(2,049)	(1,239)	(4)		(67)	(688)
Parqueven Empreendimentos Ltda.	28,197	(18,423)	(5,504)	(237)		(888)	2,147
Evisa Empreendimentos Imobiliários Ltda. - (indirect subsidiary)	681	(742)	(71)	(1,150)		(1,033)	(2,315)
Cygnus Even Empreendimentos Imobiliários Ltda.			(78)	(11)			(89)
Disa-Callsa Even Empreendimentos Imobiliários			(2)				(2)
Tucana Even Empreendimentos Imobiliários Ltda.			(1)	(18)			(19)
At December 31, 2006							
City Projects Empreendimentos Ltda.	59,844	(42,045)	(5,901)	(1,103)		848	11,643
Window Jardins Empreendimentos Imobiliários S.A.	16,107	(12,501)	(855)	30		(494)	2,287
Eco Life Cidade Universitária Empreendimentos Imobiliários S.A.	5,185	(3,458)	(1,378)	8		(158)	201
Tricity Empreendimento e Participações Ltda.			(571)	1,861	7,639	(322)	8,307
Alko Investimento Imobiliário Ltda.	580	(336)	(26)	16	9	1	244
Jardim Goiás Empreendimentos Imobiliários Ltda.			(131)				(131)
Nova Sulça Empreendimentos Imobiliários Ltda.			(126)				(126)
Parqueven Empreendimentos Ltda.			(722)	(56)	1		(778)
Evisa Empreendimentos Imobiliários Ltda. (indirect subsidiary)	<u>30,989</u>	<u>(17,182)</u>	<u>(1,410)</u>	<u>(138)</u>		<u>2,779</u>	<u>15,038</u>

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

	Assets			
	Parent company		Consolidated	
	2007	2006	2007	2006
Alko Investimento Imobiliário Ltda.	1,927			
Boulevard São Francisco Empreendimentos Imobiliários Ltda.		8,830		
Campo Bellissimo Participações Imobiliárias S.A.	5,269	5,269		
Centaurus Even Empreendimentos Imobiliários Ltda.		500		
Columba Even Empreendimentos Imobiliários Ltda.		20		
Concetto Empreendimentos Imobiliários Ltda.		1,201		
Cygnus Even Empreendimentos Imobiliários Ltda.	1,682	22	362	
Disa-Catisa Even Empreendimentos Imobiliários Ltda.	808		404	
Especialre Empreendimentos Imobiliários Ltda.		889		
Even Arts Ibirapuera Empreendimentos Imobiliários Ltda.		8,444		
Even Brisa Delta Empreendimentos Imobiliários Ltda.	30			
Even Brisa Epsilon Empreendimentos Imobiliários Ltda.	50			
Even Brisa Eta Empreendimentos Imobiliários Ltda.	436			
Even Brisa Gamma Empreendimentos Imobiliários Ltda.	53			
Even Brisa Kappa Empreendimentos Imobiliários Ltda.	604			
Even Brisa Lambda Empreendimentos Imobiliários Ltda.	48			
Gemini Even Empreendimentos Imobiliários Ltda.		570		
Illuminato Empreendimentos Imobiliários Ltda.	48	4,309		
Epsilon Even Empreendimentos Imobiliários Ltda.		8,261		
Jardim Goiás Empreendimentos Imobiliários Ltda.	664	451		226
Kappa Even Empreendimentos Imobiliários Ltda.		1,704		
Mozodiel do Campo Ltda.		413		
Nova Sulça Empreendimentos Imobiliários Ltda.	1,369	432		216
Parqueven Empreendimentos Ltda.	11,811	5,082	908	2,531
Phi Even Empreendimentos Imobiliários Ltda.		266		
Plaza Mayor Empreendimentos Imobiliários Ltda.	8,231	13,415		
Special-purpose company - Even Construterpins	473			
Tabor Empreendimentos Imobiliários Ltda.		12,787		
Tricity Empreendimento e Participações Ltda.		467		234
Vida Viva Mooca Empreendimentos Imobiliários Ltda.		1,847		
Vida Viva Santa Cruz Empreendimentos Imobiliários S.A.		529		
Vida Viva Tatuapé Empreendimentos Imobiliários Ltda.		2,122		
Vivre Empreendimentos Imobiliários Ltda.		1,312		
Volans Even Empreendimentos Imobiliários Ltda.				
Westeven Empreendimentos Imobiliários Ltda.		938		
Zeta Even Empreendimentos Imobiliários Ltda.		1,621		
Other companies	56	9		
Provision for losses in companies which have a net capital deficiency	(113)			
	<u>33,446</u>	<u>81,658</u>	<u>1,672</u>	<u>3,207</u>

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

	Consolidated	
	Liabilities	
	2007	2006
Quality Building		
Empreendimento Plaza Mayor (Vila Leopoldina)	2,699	3,043
Empreendimento The Gift (Parqueven)		1,453
	<u>2,699</u>	<u>4,496</u>
Construtora e Incorporadora Campos		
Empreendimento Tendence (Nova Sulça)		228
Empreendimento Le Parc (Jardim Goiás)		235
		<u>463</u>
	<u>2,699</u>	<u>4,959</u>

(Empreendimento - Development Project)

8 Property and Equipment

	Parent company		Consolidated		Annual depreciation rate - %
	2007	2006	2007	2006	
Machinery and equipment (cost)	99	49	101	50	10
Accumulated depreciation	(7)	(2)	(8)	(2)	
Furniture and fixtures (cost)	1,393	592	1,393	592	10
Accumulated depreciation	(203)	(112)	(202)	(112)	
Computers (cost)	1,448	481	1,464	488	20
Accumulated depreciation	(340)	(112)	(345)	(114)	
Facilities (cost)	1,276	680	1,276	680	10
Accumulated depreciation	(166)	(70)	(166)	(70)	
Vehicles (cost)		83		83	20
Accumulated depreciation		(51)		(51)	
Software (cost)	4,195	2,886	4,195	2,896	20
Accumulated depreciation	(753)	(28)	(753)	(28)	
Leasehold improvements (cost)	310	102	310	102	10
Accumulated depreciation	(78)	(10)	(78)	(10)	
Other (cost)	112	33	112	51	10
Accumulated depreciation	(21)	(32)	(21)	(32)	
	<u>7,265</u>	<u>4,499</u>	<u>7,276</u>	<u>4,523</u>	

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9 Loans and Financing

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
In local currency				
Bank credit note	153,666		153,666	
Working capital	475	75,637	475	75,637
Real estate financing			48,484	14,021
	154,141	75,637	202,625	89,658
Current liabilities	(475)	(75,176)	(24,139)	(79,698)
Long-term liabilities	153,666	461	178,486	9,960

Main information on loans and financing:

- (a) The bank credit note is subject to charges equivalent to 100% of the variation of the Interbank Deposit Certificate (CDI), plus a spread of 1.3% per annum.
- (b) Real estate financing transactions are subject to charges equivalent to the variation of the Referential Interest Rate (TR), plus 11% to 12% per annum.

The financing transactions were collateralized by the following assets:

	<u>2007</u>	<u>2006</u>
Inventories (cost incurred on units to be sold)	26,658	18,447
Quotas representative of a subsidiary's capital (accounting balance of the investment)	4,367	
	<u>31,025</u>	<u>18,447</u>

The bank credit note presents certain restrictive clauses related to financial indexes, as defined in the definitive prospectus of the Company's First Debenture Distribution Program, dated January 31, 2008, with which the Company has been compliant.

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Long-term amounts fall due as follows:

<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
2008		461		9,960
2009			13,417	
2010	26,073		26,073	
2011	26,073		30,480	
2012	101,520		108,516	
	<u>153,666</u>	<u>461</u>	<u>178,486</u>	<u>9,960</u>

Long-term real estate financing agreements contain clauses of anticipated 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.

The Company's Supervisory Board, at a meeting held on October 26, 2007, 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 will be effective for up to two years, as from the date of registration with the CVM, and the amount will be of up to R\$ 500,000. Under this Program, the Company may only issue simple debentures, not convertible into shares.

Also at this meeting, the Supervisory Board approved the Company's second debenture issue (the first under the Program), in the amount of up to R\$ 150,000 ("Offering"). The Offering will comprise up to 15 thousand simple debentures, not convertible into shares, in a single series, of the subordinated type, with a unit value of R\$ 10 on the date of issuance.

In the event that the Offering is realized, the funds obtained will have the same conditions as, and will be destined for the pre-payment of the Bank Credit Note, as disclosed to the market on October 26, 2007. The program is being given continuity in 2008, as mentioned in Note 21 - Subsequent Events.

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10 Related Parties

(a) Loans

	Parent company				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	2007	2006	2007	2006	2007	2006	2007	2006
Subsidiaries								
ABC Desenvolvimento Imobiliário Ltda.							129	
Alef Empreendimentos Imobiliários Ltda.	1,462	1,397						129
Aiko Investimentos Imobiliários Ltda.						379		
Boulevard Empreendimentos Imobiliários Ltda.	60							
Campo Belíssimo Empreendimentos Imobiliários Ltda.	4,568	5,993						
City Projects Empreendimentos Ltda.	761	363		1,180	42	353		761
D.D.A Incorporações Ltda.	0				0			
Evisas Empreendimentos Imobiliários Ltda.			6,317				789	63
Nortaven Empreendimentos Imobiliários Ltda.	621				311			
Omicron Even Empreendimentos Imobiliários Ltda.	2						322	
Special-purpose company - Even Construtorpins	78							
Terra Vitris Empreendimentos Imobiliários Ltda.	208				104			
Tricity Empreendimento e Participações Ltda.	35		1,044	1,858			540	929
Wastaven Empreendimento e Participações Ltda.	36			1,000				
Window Jardins Empreendimentos Imobiliários S.A.	441	372			220	186	3,687	
	<u>8,268</u>	<u>8,105</u>	<u>7,361</u>	<u>4,039</u>	<u>683</u>	<u>918</u>	<u>5,467</u>	<u>1,892</u>
Other related parties								
ABC Construtora e Incorporadora Ltda.	4	20			4	20		
ABC T&K Participações S.A.	7	7			7	7		
Abrão Muszkat	191	198			191	198		
Carlos Eduardo Terepíns		69				69		
Fundo de Investimento Pactual				48				48
	<u>202</u>	<u>292</u>		<u>48</u>	<u>202</u>	<u>292</u>		<u>48</u>
	<u>8,458</u>	<u>8,397</u>	<u>7,361</u>	<u>4,086</u>	<u>885</u>	<u>1,210</u>	<u>5,467</u>	<u>1,930</u>
Balances classified as current		8,397	7,361	4,086		1,210	5,467	1,930
Balances classified as long-term	8,458				885			

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 should be received 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.

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(b) Operations

In 2007, the parent company purchased completed and ready to be sold units from Even Brisa Beta Empreendimentos Imobiliários Ltda., for the amount of R\$ 1,950, in addition to the units purchased from Jardim Goiás Empreendimentos Ltda. for R\$ 340 (in 2006, the parent company purchased completed units from City Projects Empreendimentos Ltda., for the amount of R\$ 1,807, in addition to the units purchased from Window Jardins Empreendimentos Imobiliários S.A. for R\$ 520).

In 2007, the Company obtained revenues in the amount of R\$ 12,258 (2006 - R\$ 7,691) for services rendered referring to the management of development projects in subsidiaries.

Other operations with related parties are mentioned in Notes 7 and 16.

**11 Current Accounts with Property
Development Partners**

	Parent company		Consolidated	
	2007	2006	2007	2006
Development projects				
Campo Bellissimo				422
Duo Alto de Pinheiros	2,760	3,003	2,760	3,003
Granja Julieta			1,385	(631)
Mercure Trianon		(145)		(145)
Horizons		(163)		(162)
The View		(408)		794
Particolare	2,601	(161)	2,601	(162)
Demais	62	(210)	(83)	(172)
	<u>5,423</u>	<u>1,918</u>	<u>6,663</u>	<u>2,947</u>
Loans to partners				
Baucis Participações Ltda.	6		6	
Brisa-BR Incorporações S.A.	(1,500)		(1,500)	
Salsa Mester Empreendimentos imobiliários Ltda.				455
Villa Reggio Empreendimentos Imobiliários Ltda.	282		282	
JCR Construção Civil Ltda.			1,839	
	<u>(1,212)</u>		<u>627</u>	<u>455</u>

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	Parent company		Consolidated	
	2007	2006	2007	2006
In consortia				
"L'Essence"				
D.D.A Incorporações Ltda.			(1,042)	
Crisol Empreendimentos Ltda.			(1,730)	
Avi Oliveira Empreendimentos Ltda.			(4,035)	
Colinas do Morumbi				
Sândalo Empreendimentos Imobiliários Ltda.			6,068	
			(739)	
	<u>4,211</u>	<u>1,918</u>	<u>6,551</u>	<u>3,402</u>
Balances presented in current assets	6,026	3,017	15,373	5,127
Balances presented in current liabilities	(1,815)	(1,099)	(8,822)	(1,725)
	<u>4,211</u>	<u>1,918</u>	<u>6,551</u>	<u>3,402</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 assures the investment of the necessary funds 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 company's holding percentage, and are not subject to 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.

The loan balances with development partners are mainly subject to charges equivalent to 100% of the variation of the Interbank Deposit Certificate (CDI) rate and their maturities may be renegotiated to the long-term, in accordance with the average development and completion term of the related development projects, except for the balance with Villa Reggio Empreendimentos Imobiliários Ltda., which bears no financial charges.

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12 Advances from Customers

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Amounts received for sale of projects not yet developed and other advances	350	356	447	661
Units sold from projects under construction				
Appropriated revenue		(1,137)	(598)	(13,889)
Installments received		1,820	1,203	21,297
		683	605	7,408
	<u>350</u>	<u>1,039</u>	<u>1,052</u>	<u>8,069</u>

**13 Accounts Payable for the Purchase
of Properties**

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Budgeted cost to be incurred for units exchanged and not yet delivered			14,690	
Accounts payable	16,010	12,741	115,408	136,098
	16,010	12,741	130,098	136,098
Current liabilities	(7,870)	(8,068)	(53,804)	(68,668)
Long-term liabilities	8,140	4,673	76,294	67,430

Long-term amounts fall due as follows:

<u>Year</u>	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
2008		4,673		28,949
2009	8,140		40,990	16,147
2010			31,591	22,334
2011			2,555	
2012 onwards			1,158	
	<u>8,140</u>	<u>4,673</u>	<u>76,294</u>	<u>67,430</u>

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Accounts payable are indexed mainly to the National Civil Construction Index (INCC) or, alternatively, to the variation of the General Market Price Index (IGP-M), or the Amplified Consumer Price Index (IPCA).

Accounts payable arising from the exchange of units not yet delivered, because of their nature, are subject to possible changes in the budgets of the related developments and also to the restatement of prices of materials, labor and other costs, the latter used on the INCC determination.

14 Long-term Taxes Payable

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

15 Income Tax and Social Contribution

(a) Deferred

The Company and its subsidiaries have the following balances to be offset against, deducted from or added to the calculation basis of future taxable income, computed based on actual profits. Additionally, certain subsidiaries have 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 actual profit method. These amounts may be summarized as follows:

	Parent company		Consolidated	
	2007	2006	2007	2006
(i) Credits to be offset - actual profit basis				
Income tax and social contribution losses to be offset against future taxable income	65,982	11,227	57,660	11,505
Unamortized goodwill (Note 16(c))	22,428	27,186		
Temporary exclusions and additions	1,950	336	1,957	336
(ii) Taxable liabilities - actual profit basis				
Difference between income from real estate activities taxed on the cash basis and recognized in the accounting records on the accrual basis	12,721	1,071	26,538	3,587
(iii) Taxable liabilities - presumed profit basis				
Difference between income from real estate activities taxed on the cash basis and recognized in the accounting records on the accrual basis			335,974	105,461

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

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Long-term receivables				
Income tax and social contribution losses	<u>4,325</u>	<u>364</u>	<u>4,618</u>	<u>459</u>
Long-term liabilities				
Difference in income from real estate operations - actual profit basis	4,325	364	9,023	1,220
Difference in income from real estate operations - presumed profit basis			<u>10,348</u>	<u>3,248</u>
	<u>4,325</u>	<u>364</u>	<u>19,371</u>	<u>4,468</u>
Net amount of income tax and social contribution			<u>(14,753)</u>	<u>(4,009)</u>
Credit (charge) to results for the year			<u>(10,744)</u>	<u>2,182</u>

Considering the current operations of the Parent Company, which consist mainly of investments in other companies, no tax assets were constituted in respect of: (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 profit; and (iii) the unamortized goodwill, arising from the merger process mentioned in Note 16(c).

The taxation of the difference between net income 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.

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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 may be summarized as follows:

	Consolidated	
	2007	2006
Calculation method		
Actual profit		
Income tax	(4,166)	(821)
Social contribution	(1,500)	(295)
	<u>(5,666)</u>	<u>(1,116)</u>
Presumed profit		
Income tax	(6,797)	(901)
Social contribution	(3,670)	(325)
	<u>(10,467)</u>	<u>(1,226)</u>
Charged to results for the year	<u>(16,133)</u>	<u>(2,342)</u>

Income tax and social contribution due on the taxable income 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:

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	Consolidated	
	2007	2006
Income before income tax and social contribution	52,641	30,618
Loss in the Parent Company before income tax and social contribution and equity in the results of investees, without the constitution of the corresponding tax credit	33,859	9,613
	<u>86,500</u>	<u>40,231</u>
Combined nominal rate of income tax and social contribution - %	34	34
Income tax and social contribution at the rates established by legislation	(29,410)	(13,679)
Adjustments for calculation of the effective rate		
Difference of income tax and social contribution charges of subsidiaries calculated on the presumed profit basis at differentiated rates and bases	12,298	11,464
Others	979	(127)
Charge to results for the year	<u>(16,133)</u>	<u>(2,342)</u>

16 Stockholders' Equity

(a) Capital

At December 31, 2007, capital comprised of 140,572,502 common nominative shares (December 31, 2006 - 46,004,412), with no par value and fully paid-up.

At a General Meeting held on March 3, 2006, the quotaholders decided to transform the Parent Company into a corporation (S.A.), with an initial capital comprised of 12,128,128 common nominative shares, with a par value of R\$ 1.00 each. Additionally, also in March 2006, the following capital increases were made:

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- On March 9, capital was increased by R\$ 15,589, through the capitalization intercompany of loan balances, with the subsequent issue of 15,589,530 common nominative shares with a par value of R\$ 1.00 each.
- On March 17, capital was increased by R\$ 18,287, paid in cash, with the subsequent issue of 18,286,754 shares, at R\$ 3,9345 per share, resulting in a share premium of R\$ 53,662, also paid in cash, which was capitalized on December 1, 2006.

The Extraordinary General Meeting held on March 7, 2007 approved the two-for-one stock split of the 46,004,412 common shares that comprised the Company's capital at December 31, 2006, resulting in 92,008,824 nominative, book-entry, common shares, with no par value.

The Extraordinary General Meeting held on February 13, 2007 authorized the Company to make an initial public offering and join the special listing segment of the São Paulo Stock Exchange (BOVESPA) called "New Market".

In the context of the public share offering the Meeting of the Supervisory Board held on March 29, 2007, ratified the increase of capital to R\$ 499,666, through the issue of 34,782,609 common shares. This meeting also approved the price of R\$ 11.50 per share, based on the result of the process of collection of the investment intentions (bookbuilding process), and authorized the Company's Board of Directors to take all the actions necessary to conclude the offering.

After the offering, the Company's fully paid-up capital was R\$ 499,666 on April 4, 2007.

The expenses related to the public share offering mainly refer to commissions paid to the distribution coordinator, amounting to R\$ 22,784, recorded in a specific account in the statement of income.

As established in the prospectus for the public share offering, on May 2, 2007, the Supplementary Lot option was exercised, corresponding to 5,217,391 common shares, totaling R\$ 60,000.

A Meeting of the Supervisory Board held on May 10, 2007 approved the issue of 8,276,150 common shares, fully subscribed and paid-up, through the conversion of all the 50 debentures

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Issued by the Company on February 1, 2007, in the amount of R\$ 47,588, which were issued with the following characteristics:

Registration date	March 2, 2007
Type of Issue	Convertible into shares
Issue date	February 1, 2007
Maturity date	February 1, 2012
Remuneration basis	Exchange variation (PTAX800) + 5.90% p.a.
Type of guarantee	Subordinated
Face value	1,000
Total amount issued	50,000
Number of units issued	50

The Meeting of the Supervisory Board held on June 29, 2007 approved a capital increase of R\$ 3, through the issue of 287,528 new common shares with no par value, which were fully subscribed on this date and paid in July 2007, pursuant to the Subscription Bulletins signed by the related beneficiaries of the Share Purchase Options, as mentioned in Note 19.

In accordance with the Company's Bylaws, the Supervisory Board is authorized to approve an increase in capital of up to R\$ 750,000, through the issue of nominative common shares, with no par value.

An agreement signed by the controlling stockholders established, among other matters, voting relations at the meetings and the preferential rights of acquisition in relation to shares sold by stockholders.

(b) Appropriation of net income

After the offset of losses and the appropriation to the legal reserve, 25% of the remaining net income for the year (2006 - 5%) is allocated to the payment of the annual mandatory dividend, which was changed from the minimum statutory dividend of 5% to 25%, by the Extraordinary General Meeting held on February 16, 2007.

The calculation of dividends at December 31, 2007 and 2006 was as follows:

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	<u>2007</u>	<u>2006</u>
Net Income for the year	29,041	23,434
Appropriation to legal reserve	<u>(1,452)</u>	<u>(1,172)</u>
Calculation basis	27,589	22,262
Minimum statutory dividend - %	<u>25</u>	<u>5</u>
Minimum mandatory dividend	6,897	1,113
Supplementary dividend	<u> </u>	<u>4,453</u>
Dividend proposed by management	<u>6,897</u>	<u>5,566</u>

As described in Notes 4 and 5, the total budgeted cost of the real estate development projects launched up to December 31, 2007 is R\$ 1,017,833, of which R\$ 438,373 refer to units which have already been sold. For this reason, and to comply with the Company's Bylaws and Articles 195 and 196 of Brazilian Corporation Law, management proposed the payment of dividends limited to 25% of adjusted net income, and the remaining balance was transferred to a revenue reserve to cover the commitments assumed.

(c) Others

At an Extraordinary General Meeting held on October 31, 2006, the stockholders approved the merger of Donneville Participações Ltda., which had become a stockholder of the Company on March 17, 2006. The net assets merged, which were appraised at book value by a specialized company at September 30, 2006, comprised the investment the merged company held in the capital of EVEN and the related goodwill, which was supported by the expectation of future profitability, in the amount of R\$ 27,186, net of the provision recorded at the same amount, with no effects on the net assets merged. This provision was recorded by the merged company due to the fact that there was no expectation of generation of future taxable income to absorb the tax benefit of the amortization of this balance.

17 Contingencies

The civil lawsuits in which the subsidiaries are defendants amount to R\$ 1,062 (2006 - R\$ 220), and mainly refer to the review of the adjustment clause in contracts and to the interest on amounts to be collected as a result of these contracts. According to the information

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provided by legal counsel, an unfavorable outcome is considered probable in some of these lawsuits, in a total amount of R\$ 5 (2006 - R\$ 8). The provision for losses on total receivables was R\$ 708 (2006 - R\$ 577), as mentioned in Note 4, and is considered sufficient to cover expected losses on accounts receivable.

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

- Labor claims amounting to R\$ 1,948 (2006 - R\$ 908), the unfavorable outcome of which, in the appeals filed by the Company, is classified by management, based on the assessment of legal counsel, as: probable, R\$ 39 (2006 - R\$ 318), possible - R\$ 1,307 (2006 - R\$ 411) and remote - R\$ 602 (2006 - R\$ 179).
- Tax collection proceedings, in a total of R\$ 595 (2006 - R\$ 86), the unfavorable outcome of which, in the appeals filed by the Company, is classified by management, based on the assessment of legal counsel, as: probable - R\$ 534 (2006 - R\$ 53) and remote - R\$ 61 (2006 - R\$ 33).

The financial statements include a provision for contingencies of R\$ 579 (2006 - R\$ 327), recorded with "Other accounts payable" in current liabilities.

18 Financial Instruments

The Company participates in transactions involving financial instruments, all of which are recorded in balance sheet accounts and whose purpose is to meet the Company's needs and reduce exposure to credit, foreign currency and interest rate risks. Management of these risks is carried out by defining strategies, establishing control systems and determining limits for positions.

(a) Considerations on risks

(i) Credit risk

Credit risk is considered almost inexistent considering the actual guarantee of recovery of the units sold in the event of default during the construction period. The financial statements include a provision of R\$ 708 (2006 - R\$ 577) to cover expected losses on the recovery of accounts receivable related to completed units.

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(ii) Currency risk

Currency risk is regarded as practically nil, as there are no assets and liabilities denominated in foreign currencies, nor significant dependency 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 are mentioned in Note 9 and the interest rates on financial investments are mentioned in Note 3. Interest of 12% p.a. is charged on accounts receivable from completed units, as mentioned in Note 4, which is recognized on a pro-rata basis. Also, as mentioned in Notes 10 and 11, a significant portion of the balances owed to or by related parties and development partners bear no financial charges.

(b) Valuation of financial instruments

The main asset and liability financial instruments, together with the criteria for their valuation, are as follows:

**(i) Cash and cash equivalents and
financial investments**

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 and financing

The conditions and terms of the loans and financing obtained are presented in Note 9. The settlement amounts of these liabilities do not significantly differ from the amounts recorded in the financial statements.

19 Share Purchase Option Plan

The Extraordinary General Meeting held on March 7, 2007 approved the inclusion of the Company's employees among the beneficiaries of the Share Purchase Option Plan, whose structure and implementation guidelines were approved at a Stockholders' Meeting held on

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February 13, 2007. At Meetings held on June 29, 2007 and September 14, 2007, the Supervisory Board approved the grant of the first and second share purchase option lots, respectively, 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:

First lot, approved on June 29, 2007

- (a) Number of share options granted to the beneficiaries: 0.82% of the total shares issued by the Company to the members of management and employees who benefit from this option, according to Share Purchase 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.
- (b) Subscription value - the exercise value of the option will be R\$ 0.01 per share, which is the price to be paid by the beneficiaries, in cash, upon subscription.
- (c) Terms and conditions for the exercise of the option:
 - (i) immediate for the portion related to the first ¼ of the share options to be subscribed or purchased by managers;
 - (ii) as from April 1, 2008, April 1, 2009 and April 1, 2010, respectively, for the subsequent lots, each of them corresponding to ¼ of the total share 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 Share Purchase Options, related to the portion of the first ¼ of the shares to be purchased by managers, the market value of which amounted to R\$ 5,228, taking into consideration the quotation effective on the date of each payment for the shares.

Second lot, approved on September 14, 2007

- (a) Number of share options granted to the beneficiaries: 0.43% of the total shares issued by the Company to the members of management and employees who benefit from this option, according to Share Purchase 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.

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(b) Subscription value: the exercise value of the option will be R\$ 15.11 per share, restated 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 exercising of the option, in accordance with item (c) below.

(c) Terms and conditions for the exercise of the option:

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

- (i) 01 (one) year for 50% (fifty percent) of the share options;
- (ii) 02 (two) years for another 50% (fifty percent) of the share options;
- (iii) up to the third year for the full exercise of the share options.

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

20 Insurance Coverage

The Company and its subsidiaries have insurance coverage, as detailed below, which is considered sufficient by management to cover any risks related to their assets and/or responsibilities:

- (a) Engineering risk: (i) basic - R\$1,402,720 (December 31, 2006 - R\$ 456,100); (ii) other - R\$ 107,6740 (December 31, 2006 - R\$ 51,621).
 - (i) Basic - accidents (sudden and unpredictable causes) in the construction site, such as natural damage or acts of God, windstorms, storms, lightning, flood, earthquakes etc., as well as losses resulting from 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\$ 375 (December 31, 2006 - R\$ 620).

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21 Subsequent Events

(a) Changes in the Corporate Law

Law no. 11638 was enacted on December 28, 2007, amending the Brazilian Corporation Law in relation to certain accounting practices, bookkeeping records and the preparation of financial statements, as from the year ending December 31, 2008.

The main matters addressed by the new law, which may affect the financial statements for the next year, may be summarized as follows:

The issue of accounting regulations by the Brazilian Securities Commission (CVM) for publicly held companies subject to its regulation it should be consistent with international standards.

- The Statement of Changes in Financial Position is replaced by the Statement of Cash Flows and the Statement of Added Value is included in the formal set of financial statements.
- Introduction of the "Adjustment to Present Value" concept for long-term asset and liability transactions and for significant short-term transactions. The CVM has already informed the market that the use of this concept by the companies it regulates is dependent on the issue of a specific rule or a reference expressed in some other rule, defining its scope and establishing the requirements for its use, which should comply with international standards.
- On merger, combination and spin-off transactions carried out between unrelated parties and linked to the actual transfer of control, all assets and liabilities of the merged, combined or spun-off company should be identified, valued and recorded at market value.
- The companies are obliged to record the compensation paid to employees and management, even when it is paid in the form of financial instruments, such as shares or share purchase options.
- Alterations to the commercial accounting and tax books, establishing the possibility for companies to adopt tax legislation provisions for the purposes of its commercial accounting books and subsequently effect the required adjustments for the purposes of complying with corporate legislation.

Until there is greater clarification of the Law, especially in terms of its practical application, including its regulation, management considers that it will not be currently possible to analyze and quantify with reasonable assurance the potential effects on the Company's financial statements.

**EVEN Construtora e Incorporadora S.A. and
EVEN Construtora e Incorporadora S.A. and
Subsidiaries**

**Notes to the Financial Statements
at December 31, 2007 and 2006
In thousands of reais, unless otherwise indicated**

(b) In accordance with the Company's Debenture Distribution Program mentioned in Note 9, the Company was granted an authorization to issue debentures, the main characteristics of which are as follows:

(I) First issuance under the Program (in a single series, unsecured)

Registration date	January 30, 2008
Type of issue	Not convertible into shares
Settlement date	February 6, 2008
Maturity date	October 12, 2012
Remuneration conditions	Interbank Deposit Certificate (CDI) variation + spread of 1.30% p.a.
Type of guarantee	Subordinated
Face value	R\$ 10.00
Total amount issued	150,000
Number of units issued	15,000

As mentioned in Note 9, funds were obtained under the same conditions and were destined to the repayment of the Bank Credit Note.

There are restrictive clauses, as defined in the definitive prospectus of the Company's First Debenture Distribution Program dated January 31, 2008.

(II) Second issuance under the Program (in a single series, unsecured)

Registration date	February 20, 2008
Type of issue	Not convertible into shares
Settlement date	February 21, 2008
Maturity date	October 15, 2012
Remuneration conditions	Amplified Consumer Price Index (IPCA) variation + 8.75% p.a.
Type of guarantee	Subordinated
Face value	R\$ 10.00
Total amount issued	150,000
Number of units issued	10,000

There are restrictive clauses, as defined in the supplement to the definitive prospectus of the Company's First Debenture Distribution Program dated February 20, 2008.