

Gafisa S.A.  
Form 6-K  
March 12, 2010

**SECURITIES AND EXCHANGE COMMISSION**

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**Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the month of March, 2010**

**(Commission File No. 001-33356),**

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**Gafisa S.A.**

*(Translation of Registrant's name into English)*

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**Av. Nações Unidas No. 8501, 19th floor  
São Paulo, SP, 05425-070  
Federative Republic of Brazil**  
*(Address of principal executive office)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting  
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes  No

Indicate by check mark if the registrant is submitting  
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form,  
the Registrant is also thereby furnishing the information to the Commission pursuant  
to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No

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If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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(A free translation of the original in Portuguese)

**FEDERAL GOVERNMENT SERVICE  
BRAZILIAN SECURITIES COMMISSION (CVM)  
STANDARD FINANCIAL STATEMENTS - DFP**

**TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER  
Voluntary Resubmission**

**Corporate Legislation  
December 31, 2009**

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE  
COMPANY.  
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

**01.01 - IDENTIFICATION**

|                                      |                                       |  |
|--------------------------------------|---------------------------------------|--|
| 1 - CVM CODE<br><b>01610-1</b>       | 2 - COMPANY NAME<br><b>GAFISA S/A</b> | 3 - CNPJ (Federal Tax ID)<br><b>01.545.826/0001-07</b> |
| 4 - NIRE (State Registration Number) |                                       |  |

**01.02 - HEAD OFFICE**

|  |                           |
|--|---------------------------|
| 1 - ADDRESS<br>Av. das Nações Unidas, 8501 - 19º andar | 2 - DISTRICT<br>Pinheiros |
|--|---------------------------|

|                           |                       |                 |
|---------------------------|-----------------------|-----------------|
| 3 - ZIP CODE<br>05425-070 | 4 - CITY<br>São Paulo | 5 - STATE<br>SP |
|---------------------------|-----------------------|-----------------|

|                       |                            |                            |                            |            |
|-----------------------|----------------------------|----------------------------|----------------------------|------------|
| 6 - AREA CODE<br>011  | 7 - TELEPHONE<br>3025-9297 | 8 - TELEPHONE<br>3025-9168 | 9 - TELEPHONE<br>3025-9191 | 10 - TELEX |
| 11 - AREA CODE<br>011 | 12 - FAX<br>3025-9438      | 13 - FAX<br>3025-9217      | 14 - FAX<br>-              |            |

|             |
|-------------|
| 15 - E-MAIL |
|-------------|

**01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)**

|                                     |
|-------------------------------------|
| 1 - NAME<br>Alceu Duilio Calciolari |
|-------------------------------------|

|  |                           |
|--|---------------------------|
| 2 - ADDRESS<br>Av. das Nações Unidas, 8501 - 19º andar | 3 - DISTRICT<br>Pinheiros |
|--|---------------------------|

|                           |                       |                 |
|---------------------------|-----------------------|-----------------|
| 4 - ZIP CODE<br>05425-070 | 5 - CITY<br>São Paulo | 6 - STATE<br>SP |
|---------------------------|-----------------------|-----------------|

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|                       |                            |                            |                             |            |
|-----------------------|----------------------------|----------------------------|-----------------------------|------------|
| 7 - AREA CODE<br>011  | 8 - TELEPHONE<br>3025-9297 | 9 - TELEPHONE<br>3025-9168 | 10 - TELEPHONE<br>3025-9121 | 11 - TELEX |
| 12 - AREA CODE<br>011 | 13 - FAX<br>3025-9438      | 14 - FAX<br>3025-9191      | 15 - FAX<br>-               |            |

|                                 |
|---------------------------------|
| 16 - E-MAIL<br>ri@gafisa.com.br |
|---------------------------------|

**01.04 - DFP REFERENCE AND AUDITOR INFORMATION**

| YEAR  | 1 - DATE OF THE FISCAL YEAR BEGINNING | 2 - DATE OF THE FISCAL YEAR END                         |
|---|---------------------------------------|---|
| 1- Last   | 01/01/2009                            | 12/31/2009  |
| 2 - Next to last  | 01/01/2008                            | 12/31/2008  |
| 3 - Last but two  | 01/01/2007                            | 12/31/2007  |
| 4 - INDEPENDENT ACCOUNTANT<br>Terco Grant Thornton Auditores Independentes Soc. Simples |                                       | 5 - CVM CODE<br>00635-1                                 |
| 6 - PARTNER IN CHARGE<br>Daniel Gomes Maranhão Junior                                   |                                       | 7 - PARTNER S CPF (Individual Tax ID)<br>070.962.868-45 |

**01.05 - CAPITAL STOCK**

| Number of Shares<br>(in thousands) | 1<br>12/31/2009 | 2<br>12/31/2008 | 3<br>12/31/2007 |
|------------------------------------|-----------------|-----------------|-----------------|
| <b>Paid-in Capital</b>             |                 |                 |                 |
| 1 - Common                         | 167,077         | 133,088         | 132,577         |
| 2 - Preferred                      | 0               | 0               | 0               |
| 3 - Total                          | 167,077         | 133,088         | 132,577         |
| <b>Treasury share</b>              |                 |                 |                 |
| 4 - Common                         | 300             | 3,125           | 3,125           |
| 5 - Preferred                      | 0               | 0               | 0               |
| 6 - Total                          | 300             | 3,125           | 3,125           |

**01.06 - COMPANY PROFILE**

|   |
|---|
| 1 - TYPE OF COMPANY<br>Commercial, Industrial and Other                   |
| 2 - STATUS<br>Operational   |
| 3 - NATURE OF OWNERSHIP<br>National Private                               |
| 4 - ACTIVITY CODE<br>1110 Civil Construction, Constr. Mat. and Decoration |
| 5 - MAIN ACTIVITY<br>Real Estate Development                              |
| 6 - CONSOLIDATION TYPE<br>Full  |

**01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

|          |                           |                  |
|----------|---------------------------|------------------|
| 1 - ITEM | 2 - CNPJ (Federal Tax ID) | 3 - COMPANY NAME |
|----------|---------------------------|------------------|

**01.08 - CASH DIVIDENDS**

|          |           |              |          |                     |                   |                      |
|----------|-----------|--------------|----------|---------------------|-------------------|----------------------|
| 1 - ITEM | 2 - EVENT | 3 - APPROVAL | 4 - TYPE | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - AMOUNT PER SHARE |
|----------|-----------|--------------|----------|---------------------|-------------------|----------------------|

**01.09 - INVESTOR RELATIONS OFFICER**

|                       |             |
|-----------------------|-------------|
| 1- DATE<br>02/20/2010 | 2 SIGNATURE |
|-----------------------|-------------|



**02.01 - BALANCE SHEET - ASSETS (in thousands of Brazilian reais)**

| 1 - CODE      | 2 - DESCRIPTION  | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|---------------|--|--------------|--------------|--------------|
| 1             | Total Assets   | 5,675,441    | 3,976,789    | 2,822,998    |
| 1.01          | Current Assets   | 2,551,038    | 2,041,545    | 1,697,583    |
| 1.01.01       | Available funds  | 773,479      | 172,127      | 393,637      |
| 1.01.01.01    | Cash and banks   | 27,129       | 15,499       | 16,806       |
| 1.01.01.02    | Financial Investments  | 746,350      | 156,628      | 376,831      |
| 1.01.02       | Credits  | 911,333      | 785,025      | 275,930      |
| 1.01.02.01    | Trade accounts receivable                                      | 911,333      | 785,025      | 275,930      |
| 1.01.02.01.01 | Receivables from clients of developments                       | 784,639      | 715,176      | 251,592      |
| 1.01.02.01.02 | Receivables from clients of construction and services rendered | 94,094       | 53,873       | 24,338       |
| 1.01.02.01.03 | Other Receivables  | 32,600       | 15,976       | 0            |
| 1.01.02.02    | Sundry Credits   | 0            | 0            | 0            |
| 1.01.03       | Inventory  | 604,128      | 778,203      | 562,051      |
| 1.01.03.01    | Properties for sale  | 604,128      | 778,203      | 562,051      |
| 1.01.04       | Other  | 262,098      | 306,190      | 465,965      |
| 1.01.04.01    | Expenses with sales to incorporate                             | 424          | 3,079        | 1,879        |
| 1.01.04.02    | Other receivables  | 245,246      | 278,110      | 459,841      |
| 1.01.04.03    | Prepaid expenses   | 16,428       | 25,001       | 4,245        |
| 1.02          | Non Current Assets   | 3,124,403    | 1,935,244    | 1,125,415    |
| 1.02.01       | Long Term Assets   | 992,578      | 534,606      | 514,458      |
| 1.02.01.01    | Sundry Credits   | 831,226      | 372,809      | 404,515      |
| 1.02.01.01.01 | Receivables from clients of developments                       | 696,953      | 189,890      | 282,017      |
| 1.02.01.01.02 | Properties for sale  | 134,273      | 182,919      | 122,498      |
| 1.02.01.02    | Credits with Related Parties                                   | 0            | 0            | 0            |
| 1.02.01.02.01 | Associated companies   | 0            | 0            | 0            |
| 1.02.01.02.02 | Subsidiaries   | 0            | 0            | 0            |
| 1.02.01.02.03 | Other Related Parties  | 0            | 0            | 0            |
| 1.02.01.03    | Other  | 161,352      | 161,797      | 109,943      |
| 1.02.01.03.01 | Deferred income tax and social contribution                    | 138,056      | 100,745      | 61,956       |
| 1.02.01.03.02 | Other receivables  | 23,296       | 61,052       | 47,987       |
| 1.02.02       | Permanent Assets   | 2,131,825    | 1,400,638    | 610,957      |
| 1.02.02.01    | Investments  | 1,904,297    | 1,185,470    | 392,066      |
| 1.02.02.01.01 | Interest in direct and indirect associated companies           | 0            | 0            | 0            |
| 1.02.02.01.02 | Interest in associated companies - Goodwill                    | 0            | 0            | 0            |
| 1.02.02.01.03 | Interest in Subsidiaries                                       | 1,565,228    | 872,352      | 392,066      |
| 1.02.02.01.05 | Other Investments  | 339,069      | 313,118      | 0            |

**02.01 - BALANCE SHEET - ASSETS (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION               | 3 12/31/2007 | 4 12/31/2008 | 5 12/31/2007 |
|------------|-------------------------------|--------------|--------------|--------------|
| 1.02.02.02 | Property, plant and equipment | 28,424       | 15,052       | 7,360        |
| 1.02.02.03 | Intangible assets             | 199,104      | 200,116      | 211,531      |



**02.02 - BALANCE SHEET - LIABILITIES (in thousands of Brazilian reais)**

| 1 - CODE      | 2 - DESCRIPTION   | 3 31/12/2009 | 4 12/31/2008 | 5 12/31/2007 |
|---------------|---|--------------|--------------|--------------|
| 2             | Total Liabilities                                       | 5,675,441    | 3,976,789    | 2,822,998    |
| 2.01          | Current Liabilities                                     | 1,219,619    | 881,917      | 695,282      |
| 2.01.01       | Loans and Financing                                     | 514,831      | 317,236      | 37,758       |
| 2.01.02       | Debentures  | 111,121      | 61,945       | 6,590        |
| 2.01.03       | Suppliers   | 61,137       | 49,690       | 57,417       |
| 2.01.04       | Taxes, charges and contributions                        | 77,861       | 69,396       | 49,261       |
| 2.01.05       | Dividends Payable                                       | 50,765       | 26,106       | 26,981       |
| 2.01.06       | Provisions  | 11,266       | 9,124        | 3,668        |
| 2.01.06.01    | Provision for Contingencies                             | 11,266       | 9,124        | 3,668        |
| 2.01.07       | Accounts payable to related parties                     | 0            | 0            | 0            |
| 2.01.08       | Other   | 392,638      | 348,420      | 513,607      |
| 2.01.08.01    | Obligations for real estate development                 | 0            | 0            | 0            |
| 2.01.08.02    | Obligations for purchase of real state                  | 240,164      | 250,942      | 211,447      |
| 2.01.08.03    | Payroll, profit sharing and related charges             | 38,896       | 15,049       | 27,335       |
| 2.01.08.04    | Advances from customers - development and services      | 0            | 0            | 0            |
| 2.01.08.05    | Other liabilities                                       | 113,578      | 82,429       | 274,825      |
| 2.02          | Non Current Liabilities                                 | 2,130,188    | 1,482,453    | 628,988      |
| 2.02.01       | Long Term Liabilities                                   | 2,130,188    | 1,482,453    | 628,988      |
| 2.02.01.01    | Loans and Financing                                     | 324,547      | 324,553      | 245,565      |
| 2.02.01.02    | Debentures  | 1,196,000    | 442,000      | 240,000      |
| 2.02.01.03    | Provisions  | 28,735       | 0            | 0            |
| 2.02.01.03.01 | Provisions for contingencies                            | 28,735       | 0            | 0            |
| 2.02.01.04    | Accounts payable to related parties                     | 0            | 0            | 0            |
| 2.02.01.05    | Advance for future capital increase                     | 0            | 0            | 0            |
| 2.02.01.06    | Others  | 580,906      | 715,900      | 143,423      |
| 2.02.01.06.01 | Obligations for purchase of real state                  | 51,606       | 109,558      | 56,729       |
| 2.02.01.06.02 | Deferred income tax and social contribution             | 186,862      | 99,120       | 42,515       |
| 2.02.01.06.03 | Amortization of gain on partial sale of Fit Residential | 0            | 169,394      | 0            |
| 2.02.01.06.04 | Negative goodwill on acquisition of subsidiaries        | 9,408        | 18,522       | 32,223       |
| 2.02.01.06.05 | Other liabilities                                       | 333,030      | 319,306      | 11,956       |
| 2.03          | Future taxable income                                   | 0            | 0            | 0            |
| 2.05          | Shareholders' equity                                    | 2,325,634    | 1,612,419    | 1,498,728    |
| 2.05.01       | Paid-in capital stock                                   | 1,625,544    | 1,211,467    | 1,203,796    |
| 2.05.01.01    | Capital Stock   | 1,627,275    | 1,229,517    | 1,221,846    |
| 2.05.01.02    | Treasury shares   | (1,731)      | (18,050)     | (18,050)     |
| 2.05.02       | Capital Reserves  | 318,439      | 182,125      | 159,922      |



**02.02 - BALANCE SHEET - LIABILITIES (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION                                       | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|------------|---|--------------|--------------|--------------|
| 2.05.03    | Revaluation reserves                                  | 0            | 0            | 0            |
| 2.05.03.01 | Own assets  | 0            | 0            | 0            |
| 2.05.03.02 | Subsidiaries/Direct and Indirect Associated Companies | 0            | 0            | 0            |
| 2.05.04    | Revenue reserves                                      | 381,651      | 218,827      | 135,010      |
| 2.05.04.01 | Legal   | 31,758       | 21,081       | 15,585       |
| 2.05.04.02 | Statutory   | 311,360      | 159,213      | 80,892       |
| 2.05.04.03 | For Contingencies                                     | 0            | 0            | 0            |
| 2.05.04.04 | Unrealized profits                                    | 0            | 0            | 0            |
| 2.05.04.05 | Retained earnings                                     | 38,533       | 38,533       | 38,533       |
| 2.05.04.06 | Special reserve for undistributed dividends           | 0            | 0            | 0            |
| 2.05.04.07 | Other profit reserves                                 | 0            | 0            | 0            |
| 2.05.05    | Adjustments to Assets Valuation                       | 0            | 0            | 0            |
| 2.05.05.01 | Securities Adjustments                                | 0            | 0            | 0            |
| 2.05.05.02 | Translation Accumulated Adjustments                   | 0            | 0            | 0            |
| 2.05.05.03 | Business Combination Adjustments                      | 0            | 0            | 0            |
| 2.05.06    | Retained earnings/accumulated losses                  | 0            | 0            | 0            |
| 2.05.07    | Advances for future capital increase                  | 0            | 0            | 0            |

**03.01 - STATEMENT OF INCOME (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION   | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|
| 3.01       | Gross Sales and/or Services                             | 1,227,949                       | 934,545                         | 748,720                         |
| 3.01.01    | Real estate development and sales                       | 1,131,162                       | 891,080                         | 721,432                         |
| 3.01.02    | Construction services rendered                          | 44,891                          | 43,465                          | 27,288                          |
| 3.01.04    | Barter transactions revenue                             | 51,896                          | 0                               | 0                               |
| 3.02       | Gross Sales Deductions                                  | (42,553)                        | (31,542)                        | (29,185)                        |
| 3.02.01    | Taxes on services and revenues                          | (37,727)                        | (31,542)                        | (25,745)                        |
| 3.02.02    | Brokerage fee on sales                                  | (4,826)                         | 0                               | (3,440)                         |
| 3.02.03    | Cancelled units   | 0                               | 0                               | 0                               |
| 3.03       | Net Sales and/or Services                               | 1,185,396                       | 903,003                         | 719,535                         |
| 3.04       | Cost of Sales and/or Services                           | (877,966)                       | (619,005)                       | (519,856)                       |
| 3.04.01    | Cost of Real estate development                         | (877,966)                       | (619,005)                       | (519,856)                       |
| 3.05       | Gross Profit  | 307,430                         | 283,998                         | 199,679                         |
| 3.06       | Operating Expenses/Income                               | (49,762)                        | (128,538)                       | (92,258)                        |
| 3.06.01    | Selling Expenses  | (64,086)                        | (74,150)                        | (44,418)                        |
| 3.06.02    | General and Administrative                              | (107,154)                       | (92,078)                        | (86,121)                        |
| 3.06.02.01 | Profit sharing  | (21,495)                        | 0                               | (17,247)                        |
| 3.06.02.02 | Other Administrative Expenses                           | (85,659)                        | (92,078)                        | (68,874)                        |
| 3.06.03    | Financial   | (85,869)                        | 22,340                          | 35,894                          |
| 3.06.03.01 | Financial Income  | 72,457                          | 68,260                          | 48,685                          |
| 3.06.03.02 | Financial Expenses                                      | (158,326)                       | (45,920)                        | (12,791)                        |
| 3.06.04    | Other operating income                                  | 169,394                         | 41,008                          | 1,301                           |
| 3.06.04.01 | Amortization of gain on partial sale of FIT Residencial | 169,394                         | 41,008                          | 0                               |
| 3.06.04.02 | Other operating income                                  | 0                               | 0                               | 1,301                           |
| 3.06.05    | Other operating expenses                                | (87,986)                        | (48,754)                        | (31,669)                        |

**03.01 - STATEMENT OF INCOME (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION   | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|
| 3.06.05.01 | Depreciation  | (10,468)                        | (34,254)                        | (31,669)                        |
| 3.06.05.03 | Others  | (66,446)                        | 0                               | 0                               |
| 3.06.05.04 | Non current expenses  | (11,072)                        | 0                               | 0                               |
| 3.06.05.05 | Restructuring expenses  | 0                               | (14,500)                        | 0                               |
| 3.06.06    | Equity in earnings of subsidiaries                                    | 125,939                         | 23,096                          | 32,755                          |
| 3.07       | Total operating income  | 257,668                         | 155,460                         | 107,421                         |
| 3.08       | Total non-operating (income) expenses, net                            | 0                               | 0                               | 0                               |
| 3.08.01    | Income  | 0                               | 0                               | 0                               |
| 3.08.02    | Expenses  | 0                               | 0                               | 0                               |
| 3.09       | Income before taxes/profit sharing                                    | 257,668                         | 155,460                         | 107,421                         |
| 3.10       | Provision for income and social contribution taxes                    | 0                               | (4,960)                         | (4,109)                         |
| 3.11       | Deferred Income Tax   | (44,128)                        | (40,579)                        | (11,672)                        |
| 3.12       | Statutory Profit Sharing/Contributions                                | 0                               | 0                               | 0                               |
| 3.12.01    | Profit Sharing  | 0                               | 0                               | 0                               |
| 3.12.02    | Contributions   | 0                               | 0                               | 0                               |
| 3.13       | Reversal of interest attributed to shareholders Equity                | 0                               | 0                               | 0                               |
| 3.15       | Income/Loss for the Period  | 213,540                         | 109,921                         | 91,640                          |
|            | NUMBER OF SHARES OUTSTANDING EXCLUDING TREASURY SHARES (in thousands) | 166,777                         | 129,963                         | 129,452                         |
|            | EARNINGS PER SHARE ( <i>Reais</i> )                                   | 1.28039                         | 0.84579                         | 0.70791                         |
|            | LOSS PER SHARE ( <i>Reais</i> )                                       |                                 |                                 |                                 |

**04.01 - STATEMENT OF CASH FLOW (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION  | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|
| 4.01       | Net cash from operating activities                                     | (206,643)                       | (393,974)                       | (303,456)                       |
| 4.01.01    | Cash generated in the operations                                       | 224,234                         | 271,838                         | 135,240                         |
| 4.01.01.01 | Net Income for the year  | 213,540                         | 109,921                         | 91,640                          |
| 4.01.01.02 | Equity in the Earnings of Subsidiaries and<br>Associated Companies     | (125,939)                       | (23,096)                        | (32,755)                        |
| 4.01.01.03 | Stock options expenses   | 9,765                           | 22,203                          | 16,498                          |
| 4.01.01.04 | Gain on sale of investments  | (169,394)                       | (41,008)                        | 0                               |
| 4.01.01.05 | Unrealized interest and charges, net                                   | 145,198                         | 117,782                         | 35,565                          |
| 4.01.01.06 | Deferred income tax and social contribution                            | 44,128                          | 40,579                          | 0                               |
| 4.01.01.07 | Depreciation and amortization  | 10,468                          | 34,254                          | 24,292                          |
| 4.01.01.08 | Provision for contingencies  | 69,091                          | 7,974                           | 0                               |
| 4.01.01.09 | Warranty provision   | 5,882                           | 3,229                           | 0                               |
| 4.01.01.10 | Profit share provision   | 21,495                          | 0                               | 0                               |
| 4.01.02    | Variation on Assets and Liabilities                                    | (430,877)                       | (665,812)                       | (438,696)                       |
| 4.01.02.01 | Trade accounts receivable  | (633,371)                       | (416,969)                       | (224,440)                       |
| 4.01.02.02 | Properties for sale  | 222,721                         | (276,574)                       | (343,306)                       |
| 4.01.02.03 | Other Receivables  | 86,775                          | (171,301)                       | (162,083)                       |
| 4.01.02.04 | Expenses with sales to incorporate                                     | (7,145)                         | (1,200)                         | 11,195                          |
| 4.01.02.05 | Prepaid expenses   | 8,573                           | (20,756)                        | 1,150                           |
| 4.01.02.06 | Obligations for real estate development and<br>advances from customers | (74,612)                        | 84,044                          | 109,383                         |
| 4.01.02.07 | Taxes, charges and contributions                                       | 8,465                           | 20,134                          | 15,420                          |
| 4.01.02.08 | Suppliers  | 11,447                          | (7,727)                         | 40,363                          |
| 4.01.02.09 | Payroll, profit sharing and related charges                            | 2,398                           | (12,285)                        | 9,312                           |

**04.01 - STATEMENT OF CASH FLOW (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION   | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|
| 4.01.02.10 | Other accounts payable                                    | (17,914)                        | 139,340                         | 104,310                         |
| 4.01.02.11 | Escrow deposits   | (38,214)                        | (2,518)                         | 0                               |
| 4.01.03    | Others  | 0                               | 0                               | 0                               |
| 4.02       | Net cash of investments activities                        | (196,936)                       | (615,043)                       | (259,888)                       |
| 4.02.01    | Purchase of property and equipment and intangible assets  | (31,843)                        | (29,197)                        | (41,879)                        |
| 4.02.02    | Capital contribution in subsidiary companies              | (144,040)                       | (588,786)                       | (128,927)                       |
| 4.02.03    | Restricted cash in guarantee to loans                     | (21,053)                        | 2,940                           | (10,922)                        |
| 4.02.04    | Acquisition of investments                                | 0                               | 0                               | (78,160)                        |
| 4.03       | Net cash from financing activities                        | 984,078                         | 790,447                         | 695,817                         |
| 4.03.01    | Capital increase  | 9,736                           | 7,671                           | 496,075                         |
| 4.03.02    | Loans and financing obtained                              | 1,500,949                       | 637,144                         | 260,648                         |
| 4.03.03    | Repayment of loans and financing                          | (645,382)                       | (128,305)                       | (43,216)                        |
| 4.03.04    | Assignment of credits receivable, net                     | 3,898                           | 916                             | 2,225                           |
| 4.03.05    | Additional dividends paid for 2007                        | (26,058)                        | (26,979)                        | 0                               |
| 4.03.06    | Public offer expenses                                     | 0                               | 0                               | (19,915)                        |
| 4.03.07    | Sale of treasury shares                                   | 16,319                          | 0                               | 0                               |
| 4.03.08    | Gain on sale of treasury shares                           | 65,727                          | 0                               | 0                               |
| 4.03.09    | Assignment of credits receivable - CCI                    | 58,889                          | 0                               | 0                               |
| 4.03.10    | Contributions from venture partners                       | 0                               | 300,000                         | 0                               |
| 4.04       | Foreign Exchange Variation over Cash and Cash Equivalents | 0                               | 0                               | 0                               |
| 4.05       | Net increase (decrease) of Cash and Cash Equivalents      | 580,499                         | (218,570)                       | 132,473                         |
| 4.05.01    | Cash at the beginning of the period                       | 165,216                         | 383,786                         | 251,313                         |
| 4.05.02    | Cash at the end of the period                             | 745,715                         | 165,216                         | 383,786                         |

**05.01 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2009 TO 12/31/2009 (in thousands of Brazilian reais)**

| 1 - CODE | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6- REVENUE RESERVES | 7 - RETAINED EARNINGS/ ACCUMULATED DEFICIT |
|----------|-------------------------------------|-------------------|---------------------|--------------------------|---------------------|--|
| 5.01     | Opening balance                     | 1,229,517         | 182,125             | 0                        | 200,777             | 0  |
| 5.02     | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.03     | Adjusted balance                    | 1,229,517         | 182,125             | 0                        | 200,777             | 0  |
| 5.04     | Net Income/Loss for the period      | 0                 | 0                   | 0                        | 0                   | 213,540                                    |
| 5.05     | Allocation                          | 0                 | 9,765               | 0                        | 0                   | (50,716)                                   |
| 5.05.01  | Dividends                           | 0                 | 0                   | 0                        | 0                   | (50,716)                                   |
| 5.05.02  | Interest on own capital             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.05.03  | Other Allocations                   | 0                 | 9,765               | 0                        | 0                   | 0  |
| 5.06     | Realization of profit reserves      | 0                 | 0                   | 0                        | 162,824             | (162,824)                                  |
| 5.07     | Adjustments to assets valuation     | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.01  | Securities adjustments              | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.02  | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.03  | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.08     | Increase/decrease in stock capital  | 397,758           | 60,822              | 0                        | 0                   | 0  |
| 5.08.01  | Exercício opção compra de ações     | 9,736             | 0                   | 0                        | 0                   | 0  |
| 5.08.02  | Incorporação ações Tenda            | 388,022           | 60,822              | 0                        | 0                   | 0  |
| 5.09     | Realization of reserves             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.10     | Treasury Shares                     | 0                 | 65,727              | 0                        | 16,319              | 0  |
| 5.11     | Other Capital Transactions          | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.12     | Others                              | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.13     | Closing balance                     | 1,627,275         | 318,439             | 0                        | 379,920             | 0  |





**05.01 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2008 TO 12/31/2008 (in thousands of Brazilian reais)**

| 1 - CODE | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6- REVENUE RESERVES | 7 - RETAINED EARNINGS/ ACCUMULATED DEFICIT |
|----------|-------------------------------------|-------------------|---------------------|--------------------------|---------------------|--|
| 5.01     | Opening balance                     | 1,221,846         | 159,922             | 0                        | 141,641             | (24,681)                                   |
| 5.02     | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.03     | Adjusted balance                    | 1,221,846         | 159,922             | 0                        | 141,641             | (24,681)                                   |
| 5.04     | Net Income/Loss for the period      | 0                 | 0                   | 0                        | 0                   | 109,921                                    |
| 5.05     | Allocation                          | 0                 | 22,203              | 0                        | 59,136              | (85,240)                                   |
| 5.05.01  | Dividends                           | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.05.02  | Interest on own capital             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.05.03  | Other Allocations                   | 0                 | 22,203              | 0                        | 59,136              | (85,240)                                   |
| 5.06     | Realization of profit reserves      | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07     | Adjustments to assets valuation     | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.01  | Securities adjustments              | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.02  | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.07.03  | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.08     | Increase/decrease in stock capital  | 7,671             | 0                   | 0                        | 0                   | 0  |
| 5.09     | Realization of reserves             | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.10     | Treasury Shares                     | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.11     | Other Capital Transactions          | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.12     | Others                              | 0                 | 0                   | 0                        | 0                   | 0  |
| 5.13     | Closing balance                     | 1,229,517         | 182,125             | 0                        | 200,777             | 0  |

**05.02 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2007 TO 12/31/2007 (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6 - REVENUE RESERVES | 7 - RETAINED EARNINGS ACCUMULATED DEFICIT |
|------------|-------------------------------------|-------------------|---------------------|--------------------------|----------------------|---|
| 5.01       | Opening balance                     | 591,742           | 163,339             | 0                        | 55,069               | (2,7                                      |
| 5.02       | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                    |   |
| 5.03       | Adjusted balance                    | 591,742           | 163,339             | 0                        | 55,069               | (2,7                                      |
| 5.04       | Net Income/Loss for the period      | 0                 | (3,417)             | 0                        | 0                    | 91,6                                      |
| 5.05       | Allocation                          | 0                 | 0                   | 0                        | 86,572               | (113,6                                    |
| 5.05.01    | Dividends                           | 0                 | 0                   | 0                        | 0                    |   |
| 5.05.02    | Interest on own capital             | 0                 | 0                   | 0                        | 0                    |   |
| 5.05.03    | Other Allocations                   | 0                 | 0                   | 0                        | 86,572               | (113,6                                    |
| 5.05.03.01 | Legal reserve                       | 0                 | 0                   | 0                        | 5,680                | (5,6                                      |
| 5.05.03.02 | Statutory reserve                   | 0                 | 0                   | 0                        | 80,892               | (80,8                                     |
| 5.05.03.03 | Additional 2006 dividends           | 0                 | 0                   | 0                        | 0                    | (   |
| 5.05.03.04 | Minimum mandatory dividends         | 0                 | 0                   | 0                        | 0                    | (26,9                                     |
| 5.06       | Realization of profit reserves      | 0                 | 0                   | 0                        | 0                    |   |
| 5.07       | Adjustments to assets valuation     | 0                 | 0                   | 0                        | 0                    |   |
| 5.07.01    | Securities adjustments              | 0                 | 0                   | 0                        | 0                    |   |
| 5.07.02    | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                    |   |
| 5.07.03    | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                    |   |
| 5.08       | Increase/decrease in stock capital  | 630,104           | 0                   | 0                        | 0                    |   |
| 5.09       | Realization of reserves             | 0                 | 0                   | 0                        | 0                    |   |
| 5.10       | Treasury Shares                     | 0                 | 0                   | 0                        | 0                    |   |
| 5.11       |                                     | 0                 | 0                   | 0                        | 0                    |   |

|      | Other Capital Transactions |           |         |   |         |       |
|------|----------------------------|-----------|---------|---|---------|-------|
| 5.12 | Others                     | 0         | 0       | 0 | 0       |       |
| 5.13 | Closing balance            | 1,221,846 | 159,922 | 0 | 141,641 | (24,6 |

**06.01 - STATEMENT OF VALUE ADDED (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION   | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|
| 6.01       | Revenue   | 1,164,981                       | 934,545                         | 748,720                         |
| 6.01.01    | Sale of Goods, Products and Services                            | 1,176,053                       | 934,545                         | 748,720                         |
| 6.01.02    | Others sales  | (11,072)                        | 0                               | 0                               |
| 6.01.03    | Sales refers own assets   | 0                               | 0                               | 0                               |
| 6.01.04    | Allowance for doubtful accounts                                 | 0                               | 0                               | 0                               |
| 6.02       | Inputs Acquired from Third Parties                              | (780,431)                       | (626,171)                       | (558,672)                       |
| 6.02.01    | Cost of Sales and/or Services                                   | (778,099)                       | (594,149)                       | (506,946)                       |
| 6.02.02    | Materials, energy, service suppliers and other                  | (2,332)                         | (32,022)                        | (51,726)                        |
| 6.02.03    | Loss/Recovery of Assets   | 0                               | 0                               | 0                               |
| 6.02.04    | Others  | 0                               | 0                               | 0                               |
| 6.03       | Gross value added   | 384,550                         | 308,374                         | 190,048                         |
| 6.04       | Deductions  | (10,468)                        | (34,254)                        | (31,669)                        |
| 6.04.01    | Depreciation and amortization                                   | (10,468)                        | (34,254)                        | (31,669)                        |
| 6.04.02    | Others  | 0                               | 0                               | 0                               |
| 6.05       | Net Value Added Produced  | 374,082                         | 274,120                         | 158,379                         |
| 6.06       | Value Added Received in Transfers                               | 367,790                         | 132,364                         | 81,439                          |
| 6.06.01    | Equity in the Earnings of Subsidiaries and Associated Companies | 125,939                         | 23,096                          | 32,755                          |
| 6.06.02    | Financial revenue   | 72,457                          | 68,260                          | 48,684                          |
| 6.06.03    | Others  | 169,394                         | 41,008                          | 0                               |
| 6.07       | Total value added to distribute                                 | 741,872                         | 406,484                         | 239,818                         |
| 6.08       | Allocation of Value Added                                       | 741,872                         | 406,484                         | 239,818                         |
| 6.08.01    | Personnel   | 203,304                         | 125,966                         | 76,498                          |
| 6.08.01.01 | Direct Compensation   | 203,304                         | 125,966                         | 76,498                          |
| 6.08.01.02 | Benefits  | 0                               | 0                               | 0                               |
| 6.08.01.03 | Government Severance Indemnity Fund for Employees (F.G.T.S.)    | 0                               | 0                               | 0                               |

**06.01 - STATEMENT OF VALUE ADDED (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION  | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|
| 6.08.01.04 | Others   | 0                               | 0                               | 0                               |
| 6.08.02    | Taxes, Fees and contributions                        | 118,730                         | 99,821                          | 45,981                          |
| 6.08.02.01 | Federal  | 118,730                         | 99,821                          | 45,981                          |
| 6.08.02.02 | States   | 0                               | 0                               | 0                               |
| 6.08.02.03 | Municipals   | 0                               | 0                               | 0                               |
| 6.08.03    | Third Parties Capital Remuneration                   | 206,298                         | 70,776                          | 25,699                          |
| 6.08.03.01 | Interests rates                                      | 206,298                         | 70,776                          | 25,699                          |
| 6.08.03.02 | Rentals  | 0                               | 0                               | 0                               |
| 6.08.03.03 | Others   | 0                               | 0                               | 0                               |
| 6.08.04    | Remuneration of Own Capital                          | 213,540                         | 109,921                         | 91,640                          |
| 6.08.04.01 | Interest on Equity                                   | 0                               | 0                               | 0                               |
| 6.08.04.02 | Dividends  | 50,716                          | 26,104                          | 26,981                          |
| 6.08.04.03 | Retained Earnings/Accumulated Losses for the<br>Year | 162,824                         | 83,817                          | 64,659                          |
| 6.08.05    | Others   | 0                               | 0                               | 0                               |

**07.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Brazilian reais)**

| 1 - CODE      | 2 DESCRIPTION  | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|---------------|--|--------------|--------------|--------------|
| 1             | Total Assets   | 7,688,323    | 5,538,858    | 3,004,785    |
| 1.01          | Current Assets   | 4,892,448    | 3,776,701    | 1,976,035    |
| 1.01.01       | Available funds  | 1,424,053    | 605,502      | 517,420      |
| 1.01.01.01    | Cash and Banks   | 241,193      | 73,538       | 80,660       |
| 1.01.01.02    | Financial Investments  | 1,182,860    | 531,964      | 436,760      |
| 1.01.02       | Credits  | 2,008,464    | 1,254,594    | 473,734      |
| 1.01.02.01    | Trade accounts receivable                                      | 2,008,464    | 1,254,594    | 473,734      |
| 1.01.02.01.01 | Receivables from clients of developments                       | 1,908,795    | 1,199,620    | 448,082      |
| 1.01.02.01.02 | Receivables from clients of construction and services rendered | 96,005       | 54,096       | 25,652       |
| 1.01.02.01.03 | Other Receivables  | 3,664        | 878          | 0            |
| 1.01.02.02    | Sundry Credits   | 0            | 0            | 0            |
| 1.01.03       | Inventory  | 1,332,374    | 1,695,130    | 872,876      |
| 1.01.04       | Others   | 127,557      | 221,475      | 112,005      |
| 1.01.04.01    | Expenses with sales to incorporate                             | 6,633        | 13,304       | 3,861        |
| 1.01.04.02    | Other receivables  | 108,791      | 182,775      | 101,920      |
| 1.01.04.03    | Prepaid expenses   | 12,133       | 25,396       | 6,224        |
| 1.02          | Non Current Assets   | 2,795,875    | 1,762,157    | 1,028,750    |
| 1.02.01       | Long Term Assets   | 2,534,713    | 1,498,654    | 768,850      |
| 1.02.01.01    | Sundry Credits   | 2,184,265    | 1,197,796    | 647,313      |
| 1.02.01.01.01 | Receivables from clients of developments                       | 1,768,182    | 863,950      | 497,910      |
| 1.02.01.01.02 | Properties for sale  | 416,083      | 333,846      | 149,403      |
| 1.02.01.02    | Credits with Related Parties                                   | 0            | 0            | 0            |
| 1.02.01.02.01 | Associated companies   | 0            | 0            | 0            |
| 1.02.01.02.02 | Subsidiaries   | 0            | 0            | 0            |
| 1.02.01.02.03 | Other Related Parties  | 0            | 0            | 0            |
| 1.02.01.03    | Other  | 350,448      | 300,858      | 121,537      |
| 1.02.01.03.01 | Deferred income tax and social contribution                    | 281,288      | 190,252      | 78,740       |
| 1.02.01.03.02 | Other receivables  | 69,160       | 110,606      | 42,797       |
| 1.02.02       | Permanent Assets   | 261,162      | 263,503      | 259,900      |
| 1.02.02.01    | Investments  | 0            | 0            | 12,192       |
| 1.02.02.01.01 | Interest in direct and indirect associated companies           | 0            | 0            | 0            |
| 1.02.02.01.02 | Interest in Subsidiaries                                       | 0            | 0            | 12,192       |
| 1.02.02.01.03 | Other Investments  | 0            | 0            | 0            |
| 1.02.02.01.06 | Investments - Goodwill   | 0            | 0            | 0            |

**07.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION               | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|------------|-------------------------------|--------------|--------------|--------------|
| 1.02.02.02 | Property, plant and equipment | 56,476       | 50,348       | 32,411       |
| 1.02.02.03 | Intangible assets             | 204,686      | 213,155      | 215,297      |
| 1.02.02.04 | Deferred charges              | 0            | 0            | 0            |



**07.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of Brazilian reais)**

| 1 - CODE      | 2 DESCRIPTION   | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|---------------|---|--------------|--------------|--------------|
| 2             | Total Liabilities                                       | 7,688,323    | 5,538,858    | 3,004,785    |
| 2.01          | Current Liabilities                                     | 2,020,602    | 1,328,395    | 660,629      |
| 2.01.01       | Loans and Financing                                     | 678,312      | 447,503      | 68,357       |
| 2.01.02       | Debentures  | 122,377      | 61,945       | 6,590        |
| 2.01.03       | Suppliers   | 194,331      | 112,900      | 86,709       |
| 2.01.04       | Taxes, charges and contributions                        | 138,177      | 113,167      | 71,250       |
| 2.01.05       | Dividends Payable                                       | 54,279       | 26,106       | 26,981       |
| 2.01.06       | Provisions  | 11,266       | 17,567       | 3,668        |
| 2.01.06.01    | Provision for Contingencies                             | 11,266       | 17,567       | 3,668        |
| 2.01.07       | Accounts payable to related parties                     | 0            | 0            | 0            |
| 2.01.08       | Other   | 821,860      | 549,207      | 397,074      |
| 2.01.08.01    | Obligations for real estate development                 | 0            | 0            | 0            |
| 2.01.08.02    | Obligations for purchase of real estate                 | 475,409      | 421,584      | 290,193      |
| 2.01.08.03    | Payroll, profit sharing and related charges             | 61,320       | 29,692       | 38,513       |
| 2.01.08.04    | Advances from customers                                 | 0            | 0            | 0            |
| 2.01.08.05    | Other liabilities                                       | 205,657      | 97,931       | 68,368       |
| 2.01.08.06    | Impostos e contribuições diferidos                      | 79,474       | 0            | 0            |
| 2.02          | Non Current Liabilities                                 | 3,283,540    | 2,126,641    | 832,447      |
| 2.02.01       | Long Term Liabilities                                   | 3,283,540    | 2,126,641    | 832,447      |
| 2.02.01.01    | Loans and Financing                                     | 525,443      | 600,673      | 380,433      |
| 2.02.01.02    | Debentures  | 1,796,000    | 442,000      | 240,000      |
| 2.02.01.03    | Provisions  | 61,687       | 35,963       | 17,594       |
| 2.02.01.03.01 | Provisões para Contingências                            | 61,687       | 35,963       | 17,594       |
| 2.02.01.04    | Accounts payable to related parties                     | 0            | 0            | 0            |
| 2.02.01.05    | Advance for future capital increase                     | 0            | 0            | 0            |
| 2.02.01.06    | Other   | 900,410      | 1,048,005    | 194,420      |
| 2.02.01.06.01 | Obligations for purchase of real estate                 | 146,401      | 231,199      | 103,184      |
| 2.02.01.06.02 | Deferred income tax and social contribution             | 336,291      | 239,131      | 46,070       |
| 2.02.01.06.03 | Other liabilities                                       | 408,310      | 389,759      | 12,943       |
| 2.02.01.06.04 | Negative goodwill on acquisition of subsidiaries        | 9,408        | 18,522       | 32,223       |
| 2.02.01.06.05 | Amortization of gain on partial sale of Fit Residential | 0            | 169,394      | 0            |
| 2.04          | Minority Interests                                      | 58,547       | 471,403      | 12,981       |
| 2.05          | Shareholders' equity                                    | 2,325,634    | 1,612,419    | 1,498,728    |
| 2.05.01       | Paid-in capital stock                                   | 1,625,544    | 1,211,467    | 1,203,796    |
| 2.05.01.01    | Capital Stock   | 1,627,275    | 1,229,517    | 1,221,846    |
| 2.05.01.02    | Treasury shares   | (1,731)      | (18,050)     | (18,050)     |
| 2.05.02       | Capital Reserves  | 318,439      | 182,125      | 159,922      |



**07.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION                                       | 3 12/31/2009 | 4 12/31/2008 | 5 12/31/2007 |
|------------|---|--------------|--------------|--------------|
| 2.05.03    | Revaluation reserves                                  | 0            | 0            | 0            |
| 2.05.03.01 | Own assets  | 0            | 0            | 0            |
| 2.05.03.02 | Subsidiaries/Direct and Indirect Associated Companies | 0            | 0            | 0            |
| 2.05.04    | Revenue reserves                                      | 381,651      | 218,827      | 135,010      |
| 2.05.04.01 | Legal   | 31,758       | 21,081       | 15,585       |
| 2.05.04.02 | Statutory   | 31,758       | 159,213      | 80,892       |
| 2.05.04.03 | For Contingencies                                     | 0            | 0            | 0            |
| 2.05.04.04 | Unrealized profits                                    | 0            | 0            | 0            |
| 2.05.04.05 | Retained earnings                                     | 38,533       | 38,533       | 38,533       |
| 2.05.04.06 | Special reserve for undistributed dividends           | 0            | 0            | 0            |
| 2.05.04.07 | Other revenue reserves                                | 0            | 0            | 0            |
| 2.05.05    | Adjustments to Assets Valuation                       | 0            | 0            | 0            |
| 2.05.05.01 | Securities adjustments                                | 0            | 0            | 0            |
| 2.05.05.02 | Translation accumulated adjustments                   | 0            | 0            | 0            |
| 2.05.05.03 | Business Combination Adjustments                      | 0            | 0            | 0            |
| 2.05.06    | Retained earnings/accumulated losses                  | 0            | 0            | 0            |
| 2.05.07    | Advances for future capital increase                  | 0            | 0            | 0            |

**08.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION  | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|
| 3.01       | Gross Sales and/or Services                                    | 3,144,880                       | 1,805,468                       | 1,251,893                       |
| 3.01.01    | Real estate development and sales                              | 3,028,763                       | 1,693,564                       | 1,216,773                       |
| 3.01.02    | Construction services rendered                                 | 47,999                          | 37,268                          | 35,120                          |
| 3.01.04    | Barter transactions revenue                                    | 68,118                          | 74,636                          | 0                               |
| 3.02       | Gross Sales Deductions   | (122,534)                       | (65,064)                        | (47,606)                        |
| 3.02.01    | Taxes on services and revenues                                 | (108,523)                       | (59,522)                        | (42,331)                        |
| 3.02.02    | Brokerage fee on Sales   | (14,011)                        | (5,542)                         | (5,275)                         |
| 3.02.03    | Cancelled units  | 0                               | 0                               | 0                               |
| 3.03       | Net Sales and/or Services                                      | 3,022,346                       | 1,740,404                       | 1,204,287                       |
| 3.04       | Cost of Sales and/or Services                                  | (2,143,762)                     | (1,214,401)                     | (867,996)                       |
| 3.04.01    | Cost of Real estate development                                | (2,075,644)                     | (1,139,765)                     | (867,996)                       |
| 3.04.02    | Cost of Barter transactions                                    | (68,118)                        | (74,636)                        | 0                               |
| 3.05       | Gross Profit   | 878,584                         | 526,003                         | 336,291                         |
| 3.06       | Operating Expenses/Income                                      | (498,238)                       | (315,952)                       | (208,233)                       |
| 3.06.01    | Selling Expenses   | (226,621)                       | (154,401)                       | (69,800)                        |
| 3.06.02    | General and Administrative                                     | (233,129)                       | (180,839)                       | (130,873)                       |
| 3.06.02.01 | Profit sharing   | (28,237)                        | 3,509                           | (25,424)                        |
| 3.06.02.02 | Other Administrative Expenses                                  | (204,892)                       | (184,348)                       | (105,449)                       |
| 3.06.03    | Financial  | (80,828)                        | 41,846                          | 28,628                          |
| 3.06.03.01 | Financial Income   | 129,566                         | 102,854                         | 63,919                          |
| 3.06.03.02 | Financial Expenses   | (210,394)                       | (61,008)                        | (35,291)                        |
| 3.06.04    | Other operating income Gain on partial sale of FIT Residencial | 169,394                         | 41,008                          | 0                               |
| 3.06.05    | Other operating expenses                                       | (127,054)                       | (63,566)                        | (36,188)                        |
| 3.06.05.01 | Depreciation and Amortization                                  | (34,170)                        | (52,635)                        | (38,696)                        |

**08.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian reais)**

|            |  |          |          |          |
|------------|--|----------|----------|----------|
|            |  |          |          |          |
| 3.06.05.03 | Other operating expenses   | (79,427) | (10,931) | 2,508    |
| 3.06.05.04 | Non current expenses   | (13,457) | 0        | 0        |
| 3.06.06    | Equity in earnings of subsidiaries                                       | 0        | 0        | 0        |
| 3.07       | Total operating income   | 380,346  | 210,051  | 128,058  |
| 3.08       | Total non-operating income (expenses), net                               | 0        | 0        | 0        |
| 3.08.01    | Income   | 0        | 0        | 0        |
| 3.08.02    | Expenses   | 0        | 0        | 0        |
| 3.09       | Income before taxes/profit sharing                                       | 380,346  | 210,051  | 128,058  |
| 3.10       | Provision for income and social contribution taxes                       | (20,147) | (24,437) | (12,217) |
| 3.11       | Deferred Income Tax  | (75,259) | (18,960) | (18,155) |
| 3.12       | Statutory Profit Sharing/Contributions                                   | 0        | 0        | 0        |
| 3.12.01    | Profit Sharing   | 0        | 0        | 0        |
| 3.12.02    | Contributions  | 0        | 0        | 0        |
| 3.13       | Reversal of interest attributed to shareholders Equity                   | 0        | 0        | 0        |
| 3.14       | Minority Interest  | (71,400) | (56,733) | (6,046)  |
| 3.15       | Income/Loss for the Period   | 213,540  | 109,921  | 91,640   |
|            | NUMBER OF SHARES OUTSTANDING<br>EXCLUDING TREASURY SHARES (in thousands) | 166,777  | 129,963  | 129,452  |
|            | EARNINGS PER SHARE ( <i>Reais</i> )                                      | 1.28039  | 0.84579  | 0.70791  |
|            | LOSS PER SHARE ( <i>Reais</i> )  |          |          |          |

**09.01 CONSOLIDATED STATEMENT OF CASH FLOW (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION  | 3 - 01/01/2009<br>to 12/31/2009 | 4 - 01/01/2008<br>to 12/31/2008 | 5 - 01/01/2007<br>to 12/31/2007 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|
| 4.01       | Net cash from operating activities                                 | (676,693)                       | (812,512)                       | (451,929)                       |
| 4.01.01    | Cash generated in the operations                                   | 514,141                         | 369,554                         | 189,245                         |
| 4.01.01.01 | Net Income for the year  | 213,540                         | 109,921                         | 91,640                          |
| 4.01.01.02 | Stock options expenses   | 14,427                          | 26,138                          | 17,820                          |
| 4.01.01.03 | Gain on sale of investments  | (169,394)                       | (41,008)                        | 0                               |
| 4.01.01.04 | Unrealized interest and charges, net                               | 171,327                         | 116,771                         | 22,934                          |
| 4.01.01.05 | Deferred income tax and social contribution                        | 75,260                          | 18,960                          | 18,155                          |
| 4.01.01.06 | Depreciation and amortization                                      | 33,184                          | 52,635                          | 38,696                          |
| 4.01.01.07 | Disposal of fixed assets   | 5,251                           | 0                               | 0                               |
| 4.01.01.08 | Provision for Contingencies  | 63,975                          | 13,933                          | 0                               |
| 4.01.01.09 | Warranty provision   | 7,908                           | 5,112                           | 0                               |
| 4.01.01.10 | Profit share provision   | 28,237                          | 0                               | 0                               |
| 4.01.01.11 | Allowance for doubtful accounts                                    | (974)                           | 10,359                          | 0                               |
| 4.01.01.12 | Noncontrolling Interests   | 71,400                          | 56,733                          | 0                               |
| 4.01.02    | Variation on Assets and Liabilities                                | (1,190,834)                     | (1,182,066)                     | (641,174)                       |
| 4.01.02.01 | Trade accounts receivable  | (1,657,128)                     | (591,202)                       | (436,691)                       |
| 4.01.02.02 | Properties for sale  | 280,519                         | (703,069)                       | (579,496)                       |
| 4.01.02.03 | Other Receivables  | 85,886                          | (65,344)                        | (6,011)                         |
| 4.01.02.04 | Expenses with sales to incorporate                                 | 1,870                           | (5,211)                         | 13,171                          |
| 4.01.02.05 | Prepaid expenses   | 13,263                          | (19,172)                        | (723)                           |
| 4.01.02.06 | Suppliers  | 81,431                          | (14,363)                        | 60,982                          |
| 4.01.02.07 | Obligations for purchase of real state and Advances from customers | (38,881)                        | 184,181                         | 152,551                         |
| 4.01.02.08 | Taxes, charges and contributions                                   | 25,010                          | 38,977                          | 28,718                          |

**09.01 CONSOLIDATED STATEMENT OF CASH FLOW (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION  | 3 - 01/01/2009<br>to 12/31/2009 | 4 - 01/01/2008<br>to 12/31/2008 | 5 - 01/01/2007<br>to 12/31/2007 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|
| 4.01.02.09 | Payroll, profit sharing and related charges                | 3,390                           | (19,475)                        | 20,428                          |
| 4.01.02.10 | Other liabilities  | 13,806                          | 12,612                          | 99,851                          |
| 4.01.02.11 | Minority Interests   | 0                               | 0                               | 6,046                           |
| 4.01.03    | Others   | 0                               | 0                               | 0                               |
| 4.02       | Net cash of investments activities                         | (15,446)                        | (78,300)                        | (149,290)                       |
| 4.02.01    | Cash investments at Tenda                                  | 0                               | 66,904                          | 0                               |
| 4.02.02    | Purchase of property and equipment and intangible assets   | (45,109)                        | (63,127)                        | (61,279)                        |
| 4.02.03    | Restricted cash in guarantee to loans                      | 29,663                          | (67,077)                        | (9,851)                         |
| 4.02.04    | Acquisition of investments                                 | 0                               | (15,000)                        | (78,160)                        |
| 4.03       | Net cash from financing activities                         | 1,540,353                       | 911,817                         | 842,629                         |
| 4.03.01    | Capital increase   | 9,736                           | 7,671                           | 496,075                         |
| 4.03.02    | Increase in loans and financing                            | 2,259,663                       | 775,906                         | 426,969                         |
| 4.03.03    | Repayment of loans and financing                           | (860,979)                       | (145,697)                       | (51,737)                        |
| 4.03.04    | Assignment of credits receivable, net                      | 860                             | 916                             | 2,225                           |
| 4.03.05    | Dividends paid   | (26,058)                        | (26,979)                        | (10,988)                        |
| 4.03.06    | Public offer expenses                                      | 0                               | 0                               | (19,915)                        |
| 4.03.07    | Contributions from venture partners                        | 0                               | 300,000                         | 0                               |
| 4.03.08    | Sale of treasury shares                                    | 16,319                          | 0                               | 0                               |
| 4.03.09    | Gain on sale of treasury shares                            | 65,727                          | 0                               | 0                               |
| 4.03.10    | Redeemable quotas of Investment Fundo f Receivables - FIDC | 41,308                          | 0                               | 0                               |
| 4.03.11    | Assignment of credits receivable - CCI                     | 69,316                          | 0                               | 0                               |
| 4.03.12    | Dividends paid obligation to venture partners (SCP)        | (35,539)                        | 0                               | 0                               |
| 4.04       | Foreign Exchange Variation over Cash and Cash Equivalents  | 0                               | 0                               | 0                               |
| 4.05       | Net increase (decrease) of Cash and Cash Equivalents       | 848,214                         | 21,005                          | 241,410                         |
| 4.05.01    | Cash at the beginning of the period                        | 528,574                         | 507,569                         | 266,159                         |
| 4.05.02    | Cash at the end of the period                              | 1,376,788                       | 528,574                         | 507,569                         |

**10.01 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2009 TO 12/31/2009 (in thousands of Brazilian reais)**

| 1 - CODE | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6 - REVENUE RESERVES | 7 - RETAINED EARNINGS/ ACCUMULATED DEFICIT | 8 - ADJUSTMENTS TO ASSETS VALUATION | 9 - S E |
|----------|-------------------------------------|-------------------|---------------------|--------------------------|----------------------|--|-------------------------------------|---------|
| 5.01     | Opening balance                     | 1,229,517         | 182,125             | 0                        | 200,777              | 0  | 0                                   |         |
| 5.02     | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.03     | Adjusted balance                    | 1,229,517         | 182,125             | 0                        | 200,777              | 0  | 0                                   |         |
| 5.04     | Net income/loss for the period      | 0                 | 0                   | 0                        | 0                    | 213,540                                    | 0                                   |         |
| 5.05     | Allocations                         | 0                 | 9,765               | 0                        | 0                    | (50,716)                                   | 0                                   |         |
| 5.05.01  | Dividends                           | 0                 | 0                   | 0                        | 0                    | (50,716)                                   | 0                                   |         |
| 5.05.02  | Interest on own capital             | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.05.03  | Other Allocations                   | 0                 | 9,765               | 0                        | 0                    | 0  | 0                                   |         |
| 5.06     | Realization of profit reserves      | 0                 | 0                   | 0                        | 162,824              | (162,824)                                  | 0                                   |         |
| 5.07     | Adjustments to Assets Valuation     | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.07.01  | Securities adjustments              | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.07.02  | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.07.03  | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.08     | Increase/decrease in stock capital  | 397,758           | 60,822              | 0                        | 0                    | 0  | 0                                   |         |
| 5.08.01  | Exercise of stock options           | 9,736             | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.08.02  | Merger of Tenda shares              | 388,022           | 60,822              | 0                        | 0                    | 0  | 0                                   |         |
| 5.09     | Realization of reserves             | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.10     | Treasury Shares                     | 0                 | 65,727              | 0                        | 16,319               | 0  | 0                                   |         |
| 5.11     | Other Capital Transactions          | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.12     | Others                              | 0                 | 0                   | 0                        | 0                    | 0  | 0                                   |         |
| 5.13     | Closing balance                     | 1,627,275         | 318,439             | 0                        | 379,920              | 0  | 0                                   |         |





**10.02 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2008 TO 12/31/2008 (in thousands of Brazilian reais)**

| 1 - CODE | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6 - REVENUE RESERVES | 7 - RETAINED EARNINGS/ ACCUMULATED DEFICIT |
|----------|-------------------------------------|-------------------|---------------------|--------------------------|----------------------|--|
| 5.01     | Opening balance                     | 1,221,846         | 159,922             | 0                        | 141,641              | (24,681)                                   |
| 5.02     | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.03     | Adjusted balance                    | 1,221,846         | 159,922             | 0                        | 141,641              | (24,681)                                   |
| 5.04     | Net income/loss for the period      | 0                 | 0                   | 0                        | 0                    | 109,921                                    |
| 5.05     | Allocations                         | 0                 | 22,203              | 0                        | 59,136               | (85,240)                                   |
| 5.05.01  | Dividends                           | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.05.02  | Interest on own capital             | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.05.03  | Other Allocations                   | 0                 | 22,203              | 0                        | 59,136               | (85,240)                                   |
| 5.06     | Realization of profit reserves      | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.07     | Adjustments to Assets Valuation     | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.07.01  | Securities adjustments              | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.07.02  | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.07.03  | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.08     | Increase/decrease in stock capital  | 7,671             | 0                   | 0                        | 0                    | 0  |
| 5.09     | Realization of reserves             | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.10     | Treasury Shares                     | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.11     | Other Capital Transactions          | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.12     | Others                              | 0                 | 0                   | 0                        | 0                    | 0  |
| 5.13     | Closing balance                     | 1,229,517         | 182,125             | 0                        | 200,777              | 0  |

**10.03 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2007 TO 12/31/2007 (in thousands of Brazilian reais)**

| 1 - CODE   | 2 - DESCRIPTION                     | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVE | 5 - REVALUATION RESERVES | 6 - REVENUE RESERVES | 7 - RETAINED EARNINGS/ ACCUMULATED DEFICIT |
|------------|-------------------------------------|-------------------|---------------------|--------------------------|----------------------|--|
| 5.01       | Opening balance                     | 591,742           | 163,339             | 0                        | 55,069               | (2,7                                       |
| 5.02       | Prior-years adjustments             | 0                 | 0                   | 0                        | 0                    |  |
| 5.03       | Adjusted balance                    | 591,742           | 163,339             | 0                        | 55,069               | (2,7                                       |
| 5.04       | Net/Loss for the period             | 0                 | (3,417)             | 0                        | 0                    | 91,6                                       |
| 5.05       | Allocation                          | 0                 | 0                   | 0                        | 86,572               | (113,6                                     |
| 5.05.01    | Dividends                           | 0                 | 0                   | 0                        | 0                    |  |
| 5.05.02    | Interest on own capital             | 0                 | 0                   | 0                        | 0                    |  |
| 5.05.03    | Adjusted balance                    | 0                 | 0                   | 0                        | 86,572               | (113,6                                     |
| 5.05.03.01 | Legal Reserve                       | 0                 | 0                   | 0                        | 5,680                | (5,6                                       |
| 5.05.03.02 | Statutory reserve                   | 0                 | 0                   | 0                        | 80,892               | (80,8                                      |
| 5.05.03.03 | Additional 2006 dividends           | 0                 | 0                   | 0                        | 0                    | (  |
| 5.05.03.04 | Minimum mandatory dividends         | 0                 | 0                   | 0                        | 0                    | (26,9                                      |
| 5.06       | Realization of profit reserves      | 0                 | 0                   | 0                        | 0                    |  |
| 5.07       | Adjustments to Assets Valuation     | 0                 | 0                   | 0                        | 0                    |  |
| 5.07.01    | Securities adjustments              | 0                 | 0                   | 0                        | 0                    |  |
| 5.07.02    | Translation accumulated adjustments | 0                 | 0                   | 0                        | 0                    |  |
| 5.07.03    | Business Combination Adjustments    | 0                 | 0                   | 0                        | 0                    |  |
| 5.08       | Increase/decrease in stock capital  | 630,104           | 0                   | 0                        | 0                    |  |
| 5.09       | Realization of reserves             | 0                 | 0                   | 0                        | 0                    |  |

**10.03 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2007 TO 12/31/2007 (in thousands of Brazilian reais)**

|      |                            |           |         |   |         |          |   |           |
|------|----------------------------|-----------|---------|---|---------|----------|---|-----------|
| 5.10 | Treasury Shares            | 0         | 0       | 0 | 0       | 0        | 0 | 0         |
| 5.11 | Other Capital Transactions | 0         | 0       | 0 | 0       | 0        | 0 | 0         |
| 5.12 | Others                     | 0         | 0       | 0 | 0       | 0        | 0 | 0         |
| 5.13 | Closing balance            | 1,221,846 | 159,922 | 0 | 141,641 | (24,681) | 0 | 1,498,728 |

**11.01 CONSOLIDATED STATEMENT OF VALUE ADDED (in thousands of Brazilian reais)**

| 1 - CODE   | 2 DESCRIPTION   | 3 - 01/01/2009 to<br>12/31/2009 | 4 - 01/01/2008 to<br>12/31/2008 | 5 - 01/01/2007 to<br>12/31/2007 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|
| 6.01       | Revenue   | 3,131,423                       | 1,805,468                       | 1,251,894                       |
| 6.01.01    | Sale of Goods, Products and Services                            | 3,144,880                       | 1,814,109                       | 1,251,894                       |
| 6.01.02    | Others sales  | (13,457)                        | 1,718                           | 0                               |
| 6.01.03    | Sales refers own assets   | 0                               | 0                               | 0                               |
| 6.01.04    | Allowance for doubtful accounts                                 | 0                               | (10,359)                        | 0                               |
| 6.02       | Inputs Acquired from Third Parties                              | (2,352,853)                     | (1,394,053)                     | (961,873)                       |
| 6.02.01    | Cost of Sales and/or Services                                   | (2,057,969)                     | (1,160,906)                     | (850,202)                       |
| 6.02.02    | Materials, energy, service suppliers and other                  | (294,884)                       | (233,147)                       | (111,671)                       |
| 6.02.03    | Loss/Recovery of Assets   | 0                               | 0                               | 0                               |
| 6.02.04    | Others  | 0                               | 0                               | 0                               |
| 6.03       | Gross value added   | 778,570                         | 411,415                         | 290,021                         |
| 6.04       | Deductions  | (34,170)                        | (52,635)                        | (38,696)                        |
| 6.04.01    | Depreciation and amortization                                   | (34,170)                        | (52,635)                        | (38,696)                        |
| 6.04.02    | Others  | 0                               | 0                               | 0                               |
| 6.05       | Net Value Added Produced  | 744,400                         | 358,780                         | 251,325                         |
| 6.06       | Value Added Received in Transfers                               | 298,960                         | 143,862                         | 63,919                          |
| 6.06.01    | Equity in the Earnings of Subsidiaries and Associated Companies | 0                               | 0                               | 0                               |
| 6.06.02    | Financial income  | 129,566                         | 102,854                         | 63,919                          |
| 6.06.03    | Others  | 169,394                         | 41,008                          | 0                               |
| 6.07       | Total value added to distribute                                 | 1,043,360                       | 502,642                         | 315,244                         |
| 6.08       | Allocation of Value Added                                       | 1,043,360                       | 502,642                         | 315,244                         |
| 6.08.01    | Personnel   | 291,872                         | 146,771                         | 93,275                          |
| 6.08.01.01 | Direct Compensation   | 291,872                         | 146,771                         | 93,275                          |
| 6.08.01.02 | Benefits  | 0                               | 0                               | 0                               |

**11.01 CONSOLIDATED STATEMENT OF VALUE ADDED (in thousands of Brazilian reais)**

|            |   |         |         |        |
|------------|---|---------|---------|--------|
| 6.08.01.03 | F.G.T.S.  | 0       | 0       | 0      |
| 6.08.01.04 | Others  | 0       | 0       | 0      |
| 6.08.02    | Taxes, charges and contributions                  | 241,762 | 131,448 | 77,244 |
| 6.08.02.01 | Federals  | 241,762 | 131,448 | 77,244 |
| 6.08.02.02 | States  | 0       | 0       | 0      |
| 6.08.02.03 | Municipals  | 0       | 0       | 0      |
| 6.08.03    | Third Parties Capital Remuneration                | 296,186 | 114,502 | 53,085 |
| 6.08.03.01 | Interests rates                                   | 296,186 | 114,502 | 53,085 |
| 6.08.03.02 | Rentals   | 0       | 0       | 0      |
| 6.08.03.03 | Others  | 0       | 0       | 0      |
| 6.08.04    | Remuneration of Own Capital                       | 213,540 | 109,921 | 91,640 |
| 6.08.04.01 | Interest on Equity                                | 0       | 0       | 0      |
| 6.08.04.02 | Dividends   | 50,716  | 26,104  | 27,031 |
| 6.08.04.03 | Income/Loss for the Period                        | 162,824 | 83,817  | 64,609 |
| 6.08.04.04 | Retained Earnings/Accumulated Losses for the Year | 0       | 0       | 0      |
| 6.08.05    | Others  | 0       | 0       | 0      |

(A free translation of the original in Portuguese)

**FEDERAL PUBLIC SERVICE  
CVM BRAZILIAN SECURITIES COMMISSION  
STANDARD FINANCIAL STATEMENTS DFP  
COMMERCIAL, INDUSTRIAL AND OTHER**

**Corporate Legislation  
Base Date December 31, 2009**

**01610-1 GAFISA S/A**

**01.545.826/0001-07**

## **12.01 INDEPENDENT AUDITOR'S REPORT - UNQUALIFIED OPINION**

### **Report of Independent Certified Accountants**

To the management and shareholders of **Gafisa S/A**:

**1.** We have audited the individual and consolidated balance sheet of **Gafisa S.A.**( parent company ) and of Gafisa S.A. and its subsidiaries (collectively, the Company ) as of December 31, 2009 and 2008, and the related statements of income, of changes in shareholders equity, of cash flows and added value for the years then ended, prepared under 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, and included, among other procedures: the planning our audit taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the parent company and its subsidiaries; examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements; and assessing the accounting practices used and significant estimates made by management of the parent company and its subsidiaries, as well as evaluating the overall financial statement presentation.

**3.** In our opinion, the financial statements mentioned in paragraph 1 audited by us present fairly, in all material respects, the financial position of **Gafisa S.A.** and of Gafisa S.A. and its subsidiaries at December 31, 2009, and the results of operations, the changes in shareholders equity, the cash flows and added value for the years then ended, in accordance with accounting practices adopted in Brazil.

**4.** The financial statements for the year ended December 31, 2008, presented for comparative purposes, were audited by other independent accountants, which opinion, dated March 10, 2009, was issued without exceptions.

São Paulo, January 28, 2010.

Terco Grant Thornton  
Auditores Independentes  
CRC 2SP-018.196/O-8

Daniel Gomes Maranhão Junior  
Accountant CRC 1SP-215.856/O-5

## 13.01 MANAGEMENT REPORT 2009

### Management Report 2009

2009 was a year of achievements and expansion for Gafisa. We continued to pursue our strategy for long-term growth and to position as leaders in the residential real estate development market of Brazil. Gafisa's long geographical reach, presence in all income segments, large stock of land and safe cash level assure the ideal platform to maintain our sustainable growth in long term. Our professional management, financial discipline and guaranteed delivery of quality products build up the strength of our brands in each market segment.

2009 was marked by the merger of the operations of Construtora Tenda S.A. into Gafisa S.A., maintaining our strategic positioning and strengthening Gafisa's leading position in the low-income segment of residential real estate development. At the Extraordinary Shareholders' Meeting held on December 30, 2009, the majority of shareholders who attended it approved the merger of Construtora Tenda S.A. into Gafisa S.A., upon exchange of shares at the ratio of 0.205 common shares of Gafisa to one common share held by Tenda shareholders.

With the merger of Construtora Tenda S.A., we will obtain great synergy from both operations. We have already started 2010 consolidating the business and financial areas of Tenda and Gafisa in only one office. The commercial and administrative synergies will take place by sharing of back-office areas, making a better use of the current infrastructure and quickly implementing system such as the SAP throughout Tenda S.A.'s operations.

We saw a great expansion in the residential real estate development industry between 2005 and 2009, period when new finance for the real estate sector in Brazil grew nearly four times, reaching R\$ 89 billion in 2009, according to Central Bank.

One of the undoubted highlights of 2009 in the real estate sector was the announcement made by the Federal Government in the end of March about the creation of the housing program "Minha Casa, Minha Vida" (my house, my life). This program aims at reducing the housing deficit estimated at 6.8 million dwellings with investments of around R\$ 34 billion, which will be allocated to finance and incentives through Caixa Econômica Federal - CEF (federal savings and loans bank) for construction and delivery of 1 million dwellings to families whose monthly incomes are between 1 and 10 minimum wage.



The main measures of this program include longer terms to repay the real estate finance, more attractive interest rates, higher percentage on finance value per unit to client, greater incentives, inversely proportional to the client's income level, lower insurance costs and creation of a deposit fund to refinance payments to the real estate financing in case of unemployment.

Gafisa S.A. is in a good position to seize this initiative through its wholly-owned subsidiary, Construtora Tenda S.A., which, having over two thirds of its current business concentrated in the program's target segment, has an organizational structure able to fully meet the existing potential demand of the housing program.

Another fact worthy of note in 2009 was the CEF's performance, which had a great relevance for the conduction of the Company's operations. Together with CEF, we carried out in the beginning of the first issuance of debentures in the sector amounting to R\$ 600 million through our subsidiary Tenda S.A. In the end of 2009, with CEF having ratified our renowned operating performance, we completed an additional debenture issuance amounting to R\$ 600 million for the operations of Gafisa S.A.. Such events were essential to strengthen the Company's financial profile and operating capacity.

In the period from 2005 to 2009, our sales, including Gafisa Alphaville and Tenda, grew 48% per year on average, reaching R\$ 3.2 billion in 2009. Of total sales for the year, the Gafisa segment accounted for 46% of total sales whereas Tenda S.A and Alphaville Urbanismo S.A. accounted for 42% and 12%, respectively.

In 2009, in view of the post-crisis economic scenario, Gafisa adopted a conservative policy on launches aimed at reducing inventories and maintaining financial liquidity, which resulted in the reduction of 45% in overall sales volume of launches, directing its sales efforts towards the remaining units. Even so we achieved a growth of 26% in sales in relation to 2008. The stock of land reached R\$15.9 billion in potential sales value in the end of 2009. Our net income reached R\$ 214 million, a significantly better result in relation to 2008.

At the end of 2009 our EBITDA, not including Tenda's earnings, amounted to R\$ 530 million (EBITDA margin at 17.5%), a growth of 104% in relation to 2008 (263 % on margin); even so we point out that Tenda S.A. has not yet exploited its full potential, which affected the result of Gafisa. We believe that in 2010, with the increase in efficiency and volume of Tenda S.A., we will be able to dilute the direct impact of cost of sales, general and administrative expenses, reflect positively in our results.

For 2010, we expect that the measures to stimulate the economy, particularly the government finance and incentives aimed at promoting the low-income housing sector, change the current scenario. Several factors indicate a continued expansion in medium and long terms.

In Brazil the macroeconomic fundamentals are still solid and positive. A young and growing population gaining more access to the labor market is enjoying a growing purchasing power, which leads to a higher demand for dwellings in almost all income groups. As the demand for housing was not met over several years, the country has a housing deficit of approximately 6.8 million dwellings, and creation of new dwellings at 1.5 million per year. Fortunately, a great improvement in finance rates and terms and higher access to housing finance for real estate development companies and individuals suggest that the supply of dwellings will continue to increase.

Gafisa continues to count on an established financial reputation, in view of its conservative history and commitment to transparency. The implementation of controls to comply with the requirements of the US Sarbanes-Oxley Act and the advance in the implementation of the SAP management system during 2009 are only two examples of it.

In 2010 Gafisa will continue to develop its brands in new and current markets, maximize the sales of our products through additional sales channels and make the most of our experience and position in the low-income segment. Access to highly talented people is the basis of our success, and we will continue to focus on internship and trainee programs to prepare a new generation, including the future leaders of the company.

#### **Relationship with auditors**

The policy on contracting services unrelated to external audit from our independent auditors is based on principles that preserve their independence. According to internationally accepted principles, these principles consist of the following: (a) an auditor cannot audit its own work; (b) an auditor cannot serve a management function in its client; and (c) an auditor shall not promote the interests of its clients. (a) The procedures adopted by the Company are in compliance with the provisions of item III, Art. 2, of CVM Instruction No. 381/03:

The Company and its subsidiaries adopt as formal procedure, before contracting professional services other than those related to external audit, consult with the independent auditors, in order to assure that the provision of other services does not affect their independency nor objectivity necessary for providing independent audit services, in addition to obtaining the proper approval from its Audit Committee. Moreover, formal representations from these auditors are required on their independency in the provision of unrelated audit services.

In 2009 we did not contract services from independent auditors that exceeded 5% of the contract amount.

Main Operating and Financial Highlights

The Company is bound to arbitration in the Market Arbitration Chamber, according to the covenant provided in its bylaws.

São Paulo, January 28, 2010  
Board of Executive Officers

## 14.01 NOTES TO THE FINANCIAL STATEMENTS

### Notes to the Financial Statements (parent company and consolidated)

As of December 31, 2009 and 2008

(Amounts in thousands of Brazilian Reais, unless otherwise stated)

#### 1. Operations

Gafisa S.A. and its subsidiaries (collectively, the Company) started its commercial operations in 1997 with the objectives of: (a) promoting and managing all forms of real estate ventures on its own behalf or for third parties; (b) purchasing, selling and negotiating real estate properties in general, including provision of financing to real estate clients; (c) carrying out civil construction and civil engineering services; (d) developing and implementing marketing strategies related to its own or third party real estate ventures; and (e) investing in other Brazilian or foreign companies which have similar objectives as the Company's.

The Company forms jointly-controlled ventures (Special Purpose Entities - SPEs) and participates in consortia and condominiums with third parties as a means of meeting its objectives. The controlled entities share the structure and corporate, managerial and operating costs with the Company.

On September 1, 2008, the Company and Construtora Tenda S.A. ("Tenda") merged Tenda and Fit Residencial Empreendimentos Imobiliários Ltda. (Fit Residencial), by means of a Merger Protocol and Justification. On October 3, 2008, this Merger Protocol and Justification was approved by Gafisa's Board of Directors, as well as the first Amendment to the Protocol. Upon exchange of Fit Residencial quotas for Tenda shares, the Company received 240,391,470 common shares, representing 60% of total and voting capital of Tenda after the merger of Fit Residencial, in exchange for 76,757,357 quotas of Fit Residencial, which started to be owned by Tenda. The shares issued by Tenda, received by the Company in exchange for Fit Residencial quotas, will have the same rights, attributed on the date of the merger of the shares by the Company, and will receive all benefits, including dividends and distributions of capital that may be declared by Tenda as from the merger approval date. On October 21, 2008, the merger of Fit Residencial into Tenda was approved at an Extraordinary Shareholders Meeting by the Company's shareholders (Note 8).

On February 27, 2009, Gafisa and Odebrecht Empreendimentos Imobiliários S.A. announced an agreement for the dissolution of their partnership in Bairro Novo Empreendimentos Imobiliários S.A., terminating the Shareholders Agreement then effective between the partners. Therefore Gafisa is no longer a partner in Bairro Novo Empreendimentos Imobiliários S.A.. The real estate ventures that were being conducted together by the parties started to be carried out separately, Gafisa in charge of developing the Bairro Novo Cotia real estate venture, whereas Odebrecht Empreendimentos Imobiliários S.A. in charge of the other ventures of the dissolved partnership.

On June 29, 2009, Gafisa S.A. and Construtora Tenda S.A. entered into a Private Instrument for Assignment and Transfer of Quotas and Other Covenants, in which Gafisa assigns and transfers to Tenda 41,341,895 quotas of Cotia1 Empreendimento Imobiliário for the net book value of R\$ 41,342 (Note 7).

On December 30, 2009, the shareholders of Gafisa and Tenda approved the merger by Gafisa of total shares outstanding issued by Tenda. Because of the merger, Tenda became a wholly-owned subsidiary of Gafisa, and its shareholders received shares of Gafisa in exchange for their shares of Tenda at the ratio of 0.205 shares of Gafisa to one share of Tenda, as negotiated between Gafisa and the Independent Committee of Tenda, both parties having been advised by independent expert companies. In view of the exchange ratio, 32,889,563 common shares were issued for the total issue price of R\$ 448,844 (Note 8).

## **2. Presentation of the financial statements**

These financial statements were approved by the Board of Directors in their meeting held on January 28, 2010.

The financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, required for the years ended December 31, 2009 and 2008, which take into consideration the provisions contained in the Brazilian Corporate Law – Law No. 6,404/76, amended by Laws Nos. 11,638/07 and 11,941/09, the Pronouncement, Guidance and Interpretation issued by the Accounting Standards Committee ( CPC ), approved by the Brazilian Regulator. Therefore, they do not consider the early adoption of the technical pronouncements issued by CPC in 2009, approved by the Federal Accounting Council ( CFC ), required for the years beginning on January 1, 2010.

### **a) Reclassification**

In order to conform with the current presentation of the financial statements, the following reclassifications were performed in the financial statements as of December 31, 2008: (i) balance of goodwill of investments to Intangible Assets; (ii) current accounts related to real estate ventures in the parent company's balance sheet; and (iii) statements of cash flow.

### **3. Significant accounting practices**

#### **a) Estimates**

The preparation of financial statements in accordance with the accounting practices adopted in Brazil requires the Company's management to make judgments to determine and record accounting estimates. Assets and liabilities affected by estimates and assumptions include the residual value of property and equipment, provision for impairment, allowance for doubtful accounts, deferred tax assets, provision for contingencies and measurement of financial instruments. The settlement of transactions involving these estimates may result in amounts different from those estimated in view of the inaccuracies inherent to the process for determining them. The Company reviews estimates and assumptions at least annually.

#### **b) Recognition of revenue**

##### **(i) Real estate development and sales**

Revenues, as well as costs and expenses directly related to real estate development units sold and not yet finished, are recognized over the course of the construction period and the following procedures are adopted:

**(a)** For completed units, the revenue is recognized when the sale is made, with the transfer of significant risks and rights, regardless of the receipt of the contractual amount, provided that the following conditions are met: (a) the result is determinable, that is, the collectability of the sale price is reasonably assured or the amount that will not be collected can be estimated, and (b) the earnings process is virtually complete, that is, the Company is not obliged to perform significant activities after the sale to earn the profit. The collectability of the sales price is demonstrated by the client's commitment to pay, which in turn is supported by initial and continuing investment.

**(b)** In the sales of unfinished units, the following procedures and rules were observed:

The incurred cost (including the costs related to land, and other expenditures directly related to increase inventories) corresponding to the units sold is fully appropriated to the result.

The percentage of incurred cost (including costs related to land) is measured in relation to total estimated cost, and this percentage is applied on the revenues from units sold, determined in accordance with the terms established in the sales contracts, thus determining the amount of revenues and selling expenses to be recognized in direct proportion to cost.

Any amount of revenues recognized that exceeds the amount received from clients is recorded as current or non-current assets. Any amount received in connection with the sale of units that exceeds the amount of revenues recognized is recorded as "Obligations for purchase of land and advances from clients".

Interest and inflation-indexation charges on accounts receivable as from the time the client takes possession of the property, as well as the adjustment to present value of accounts receivable, are appropriated to the result from the development and sale of real estate using the accrual basis of accounting pro rata basis.

The financial charges on accounts payable for acquisition of land and those directly associated with the financing of construction are recorded in inventories of properties for sale, and appropriated to the incurred cost of finished units, following the same criteria for appropriation of real estate development cost of units under construction sold.

The deferred taxes on the difference between the revenues from real estate development and the accumulated revenues subject to tax are calculated and recognized when the difference in revenues is recognized.

The other advertising and publicity expenses are appropriated to results as they are incurred using the accrual basis of accounting.

#### **(ii) Construction services**

Revenues from real estate services consist primarily of amounts received in connection with construction management activities for third parties, technical management and management of real estate; revenues are recognized as services are rendered.

#### **(iii) Barter transactions**

Barter transactions of land in exchange for units, the value of land acquired by the Company is calculated based on the fair value of real estate units to be delivered. The fair value is recorded in inventories of Properties for sale against liabilities for Advances from clients, at the time the barter agreement is signed, provided that the real estate development recording is obtained. Revenues and costs incurred from barter transactions are appropriated to income over the course of construction period of the projects, as described in item (i)(b).

**c) Financial instruments**

Financial instruments are recognized only from the date the Company becomes a party to the contract provisions of financial instruments, which include financial investments, accounts receivable and other receivables, cash and cash equivalents, loans and financing, as well as accounts payable and other debts. Financial instruments that are not recognized at fair value through income are added by any directly attributable transactions costs.

After the initial recognition, financial instruments are measured as described below:

**(i) Financial instruments at fair value through income**

A financial instrument is classified into fair value through income if held for trading, that is, designated as such when initially recognized. Financial instruments are designated at fair value through income if the Company manages these investments and makes decisions on purchase and sale based on their fair value according to the strategy of investment and risk management documented by the Company. After initial recognition, attributable transaction costs are recognized in income when incurred. Financial instruments at fair value through income are measured at fair value, and their fluctuations are recognized in income.

**(ii) Loans and receivables**

Loans and receivables are measured at cost amortized using the method of effective interest rate, reduced by impairment.

**(iii) Derivative financial instruments**

In the year ended December 31, 2009, the Company held derivative instruments for the purpose of mitigating the risk of its exposure to the volatility of currencies, indices and interest rates, recognized at fair value directly in income for the year, which were settled after the end of the current year. In accordance with its treasury policies, the Company does not acquire or issue derivative financial instruments for purposes other than hedge. Derivatives are initially recognized at fair value and the attributable transaction costs are recognized in income when incurred. After initial recognition, derivatives are measured at fair value and changes are recorded in income.

**d) Cash and cash equivalents**

Consist primarily of bank certificates of deposit and investment funds, denominated in reais, having a ready market and original maturity of 90 days or less or in regard to which there are no penalties or other restrictions for early redemption. Most of financial investments are classified into the category financial assets at fair value through income .



Investment funds in which the Company is the sole owner are fully consolidated.

**e) Receivables from clients**

These are stated at cost plus accrued interest and indexation adjustments, net of adjustment to present value. The allowance for doubtful accounts arising from the provision of services, when applicable, is set up by the Company's management when there is no expectation of realization. In relation to receivables from development, the allowance for doubtful accounts is set up at an amount considered sufficient by Management to cover estimated losses on realization of credits that do not have general guarantee.

The installments due are indexed based on the National Civil Construction Index (INCC) during the construction phase, and based on the General Market Prices Index (IGP-M) and interest, after delivery of the units. For accounts receivable due of sale of units, the understanding of Management is that there is no need of setting up an allowance because it has general guarantee and the prices of units are above their book value, except for those related to the subsidiary Tenda.

**f) Certificates of real estate receivables (CRI)**

The Company assigns receivables for the securitization and issuance of mortgage-backed securities ("CRI"). When this assignment does not involve right of recourse, it is recorded as a reduction of accounts receivable. When the transaction involves recourse against the Company, the accounts receivable sold is maintained on the balance sheet. The financial guarantees, when a participation is acquired (subordinated CRI) and maintained to secure the receivables that were assigned, are recorded in the balance sheet in non-current receivables at fair value.

**g) Investment Fund of Receivables ("FIDC") and Real estate credit certificate (CCI)**

The Company consolidates Investment Funds of Receivables (FIDC) in which it holds subordinated quotas, subscribed and paid in by the Company in receivables. Pursuant to CVM Instruction No. 408, the consolidation by the Company of FIDC arises from the evaluation of the underlying and economic reality of these investments, considering, among others: (a) whether the Company still have control over the assigned receivables, (b) whether it still retains any right in relation to assigned receivables, (c) whether it still bears the risks and responsibilities for the assigned receivables, and (d) whether the Company fundamentally or usually pledges guarantees to FIDC investors in relation to the expected receipts and interests, even informally.

When consolidating the FIDC in its financial statements, the Company discloses the receivables in the group of accounts of receivables from clients and the FIDC net worth is reflected in other accounts payable, the balance of subordinated quotas held by the Company being eliminated in this consolidation process. The financial charges of these transactions are appropriated on pro rata basis in the adequate heading of financial expenses.

The Company carries out the assignment and/or securitization of receivables related to credits of statutory lien on completed real estate ventures. This securitization is carried out upon the issuance of the real estate credit certificate (CCI), which is assigned to financial institutions that grant credit. The funds from assignment are classified in the caption other accounts payable, until certificates are settled by clients.

#### **h) Properties for sale**

Land is stated at cost of acquisition. Land is recorded only after the deed of property is registered. The Company also acquires land through barter transactions where, in exchange for the land acquired, it undertakes to deliver (a) real estate units under development or (b) part of the sales revenues originating from the sale of the real estate units. Land acquired through barter transaction is stated at fair value.

Properties are stated at construction cost, which does not exceed the net realizable value. In the case of real estate developments in progress, the portion in inventories corresponds to the cost incurred for units that have not yet been sold. The incurred cost comprises construction (materials, own or outsourced labor, and other related items), expenses for regularizing lands and ventures, lands and financial charges appropriated to the development as incurred during the construction phase.

When the cost of construction of properties for sale exceeds the expected cash flow from sales, once completed or still under construction, an impairment charge is recognized in the period when the book value is considered no longer to be recoverable.

Properties for sale are reviewed to evaluate the recovery of the book value of each real estate development when events or changes in macroeconomic scenarios indicate that the book value may not be recoverable. If the book value of a real estate development is not recoverable, compared to its realizable value through expected cash flows, a provision is recorded.

The Company capitalizes interest on developments during the construction phase, arising from the National Housing System and other credit lines that are used for financing the construction of developments (limited to the corresponding financial expense amount), which are recognized in income in the proportion to units sold, the same criterion for other costs.

**i) Deferred selling expenses**

Brokerage expenditures are recorded in results following the same percentage-of-completion criteria adopted for the recognition of revenues. The charges related to sales commission of the buyer are not recognized as revenue or expense of the Company.

**j) Warranty provision**

The Company and its subsidiaries record a provision to cover expenditures for repairing construction defects covered during the warranty period, except for the subsidiaries that operate with outsourced companies, which are the own guarantors of the constructions services provided. The warranty period is five years from the delivery of the unit

**k) Prepaid expenses**

These are taken to income in the period to which they relate.

**l) Property and equipment**

Recorded at cost. Depreciation is calculated based on the straight-line method considering the estimated useful life of the assets, as follows:

(i) Vehicles 5 years;

(ii) Office equipment and other installations - 10 years;

(iii) Sales stands, facilities, model apartments and related furnishings - 1 year.

Expenditures incurred for the construction of sales stands, facilities, model apartments and related furnishings are capitalized as Property and equipment. Depreciation of these assets commences upon launch of the development and is recorded over the average term of one year and subject to periodical analysis of asset impairment.

**m) Intangible assets**

Intangible assets relate to the acquisition and development of computer systems and software licenses, recorded at acquisition cost, and are amortized over a period of up to five years.

**n) Goodwill and negative goodwill on the acquisition of investments**

The Company's investments in subsidiaries include goodwill, which is determined at the acquisition date and represents the excess purchase price over the proportion of the underlying book value, based on the interest in the shareholders' equity acquired. Negative goodwill is also determined at the acquisition date and represents the excess of the book value of assets acquired over the purchase consideration.

Up to December 31, 2008, the goodwill is amortized in accordance with the underlying economic basis which considers factors such as the land bank, the ability to generate results from developments launched and/or to be launched and other inherent factors. From January 1, 2009 goodwill is no longer amortized.

The Company annually evaluates at the balance sheet date whether there are any indications of permanent loss and potential adjustments to measure the residual portion not amortized of recorded goodwill, and records an impairment provision, if required, to adjust the carrying value of goodwill to recoverable amounts or to realizable values. If the book value exceeds the recoverable amount, the amount thereof is reduced.

Goodwill that cannot be justified economically is immediately charged to results for the year.

Negative goodwill that is justified economically is appropriated to results at the extent the assets which originated it are realized. Negative goodwill that is not justified economically is recognized in results only upon disposal of the investment.

**o) Investments in subsidiaries and joint-controlled investees**

If the Company holds more than half of the voting capital of another company, the latter is considered a subsidiary and is consolidated. In situations where shareholder agreements grant the other party veto rights affecting the Company's business decisions with regards to its subsidiary, such affiliates are considered to be jointly-controlled companies and are recorded on the equity method.

Cumulative changes after acquisitions are adjusted in cost of investment. Unrealized gains or transactions between Gafisa S.A. and its affiliates and subsidiary companies are eliminated in proportion to the Gafisa S.A.'s interest; unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred.

When the Company's interest in the losses of subsidiaries is equal to or higher than the amount invested, the Company recognizes the residual portion of the net capital deficiency since it assumes obligations to make payments on behalf of these companies or for advances for future capital increase.

The accounting practices of acquired subsidiaries are aligned with those of the parent company, in order to ensure consistency with the practices adopted by the Company.

**p) Obligations for purchase of land and advances from clients due to barter transactions**

These are contractual obligations established for purchases of land in inventory (Property for sale) which are stated at amortized cost plus interest and charges proportional to the period (pro rata basis), when applicable, net of adjustment to present value.

The obligations related to barter transactions of land in exchange for real estate units are stated at fair value, as advances from clients.

**q) Taxes on income**

Taxes on income in Brazil comprise Federal income tax (25%) and social contribution (9%), as recorded in the statutory accounting records, for entities on the taxable profit regime, for which the composite statutory rate is 34%. Deferred taxes are provided on all temporary tax differences.

As permitted by tax legislation, certain subsidiaries and jointly-controlled companies, the annual billings of which were lower than a specified amount, opted for the presumed profit regime. For these companies, the income tax basis is calculated at the rate of 8% on gross revenues plus financial income and for the social contribution basis at 12% on gross revenues plus financial income, upon which the income tax and social contribution rates, 25% and 9%, respectively, are applied. The deferred tax assets are recognized to the extent that future taxable income is expected to be available to be used to offset temporary differences based on the budgeted future results prepared based on internal assumptions. New circumstances and economic scenarios may change the estimates, as approved by our Management board.

Deferred tax assets arising from net operating losses have no expiration dates, though offset is restricted to 30% of annual taxable income. Taxable entities on the presumed profit regime cannot offset prior year losses against tax payable.

In the event realization of deferred tax assets is not considered to be probable, no amount is recorded (Note 16).

**r) Other current and non-current liabilities**

These liabilities are stated on the accrual basis at their known or estimated amounts, plus, when applicable, the corresponding charges and inflation-indexed variations through the balance sheet date, which contra-entry is included in income for the year. When applicable, current and non-current liabilities are recorded at present value based on interest rates that reflect the term, currency and risk of each transaction.

The liability for future compensation of employee vacations earned is fully accrued. Gafisa S.A. and its subsidiaries do not offer private pension plans or retirement plan or other post-employment benefits to employees.

**s) Stock option compensation**

As approved by its Board of Directors, the Company offers to its selected executives share-based compensation plans ("Stock Options ") in exchange of their services.

The fair value of services received from the plan participants, in exchange for options, is determined in relation to the fair value of shares, on the grant date of each plan, and recognized as expense as contra-entry to shareholders' equity at the extent service is rendered.

**t) Profit sharing program for employees and officers**

The Company provides for the distribution of profit sharing benefits and bonuses to employees recognized in results in General and administrative expenses.

Additionally, the Company's bylaws establish the distribution of profit sharing to executive officers (in an amount that does not exceed the lower of their annual compensation or 10% of the Company's net income).

The bonus systems operate on a three-tier performance-based structure in which the corporate efficiency targets as approved by the Board of Directors must first be achieved, followed by targets for the business units and finally individual performance targets.

**u) Present value adjustment**

The assets and liabilities arising from long or short-term transactions, if they had a significant effect, were adjusted to present value.

In installment sales of unfinished units, real estate development entities have receivables adjusted by inflation index formed prior to delivery of the units which does not accrue interest, were discounted to present value. The reversal of the adjustment to present value, considering that an important part of the Company's activities is to finance its customers, was made as a contra-entry to the real estate development revenue, consistent with the interest accrued on the portion of accounts receivable related to the period after the keys period.

The financial charges of funds used in the construction and finance of real estate ventures shall be capitalized. As interest from funds used to finance the acquisition of land for development and construction is capitalized, the accretion of the present value adjustment arising from the obligation is recorded in Real estate development operating costs or against inventories of Properties for sale, as the case may be, until the construction phase of the venture is completed.

Accordingly, certain asset and liability items are adjusted to present value based on discount rates that reflect management's best estimate of the value of money over time and the specific risks of the asset and the liability.

The applied discount rate's underlying economic basis and assumption is the average rate of the financing and loans obtained by the Company, net of the inflation-index effect of IGP-M (Note 5).

**v) Impairment test**

Management reviews annually the carrying value of assets with the objective of evaluating events or changes in economic and operational circumstances that may indicate impairment or reduction in their recoverable amounts. When such evidences are found, the carrying amount is higher than the recoverable one, so a provision for impairment is set up, adjusting the carrying to the recoverable amount. The goodwill and intangible assets with indefinite useful lives have the recovery of their amounts tested annually, whether there is or not indications of reduction in value.

**w) Debenture and share issuance expenses**

Transaction costs and premiums on issuance of securities, as well as share issuance expenses are accounted for as a direct reduction of capital raised. In addition, transaction costs and premiums on issuance of debt securities are amortized over the terms of the security and the balance is presented net of issuance expenses.

**x) Contingent assets and liabilities and legal obligations**

The accounting practices to record and disclose contingent assets and liabilities and legal obligations are as follows: (i) Contingent assets are recognized only when there are general guarantees or final and unappealable favorable court decisions. Contingent assets which depend on probable successful lawsuits are only disclosed in the financial statements; and (ii) Contingent liabilities are accrued when losses are considered probable and the involved amounts are reasonably measurable. Contingent liabilities which losses are considered possible are only disclosed in the financial statements, and those which losses are considered remote are not accrued nor disclosed.

**y) Statements of cash flows and added value**

Statements of cash flows are prepared and presented under CVM Resolution No. 547, of August 13, 2008, which approved the CPC 03 Statement of Cash Flows. Statements of added value are prepared and presented under CVM Resolution No. 557, of November 12, 2008, which approved CPC 09 Statement of Added Value.

**z) Earnings per share**

Earnings per share are calculated based on the number of shares outstanding at the balance sheet dates, net of treasury shares.

**aa) Consolidated financial statements**

The consolidated financial statements of the Company, which include the financial statements indicated in Note 8, were prepared in accordance with the applicable consolidation practices and legal provisions. Accordingly, intercompany accounts balances, accounts, income and expenses, and unrealized earnings were eliminated. The jointly-controlled investees are consolidated in proportion to the interest held by the parent company.

**4. Cash, Cash Equivalents and Financial Investments**

|   | <i>Parent<br/>company</i> |                | <i>Consolidated</i> |                |
|---|---------------------------|----------------|---------------------|----------------|
|   | <i>2009</i>               | <i>2008</i>    | <i>2009</i>         | <i>2008</i>    |
| <i>Cash and cash equivalents</i>                          |                           |                |                     |                |
| <i>Cash and banks</i>                                     | <i>27,129</i>             | <i>15,499</i>  | <i>241,195</i>      | <i>73,538</i>  |
| <i>Cash equivalents</i>                                   |                           |                |                     |                |
| <i>Investment funds</i>                                   | <i>671,874</i>            | <i>65,296</i>  | <i>860,871</i>      | <i>149,772</i> |
| <i>Securities purchased under agreement<br/>to resell</i> | <i>17,316</i>             | <i>31,761</i>  | <i>82,293</i>       | <i>114,286</i> |
| <i>Bank Certificates of Deposits - CDBs</i>               | <i>27,130</i>             | <i>49,320</i>  | <i>178,547</i>      | <i>185,334</i> |
| <i>Other</i>  | <i>2,066</i>              | <i>3,340</i>   | <i>13,882</i>       | <i>5,644</i>   |
| <i>Total cash and cash equivalents</i>                    | <i>745,515</i>            | <i>165,216</i> | <i>1,376,788</i>    | <i>528,574</i> |
| <i>Restricted cash in guarantee of loans</i>              | <i>27,964</i>             | <i>6,911</i>   | <i>47,265</i>       | <i>76,928</i>  |
| <i>Total financial investments</i>                        | <i>746,350</i>            | <i>156,628</i> | <i>1,182,858</i>    | <i>531,964</i> |
| <i>Total cash and cash equivalents</i>                    | <i>773,479</i>            | <i>172,127</i> | <i>1,424,053</i>    | <i>605,502</i> |



At December 31, 2009, Bank Deposit Certificates CDBs include earned interest from 95% to 102% (December 31, 2008 - 95% to 107%) of Interbank Deposit Certificate CDI, invested in first class financial institutions, based on Company s management evaluation.

At December 31, the amount related to investment funds is recorded at fair value through income. Pursuant to CVM Instruction No. 408/04, financial investment in Investment Funds in which the Company has exclusive interest is consolidated. Fundo de Investimento Arena is a multimarket fund under management and administration of Santander Asset Management and custody of Itau Unibanco. The objective of this fund is to appreciate the value of its quotas by investing the funds of its investment portfolio, which may be composed of financial and/or other operating assets available in the financial and capital markets that yield fixed return. Assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and Bank Receipts of Deposits (RDBs), investment fund quotas of classes accepted by CVM and securities purchased under agreement to resell, according to the rules of the National Monetary Council (CMN). There is no grace period for redemption of quotas, which can be redeemed with a return at any time. The fund's tax treatment is that applicable to long-term investment funds.

Fundo de Investimento Colina is a fixed-income private credit fund under management and administration of Santander Asset Management and custody of Itau Unibanco. The objective of this fund is to provide a return higher than 101% of CDI. The assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and RDBs. The consolidated portfolio can generate exposure to Selic/CDI, fixed rate and price indices. There is no grace period for redemption of quotas, which can be redeemed with a return at any time.

The fund's tax treatment is that applicable to long-term investment funds.

Fundo de Investimento Vista is a fixed-income private credit fund under management and administration of Votorantim Asset Management and custody of Itau Unibanco. The objective of this fund is to provide a return higher than 101% of CDI. The assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and RDBs. The consolidated portfolio can generate exposure to Selic/CDI, fixed rate and price indices. There is no grace period for redemption of quotas, which can be redeemed with a return at any time. As at December 31, 2009, the fund's tax treatment is that applicable to long-term investment funds.

The balance sheet of investment funds is as follows:

| <i>Assets</i>           | <i>Vista</i>     | <i>Colina</i>  | <i>Arena</i>     |
|-------------------------|------------------|----------------|------------------|
| <i>Current</i>          | <i>121,126</i>   | <i>73,073</i>  | <i>171,532</i>   |
| <i>Non-current</i>      | <i>2,102,282</i> | <i>365,348</i> | <i>3,698,424</i> |
| <i>Permanent assets</i> | <i>-</i>         | <i>-</i>       | <i>-</i>         |
| <i>Total assets</i>     | <i>2,223,408</i> | <i>438,421</i> | <i>3,869,956</i> |
| <i>Liabilities</i>      |                  |                |                  |
| <i>Current</i>          | <i>14</i>        | <i>42</i>      | <i>124</i>       |

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|  |                  |                |                  |
|--|------------------|----------------|------------------|
| <i>Non-current</i>                               | 2,108,283        | 373,645        | 3,703,945        |
| <i>Shareholders equity</i>                       |                  |                |                  |
| <i>Capital stock</i>                             | 113,506          | 62,252         | 164,829          |
| <i>Retained earnings</i>                         | 1,605            | 2,482          | 1,058            |
| <i>Total shareholders equity</i>                 | <b>115,111</b>   | <b>64,734</b>  | <b>165,887</b>   |
| <i>Total liabilities and shareholders equity</i> | <b>2,223,408</b> | <b>438,421</b> | <b>3,869,956</b> |

## 5. Receivables from clients

|  | <i>Parent company</i> |                | <i>Consolidated</i> |                  |
|--|-----------------------|----------------|---------------------|------------------|
|  | <i>2009</i>           | <i>2008</i>    | <i>2009</i>         | <i>2008</i>      |
| <i>Real estate development and sales</i> | 1,514,783             | 925,878        | 3,763,902           | 2,108,346        |
| <i>( - ) Adjustment to present value</i> | (33,191)              | (20,811)       | (86,925)            | (44,776)         |
| <i>Services and construction</i>         | 94,094                | 53,873         | 96,005              | 54,095           |
| <i>Other receivables</i>                 | 32,600                | 15,975         | 3,664               | 879              |
|  | <b>1,608,286</b>      | <b>974,915</b> | <b>3,776,646</b>    | <b>2,118,544</b> |
| <i>Current</i>                           | 911,333               | 785,025        | 2,008,464           | 1,254,594        |
| <i>Non-current</i>                       | 696,953               | 189,890        | 1,768,182           | 863,950          |

(i) The balance of accounts receivable from units sold and not yet delivered is limited to the portion of revenues accounted for net of the amounts already received.

The balances of advances from clients (development and services), which exceed the revenues recorded in the period, amount to R\$ 222,284 in consolidated at December 31, 2009 (December 31, 2008 - R\$ 90,363), and are classified in Obligations for purchase of land and advances from clients.

Accounts receivable from completed real estate units delivered are in general subject to annual interest of 12% plus IGP-M variation, the financial income being recorded in income as Revenue from real estate development; the interest recognized for the years ended December 31, 2009 and 2008 amounted R\$ 52,159 and R\$ 45,722, respectively.

An allowance for doubtful accounts is not considered necessary, except for Tenda, since the history of losses on accounts receivable is insignificant. The Company's evaluation of the risk of loss takes into account that these credits refer mostly to developments under construction, where the transfer of the property deed only takes place after the settlement and/or negotiation of the client receivables.

The allowance for doubtful accounts for Tenda amounted R\$ 17,841 (consolidated) at December 31, 2009 (December 31, 2008 R\$ 18,815), and is considered sufficient by the Company's management to cover the estimate of future losses on the realization of accounts receivable of this subsidiary.

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The total reversal value of the adjustment to present value recognized in the real estate development revenue for the years ended December 31, 2009 amounted to R\$ (12,380) (parent company) and R\$ (42,149) (consolidated), respectively.

Receivables from real estate units not yet finished were measured at present value considering the discount rate determined according to the criterion described in Note 3(u). The net rate applied by the Company and its subsidiaries varied from 5.22% to 7.44% for 2009.

**(ii)** On March 31, 2009, the Company carried out a securitization of receivables - FIDC, which consists of an assignment of a portfolio comprising select residential and commercial real estate receivables arising from Gafisa and its subsidiaries. This portfolio was assigned and transferred to Gafisa FIDC which issued Senior and Subordinated quotas. This first issuance of senior quotas was made through an offering restricted to qualified investors.

Subordinated quotas were subscribed exclusively by Gafisa. Gafisa FIDC acquired the portfolio of receivables at a discount rate equivalent to the interest rate of finance contracts.

Gafisa was hired by Gafisa FIDC and will be remunerated for performing, among other duties, the conciliation of the receipt of receivables owned by the fund and the collection of past due receivables. The transaction structure provides for the substitution of the Company as collection agent in case of non-fulfillment of the responsibilities described in the collection service contract.

The Company assigned its receivables portfolio amounting to R\$ 119,622 to Gafisa FIDC in exchange for cash, at the transfer date, discounted to present value, for R\$ 88,664. The following two quota types were issued: Senior and Subordinated. The subordinated quotas were exclusively subscribed by Gafisa S.A., representing approximately 21% of the amount issued, totaling R\$ 18,958 (present value). At December 31, 2009 it totaled R\$ 14,977 (Note 8), Senior and Subordinated quota receivables are indexed by IGP-M and incur interest at 12% per year.

The Company consolidated Gafisa FIDC in its financial statements, accordingly, it discloses at December 31, 2009 receivables amounting to R\$ 55,349 in accounts of receivables from clients, and R\$ 41,308 is reflected in other accounts payable, the balance of subordinated quotas held by the Company is eliminated in this consolidation process.

**(iii)** On June 26, 2009, the Company carried out a real estate credit certificate - CCI transaction, which consists of an assignment of a portfolio comprising select residential real estate credits from Gafisa and its subsidiaries. The Company assigned its receivables portfolio amounting to R\$ 89,102 in exchange for cash, at the transfer date, discounted to present value, of R\$ 69,315, classified into the heading "Other Accounts Payable - Credit Assignments".

8 book CCIs were issued, amounting to R\$ 69,315 at the date of issue. These 8 CCIs are backed by Receivables which installments fall due on and up to June 26, 2014 ( CCI-Investor ),

CCI-Investor, pursuant to Article 125 of the Brazilian Civil Code, carry general guarantees represented by statutory lien on real estate units, as soon as the following occurs: (i) the suspensive condition included in the registration takes place, in the record of the respective real estate units; (ii) the assignment of receivables from the assignors to SPEs, as provided for in Article 167, item II, (21) of Law No. 6,015, of December 31, 1973; and (iii) the issue of CCI Investor by SPEs, as provided for in Article 18, paragraph 5 of Law No. 10,931/04.

Gafisa was hired and will be remunerated for performing, among other duties, the conciliation of the receipt of receivables, guarantee the CCIs, and the collection of past due receivables. The transaction structure provides for the substitution of Gafisa as collection agent in case of non-fulfillment of the responsibilities described in the collection service contract.

## 6. Properties for sale

|   | <i>Parent company</i> |                       | <i>Consolidated</i>     |                         |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
|   | <i>2009</i>           | <i>2008</i>           | <i>2009</i>             | <i>2008</i>             |
| <i>Land, net of adjustment to present value</i> | <i>359,319</i>        | <i>371,157</i>        | <i>732,238</i>          | <i>750,555</i>          |
| <i>Property under construction</i>              | <i>336,425</i>        | <i>560,577</i>        | <i>895,085</i>          | <i>1,181,930</i>        |
| <i>Completed units</i>                          | <i>42,657</i>         | <i>29,388</i>         | <i>121,134</i>          | <i>96,491</i>           |
|   | <b><i>738,401</i></b> | <b><i>961,122</i></b> | <b><i>1,748,457</i></b> | <b><i>2,028,976</i></b> |
| <i>Current portion</i>                          | <i>604,128</i>        | <i>778,203</i>        | <i>1,332,374</i>        | <i>1,695,130</i>        |
| <i>Non-current portion</i>                      | <i>134,273</i>        | <i>182,919</i>        | <i>416,083</i>          | <i>333,846</i>          |

The Company has undertaken commitments to build units bartered for land, accounted for based on the fair value of the bartered units. At December 31, 2009 the balance of land acquired through barter transactions totaled R\$ 27,070 (parent company) and R\$ 40,054 (consolidated).

As mentioned in Note 10, the balance of financial charges at December 31, 2009 amounts to R\$ 69,559 (parent company) and R\$ 91,568 (consolidated).

The adjustment to present value in the property for sale balance refers to the portion of the contra-entry to the adjustment to present value of Obligations for purchase of land without effect on results (Note 14).

## 7. Other accounts receivable

|   | <i>Parent<br/>company</i> |                       | <i>Consolidated</i>   |                       |
|---|---------------------------|-----------------------|-----------------------|-----------------------|
|   | <i>2009</i>               | <i>2008</i>           | <i>2009</i>           | <i>2008</i>           |
| <i>Current accounts related to real estate ventures (*) (Note 18)</i> | <i>90,866</i>             | <i>167,522</i>        | <i>7,222</i>          | <i>60,511</i>         |
| <i>Advances to suppliers</i>  | <i>4,118</i>              | <i>32,359</i>         | <i>65,016</i>         | <i>83,084</i>         |
| <i>Credit assignment receivable</i>                                   | <i>4,093</i>              | <i>7,990</i>          | <i>4,087</i>          | <i>7,990</i>          |
| <i>Credit financing to be released</i>                                | <i>4,392</i>              | <i>4,392</i>          | <i>5,266</i>          | <i>4,392</i>          |
| <i>Deferred PIS and COFINS</i>  | <i>-</i>                  | <i>6,416</i>          | <i>3,082</i>          | <i>10,187</i>         |
| <i>Recoverable taxes</i>  | <i>14,440</i>             | <i>8,262</i>          | <i>36,650</i>         | <i>18,905</i>         |
| <i>Advances for future capital increase</i>                           | <i>115,712</i>            | <i>49,575</i>         | <i>-</i>              | <i>49,113</i>         |
| <i>Loan</i>   | <i>17,344</i>             | <i>13,922</i>         | <i>-</i>              | <i>-</i>              |
| <i>Other</i>  | <i>7,776</i>              | <i>48,724</i>         | <i>56,628</i>         | <i>59,199</i>         |
|   | <b><i>258,741</i></b>     | <b><i>339,162</i></b> | <b><i>177,951</i></b> | <b><i>293,381</i></b> |
| <i>Current</i>  | <i>245,246</i>            | <i>278,110</i>        | <i>108,791</i>        | <i>182,775</i>        |
| <i>Non-current</i>  | <i>13,495</i>             | <i>61,052</i>         | <i>69,160</i>         | <i>110,606</i>        |

(\*) The Company participates in the development of real estate ventures with other partners, directly or through related parties, based on the constitution of condominiums and/or consortia. The management structure of these enterprises and the cash management are centralized in the lead partner of the enterprise, which manages the construction schedule and budgets. Thus, the lead partner ensures that the investments of the necessary funds are made and allocated as planned. The sources and use of resources of the venture are reflected in these balances, observing the respective participation percentage, which are not subject to indexation or financial charges and do not have a predetermined maturity date. The average term for the development and completion of the projects in which the resources are invested is between 24 and 30 months. The Company receives a compensation for the management of these ventures.

As mentioned in Note 1, on June 29, 2009, Gafisa S.A. and Construtora Tenda S.A. entered into a Private Instrument for Assignment and Transfer of Quotas and Other Covenants, in which Gafisa assigns and transfers to Tenda 41,341,895 quotas of Cotia1 Empreendimento Imobiliário for the net book value of R\$ 41,342 (recognized in the heading Current accounts related to real estate venture ), payable in 36 monthly installments from March 2010 to March 2013. The value of each installment will be added by interests at 0.6821% per month, and monetary adjustment equivalent to the positive variation of IGPM.



## 8. Investments in subsidiaries

In January 2007, upon the acquisition of 60% of Alphaville, arising from the merger of Catalufa Participações Ltda., a capital increase of R\$ 134,029 was approved upon the issuance for public subscription of 6,358,116 common shares. This transaction generated goodwill of R\$ 170,941 recorded based on expected future profitability, which was amortized exponentially and progressively up to December 31, 2008 to match the estimated profit before taxes of Alphaville on accrual basis of accounting. From January 1, 2009, the goodwill from the acquisition of Alphaville was no longer amortized according to the new accounting practices; however, it will be evaluated, at least annually, in a context of evaluation of recoverable value and potential losses. The Company has a commitment to purchase the remaining 40% of Alphaville 's capital stock based on the fair value of Alphaville, evaluated at the future acquisition dates, the purchase consideration for which cannot yet be calculated and, consequently, is not recognized. The contract for acquisition provides that the Company undertakes to purchase the remaining 40% of Alphaville within five years (20% in 2010 and 20% in 2012) for settlement in cash or shares, at the Company's sole discretion.

On October 26, 2007, the Company acquired 70% of Cipesa and Gafisa S.A. and Cipesa incorporated a new company, Cipesa Empreendimentos Imobiliários Ltda. ("Nova Cipesa"), in which the Company holds a 70% interest and Cipesa has 30%. Gafisa S.A. made a contribution in Nova Cipesa of R\$ 50,000 in cash and acquired the shares which Cipesa held in Nova Cipesa amounting to R\$ 15,000, paid on October 26, 2008. Cipesa is entitled to receive from the Company a variable portion corresponding to 2% of the Total Sales Value (VGV), as defined, of the projects launched by Nova Cipesa through 2014, not to exceed R\$ 25,000. Accordingly, the Company 's purchase consideration totaled R\$ 90,000 and goodwill amounting to R\$ 40,686 was recorded, based on expected future profitability. From January 1, 2009, according to the new accounting practices, the goodwill from the acquisition of Nova Cipesa will be evaluated, at least annually for impairment.

In November 2007, the Company acquired for R\$ 40,000 the remaining interest in certain ventures with Redevco do Brasil Ltda. ("Redevco"). As a result of this transaction, the Company recognized negative goodwill of R\$ 31,235, based on expected future profitability, which was amortized exponentially and progressively up to December 31, 2009, based on the estimated profit before taxes on net income of these SPEs. In the year ended December 31, 2009, the Company amortized negative goodwill amounting to R\$ 9,114 arising from the acquisition of these SPEs (2008 R\$ 12,713).

As mentioned in Note 1, on October 21, 2008, as part of the acquisition of its interest in Tenda, the Company contributed the net assets of Fit Residencial amounting to R\$ 411,241, acquiring 60% of the shareholders' equity of Tenda, which at that date presented shareholders' equity book value of R\$ 1,036,072, with an investment of R\$ 621,643. The sale of the 40% quotas of Fit Residencial to Tenda shareholders in exchange for the Tenda shares generated negative goodwill of R\$ 210,402, which is based on expected future results, reflecting the gain on the sale of the interest in Fit Residencial (gain on the exchange of shares). This negative goodwill is being amortized over the average construction period (through delivery of the units) of the real estate ventures of Fit Residencial at October 21, 2008, and by the negative effects on realization of certain assets arising from the acquisition of Tenda. In 2009, the total gain on partial sale of Fit Residencial was amortized in the amount of R\$ 169,394 (R\$ 41,008 in 2008).

On December 30, 2009, the shareholders of Gafisa and Tenda approved the merger by Gafisa of total shares outstanding issued by Tenda. Because of the merger, Tenda became a wholly-owned subsidiary of Gafisa, and its shareholders received shares of Gafisa in exchange for their shares of Tenda at the ratio of 0.205 shares of Gafisa to one share of Tenda, as negotiated between Gafisa and the Independent Committee of Tenda, both parties were advised by independent expert companies. In view of the exchange ratio, 32,889,563 common shares were issued for the total issue price of R\$ 448,844, based on book value.

#### (a) Ownership interests

##### (i) Information on investees

| <i>Investees</i>                    | <i>Interest - %</i> |               | <i>Shareholders Equity</i> |                  | <i>Net Income (loss)</i> |                 |
|-------------------------------------|---------------------|---------------|----------------------------|------------------|--------------------------|-----------------|
|                                     | <i>2009</i>         | <i>2008</i>   | <i>2009</i>                | <i>2008</i>      | <i>2009</i>              | <i>2008</i>     |
| <i>Tenda</i>                        | <i>100.00</i>       | <i>60.00</i>  | <i>1,130,759</i>           | <i>1,062,214</i> | <i>64,450</i>            | <i>26,142</i>   |
| <i>Fit Residencial</i>              | <i>-</i>            | <i>100.00</i> | <i>-</i>                   | <i>-</i>         | <i>-</i>                 | <i>(22,263)</i> |
| <i>Bairro Novo</i>                  | <i>-</i>            | <i>50.00</i>  | <i>-</i>                   | <i>8,164</i>     | <i>-</i>                 | <i>(18,312)</i> |
| <i>AUSA</i>                         | <i>60.00</i>        | <i>60.00</i>  | <i>99,842</i>              | <i>69,211</i>    | <i>39,610</i>            | <i>35,135</i>   |
| <i>Cipesa Holding</i>               | <i>100.00</i>       | <i>100.00</i> | <i>42,294</i>              | <i>62,157</i>    | <i>(1,216)</i>           | <i>(6,349)</i>  |
| <i>Península SPE1 S.A.</i>          | <i>50.00</i>        | <i>50.00</i>  | <i>(4,120)</i>             | <i>(1,139)</i>   | <i>(2,431)</i>           | <i>205</i>      |
| <i>Península SPE2 S.A.</i>          | <i>50.00</i>        | <i>50.00</i>  | <i>600</i>                 | <i>98</i>        | <i>502</i>               | <i>1,026</i>    |
| <i>Res. das Palmeiras SPE Ltda.</i> | <i>100.00</i>       | <i>100.00</i> | <i>2,316</i>               | <i>2,545</i>     | <i>26</i>                | <i>264</i>      |
| <i>Gafisa SPE 27 Ltda.</i>          | <i>100.00</i>       | <i>-</i>      | <i>14,114</i>              | <i>-</i>         | <i>(778)</i>             | <i>-</i>        |
| <i>Gafisa SPE 28 Ltda.</i>          | <i>100.00</i>       | <i>-</i>      | <i>(3,293)</i>             | <i>-</i>         | <i>(1,588)</i>           | <i>-</i>        |
| <i>Gafisa SPE 30 Ltda.</i>          | <i>100.00</i>       | <i>-</i>      | <i>18,229</i>              | <i>-</i>         | <i>(334)</i>             | <i>-</i>        |

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|                            |               |   |               |   |                |   |
|----------------------------|---------------|---|---------------|---|----------------|---|
| <i>Gafisa SPE 31 Ltda.</i> | <i>100.00</i> | - | <i>26,901</i> | - | <i>(532)</i>   | - |
| <i>Gafisa SPE 35 Ltda.</i> | <i>100.00</i> | - | <i>5,393</i>  | - | <i>(1,274)</i> | - |
| <i>Gafisa SPE 36 Ltda.</i> | <i>100.00</i> | - | <i>5,362</i>  | - | <i>68</i>      | - |
| <i>Gafisa SPE 37 Ltda.</i> | <i>100.00</i> | - | <i>4,020</i>  | - | <i>(140)</i>   | - |
| <i>Gafisa SPE 38 Ltda.</i> | <i>100.00</i> | - | <i>8,273</i>  | - | <i>1,447</i>   | - |
| <i>Gafisa SPE 39 Ltda.</i> | <i>100.00</i> | - | <i>8,813</i>  | - | <i>2,469</i>   | - |
| <i>Gafisa SPE 41 Ltda.</i> | <i>100.00</i> | - | <i>31,883</i> | - | <i>(2,593)</i> | - |

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| <i>Investees</i>           | <i>Interest - %</i> |              | <i>Shareholders Equity</i> |               | <i>Net Income (loss)</i> |                |
|----------------------------|---------------------|--------------|----------------------------|---------------|--------------------------|----------------|
|                            | <i>2009</i>         | <i>2008</i>  | <i>2009</i>                | <i>2008</i>   | <i>2009</i>              | <i>2008</i>    |
| <i>Villagio Trust</i>      | <i>50.00</i>        | <i>-</i>     | <i>4,279</i>               | <i>-</i>      | <i>(576)</i>             |                |
| <i>Gafisa SPE 40 Ltda.</i> | <i>50.00</i>        | <i>50.00</i> | <i>6,976</i>               | <i>5,841</i>  | <i>1,424</i>             | <i>1,269</i>   |
| <i>Gafisa SPE 42 Ltda.</i> | <i>100.00</i>       | <i>50.00</i> | <i>12,128</i>              | <i>6,997</i>  | <i>949</i>               | <i>6,799</i>   |
| <i>Gafisa SPE 44 Ltda.</i> | <i>40.00</i>        | <i>40.00</i> | <i>3,586</i>               | <i>(377)</i>  | <i>(153)</i>             | <i>(192)</i>   |
| <i>Gafisa SPE 45 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>1,812</i>               | <i>1,058</i>  | <i>(212)</i>             | <i>(8,904)</i> |
| <i>Gafisa SPE 46 Ltda.</i> | <i>60.00</i>        | <i>60.00</i> | <i>4,223</i>               | <i>5,498</i>  | <i>(3,436)</i>           | <i>3,384</i>   |
| <i>Gafisa SPE 47 Ltda.</i> | <i>80.00</i>        | <i>80.00</i> | <i>16,571</i>              | <i>6,639</i>  | <i>(357)</i>             | <i>(159)</i>   |
| <i>Gafisa SPE 48 Ltda.</i> | <i>-</i>            | <i>99.80</i> | <i>-</i>                   | <i>21,656</i> | <i>1,674</i>             | <i>818</i>     |
| <i>Gafisa SPE 49 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>205</i>                 | <i>(58)</i>   | <i>(3)</i>               | <i>(57)</i>    |
| <i>Gafisa SPE 53 Ltda.</i> | <i>80.00</i>        | <i>60.00</i> | <i>5,924</i>               | <i>2,769</i>  | <i>2,933</i>             | <i>1,895</i>   |
| <i>Gafisa SPE 55 Ltda.</i> | <i>-</i>            | <i>99.80</i> | <i>-</i>                   | <i>20,540</i> | <i>2,776</i>             | <i>(3,973)</i> |
| <i>Gafisa SPE 65 Ltda.</i> | <i>80.00</i>        | <i>70.00</i> | <i>3,725</i>               | <i>(281)</i>  | <i>877</i>               | <i>(732)</i>   |
| <i>Gafisa SPE 68 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(555)</i>               | <i>-</i>      | <i>(1)</i>               | <i>(1)</i>     |
| <i>Gafisa SPE 72 Ltda.</i> | <i>80.00</i>        | <i>60.00</i> | <i>347</i>                 | <i>(22)</i>   | <i>(1,080)</i>           | <i>(22)</i>    |
| <i>Gafisa SPE 73 Ltda.</i> | <i>80.00</i>        | <i>70.00</i> | <i>3,551</i>               | <i>(155)</i>  | <i>(57)</i>              | <i>(155)</i>   |
| <i>Gafisa SPE 74 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(339)</i>               | <i>(330)</i>  | <i>(9)</i>               | <i>(331)</i>   |
| <i>Gafisa SPE 59 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(5)</i>                 | <i>(2)</i>    | <i>(4)</i>               | <i>(1)</i>     |
| <i>Gafisa SPE 76 Ltda.</i> | <i>50.00</i>        | <i>99.80</i> | <i>84</i>                  | <i>-</i>      | <i>(1)</i>               | <i>(1)</i>     |
| <i>Gafisa SPE 78 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>-</i>                   | <i>-</i>      | <i>-</i>                 | <i>(1)</i>     |
| <i>Gafisa SPE 79 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(3)</i>                 | <i>(1)</i>    | <i>(2)</i>               | <i>(2)</i>     |
| <i>Gafisa SPE 75 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(74)</i>                | <i>(27)</i>   | <i>(47)</i>              | <i>(28)</i>    |
| <i>Gafisa SPE 80 Ltda.</i> | <i>100.00</i>       | <i>99.80</i> | <i>(2)</i>                 | <i>-</i>      | <i>(3)</i>               | <i>(1)</i>     |

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|                                   |        |        |         |        |         |         |
|-----------------------------------|--------|--------|---------|--------|---------|---------|
| <i>Gafisa SPE-85 Empr. Imob.</i>  | 80.00  | 60.00  | 7,182   | (756)  | 4,878   | (1,200) |
| <i>Gafisa SPE-86</i>              | -      | 99.80  | -       | (82)   | (228)   | (83)    |
| <i>Gafisa SPE-81</i>              | 100.00 | 99.80  | 1       | 1      | -       | -       |
| <i>Gafisa SPE-82</i>              | 100.00 | 99.80  | 1       | 1      | -       | -       |
| <i>Gafisa SPE-83</i>              | 100.00 | 99.80  | (5)     | 1      | (6)     | -       |
| <i>Gafisa SPE-87</i>              | 100.00 | 99.80  | 61      | 1      | (140)   | -       |
| <i>Gafisa SPE-88</i>              | 100.00 | 99.80  | 6,862   | 1      | 5,068   | -       |
| <i>Gafisa SPE-89</i>              | 100.00 | 99.80  | 36,049  | 1      | 8,213   | -       |
| <i>Gafisa SPE-90</i>              | 100.00 | 99.80  | (93)    | 1      | (94)    | -       |
| <i>Gafisa SPE-84</i>              | 100.00 | 99.80  | 10,632  | 1      | 3,026   | -       |
| <i>Dv Bv SPE S.A.</i>             | 50.00  | 50.00  | 432     | (439)  | 871     | 126     |
| <i>DV SPE S.A.</i>                | 50.00  | 50.00  | 1,868   | 932    | 936     | (527)   |
| <i>Gafisa SPE 22 Ltda.</i>        | 100.00 | 100.00 | 6,001   | 5,446  | 554     | 1,006   |
| <i>Gafisa SPE 29 Ltda.</i>        | 70.00  | 70.00  | 589     | 257    | 547     | 271     |
| <i>Gafisa SPE 32 Ltda.</i>        | 80.00  | 80.00  | 5,834   | (760)  | 1,515   | (760)   |
| <i>Gafisa SPE 69 Ltda.</i>        | 100.00 | 99.80  | 1,893   | (401)  | (247)   | (402)   |
| <i>Gafisa SPE 70 Ltda.</i>        | 55.00  | 55.00  | 12,685  | 6,696  | (63)    | -       |
| <i>Gafisa SPE 71 Ltda.</i>        | 80.00  | 70.00  | 4,109   | (794)  | 3,120   | (795)   |
| <i>Gafisa SPE 50 Ltda.</i>        | 80.00  | 80.00  | 12,098  | 7,240  | 5,093   | 1,532   |
| <i>Gafisa SPE 51 Ltda.</i>        | -      | 90.00  | -       | 15,669 | 8,096   | 6,620   |
| <i>Gafisa SPE 61 Ltda.</i>        | 100.00 | 99.80  | (19)    | (14)   | (4)     | (14)    |
| <i>Tiner Empr. e Part. Ltda.</i>  | 45.00  | 45.00  | 11,573  | 26,736 | (750)   | 15,762  |
| <i>O Bosque Empr. Imob. Ltda.</i> | 60.00  | 30.00  | 8,862   | 15,854 | (710)   | (62)    |
| <i>Alta Vistta</i>                | 50.00  | 50.00  | (3,279) | 3,428  | (6,707) | 4,073   |
| <i>Dep. José Lages</i>            | 50.00  | 50.00  | 544     | 34     | 660     | 433     |

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|                            |        |       |        |         |        |         |
|----------------------------|--------|-------|--------|---------|--------|---------|
| <i>Sítio Jatiuca</i>       | 50.00  | 50.00 | 12,161 | 1,259   | 10,902 | 4,088   |
| <i>Spazio Natura</i>       | 50.00  | 50.00 | 1,393  | 1,400   | (8)    | (28)    |
| <i>Parque Aguas</i>        | 50.00  | 50.00 | 8,033  | (1,661) | 6,635  | (1,529) |
| <i>Parque Arvores</i>      | 50.00  | 50.00 | 14,780 | (1,906) | 12,454 | (1,698) |
| <i>Dubai Residencial</i>   | 50.00  | 50.00 | 10,613 | 5,374   | 4,286  | (627)   |
| <i>Cara de Cão</i>         | 50.00  | 65.00 | -      | 40,959  | 2,319  | 19,907  |
| <i>Costa Maggiore</i>      | 50.00  | 50.00 | 4,065  | 3,892   | 2,137  | 4,290   |
| <i>Gafisa SPE 91Ltda.</i>  | 100.00 | -     | 1      | -       | -      | -       |
| <i>Gafisa SPE 92 Ltda.</i> | 80.00  | -     | (553)  | -       | (554)  | -       |
| <i>Gafisa SPE 93 Ltda.</i> | 100.00 | -     | 212    | -       | 211    | -       |
| <i>Gafisa SPE 94 Ltda.</i> | 100.00 | -     | 4      | -       | 3      | -       |

| <i>Investees</i>                         | <i>Interest -</i> | <i>Shareholders</i> | <i>Equity</i> | <i>Net Income (loss)</i> |              |             |
|--|-------------------|---------------------|---------------|--------------------------|--------------|-------------|
|  | <i>%</i>          |                     |               | <i>2009</i>              | <i>2008</i>  | <i>2009</i> |
| <i>Gafisa SPE 95 Ltda.</i>               | <i>100.00</i>     | <i>-</i>            | <i>(15)</i>   | <i>-</i>                 | <i>(16)</i>  | <i>-</i>    |
| <i>Gafisa SPE 96 Ltda.</i>               | <i>100.00</i>     | <i>-</i>            | <i>(58)</i>   | <i>-</i>                 | <i>(59)</i>  | <i>-</i>    |
| <i>Gafisa SPE 97 Ltda.</i>               | <i>100.00</i>     | <i>-</i>            | <i>6</i>      | <i>-</i>                 | <i>5</i>     | <i>-</i>    |
| <i>Gafisa SPE 98 Ltda.</i>               | <i>100.00</i>     | <i>-</i>            | <i>(37)</i>   | <i>-</i>                 | <i>(38)</i>  | <i>-</i>    |
| <i>Gafisa SPE 99 Ltda.</i>               | <i>100.00</i>     | <i>-</i>            | <i>(24)</i>   | <i>-</i>                 | <i>(25)</i>  | <i>-</i>    |
| <i>Gafisa SPE 100 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>(1)</i>   | <i>-</i>    |
| <i>Gafisa SPE 101 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 102 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 103 Ltda</i>               | <i>100.00</i>     | <i>-</i>            | <i>(40)</i>   | <i>-</i>                 | <i>(41)</i>  | <i>-</i>    |
| <i>Gafisa SPE 104 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 105 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 106 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 107 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 108 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 109 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 110 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 111 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 112 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>Gafisa SPE 113 Ltda.</i>              | <i>100.00</i>     | <i>-</i>            | <i>1</i>      | <i>-</i>                 | <i>-</i>     | <i>-</i>    |
| <i>City Park Brotas Emp. Imob. Ltda.</i> | <i>50.00</i>      | <i>-</i>            | <i>3,094</i>  | <i>-</i>                 | <i>1,244</i> | <i>-</i>    |
| <i>City Park Acupe Emp. Imob. Ltda.</i>  | <i>50.00</i>      | <i>-</i>            | <i>1,704</i>  | <i>-</i>                 | <i>1,204</i> | <i>-</i>    |
| <i>Patamares 1 Emp. Imob. Ltda</i>       | <i>50.00</i>      | <i>-</i>            | <i>5,495</i>  | <i>-</i>                 | <i>(69)</i>  | <i>-</i>    |

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|  |        |   |        |   |       |   |
|--|--------|---|--------|---|-------|---|
| <i>City Park Exclusive Emp. Imob. Ltda.</i>          | 50.00  | - | (188)  | - | (189) | - |
| <i>Manhattan Square Emp. Imob. Coml. 1 SPE Ltda.</i> | 50.00  | - | 6,285  | - | 863   | - |
| <i>Manhattan Square Emp. Imob. Coml. 2 SPE Ltda.</i> | 50.00  | - | 1,338  | - | -     | - |
| <i>Manhattan Square Emp. Imob. Res. 1 SPE Ltda.</i>  | 50.00  | - | 5,723  | - | 1,927 | - |
| <i>Manhattan Square Emp. Imob. Res. 2 SPE Ltda.</i>  | 50.00  | - | 2,813  | - | -     | - |
| <i>Gafisa FIDC.</i>                                  | 100.00 | - | 14,977 | - | -     | - |

**(ii) Recorded balances**

| <i>Investees</i>                    | <i>Interest - %</i> |             | <i>Investments</i> |                | <i>Equity in earnings (losses)</i> |             |
|-------------------------------------|---------------------|-------------|--------------------|----------------|------------------------------------|-------------|
|                                     | <i>2009</i>         | <i>2008</i> | <i>2009</i>        | <i>2008</i>    | <i>2009</i>                        | <i>2008</i> |
| <i>Tenda</i>                        | 100.00              | 60.00       | 1,130,759          | 637,328        | 38,670                             | 15,589      |
| <i>Fit Residencial</i>              | -                   | 60.00       | -                  | -              | -                                  | (22,263)    |
| <i>Bairro Novo</i>                  | -                   | 50.00       | -                  | 4,176          | -                                  | (9,156)     |
| <i>SPE Cotia</i>                    | -                   | -           | -                  | -              | 136                                | -           |
| <i>AUSA</i>                         | 60.00               | 60.00       | 59,905             | 41,527         | 18,378                             | 21,081      |
| <i>Cipesa Holding</i>               | 100.00              | 100.00      | 42,746             | 43,510         | (1,216)                            | (4,444)     |
|                                     |                     |             | <b>1,233,410</b>   | <b>726,541</b> | <b>55,968</b>                      | <b>807</b>  |
| <i>Península SPE1 S.A.</i>          | 50.00               | 50.00       | (2,060)            | (569)          | (1,216)                            | 102         |
| <i>Península SPE2 S.A.</i>          | 50.00               | 50.00       | 300                | 49             | 251                                | 513         |
| <i>Res. das Palmeiras SPE Ltda.</i> | 100.00              | 90.00       | 2,316              | 2,290          | 26                                 | 238         |
| <i>Gafisa SPE 27 Ltda.</i>          | 100.00              | -           | 14,114             | -              | (778)                              | -           |



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|                            |               |   |                |   |                |   |
|----------------------------|---------------|---|----------------|---|----------------|---|
| <i>Gafisa SPE 28 Ltda.</i> | <i>100.00</i> | - | <i>(3,293)</i> | - | <i>(1,588)</i> | - |
| <i>Gafisa SPE 30 Ltda.</i> | <i>100.00</i> | - | <i>18,229</i>  | - | <i>(334)</i>   | - |
| <i>Gafisa SPE 31 Ltda.</i> | <i>100.00</i> | - | <i>26,901</i>  | - | <i>(532)</i>   | - |
| <i>Gafisa SPE 35 Ltda.</i> | <i>100.00</i> | - | <i>5,393</i>   | - | <i>(1,274)</i> | - |

| <i>Investees</i>                | <i>Interest -<br/>%</i> |              | <i>Investments</i> |               | <i>Equity in<br/>earnings<br/>(losses)</i> |                |
|---------------------------------|-------------------------|--------------|--------------------|---------------|--|----------------|
|                                 | <i>2009</i>             | <i>2008</i>  | <i>2009</i>        | <i>2008</i>   | <i>2009</i>                                | <i>2008</i>    |
| <i>Gafisa SPE 36 Ltda.</i>      | <i>100.00</i>           | <i>-</i>     | <i>5,362</i>       | <i>-</i>      | <i>68</i>                                  | <i>-</i>       |
| <i>Gafisa SPE 37 Ltda.</i>      | <i>100.00</i>           | <i>-</i>     | <i>4,020</i>       | <i>-</i>      | <i>(140)</i>                               | <i>-</i>       |
| <i>Gafisa SPE 38 Ltda.</i>      | <i>100.00</i>           | <i>-</i>     | <i>8,273</i>       | <i>-</i>      | <i>1,447</i>                               | <i>-</i>       |
| <i>Gafisa SPE 39 Ltda.</i>      | <i>100.00</i>           | <i>-</i>     | <i>8,812</i>       | <i>-</i>      | <i>2,469</i>                               | <i>-</i>       |
| <i>Gafisa SPE 41 Ltda.</i>      | <i>100.00</i>           | <i>-</i>     | <i>32,050</i>      | <i>-</i>      | <i>(2,593)</i>                             | <i>-</i>       |
| <i>Villagio Trust</i>           | <i>50.00</i>            | <i>-</i>     | <i>2,140</i>       | <i>-</i>      | <i>(288)</i>                               | <i>-</i>       |
| <i>Gafisa SPE 40 Ltda.</i>      | <i>50.00</i>            | <i>50.00</i> | <i>3,488</i>       | <i>2,921</i>  | <i>567</i>                                 | <i>634</i>     |
| <i>Gafisa SPE 42 Ltda.</i>      | <i>100.00</i>           | <i>50.00</i> | <i>12,128</i>      | <i>3,498</i>  | <i>4,274</i>                               | <i>3,399</i>   |
| <i>Gafisa SPE 44 Ltda.</i>      | <i>40.00</i>            | <i>40.00</i> | <i>1,434</i>       | <i>(151)</i>  | <i>1,585</i>                               | <i>(77)</i>    |
| <i>Gafisa SPE 45 Ltda.</i>      | <i>100.00</i>           | <i>99.80</i> | <i>1,812</i>       | <i>1,056</i>  | <i>(211)</i>                               | <i>(8,886)</i> |
| <i>Gafisa SPE 46 Ltda.</i>      | <i>60.00</i>            | <i>60.00</i> | <i>2,534</i>       | <i>3,299</i>  | <i>(765)</i>                               | <i>2,031</i>   |
| <i>Gafisa SPE 47 Ltda.</i>      | <i>80.00</i>            | <i>80.00</i> | <i>13,256</i>      | <i>6,626</i>  | <i>6,630</i>                               | <i>(159)</i>   |
| <i>Gafisa SPE 48 Ltda. (**)</i> | <i>-</i>                | <i>99.80</i> | <i>-</i>           | <i>21,656</i> | <i>993</i>                                 | <i>816</i>     |
| <i>Gafisa SPE 49 Ltda.</i>      | <i>100.00</i>           | <i>99.80</i> | <i>205</i>         | <i>(58)</i>   | <i>(3)</i>                                 | <i>(57)</i>    |
| <i>Gafisa SPE 53 Ltda.</i>      | <i>80.00</i>            | <i>60.00</i> | <i>4,739</i>       | <i>1,662</i>  | <i>2,346</i>                               | <i>1,137</i>   |
| <i>Gafisa SPE 55 Ltda. (**)</i> | <i>-</i>                | <i>99.80</i> | <i>-</i>           | <i>20,540</i> | <i>2,776</i>                               | <i>(3,965)</i> |
| <i>Gafisa SPE 65 Ltda.</i>      | <i>80.00</i>            | <i>70.00</i> | <i>2,980</i>       | <i>(281)</i>  | <i>702</i>                                 | <i>(731)</i>   |
| <i>Gafisa SPE 67 Ltda.</i>      | <i>-</i>                | <i>99.80</i> | <i>-</i>           | <i>1</i>      | <i>-</i>                                   | <i>-</i>       |
| <i>Gafisa SPE 68 Ltda.</i>      | <i>100.00</i>           | <i>99.80</i> | <i>(1)</i>         | <i>-</i>      | <i>-</i>                                   | <i>(1)</i>     |
| <i>Gafisa SPE 72 Ltda.</i>      | <i>80.00</i>            | <i>60.00</i> | <i>278</i>         | <i>(22)</i>   | <i>(864)</i>                               | <i>(22)</i>    |
| <i>Gafisa SPE 73 Ltda.</i>      | <i>80.00</i>            | <i>70.00</i> | <i>2,841</i>       | <i>(154)</i>  | <i>(46)</i>                                | <i>(155)</i>   |

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|                                  |        |        |        |       |       |       |
|----------------------------------|--------|--------|--------|-------|-------|-------|
| <i>Gafisa SPE 74 Ltda.</i>       | 100.00 | 99.80  | (339)  | (330) | (9)   | (330) |
| <i>Gafisa SPE 59 Ltda.</i>       | 100.00 | 99.80  | (5)    | (2)   | (4)   | (1)   |
| <i>Gafisa SPE 76 Ltda.</i>       | 50.00  | 99.80  | 42     | -     | -     | (1)   |
| <i>Gafisa SPE 78 Ltda.</i>       | 100.00 | 99.80  | -      | -     | -     | (1)   |
| <i>Gafisa SPE 79 Ltda.</i>       | 100.00 | 99.80  | (3)    | -     | (2)   | (1)   |
| <i>Gafisa SPE 75 Ltda.</i>       | 100.00 | 99.80  | (74)   | (27)  | (47)  | (28)  |
| <i>Gafisa SPE 80 Ltda.</i>       | 100.00 | 99.80  | (2)    | -     | (3)   | (1)   |
| <i>Gafisa SPE-85 Empr. Imob.</i> | 80.00  | 60.00  | 5,746  | (378) | 3,902 | (600) |
| <i>Gafisa SPE-86</i>             | -      | 99.80  | -      | (82)  | (228) | (83)  |
| <i>Gafisa SPE-81</i>             | 100.00 | 99.80  | 1      | 1     | -     | -     |
| <i>Gafisa SPE-82</i>             | 100.00 | 99.80  | 1      | 1     | -     | -     |
| <i>Gafisa SPE-83</i>             | 100.00 | 99.80  | (5)    | 1     | (6)   | -     |
| <i>Gafisa SPE-87</i>             | 100.00 | 99.80  | 61     | 1     | (140) | -     |
| <i>Gafisa SPE-88</i>             | 100.00 | 99.80  | 6,862  | 1     | 5,068 | -     |
| <i>Gafisa SPE-89</i>             | 100.00 | 99.80  | 36,049 | 1     | 8,213 | -     |
| <i>Gafisa SPE-90</i>             | 100.00 | 99.80  | (93)   | 1     | (94)  | -     |
| <i>Gafisa SPE-84</i>             | 100.00 | 99.80  | 10,632 | 1     | 3,026 | -     |
| <i>Dv Bv SPE S.A.</i>            | 50.00  | 50.00  | 216    | (219) | 435   | 63    |
| <i>DV SPE S.A.</i>               | 50.00  | 50.00  | 934    | 466   | 468   | (263) |
| <i>Gafisa SPE 22 Ltda.</i>       | 100.00 | 100.00 | 6,001  | 5,446 | 555   | 1,006 |
| <i>Gafisa SPE 29 Ltda.</i>       | 70.00  | 70.00  | 412    | 180   | 383   | 190   |
| <i>Gafisa SPE 32 Ltda.</i>       | 80.00  | 80.00  | 4,667  | (760) | 1,212 | (759) |
| <i>Gafisa SPE 69 Ltda.</i>       | 100.00 | 99.80  | 1,893  | (401) | 2,496 | (401) |
| <i>Gafisa SPE 70 Ltda.</i>       | 55.00  | 55.00  | 6,976  | 6,683 | (35)  | -     |
| <i>Gafisa SPE 71 Ltda.</i>       | 80.00  | 70.00  | 3,286  | (794) | 1,508 | (793) |
| <i>Gafisa SPE 50 Ltda.</i>       | 80.00  | 80.00  | 9,679  | 5,792 | 4,075 | 1,226 |

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|                                   |        |       |         |        |         |       |
|-----------------------------------|--------|-------|---------|--------|---------|-------|
| <i>Gafisa SPE 51 Ltda. (**)</i>   | -      | 90.00 | -       | 12,535 | 7,691   | 5,296 |
| <i>Gafisa SPE 61 Ltda.</i>        | 100.00 | 99.80 | (19)    | (14)   | (4)     | (14)  |
| <i>Tiner Empr. e Part. Ltda.</i>  | 45.00  | 45.00 | 5,208   | 12,031 | (337)   | 7,093 |
| <i>O Bosque Empr. Imob. Ltda.</i> | 60.00  | 30.00 | 5,317   | 4,756  | (426)   | (19)  |
| <i>Alta Vista</i>                 | 50.00  | 50.00 | (1,639) | 1,714  | (3,354) | 2,036 |
| <i>Dep. José Lages</i>            | 50.00  | 50.00 | 272     | 17     | 330     | 216   |
| <i>Sítio Jatiuca</i>              | 50.00  | 50.00 | 6,080   | 629    | 5,451   | 2,044 |
| <i>Spazio Natura</i>              | 50.00  | 50.00 | 696     | 700    | (4)     | (14)  |
| <i>Parque Aguas</i>               | 50.00  | 50.00 | 4,016   | (830)  | 3,318   | (765) |
| <i>Parque Arvores</i>             | 50.00  | 50.00 | 7,390   | (953)  | 6,227   | (849) |

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| <i>Investees</i>            | <i>Interest -</i> |              | <i>Investments</i> |               | <i>Equity in</i> |               |
|-----------------------------|-------------------|--------------|--------------------|---------------|------------------|---------------|
|                             | <i>%</i>          |              |                    |               | <i>earnings</i>  |               |
|                             | <i>2009</i>       | <i>2008</i>  | <i>2009</i>        | <i>2008</i>   | <i>(losses)</i>  |               |
|                             | <i>2009</i>       | <i>2008</i>  | <i>2009</i>        | <i>2008</i>   | <i>2009</i>      | <i>2008</i>   |
| <i>Dubai Residencial</i>    | <i>50.00</i>      | <i>50.00</i> | <i>5,307</i>       | <i>2,687</i>  | <i>2,143</i>     | <i>(313)</i>  |
| <i>Cara de Cão</i>          | <i>50.00</i>      | <i>65.00</i> | <i>-</i>           | <i>26,623</i> | <i>1,507</i>     | <i>12,455</i> |
| <i>Costa Maggiore</i>       | <i>50.00</i>      | <i>50.00</i> | <i>2,032</i>       | <i>1,946</i>  | <i>1,068</i>     | <i>2,145</i>  |
| <i>Gafisa SPE 91.</i>       | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 92.</i>       | <i>80.00</i>      | <i>-</i>     | <i>(442)</i>       | <i>-</i>      | <i>(443)</i>     | <i>-</i>      |
| <i>Gafisa SPE 93.</i>       | <i>100.00</i>     | <i>-</i>     | <i>212</i>         | <i>-</i>      | <i>211</i>       | <i>-</i>      |
| <i>Gafisa SPE 94.</i>       | <i>100.00</i>     | <i>-</i>     | <i>4</i>           | <i>-</i>      | <i>3</i>         | <i>-</i>      |
| <i>Gafisa SPE 95.</i>       | <i>100.00</i>     | <i>-</i>     | <i>(15)</i>        | <i>-</i>      | <i>(16)</i>      | <i>-</i>      |
| <i>Gafisa SPE 96.</i>       | <i>100.00</i>     | <i>-</i>     | <i>(58)</i>        | <i>-</i>      | <i>(59)</i>      | <i>-</i>      |
| <i>Gafisa SPE 97.</i>       | <i>100.00</i>     | <i>-</i>     | <i>6</i>           | <i>-</i>      | <i>5</i>         | <i>-</i>      |
| <i>Gafisa SPE 98.</i>       | <i>100.00</i>     | <i>-</i>     | <i>(37)</i>        | <i>-</i>      | <i>(38)</i>      | <i>-</i>      |
| <i>Gafisa SPE 99.</i>       | <i>100.00</i>     | <i>-</i>     | <i>(24)</i>        | <i>-</i>      | <i>(25)</i>      | <i>-</i>      |
| <i>Gafisa SPE 100.</i>      | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>(1)</i>       | <i>-</i>      |
| <i>Gafisa SPE 101.</i>      | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 102.</i>      | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 103.</i>      | <i>100.00</i>     | <i>-</i>     | <i>(40)</i>        | <i>-</i>      | <i>(42)</i>      | <i>-</i>      |
| <i>Gafisa SPE 104.</i>      | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 105.</i>      | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 106 Ltda.</i> | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 107 Ltda.</i> | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |
| <i>Gafisa SPE 108 Ltda.</i> | <i>100.00</i>     | <i>-</i>     | <i>1</i>           | <i>-</i>      | <i>-</i>         | <i>-</i>      |

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|  |        |   |                  |                  |                |               |
|--|--------|---|------------------|------------------|----------------|---------------|
| <i>Gafisa SPE 109 Ltda.</i>                          | 100.00 | - | 1                | -                | -              | -             |
| <i>Gafisa SPE 110 Ltda.</i>                          | 100.00 | - | 1                | -                | -              | -             |
| <i>Gafisa SPE 111 Ltda.</i>                          | 100.00 | - | 1                | -                | -              | -             |
| <i>Gafisa SPE 112 Ltda.</i>                          | 100.00 | - | 1                | -                | -              | -             |
| <i>Gafisa SPE 113 Ltda.</i>                          | 100.00 | - | 1                | -                | -              | -             |
| <i>City Park Brotas Emp. Imob. Ltda.</i>             | 50.00  | - | 1,547            | -                | 622            | -             |
| <i>City Park Acupe Emp. Imob. Ltda.</i>              | 50.00  | - | 852              | -                | 602            | -             |
| <i>Patamares 1 Emp. Imob. Ltda</i>                   | 50.00  | - | 2,747            | -                | (35)           | -             |
| <i>City Park Exclusive Emp. Imob. Ltda.</i>          | 50.00  | - | (94)             | -                | (94)           | -             |
| <i>Manhattan Square Emp. Imob. Coml. 1 SPE Ltda.</i> | 50.00  | - | 3,142            | -                | 432            | -             |
| <i>Manhattan Square Emp. Imob. Coml. 2 SPE Ltda.</i> | 50.00  | - | 669              | -                | -              | -             |
| <i>Manhattan Square Emp. Imob. Res. 1 SPE Ltda.</i>  | 50.00  | - | 2,862            | -                | 964            | -             |
| <i>Manhattan Square Emp. Imob. Res. 2 SPE Ltda.</i>  | 50.00  | - | 1,406            | -                | -              | -             |
| <i>Gafisa FIDC.</i>                                  | 100.00 | - | 14,977           | -                | -              | -             |
|  |        |   | <b>323,576</b>   | <b>139,785</b>   | <b>69,971</b>  | <b>23,351</b> |
|  |        |   | <b>1,556,986</b> | <b>866,326</b>   | <b>125,939</b> | <b>24,158</b> |
| <i>Other investments (*)</i>                         |        |   | 339,069          | 313,118          | -              | -             |
| <i>Provision for loss on investments</i>             |        |   | 8.242            | 6,026            | -              | -             |
| <i>CPC Adjustments</i>                               |        |   | -                | -                | -              | (1,062)       |
| <i>Total investments</i>                             |        |   | <b>1,904,297</b> | <b>1,185,470</b> | <b>125,939</b> | <b>23,096</b> |

*(\* As a result of the setting up in January 2008 of a special partnership (SCP), the Company started to hold quotas in such partnership that totaled R\$ 339,069 at December 31, 2009 (December 31, 2008 R\$ 313,118) as described in Note 12.*

*(\*\* In the year ended December 31, 2009, a transfer of quotas of this Company to the SCP was made for the respective net book value.*

**(b) Negative goodwill on acquisition of subsidiaries and deferred gain on partial sale of investments**

|   |             |                                     | <i>2009</i> | <i>2008</i> |
|---|-------------|-------------------------------------|-------------|-------------|
|   | <i>Cost</i> | <i>Accumulated<br/>amortization</i> | <i>Net</i>  |             |
| <i>Negative goodwill</i>                  |             |                                     |             |             |
| <i>Redevco</i>                            | (31,235)    | 21,827                              | (9,408)     | (18,522)    |
| <i>Gain on partial sale of investment</i> |             |                                     |             |             |
| <i>Tenda</i>                              | (210,402)   | 210,402                             | -           | (169,394)   |

**9. Intangible assets**

|                                     |             |                                     | <i>2009</i>     | <i>2008</i>    |
|-------------------------------------|-------------|-------------------------------------|-----------------|----------------|
|                                     | <i>Cost</i> | <i>Accumulated<br/>amortization</i> | <i>Net</i>      | <i>Net</i>     |
| <i>Consolidated</i>                 |             |                                     |                 |                |
| <i>Goodwill (negative goodwill)</i> |             |                                     |                 |                |
| <i>AUSA</i>                         |             | 170,941                             | (18,085)        | 152,856        |
| <i>Cipesa</i>                       |             | 40,686                              | -               | 40,686         |
| <i>Others</i>                       |             | 3,741                               | (2,195)         | 1,546          |
|                                     |             | <b>215,368</b>                      | <b>(20,280)</b> | <b>195,088</b> |
| <i>Other intangible assets</i>      |             |                                     | <b>9,598</b>    | <b>18,067</b>  |
| <i>(a)</i>                          |             |                                     | <b>204,686</b>  | <b>213,155</b> |

*(a) Refers to expenditures on acquisition and implementation of information systems and software licenses.*



**10. Loans and financing**

| <i>Type of operation</i>       | <i>Annual interest rates</i>    | <i>Parent Company</i> |                 | <i>Consolidated</i> |                 |
|--------------------------------|---------------------------------|-----------------------|-----------------|---------------------|-----------------|
|                                |                                 | <i>2009</i>           | <i>2008</i>     | <i>2009</i>         | <i>2008</i>     |
| <i>Working capital:</i>        |                                 |                       |                 |                     |                 |
| <i>Denominated in US\$ (i)</i> | <i>7%</i>                       | -                     | <i>146,739</i>  | -                   | <i>146,739</i>  |
| <i>Denominated in Yen (i)</i>  | <i>1.4%</i>                     | -                     | <i>166,818</i>  | -                   | <i>166,818</i>  |
| <i>Swaps - US\$/CDI (ii)</i>   | <i>US\$ + 7%/104% CDI</i>       | -                     | <i>(32,962)</i> | -                   | <i>(32,962)</i> |
| <i>Swaps - Yen/CDI (ii)</i>    | <i>Yen + 1.4%/105%<br/>CDI</i>  | -                     | <i>(53,790)</i> | -                   | <i>(53,790)</i> |
| <i>CCB and Other</i>           | <i>0.66% to 3.29% +<br/>CDI</i> | <i>516,397</i>        | <i>211,096</i>  | <i>736,736</i>      | <i>435,730</i>  |

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| <i>Type of operation</i>  | <i>Annual interest rates</i> | <i>Parent Company</i> |             | <i>Consolidated</i> |             |
|---|------------------------------|-----------------------|-------------|---------------------|-------------|
|   |                              | <i>2009</i>           | <i>2008</i> | <i>2009</i>         | <i>2008</i> |
|   |                              | 516,397               | 437,901     | 736,736             | 662,535     |
| <i>National Housing System SFH</i>                                    |                              |                       |             |                     |             |
| (a)   | <i>TR + 6.2% to 11.4%</i>    | 322,981               | 191,614     | 467,019             | 372,255     |
| <i>Assumption of debts arising from the merge of subsidiaries (b)</i> | <i>TR + 10% to 12.0%</i>     | -                     | 8,107       | -                   | 8,810       |
| <i>Other</i>  | <i>TR + 6.2%</i>             | -                     | 4,167       | -                   | 4,576       |
|   |                              | 839,378               | 641,789     | 1,203,755           | 1,048,176   |
| <i>Current portion</i>  |                              | 514,831               | 317,236     | 678,312             | 447,503     |
| <i>Non-current portion</i>  |                              | 324,547               | 324,553     | 525,443             | 600,673     |

(i) Loans and financing classified at fair value through income (Nota 17(a)(ii));

(ii) Derivatives classified as financial assets at fair value through income (Nota 17(a)(ii)).

### Rates

CDI Interbank Deposit Certificate TR Referential Rate.

(a) Funding for working capital and SFH and for developments correspond to credit lines from financial institutions.

(b) Downstream merger obligations correspond to debts assumed from former shareholders.

At December 31, 2009, the Company has resources approved to be released for approximately 85 ventures amounting to R\$ 605,433 (parent company) and R\$ 1,204,076 (consolidated) that will be used in future periods, at the extent these developments progress physically and financially, according to the Company's project schedule.

Consolidated non-current portion matures as follows:

| <i>Parent company</i> | <i>Consolidated</i> |
|-----------------------|---------------------|
|-----------------------|---------------------|

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|                     | <i>2009</i>    | <i>2008</i>    | <i>2009</i>    | <i>2008</i>    |
|---------------------|----------------|----------------|----------------|----------------|
| <i>2010</i>         | -              | 208,394        | -              | 345,021        |
| <i>2011</i>         | 303,678        | 116,159        | 413,583        | 181,549        |
| <i>2012</i>         | 19,431         | -              | 71,854         | 40,548         |
| <i>2013</i>         | 1,438          | -              | 40,006         | 33,555         |
| <i>2014 onwards</i> | -              | -              | -              | -              |
|                     | <b>324,547</b> | <b>324,553</b> | <b>525,443</b> | <b>600,673</b> |

Loans and financing are guaranteed by sureties of the Company, mortgage of the units, assignment of rights, receivables from clients and the proceeds from the sale of our properties (amount of R\$ 3,536,846 not audited).

Additionally, the consolidated balance of financial investments pledged in guarantee amounts R\$ 47,265 at December 31, 2009 (R\$ 76,928 at December 31, de 2008) (Note 4).

Financial expenses of loans, finance and debentures are capitalized at cost of each venture, according to the use of funds, and appropriated to results based on the criterion adopted for recognizing revenue, or allocated to results if funds are not used, as shown below:

|  | <i>Parent company</i> |                 | <i>Consolidated</i> |                  |
|--|-----------------------|-----------------|---------------------|------------------|
|  | <i>2009</i>           | <i>2008</i>     | <i>2009</i>         | <i>2008</i>      |
| <i>Gross financial charges</i>                           | <i>216,371</i>        | <i>126,551</i>  | <i>308,466</i>      | <i>184,461</i>   |
| <i>Capitalized financial charges</i>                     | <i>(58,045)</i>       | <i>(80,631)</i> | <i>(98,072)</i>     | <i>(123,453)</i> |
| <i>Net financial charges</i>                             | <i>158,326</i>        | <i>45,920</i>   | <i>210,394</i>      | <i>61,008</i>    |
| <i>Financial charges included in Properties for sale</i> |                       |                 |                     |                  |
| <i>Opening balance</i>                                   | <i>70,191</i>         | <i>14,416</i>   | <i>88,200</i>       | <i>18,241</i>    |
| <i>Capitalized financial charges</i>                     | <i>58,045</i>         | <i>80,631</i>   | <i>98,072</i>       | <i>123,453</i>   |
| <i>Charges appropriated to income</i>                    | <i>(58,677)</i>       | <i>(24,856)</i> | <i>(94,704)</i>     | <i>(53,494)</i>  |
| <i>Closing balance</i>                                   | <i>69,559</i>         | <i>70,191</i>   | <i>91,568</i>       | <i>88,200</i>    |

## **11. Debentures**

In September 2006, the Company obtained approval for its Second Debenture Placement Program, which allows it to place up to R\$ 500,000 in non-convertible simple subordinated debentures secured by a general guarantee.

In June 2008, the Company obtained approval for its Third Debenture Placement Program, which allows it to place R\$ 1,000,000 in simple debentures with a general guarantee maturing in five years.

In April 2009, the subsidiary Tenda obtained approval for its First Program of Debenture Distribution, which allows it to place up to R\$ 600,000 simple subordinated debentures, non-convertible into shares, in a single and undivided lot, secured by a floating and additional guarantee, with semi-annual maturities between October 1, 2012 and April 1, 2014. The funds raised through the issuance will be exclusively used in the finance of real estate ventures focused only on the popular segment and that meet the eligibility criteria.

In August 2009, the Company obtained approval for its sixth issuance of simple debentures non-convertible into shares in two series, secured by a general guarantee, maturing in two years and unit face value at the issuance date of

R\$ 10,000, totaling R\$ 250,000.

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In December 2009, the Company obtained approval for its seventh issuance of simple debentures nonconvertible into shares in a single and undivided lot, sole series, secured by a floating and additional guarantee, in the total amount of R\$ 600,000, maturing in five years.

Under the Second and Third Programs of Gafisa, the Company placed series of 24,000 and 25,000 series debentures, respectively, corresponding to R\$ 240,000 and R\$ 250,000, with the below features. Under the First Program of Tenda, this subsidiary placed only one debenture, a sole series amounting to R\$ 600,000, as shown below:

| <i>Program/issuances</i>                              | <i>Principal</i> | <i>Annual remuneration</i> | <i>Maturity</i> | <i>Parent company</i> |                | <i>Consolidated</i> |                |
|---|------------------|----------------------------|-----------------|-----------------------|----------------|---------------------|----------------|
|   |                  |                            |                 | <i>2009</i>           | <i>2008</i>    | <i>2009</i>         | <i>2008</i>    |
| <i>Second program/first issuance / first issuance</i> | 240,000          | CDI + 1.30%                | September 2011  | 198,254               | 248,679        | 198,254             | 248,679        |
| <i>Third program/first issuance</i>                   | 250,000          | 107.20% CDI                | June 2013       | 252,462               | 255,266        | 252,462             | 255,266        |
| <i>Sixth issuance</i>                                 | 250,000          | CDI + 2% to 3.25%          | August 2011     | 260,680               | -              | 260,680             | -              |
| <i>Seventh issuance</i>                               | 600,000          | TR + 8.25%                 | December 2014   | 595,725               | -              | 595,725             | -              |
| <i>First issuance (Tenda)</i>                         | 600,000          | TR + 8%                    | April 2014      | -                     | -              | 611,256             | -              |
|   |                  |                            |                 | <b>1,307,121</b>      | <b>503,945</b> | <b>1,918,377</b>    | <b>503,945</b> |
| <i>Current portion</i>                                |                  |                            |                 | 111,121               | 61,945         | 122,377             | 61,945         |
| <i>Non-current portion, principal</i>                 |                  |                            |                 | 1,196,000             | 442,000        | 1,796,000           | 442,000        |

Consolidated non-current portions mature as follows:

|             | <i>Parent company</i> |             | <i>Consolidated</i> |             |
|-------------|-----------------------|-------------|---------------------|-------------|
|             | <i>2009</i>           | <i>2008</i> | <i>2009</i>         | <i>2008</i> |
| <i>2010</i> | -                     | 96,000      | -                   | 96,000      |

|      |                  |                |                  |                |
|------|------------------|----------------|------------------|----------------|
| 2011 | 346,000          | 96,000         | 346,000          | 96,000         |
| 2012 | 125,000          | 125,000        | 275,000          | 125,000        |
| 2013 | 425,000          | 125,000        | 725,000          | 125,000        |
| 2014 | 300,000          | -              | 450,000          | -              |
|      | <b>1,196,000</b> | <b>442,000</b> | <b>1,796,000</b> | <b>442,000</b> |

The Company has restrictive debenture covenants which limit its ability to perform certain actions, such as the issuance of debt, and that could require the early redemption or refinancing of loans if the Company does not fulfill these covenants.

The first issuance of the Second Program and the first issuance of the Third Program have cross-restrictive covenants in which an event of default or early maturity of any debt above R\$ 5 million and R\$ 10 million, respectively, requires the Company to early amortize the first issuance of the Second Program.

On July 21, 2009, the Company renegotiated with the debenture holders the restrictive debenture covenants of the Second Program, and obtained the approval for taking out the covenant that limited the Company's net debt to R\$ 1.0 billion and increasing the financial flexibility, changing the calculation of the ratio between net debt and shareholders equity. As a result of these changes, interest repaid by the Company increased to CDI + 2% to 3.25% per year. The actual ratios and minimum and maximum amounts stipulated by these restrictive covenants and measured under Brazilian GAAP at December 31 are as follows:

|   | <b>2009</b> | <b>2008</b>      |
|---|-------------|------------------|
| <i>Second program first issuance</i>  |             |                  |
| <i>Total debt, less debt of projects, less cash and cash equivalents cannot exceed 75% of shareholders equity plus noncontrolling interests</i> | 1%          | N/A              |
| <i>Total debt, less SFH debt, less cash and cash equivalents cannot exceed 75% of shareholders equity</i>                                       | n/a         | 35%              |
| <i>Total receivables from clients, plus inventory of finished units, required to be over 2.0 times total debt</i>                               | 2.3 times   | 3.3 times        |
| <i>Total debt, less cash, cash equivalents, required to be under R\$ 1.0 billion</i>  | N/A         | R\$946.6 million |
| <i>Third program first issuance</i>   |             |                  |
| <i>Total debt, less SFH debt, less cash and cash equivalents cannot exceed 75% of shareholders equity</i>                                       | 53%         | 35%              |
| <i>Total accounts receivable plus inventory of finished units required to be over 2.2 times net debt</i>  | 4.1 times   | 5.5 times        |
| <i>Seventh issuance</i>   |             |                  |
| <i>EBIT balance is under 1.3 times the net financial expense</i>  | -5.9 times  | N/A              |
| <i>Total accounts receivable plus inventory of finished units required to be 2.0 over times net debt and debt of projects</i>                   | 292.3 times | N/A              |
| <i>Total debt less debt of project, less cash and cash equivalents cannot exceed 75% of shareholders equity plus noncontrolling interest</i>    | 1%          | N/A              |

At December 31, 2009, the Company is in compliance with the aforementioned clauses and other non-restrictive clauses.

## **12. Other accounts payable**

|   | <b>2009</b> | <b>2008</b> | <b>2009</b> | <b>2008</b> |
|---|-------------|-------------|-------------|-------------|
| <i>Obligation to venture partners (a)</i> | 300,000     | 300,000     | 300,000     | 300,000     |
| <i>Credit assignments</i>                 | 104,176     | 32,177      | 122,360     | 67,552      |



|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <i>Acquisition of investments</i>                      | 3,922          | 25,296         | 21,090         | 30,875         |
| <i>Other accounts payable</i>                          | 12,486         | 26,336         | 64,550         | 27,175         |
| <i>Rescission reimbursement payable and provisions</i> | -              | -              | 28,573         | 28,191         |
| <i>SCP dividends</i>                                   | -              | -              | 11,004         | 16,398         |
| <i>FIDC obligations</i>                                | -              | -              | 41,308         | -              |
| <i>Warranty provision</i>                              | 17,782         | 11,900         | 25,082         | 17,499         |
| <i>Provision for loss on investments</i>               | 8,242          | 6,026          | -              | -              |
|  | <b>446,608</b> | <b>401,735</b> | <b>613,967</b> | <b>487,690</b> |
| <i>Current portion</i>                                 | 113,578        | 82,429         | 205,657        | 97,931         |
| <i>Non-current portion</i>                             | 333,030        | 319,306        | 408,310        | 389,759        |

(a) In January 2008, the Company formed an unincorporated venture (SCP), the main objective of which is to hold interests in other real estate development companies. At December 31, 2009, the SCP received contributions of R\$ 313,084 (represented by 13,084,000 Class A quotas fully paid-in by the Company and 300,000,000 Class B quotas from the other venture partners). The SCP will preferably use these funds to acquire equity investments and increase the capital of its investees. As the decision to invest or not is made jointly by all quotaholders, the venture is treated as a variable interest entity and the Company deemed to be the primary beneficiary; at December 31, 2009, Obligations to venture partners amounting to R\$ 300,000 mature on January 31, 2014. The SCP has a defined term which ends on January 31, 2014 at which time the Company is required to redeem the venture partner's interest. The venture partner receives an annual dividend substantially equivalent to the variation in the Interbank Deposit Certificate (CDI) rate, at December 31, 2009, the amount accrued totaled R\$ 11,004. The SCP's charter provides for the compliance with certain covenants by the Company, in its capacity as lead partner, which include the maintenance of minimum indices of net debt and receivables. At December 31, 2009, the SCP and the Company were in compliance with these clauses.

**13. Commitments and provision for contingencies**

The Company and its subsidiaries are party in lawsuits and administrative proceedings at several courts and government agencies that arise from the normal course of business, involving tax, labor, civil and other matters. Management, based on information provided by its legal counsel and analysis of the pending claims and, with respect to the labor claims, based on past experience regarding the amounts claimed, recognized a provision in an amount considered sufficient to cover the probable losses.

In the year ended December 31, 2009, the changes in the provision for contingencies are summarized as follows:

|                                     | <i>Parent<br/>company</i> | <i>Consolidated</i> |
|-------------------------------------|---------------------------|---------------------|
| <i>Balance at December 31, 2008</i> | 11,642                    | 57,364              |
| <i>Additions</i>                    | 72,272                    | 85,784              |
| <i>Write-offs</i>                   | (3,181)                   | (21,809)            |
| <i>Balance at December 31, 2009</i> | 80,733                    | 121,339             |
| <i>( - ) Judicial deposits</i>      | (40,732)                  | (48,386)            |
|                                     | <b>40,001</b>             | <b>72,953</b>       |
| <i>Current portion</i>              | 11,266                    | 11,266              |
| <i>Non-current portion</i>          | 28,735                    | 61,687              |

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**(a) Tax, labor and civil lawsuits**

|                                | <i>Parent company</i> |                      | <i>Consolidated</i>   |                      |
|--------------------------------|-----------------------|----------------------|-----------------------|----------------------|
|                                | <i>2009</i>           | <i>2008</i>          | <i>2009</i>           | <i>2008</i>          |
| <i>Civil lawsuits (a)</i>      | <i>78,081</i>         | <i>9,325</i>         | <i>91,708</i>         | <i>27,779</i>        |
| <i>Tax lawsuits (b)</i>        | <i>6</i>              | <i>-</i>             | <i>20,737</i>         | <i>19,608</i>        |
| <i>Labor claims</i>            | <i>2,646</i>          | <i>2,317</i>         | <i>8,894</i>          | <i>9,977</i>         |
|                                | <b><i>80,733</i></b>  | <b><i>11,642</i></b> | <b><i>121,339</i></b> | <b><i>57,364</i></b> |
| <i>( - ) Judicial deposits</i> | <i>(40,732)</i>       | <i>(2,518)</i>       | <i>(48,386)</i>       | <i>(3,834)</i>       |
| <i>Net balance</i>             | <b><i>40,001</i></b>  | <b><i>9,124</i></b>  | <b><i>72,953</i></b>  | <b><i>53,530</i></b> |

(a) As of December 31, 2009, the provisions for contingencies for civil lawsuits include R\$ 71,322, related to legal cases in which the Company was cited as successor in foreclosure actions, in which the original debtor was a former shareholder of Gafisa; Cimob Companhia Imobiliária ( Cimob ), among other shareholder related parties. The plaintiff claims that the Company should be held liable for the debts of Cimob. In the year ended December 31, 2009, the Company recorded an additional provision of R\$ 65,820, following unfavorable judicial decisions, which led the Company to seek new legal opinions and reevaluate the estimate of probable loss. Guarantee insurance provides coverage for R\$17,678, a further R\$ 64,882 is deposited in escrow, in connection with the blocking of Gafisa's bank accounts; and there is also the retaining of Gafisa's treasury shares to guarantee the foreclosure. The Company has filed appeals against all decisions, as it believes that the reference of Gafisa in the lawsuits is not legally justifiable; and Management is confident that its position will prevail enabling the escrow deposits to be released. In other similar cases, the Company has obtained favorable decisions in which it was awarded final and unappealable decisions overturning claims where the Company was initially found to be liable for certain debts of Cimob. The ultimate outcome of the Company's appeal, however, cannot be predicted at this time.

(b) The subsidiary Alphaville is a party in judicial lawsuits and administrative proceedings related to Excise Tax (IPI) and Value-added Tax on Sales and Services (ICMS) on two imports of aircraft in 2001 and 2005, respectively, under leasing agreements without purchase option. The likelihood of loss in the ICMS case is estimated by legal counsel as (i) probable in regard to the principal and interest, and (ii) remote in regard to the fine for noncompliance with ancillary obligations. The amount of the contingency estimated by legal counsel as a probable loss amounts to R\$ 10,438 and is recorded in a provision in the financial information at December 31, 2009.

At December 31, 2009, the Company and its subsidiaries are monitoring other lawsuits and risks, the likelihood of which, based on the position of legal counsel, is possible but not probable, in the amount of approximately R\$ 91,372, according to the historical average of lawsuits and for which management believes a provision for loss is not necessary.

#### **(b) Commitment to complete developments**

The Company is committed to deliver units to owners of land who exchange land for real estate units developed by the Company.

The Company is also committed to complete units sold and to comply with the requirements of the building regulations and licenses approved by the proper authorities.

As described in Note 4, at December 31, 2009, the Company has resources approved and recorded as financial investments restricted guarantee which will be released to the extent ventures progresses in the total amount of R\$ 27,964 (parent company) and R\$ 47,265 (consolidated) to meet these commitments.

#### **14. Obligations for purchase of land and advances from clients**

|   | <i>Parent company</i> |                | <i>Consolidated</i> |                |
|---|-----------------------|----------------|---------------------|----------------|
|   | <i>2009</i>           | <i>2008</i>    | <i>2009</i>         | <i>2008</i>    |
| <i>Obligations for purchase of land, net of adjustment to present value</i> | 186,503               | 282,582        | 359,472             | 457,511        |
| <i>Advances from clients</i>  |                       |                |                     |                |
| <i>Development and sales</i>  | 78,197                | 27,739         | 222,284             | 90,363         |
| <i>Barter transactions</i>  | 27,070                | 50,179         | 40,054              | 104,909        |
|   | <b>291,770</b>        | <b>360,500</b> | <b>621,810</b>      | <b>652,783</b> |
| <i>Current portion</i>  | 240,164               | 250,942        | 475,409             | 421,584        |
| <i>Non-current portion</i>  | 51,606                | 109,558        | 146,401             | 231,199        |

The reversal of present value adjustment recorded at Real estate development operating costs for the years ended December 31, 2009 amount to R\$ (2,962) (parent company) and R\$ (3,435) (consolidated).

#### **15. Shareholders equity**

##### **15.1. Capital**

At December 31, 2009, the Company's capital amounted to R\$ 1,627,275 represented by 167,077,137 nominative common shares without par value, 299,743 of which were held in treasury.

In 2008, the increase in capital was approved in the amount of R\$ 7,671, related to the stock option plan and the exercise of 510,425 common shares.

On April 30, 2009, the distribution of minimum mandatory dividends for 2008 was approved in the total amount of R\$ 26,104, paid in December 2009.

On September 24, 2009, the trading at stock exchange of up to 2,825,229 shares held in treasury was approved by the Company, as the circumstances that resulted in the holding of such shares in treasury no longer exist. In the year ended December 31, 2009, the amount received from the sale of such shares amounted to R\$ 82,406, representing a gain of R\$ 65,727.

As mentioned in Note 1, on December 30, 2009, the shareholders of Gafisa and Tenda approved the merger by Gafisa of total outstanding shares issued by Tenda.

Because of the merger, Tenda became a wholly-owned subsidiary of Gafisa, and its shareholders received shares of Gafisa in exchange for their shares of Tenda at the ratio of 0.205 shares of Gafisa to one share of Tenda. In view of the exchange ratio, 32,889,563 common shares were issued for the total issue price of R\$ 448,844, of which R\$ 60,822 shall be used to set up a capital reserve and the balance of R\$ 388,022 to increase capital.

In 2009, the increase in capital was approved in the amount of R\$ 9,736, related to the stock option plan and the exercise of 1,100,056 common shares.

The change in the number of outstanding shares (in thousands) are as follows:

|   | <i>Common shares in<br/>thousands</i> |
|---|---------------------------------------|
| <i>At December 31, 2007</i>             | <i>129,452</i>                        |
| <i>Exercise of stock option plan</i>    | <i>511</i>                            |
| <i>At December 31, 2008</i>             | <i>129,963</i>                        |
| <i>Exercise of stock option plan</i>    | <i>1,100</i>                          |
| <i>Sale of treasury shares</i>          | <i>2,825</i>                          |
| <i>Merger of shares issued by Tenda</i> | <i>32,889</i>                         |
| <i>At December 31, 2009</i>             | <i>166,777</i>                        |

## **15.2. Distribution of net income for the year**

Pursuant to the Company's Bylaws, the net income for the year IS distributed as follows: (i) 5% to legal reserve until such reserve represents 20% of paid-up capital, and (ii) 25% of remaining balance to pay mandatory dividends to all

shareholders Management's proposal for distribution of net income for the year ended December 31, 2009 (subject to approval at the Annual Shareholders Meeting) are as follows:

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|  | <b>2009</b>    | <b>2008</b>    |
|--|----------------|----------------|
| <i>Net income for the year</i>           | 213,540        | 109,921        |
| <i>Legal reserve</i>                     | (10,677)       | (5,496)        |
|  | <b>202,863</b> | <b>104,425</b> |
| <i>Minimum mandatory dividends - 25%</i> | (50,716)       | (26,104)       |
| <i>Dividend per common share</i>         | 0.3041         | 0.2009         |

Pursuant to Article 36 of the Company's Bylaws, amended on March 21, 2007, the recognition of statutory investment reserve became mandatory, the amount of which may not exceed 71.25% of net income. The purpose of the reserve is to retain funds for financing the expansion of the activities of the Company including the subscription of capital increase or creation of new ventures, participation in consortia or other forms of association for the achievement of the Company's corporate objectives.

### **15.3. Stock option plans**

#### **(i) Gafisa**

The Company provides six stock option plans. The first plan was launched in 2000 and is managed by a committee that periodically creates new stock option plans, determining their terms, which, among other things, (i) define the length of service that is required for employees to be eligible to the benefits of the plans, (ii) select the employees that will be entitled to participate, and (iii) establish the purchase prices of the preferred shares to be exercised under the plans.

To be eligible for the plans (plans from 2000 to 2002), participant employees are required to contribute 10% of the value of total benefited options on the date the option is granted and, additionally, for each of the following five years, 18% of the price of the grant per year.

To be eligible for the 2006 and 2007 plans, employees are required to contribute at least 70% of the annual bonus received to exercise the options, under penalty of losing the right to exercise all options of subsequent lots.

The exercise price of the grant is inflation adjusted (IGP-M index), plus annual interest at 3%. The stock option may be exercised in one to five years subsequent to the initial date of the work period established in each of the plans. The shares are usually available to employees over a period of ten years after their contribution.

The Company records the cash receipt against a liability account to the extent the employees make advances for the purchase of the shares during the vesting period. There were no advanced payments in the year ended December 31, 2009. The Company and its subsidiaries may decide to issue new shares or transfer the treasury shares to the employees in accordance with the clauses established in the plans. The Company has the right of first refusal on shares issued under the plans in the event of dismissals and retirement. In such cases, the amounts advanced are returned to the employees, in certain circumstances, at amounts that correspond to the greater of the market value of the shares (as established in the rules of the plans) or the amount inflation-indexed (IGP-M) plus annual interest at 3%.





In 2008, the Company issued a new stock option plan. In order to become eligible for the grant, employees are required to contribute from 25% to 80% of their annual net bonus to exercise the options within 30 days from the program date.

On June 26, 2009, the Company issued a new stock option plan for granting 1,300,000 options. In addition, the exchange of the 2,740,000 options of the 2007 and 2008 plans for 1,900,000 options granted under this new stock option plan was approved.

The assumptions adopted for recording the stock option plan for 2009 were the following: expected volatility of 40%, expected share dividends of 1.91%, and risk-free interest rate at 8.99% .

From July 1, 2009, the Company's management opted for using the Binomial and Monte Carlo models for pricing the options granted in replacement for the Black-Scholes model, because on its understanding these models are capable of including and calculating with a wider range of variables and assumptions comprising the plans of the Company. The effect of this model replacement was brought about prospectively on July 1, 2009, with the recording of income amounting to R\$ 4,447 for the year ended December 31, 2009.

On December 17, 2009, the Company issued a new stock option plan for granting 140,000 options. In addition, the exchange of the 512,280 options of the 2007 plan was approved for 402,500 options granted under this new stock option plan. The changes in the number of stock options and corresponding weighted average exercise prices are as follows:

|   | <b>2009</b>              |  | <b>2008</b>              |  |
|---|--------------------------|--|--------------------------|--|
|   | <b>Number of options</b> | <b>Weighted average exercise price</b> | <b>Number of options</b> | <b>Weighted average exercise price</b> |
| <i>Options outstanding at the beginning of the year</i> | 5,930,275                | 26.14                                  | 5,174,341                | 22.93                                  |
| <i>Options granted</i>                                  | 3,742,500                | 15.76                                  | 2,145,793                | 31.81                                  |
| <i>Options exercised</i>                                | (1,100,056)              | 15.64                                  | (441,123)                | 16.72                                  |
| <i>Options exchanged</i>                                | (3,252,280)              | 31.30                                  | -                        | -                                      |
| <i>Options expired</i>                                  | -                        |  | (3,675)                  | 20.55                                  |
| <i>Options cancelled</i>                                | (197,742)                | 32.99                                  | (945,061)                | 20.55                                  |
| <i>Options outstanding at the end of the year</i>       | <b>5,122,697</b>         | <b>24.36</b>                           | <b>5,930,275</b>         | <b>26.14</b>                           |
| <i>Options exercisable at the end of the year</i>       | <b>1,656,462</b>         | <b>26.74</b>                           | <b>4,376,165</b>         | <b>28.00</b>                           |



(i) In the years ended December 31, 2008 and 2009, the amounts received for exercised options were R\$ 7,671 and R\$ 9,736, respectively.

The analysis of prices is as follows:

|  | <i>Reais</i> |             |
|--|--------------|-------------|
|  | <i>2009</i>  | <i>2008</i> |
| <i>Exercise price per share at the end of the year</i>             | 8.10 -41.62  | 7.86-39.95  |
| <i>Weighted average of exercise price at the option grant date</i> | 17.23        | 21.70       |
| <i>Weighted average market price per share at the grant date</i>   | 16.19        | 27.27       |
| <i>Market price per share at the end of the year</i>               | 28.24        | 10.49       |

The options granted will confer their holders the right to subscribe the Company's shares, after completing one to five years of employment with the Company (strict conditions on exercise of options), and will expire after ten years from the grant date.

The Company recognized stock option expenses of the amounts of R\$ 9,765 (parent company) and R\$ 14,427 (consolidated) in operating expenses. The amounts recognized in the parent company represent the realization of the capital reserve in shareholders' equity.

## **(ii) Tenda**

Tenda has a total of three stock option plans, the first two were approved in June 2008, and the other one in April 2009. These plans, limited to the maximum of 5% of total capital shares and approved by the Board of Directors, stipulate the general terms, which, among other things, (i) define the length of service that is required for employees to be eligible to the benefits of the plans, (ii) select the employees that will be entitled to participate, and (iii) establish the purchase prices of the preferred shares to be exercised under the plans.

For the option granted in 2008, when exercising the option the base price will be adjusted according to the market value of shares, based on the average price in the 20 trading sessions prior to the commencement of each annual exercise period. The exercise price is adjusted according to a fixed table of values, according to the share value in the market, at the time of the two exercise periods for each annual lot. For the options granted in 2009, the vesting price is adjusted by the IGP-M variation, plus interests at 3%. The stock option may be exercised by beneficiaries, who shall partially use their annual bonuses, as awarded, in up to 10 years subsequent to the initial date of the work period established in each of the plans. The shares are usually available to employees over a period of two to five years after their contribution.

The changes in the number of stock options and their corresponding weighted average exercise price for the year are as follows:

|   | <b>2009</b>              |  | <b>2008</b>              |  |
|---|--------------------------|--|--------------------------|--|
|   | <b>Number of options</b> | <b>Weighted average exercise price</b> | <b>Number of options</b> | <b>Weighted average exercise price</b> |
| <i>Options outstanding at the beginning of the year</i> | 2,070,000                | 7.20                                   | -                        | -                                      |
| <i>Options granted</i>                                  | 3,056,284                | 1.38                                   | 2,640,000                | 7.20                                   |
| <i>Options exercised</i>                                | (175,333)                | 2.65                                   | -                        | -                                      |
| <i>Options cancelled</i>                                | (994,417)                | 0.27                                   | (570,000)                | 7.20                                   |
| <i>Options outstanding at the end of the year</i>       | 3,956,534                | 4.64                                   | 2,070,000                | 7.20                                   |

The market price of Tenda shares at December 31, 2009 was R\$ 5.50.

From September 2009, the market value of each option granted was estimated at the grant date using the Binomial and Monte Carlo option pricing models in replacement for the Black-Scholes model. In the year ended December 31, 2009, Tenda recorded stock option expenses of the amount R\$ 4,234.

### **(iii) Alphaville**

The subsidiary Alphaville has three stock option plans, the first launched in 2007 which was approved at the June 26, 2007 at the Annual Shareholders' Meeting and of the Board of Directors Meetings.

The changes in the number of stock options and their corresponding weighted average exercise prices for the year are as follows:

|   | <b>2009</b>              |  | <b>2008</b>              |  |
|---|--------------------------|--|--------------------------|--|
|   | <b>Number of options</b> | <b>Weighted average exercise price</b> | <b>Number of options</b> | <b>Weighted average exercise price</b> |
| <i>Options outstanding at the beginning of the year</i> | 2,138                    | 6,843.52                               | 1,474                    | 6,522.92                               |
| <i>Options granted</i>                                  | -                        | -                                      | 720                      | 7,474.93                               |

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|   |       |          |       |          |
|---|-------|----------|-------|----------|
| <i>Options exercised</i>                          | (402) | 7,610.23 | -     | -        |
| <i>Options cancelled</i>                          | (179) | 8,376.94 | (56)  | 6,522.92 |
| <i>Options outstanding at the end of the year</i> | 1,557 | 6,469.28 | 2,138 | 6,843.52 |

On December 31, 2009, 729 options were exercisable. The exercise prices per option on December 31, 2009 were from R\$ 8,582.43 to R\$ 8,712.56.

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The market value of each option granted was estimated at the grant date using the Binomial option pricing model.

Alphaville recorded expenses for the stock option plan amounting to R\$ 428 for the year ended December 31, 2009 as a result of the replacement of the Black-Scholes for the Binomial option pricing model.

## 16. Deferred taxes

Deferred taxes are recorded to reflect the future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their respective carrying amounts.

According to CVM Instruction No. 371, of June 27, 2002, the Company, based on a technical study, approved by Management, on the estimate of future taxable income, recognized tax credits on income tax and social contribution loss carryforwards for prior years, which do not have maturity and can be offset up to 30% of annual taxable income. The carrying amount of deferred tax asset is periodically reviewed, whereas projects are reviewed annually; in case there are significant factors that may change such projection, these are reviewed over the year by the Company.

Deferred taxes result from the following:

|   | <i>Parent company</i> |                       | <i>Consolidated</i>   |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <i>2009</i>           | <i>2008</i>           | <i>2009</i>           | <i>2008</i>           |
| <i>Assets</i>   |                       |                       |                       |                       |
| <i>Temporary differences - Lalur</i>  | <i>74,144</i>         | <i>44,154</i>         | <i>95,243</i>         | <i>52,321</i>         |
| <i>Income tax and social contribution loss carryforwards</i>                        | <i>9,573</i>          | <i>10,684</i>         | <i>113,847</i>        | <i>76,640</i>         |
| <i>Tax credits from downstream merger</i>   | <i>3,114</i>          | <i>6,227</i>          | <i>13,644</i>         | <i>21,611</i>         |
| <i>Temporary differences - CPC</i>  | <i>51,225</i>         | <i>39,680</i>         | <i>58,554</i>         | <i>39,680</i>         |
|   | <b><i>138,056</i></b> | <b><i>100,745</i></b> | <b><i>281,288</i></b> | <b><i>190,252</i></b> |
| <i>Liabilities</i>  |                       |                       |                       |                       |
| <i>Negative goodwill</i>  | <i>85,896</i>         | <i>18,266</i>         | <i>85,896</i>         | <i>18,266</i>         |
| <i>Temporary differences - CPC</i>  | <i>23,628</i>         | <i>18,122</i>         | <i>26,601</i>         | <i>18,122</i>         |
| <i>Differences between income taxed on cash basis and recorded on accrual basis</i> | <i>77,338</i>         | <i>62,732</i>         | <i>303,268</i>        | <i>202,743</i>        |
|   | <b><i>186,862</i></b> | <b><i>99,120</i></b>  | <b><i>415,765</i></b> | <b><i>239,131</i></b> |

|                            |         |        |         |         |
|----------------------------|---------|--------|---------|---------|
| <i>Current portion</i>     | -       | -      | 79,474  | -       |
| <i>Non-current portion</i> | 186,862 | 99,120 | 336,291 | 239,131 |

The Company calculates its taxes based on the recognition of results proportionally to the receipt of the contracted sales, in accordance with the tax rules determined by the Federal Revenue Service (SRF) Instruction 84/79, which differs from the calculation of the accounting revenues based on the costs incurred versus total estimated cost. The tax basis will crystallize over an average period of four years as cash inflows arise and the conclusion of the corresponding projects.



Other than for Tenda, Gafisa has not recorded a deferred income tax asset on the tax losses and social contribution tax loss carryforwards of its subsidiaries which adopt the taxable income regime and do not have a history of taxable income for the past three years.

The projections of future taxable income consider estimates that are related, among other things, to the Company's performance and the behavior of the market in which it operates, as well as certain economic factors. Actual results could differ from these estimates.

Management considers that deferred tax assets arising from temporary differences will be realized at the extent the contingencies and events are settled.

Based on estimated future taxable income of Gafisa, the expected recovery profile of the income tax and social contribution net operating loss carryforwards of the parent company and Tenda is:

|                   | <i>Parent<br/>company</i> | <i>Consolidated</i> |
|-------------------|---------------------------|---------------------|
| <i>2010</i>       | -                         | -                   |
| <i>2011</i>       | 9,573                     | 17,574              |
| <i>2012</i>       | -                         | 18,270              |
| <i>2013</i>       | -                         | 18,455              |
| <i>2014</i>       |                           | 33,927              |
| <i>Thereafter</i> | -                         | 25,621              |
| <i>Total</i>      | <b>9,573</b>              | <b>113,847</b>      |

The reconciliation of the statutory to effective tax rate for the years ended December 31, 2009 and 2008 is as follows:

|  | <i>2009</i> | <i>Consolidated<br/>2008</i> |
|--|-------------|------------------------------|
| <i>Income before taxes on income and noncontrolling interest</i>       | 380,346     | 210,051                      |
| <i>Income tax calculated at the standard rate - 34%</i>                | (129,317)   | (71,417)                     |
| <i>Net effect of subsidiaries taxed on presumed profit regime</i>      | 48,703      | 22,122                       |
| <i>Deferred income tax prior to the acquisition date of subsidiary</i> | -           | 12,419                       |
| <i>Amortization of negative goodwill</i>                               | (6,937)     | -                            |

|   |                        |                        |
|---|------------------------|------------------------|
| <i>Tax losses (negative tax basis used)</i> | <i>183</i>             | <i>3,946</i>           |
| <i>Stock option plan</i>                    | <i>(4,905)</i>         | <i>(10,088)</i>        |
| <i>Other permanent differences</i>          | <i>(3,133)</i>         | <i>(379)</i>           |
|   | <b><i>(95,406)</i></b> | <b><i>(43,397)</i></b> |

**(a) Adherence to the Crisis Tax Recovery Program (Crisis Refis)**

On November 30, 2009, the Company and its subsidiaries Tenda, Alphaville and Gafisa Vendas adhered to the cash and installment payment of debits with the Federal Revenue Service and the Attorney-General Office of the National Treasury, in the so called Crisis Refis .

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The Company opted for the cash payment of tax debits amounting to R\$ 17,304, of which R\$ 10,438 in cash and R\$ 6,866 by offsetting tax losses.

The subsidiaries Tenda, Alphaville and Gafisa Vendas opted for the installment payment of tax debits amounting to R\$ 6,644, R\$ 980 and R\$ 192, recognizing gains of R\$ 568, R\$ 360 and R\$70, respectively.

The consolidated gain of the Company and its subsidiaries with the adherence to Refis amounted to R\$ 3,999.

## **17. Financial instruments**

The Company and its subsidiaries participates in operations involving financial instruments. Management of these instruments is made through operational strategies and internal controls aimed at liquidity, return and safety. The use of financial instruments with objective of hedge is made through a periodical analysis of exposure to the risk that the management intends to cover (exchange, interest rate, etc) which is approved by the Board of Directors for authorization and performance of the proposed strategy. The policy on control consists of permanently following up the contracted conditions in relation to the conditions prevailing in the market. The Company and its subsidiaries do not invest for speculation in derivatives or any other risky assets. The result from these operations is consistent with the policies and strategies devised by the Company's management.

The Company's and its subsidiaries operations are subject to the risk factors described below:

### **(a) Risk considerations**

#### **(i) Credit risk**

The Company and its subsidiaries restrict their exposure to credit risks associated with cash, banks and cash equivalents, investing in financial institutions considered highly rated and in short-term securities.

With regards to accounts receivable, the Company restricts its exposure to credit risks through sales to a broad base of clients and ongoing credit analysis. Additionally, there is no history of losses due to the existence of liens for the recovery of its products in the cases of default during the construction period.

Other than for Tenda, Company management did not deem necessary the recognition of a provision to cover losses for the recovery of receivables related to delivered real estate units at December 31, 2009. There was no significant concentration of credit risks related to clients for the periods presented.

**(ii) Currency risk**

The Company adopts the policy of participating in operations involving derivative financial instruments with the objective of mitigating or eliminating currency risks, as described below.

In 2009, the Company had derivative financial instruments, settled in that same year, with the objective of hedging against fluctuations in foreign exchange rates.

In the year ended December 31, 2009, the amount of R\$ 1,234 related to the net positive result from the swap operations of currency and interest rates was recognized in Financial income (expenses), matching the results of these operations with the fluctuation in foreign currencies in the Company's balance sheet.

The swap transactions described below were settled in the year ended December 31, 2009:

|  | <i>Reais</i>             | <i>Percentage</i>         |                | <i>Net unrealized gains<br/>(losses) from derivative<br/>instruments</i> |                      |
|--|--------------------------|---------------------------|----------------|--|----------------------|
| <i>Rate swap contracts -<br/>(US Dollar and Yen for CDI)</i> | <i>Nominal<br/>Value</i> | <i>Original<br/>Index</i> | <i>Swap</i>    | <i>2009</i>  | <i>2008</i>          |
| <i>Banco ABN Amro Real S.A.</i>                              | <i>100,000</i>           | <i>Yen + 1.4</i>          | <i>105 CDI</i> | -  | <i>53,790</i>        |
| <i>Banco Votorantim S.A.</i>                                 | <i>100,000</i>           | <i>US Dollar<br/>+ 7</i>  | <i>104 CDI</i> | -  | <i>32,962</i>        |
|  | <b><i>200,000</i></b>    |                           |                |  | <b><i>86,752</i></b> |

The estimated fair value of derivative financial instruments contracted by the Company was determined based on information available in the market and specific evaluation methodologies. However, considerable judgment was necessary for interpreting market data to produce the estimated fair value of each transaction. Accordingly, the estimates above do not necessarily indicate the actual amounts to be realized upon the financial settlement of these transactions.

**(iii) Interest rate risk**

It arises from the possibility that the Company and its subsidiaries earn gains or incur losses because of fluctuations in the interest rates of its financial assets and liabilities. Aiming to mitigate this kind of risk, the Company and its subsidiaries seek to diversify funding in terms of fixed and floating rates. The interest rates on loans, financing and debentures are disclosed in Notes 10 and 11. The interest rates contracted on financial investments are disclosed in Note 4. Accounts receivable from real estate units delivered, as disclosed in Note 5, are subject to annual interest rate of 12%, appropriated on pro rata basis.



**(iv) Capital structure risk (or financial risk)**

It arises from the choice between own (capital contribution and retained earnings) and third-party capital that the Company and its subsidiaries make to finance its operations. In order to mitigate liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the levels of indebtedness according to the market standards and the fulfillment of indices (covenants) provided for in loan, finance and debenture contracts.

**(b) Valuation of financial instruments**

The main financial instruments receivable and payable are described below, as well as the criteria for their valuation:

**(i) Cash and cash equivalents**

The market value of these assets does not differ significantly from the amounts presented on the balance sheets (Note 4). The contracted rates reflect usual market conditions.

Investment funds in which the Company has an exclusive interest make transactions with derivatives, among others. As mentioned in Note 4, the amount accounted for investment funds is recorded at market value at December 31.

**(ii) Loans and financing and debentures**

Loans and financing are recorded based on the contractual interest rates of each operation, except for loans denominated in foreign currency, which are stated at fair value as contra-entry to results. Interest rate estimates for contracting operations with similar terms and amounts are used for the determination of market value. The terms and conditions of loans and financing and debentures obtained are presented in Notes 10 and 11. The fair value of the other loans and financing, recorded based on the contractual interest of each operation, does not significantly differ from the amounts presented in the financial statements.

**18. Related Parties****18.1. Transactions with related parties**

|      | <i>Current account</i>            | <i>Parent company</i> |             | <i>Consolidated</i> |             |
|------|-----------------------------------|-----------------------|-------------|---------------------|-------------|
|      |                                   | <i>2009</i>           | <i>2008</i> | <i>2009</i>         | <i>2008</i> |
|      | <i>Condominiums and consortia</i> |                       |             |                     |             |
| A116 | Alpha 4                           | (2,260)               | (466)       | (2,260)             | (466)       |
| A146 | Consórcio Ezetec & Gafisa         | 24,289                | 9,341       | 24,289              | 9,341       |
| A166 | Consórcio Ezetec Gafisa           | (8,217)               | (9,300)     | (8,217)             | (9,300)     |
| A175 | Cond Constr Empr Pinheiros        | 3,064                 | 2,132       | 3,064               | 2,132       |
| A195 | Condomínio Parque da Tijuca       | (347)                 | 235         | (347)               | 235         |
| A205 | Condomínio em Const. Barra Fir    | (46)                  | (46)        | (46)                | (46)        |
| A226 | Civilcorp                         | 4,602                 | 791         | 4,602               | 791         |

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|      |                                      |       |       |       |       |
|------|--------------------------------------|-------|-------|-------|-------|
| A255 | <i>Condomínio do Ed Barra Premiu</i> | 105   | 105   | 105   | 105   |
| A266 | <i>Consórcio Gafisa Rizzo</i>        | (794) | (273) | (794) | (273) |

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|      |                                      |         |       |         |       |
|------|--------------------------------------|---------|-------|---------|-------|
| A286 | <i>Evolucao Chacara das Flores</i>   | 7       | 7     | 7       | 7     |
| A315 | <i>Condomínio Passo da Patria II</i> | 569     | 569   | 569     | 569   |
| A395 | <i>Cond Constr Palazzo Farnese</i>   | (17)    | (17)  | (17)    | (17)  |
| A436 | <i>Alpha 3</i>                       | (2,611) | (214) | (2,611) | (214) |
| A475 | <i>Condomínio Iguatemi</i>           | 3       | 3     | 3       | 3     |
| A486 | <i>Consórcio Quintas Nova Cidade</i> | 36      | 36    | 36      | 36    |
| A506 | <i>Consórcio Ponta Negra</i>         | 2,488   | 3,838 | 2,488   | 3,838 |
| A536 | <i>Consórcio SISPAR &amp; Gafisa</i> | 8,075   | 1,995 | 8,075   | 1,995 |
| A575 | <i>Cd. Advanced Ofs Gafisa-Metro</i> | (1,027) | (417) | (1,027) | (417) |

|      | <i>Current account</i>               | <i>Parent company</i> |             | <i>Consolidated</i> |             |
|------|--------------------------------------|-----------------------|-------------|---------------------|-------------|
|      | <i>Condominiums and consortia</i>    | <i>2009</i>           | <i>2008</i> | <i>2009</i>         | <i>2008</i> |
| A606 | <i>Condomínio ACQUA</i>              | (3,894)               | (2,629)     | (3,894)             | (2,629)     |
| A616 | <i>Cond.Constr.Living</i>            | (1,790)               | 1,478       | (1,790)             | 1,478       |
| A666 | <i>Consórcio Bem Viver</i>           | (361)                 | 5           | (361)               | 5           |
| A795 | <i>Cond.Urbaniz.Lot Quintas Rio</i>  | (4,836)               | (486)       | (4,836)             | (486)       |
| A815 | <i>Cond.Constr. Homem de Melo</i>    | 83                    | 83          | 83                  | 83          |
| A946 | <i>Consórcio OAS Gafisa - Garden</i> | (2,375)               | (1,759)     | (2,375)             | (1,759)     |
| B075 | <i>Cond. de const. La Traviata</i>   | (540)                 |             | (540)               |             |
| B125 | <i>Cond. Em Constr LACEDEMONIA</i>   | 57                    | 57          | 57                  | 57          |
| B226 | <i>Evolucao New Place</i>            | (673)                 | (665)       | (673)               | (665)       |
| B236 | <i>Consórcio Gafisa Algo</i>         | 722                   | 711         | 722                 | 711         |
| B256 | <i>Columbia Outeiro dos Nobres</i>   | (153)                 | (153)       | (153)               | (153)       |
| B336 | <i>Evolucao - Reserva do Bosque</i>  | 12                    | 5           | 12                  | 5           |
| B346 | <i>Evolucao Reserva do Parque</i>    | 53                    | 122         | 53                  | 122         |



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|      |  |         |         |         |         |
|------|--|---------|---------|---------|---------|
| B496 | <i>Consórcio Gafisa&amp;Bricks</i>       | 656     | (26)    | 656     | (26)    |
| B525 | <i>Cond.Constr. Fernando Torres</i>      | 136     | 135     | 136     | 135     |
| B625 | <i>Cond de Const Sunrise Reside</i>      | 354     | 18      | 354     | 18      |
| B746 | <i>Evolucao Ventos do Leste</i>          | 117     | 159     | 117     | 159     |
| B796 | <i>Consórcio Quatro Estações</i>         | (1,328) | (1,340) | (1,328) | (1,340) |
| B905 | <i>Cond em Const Sampaio Viana</i>       | 951     | 951     | 951     | 951     |
| B945 | <i>Cond. Constr Monte Alegre</i>         | 1,456   | 1,456   | 1,456   | 1,456   |
| B965 | <i>Cond. Constr.Afonso de Freitas</i>    | 1,675   | 1,674   | 1,675   | 1,674   |
| B986 | <i>Consórcio New Point</i>               | 1,182   | 1,472   | 1,182   | 1,472   |
| C136 | <i>Evolução - Campo Grande</i>           | 612     | 618     | 612     | 618     |
| C175 | <i>Condomínio do Ed Oontal Beach</i>     | (817)   | 43      | (817)   | 43      |
| C296 | <i>Consórcio OAS Gafisa - Garden</i>     | 2,110   | 430     | 2,110   | 430     |
| C565 | <i>Cond Constr Infra Panamby</i>         | (145)   | (483)   | (145)   | (483)   |
| C575 | <i>Condomínio Strelitzia</i>             | (1,035) | (851)   | (1,035) | (851)   |
| C585 | <i>Cond Constr Anthuriun</i>             | 2,194   | 4,319   | 2,194   | 4,319   |
| C595 | <i>Condomínio Hibiscus</i>               | 2,675   | 2,715   | 2,675   | 2,715   |
| C605 | <i>Cond em Constr Splendor</i>           | 1,813   | (1,848) | 1,813   | (1,848) |
| C615 | <i>Condomínio Palazzo</i>                | (1,504) | 793     | (1,504) | 793     |
| C625 | <i>Cond Constr Doble View</i>            | (3,937) | (1,719) | (3,937) | (1,719) |
| C635 | <i>Panamby - Torre K1</i>                | 318     | 887     | 318     | 887     |
| C645 | <i>Condomínio Cypris</i>                 | (1,793) | (1,436) | (1,793) | (1,436) |
| C655 | <i>Cond em Constr Doppio Spazio</i>      | (2,592) | (2,407) | (2,592) | (2,407) |
| C706 | <i>Consórcio Res. Sta Cecília</i>        | 9,441   | 2,493   | 9,441   | 2,493   |
| D076 | <i>Consórcio Planc e Gafisa</i>          | 798     | 270     | 798     | 270     |
| D096 | <i>Consórcio Gafisa&amp;Rizzo (susp)</i> | 1,649   | 1,239   | 1,649   | 1,239   |

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|      |                                      |          |         |          |         |
|------|--------------------------------------|----------|---------|----------|---------|
| D116 | Consórcio Gafisa OAS - Abaeté        | 34,121   | 3,638   | 34,121   | 3,638   |
| D535 | Cond do Clube Quintas do Rio         | 1        | 1       | 1        | 1       |
| D886 | Cons OAS-Gafisa Horto Panamby        | (14,864) | 9,349   | (14,864) | 9,349   |
| D896 | Consórcio OAS e Gafisa Horto Panamby | 5,845    | (27)    | 5,845    | (27)    |
| E116 | Consórcio Ponta Negra Ed Marseille   | (6,142)  | (1,033) | (6,142)  | (1,033) |
| E126 | Consórcio Ponta Negra Ed Nice        | (3,505)  | (4,687) | (3,505)  | (4,687) |
| E166 | Manhattan Square                     | 2,841    | 600     | 2,841    | 600     |
| E336 | Cons. Eztec Gafisa Pedro Luis        | (11,925) | (3,589) | (11,925) | (3,589) |
| E346 | Consórcio Planç Boa Esperança        | 1,342    | 603     | 1,342    | 603     |

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|      |                                |               |              |               |              |
|------|--------------------------------|---------------|--------------|---------------|--------------|
| E736 | Consórcio OAS e Gafisa Tribeca | (15,042)      | (144)        | (15,042)      | (144)        |
| E746 | Consórcio OAS e Gafisa Soho    | 16,701        | (167)        | 16,701        | (167)        |
| E946 | Consórcio Gafisa               | (77)          | (40)         | (77)          | (40)         |
| F178 | Consórcio Ventos do Leste      | (1)           | (1)          | (1)           | (1)          |
| S016 | Bairro Novo Cotia              | 9,506         | (6,137)      | 9,506         | (6,137)      |
| S026 | Bairro Novo Camaçari           | 1,259         | (2,585)      | 1,259         | (2,585)      |
| S046 | Bairro Novo Nova Iguaçu        | -             | (330)        | -             | (330)        |
| S056 | Bairro Novo Cia Aeroporto      | -             | (55)         | -             | (55)         |
| S066 | Consórcio B Novo Ap Gioania    | -             | (210)        | -             | (210)        |
| S076 | Consórcio B Novo Campinas      | -             | (261)        | -             | (261)        |
|      |                                | <b>49,270</b> | <b>9,575</b> | <b>49,270</b> | <b>9,575</b> |

**Current account**

**Parent  
company**

**Consolidated**

**Condominiums and consortia**

**2009**

**2008**

**2009**

**2008**

**GAF - GAFISA + MERGED**

|      |                                     |               |                 |                 |                 |
|------|-------------------------------------|---------------|-----------------|-----------------|-----------------|
|      | Vida Participação Construtora Tenda | 45,127        | -               | -               | -               |
| 0010 | Gafisa SPE 10 SA                    | 7,508         | 2,051           | 7,508           | 2,051           |
| 0060 | Gafisa Vendas I.Imob Ltda           | 2,384         | 2,384           | 2,384           | 2,384           |
| E910 | Projeto Alga                        | (25,000)      | (25,000)        | (25,000)        | (25,000)        |
|      | Other                               | (351)         | (0)             | (351)           | (0)             |
|      |                                     | <b>29,668</b> | <b>(20,565)</b> | <b>(15,459)</b> | <b>(20,565)</b> |

**SPEs**

**2009**

**2008**

**2009**

**2008**

|      |                           |         |       |   |        |
|------|---------------------------|---------|-------|---|--------|
| 0030 | Construtora Tenda         | (3,897) | (344) | - | 12,058 |
| 0040 | Bairro Novo Emp Imob S.A. | 1,968   | 1,968 | - | 1,968  |

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|      |                                       |          |         |         |         |
|------|---------------------------------------|----------|---------|---------|---------|
| 0050 | <i>Cipesa Empreendimentos Imobil.</i> | 252      | 252     | (650)   | (398)   |
| A010 | <i>The House</i>                      | 80       | 80      | -       | 80      |
| A020 | <i>GAFISA SPE 46 EMPREEND IMOBILI</i> | 8,008    | 8,017   | 225     | 8,172   |
| A070 | <i>GAFISA SPE 40 EMPR.IMOB LTDA</i>   | 1,028    | 2,008   | 290     | 1,288   |
| A180 | <i>VISTTA IBIRAPUERA</i>              | 1,073    | -       | -       | -       |
| A290 | <i>Blue II Plan. Prom e Venda Lt</i>  | (8,048)  | 10,216  | (6,295) | 911     |
| A300 | <i>SAÍ AMARELA S/A</i>                | (1,079)  | (1,355) | 199     | (1,138) |
| A320 | <i>GAFISA SPE-49 EMPRE.IMOB.LTDA</i>  | 2,785    | 2,911   | (2,787) | (2)     |
| A340 | <i>London Green</i>                   | 9        | 9       | -       | -       |
| A350 | <i>GAFISA SPE-35 LTDA</i>             | 8        | 7,558   | (1,387) | (129)   |
| A410 | <i>GAFISA SPE 38 EMPR IMOB LTDA</i>   | 4,816    | 8,427   | -       | 109     |
| A420 | <i>LT INCORPORADORA SPE LTDA.</i>     | 1,081    | 1,081   | (513)   | (527)   |
| A490 | <i>RES. DAS PALMEIRAS INC. SPE LT</i> | 745      | 751     | 501     | 1,246   |
| A580 | <i>GAFISA SPE 41 EMPR.IMOB.LTDA.</i>  | (3,198)  | 14,275  | -       | 1,534   |
| A630 | <i>Dolce VitaBella Vita SPE SA</i>    | 165      | 240     | (133)   | 32      |
| A640 | <i>SAIRA VERDE EMPREEND.IMOBIL.LT</i> | 166      | 411     | 577     | 214     |
| A680 | <i>GAFISA SPE 22 LTDA</i>             | 872      | 872     | (272)   | 630     |
| A720 | <i>CSF Prímula</i>                    | (79,410) | 1,396   | -       | -       |
| A730 | <i>GAFISA SPE 39 EMPR.IMOBIL LTDA</i> | (1,970)  | 7,482   | 1,722   | (304)   |
| A750 | <i>CSF SANTTORINO</i>                 | 147      | -       | -       | -       |
| A800 | <i>DV SPE SA</i>                      | (578)    | (578)   | 7       | (571)   |
| A870 | <i>GAFISA SPE 48 EMPREEND IMOBILI</i> | (233)    | 89      | 1,260   | 159     |
| A990 | <i>GAFISA SPE-53 EMPRE.IMOB.LTDA</i>  | (65)     | 47      | 35      | (94)    |
| B040 | <i>Jardim II Planej.Prom.Vda.Ltda</i> | 6,156    | 8,710   | (9,152) | (2,990) |
| B210 | <i>GAFISA SPE 37 EMPREEND.IMOBIL.</i> | 4,951    | 4,252   | (5,555) | (398)   |
| B270 | <i>GAFISA SPE-51 EMPRE.IMOB.LTDA</i>  | (9)      | 106     | 829     | 810     |

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|             |                                       |                 |               |                |                |
|-------------|---------------------------------------|-----------------|---------------|----------------|----------------|
| <i>B430</i> | <i>GAFISA SPE 36 EMPR IMOB LTDA</i>   | <i>38,157</i>   | <i>38,210</i> | <i>-</i>       | <i>(1,205)</i> |
| <i>B440</i> | <i>GAFISA SPE 47 EMPREEND IMOBILI</i> | <i>333</i>      | <i>148</i>    | <i>(2)</i>     | <i>146</i>     |
| <i>B590</i> | <i>SUNPLACE SPE LTDA</i>              | <i>(191)</i>    | <i>(181)</i>  | <i>606</i>     | <i>415</i>     |
| <i>B600</i> | <i>SUNPLAZA PERSONAL OFFICE</i>       | <i>10,316</i>   | <i>-</i>      | <i>-</i>       | <i>-</i>       |
| <i>B630</i> | <i>Sunshine SPE Ltda.</i>             | <i>1,474</i>    | <i>1,474</i>  | <i>(562)</i>   | <i>1,135</i>   |
| <i>B640</i> | <i>GAFISA SPE 30 LTDA</i>             | <i>5,080</i>    | <i>3,950</i>  | <i>(5,721)</i> | <i>(1,217)</i> |
| <i>B760</i> | <i>Gafisa SPE-50 Empr. Imob. Ltda</i> | <i>(724)</i>    | <i>(886)</i>  | <i>736</i>     | <i>(221)</i>   |
| <i>B800</i> | <i>TINER CAMPO BELO I EMPR.IMOBIL</i> | <i>(30,944)</i> | <i>10,039</i> | <i>(174)</i>   | <i>6,971</i>   |
| <i>B830</i> | <i>GAFISA SPE-33 LTDA</i>             | <i>3,105</i>    | <i>6,015</i>  | <i>(685)</i>   | <i>2,321</i>   |
| <i>C010</i> | <i>Jardim I Planej.Prom.Vda. Ltda</i> | <i>5,338</i>    | <i>5,667</i>  | <i>889</i>     | <i>6,662</i>   |

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|      |                                |          |         |         |         |
|------|--------------------------------|----------|---------|---------|---------|
| C070 | VERDES PRAÇAS INC.IMOB SPE LT  | (22,656) | (2,542) | -       | (38)    |
| C100 | GAFISA SPE 42 EMPR.IMOB.LTDA.  | 3,206    | 1,362   | (168)   | 64      |
| C150 | PENÍNSULA I SPE SA             | (1,548)  | (1,199) | 457     | (1,267) |
| C160 | PENÍNSULA 2 SPE SA             | 4,778    | 5,703   | (3,914) | 865     |
| C180 | Blue I SPE Ltda.               | 5,434    | 1,296   | (2,846) | 74      |
| C220 | Blue II Plan Prom e Venda Lt   | (6)      | (6)     | -       | -       |
| C230 | Blue II Plan Prom e Venda Lt   | 120      | (3)     | -       | -       |
| C410 | Gafisa SPE-55 Empr. Imob. Ltda | 381      | 449     | (349)   | (2)     |
| C440 | Gafisa SPE 32                  | (1,667)  | (2,475) | (119)   | (2,304) |
| C460 | CYRELA GAFISA SPE LTDA         | 2,984    | 2,834   | -       | 2,834   |
| C490 | Unigafisa Part SCP             | 34,175   | 9,408   | 490     | 1,040   |
| C540 | Villagio Panamby Trust SA      | (547)    | (778)   | 205     | 749     |
| C550 | DIODON PARTICIPAÇÕES LTDA.     | (5,670)  | (5,697) | -       | 13,669  |

|      |                                   | <b>Parent company</b> |             | <b>Consolidated</b> |             |
|------|-----------------------------------|-----------------------|-------------|---------------------|-------------|
|      | <b>Current account</b>            | <b>2009</b>           | <b>2008</b> | <b>2009</b>         | <b>2008</b> |
|      | <b>Condominiums and consortia</b> |                       |             |                     |             |
| C680 | DIODON PARTICIPAÇÕES LTDA.        | 131                   | 131         | -                   | -           |
| C800 | GAFISA SPE 44 EMPREEND IMOBILI    | 95                    | 1,194       | 50                  | 175         |
| C850 | Gafisa SA                         | 1,441                 | 1,218       | -                   | 1,218       |
| C860 | Spazio Natura Emp. Imob. Ltd      | -                     | 1           | -                   | -           |
| D060 | Dep Jose Lages Emp Imob S         | -                     | 696         | -                   | -           |
| D100 | GAFISA SPE 65 EMPREEND IMOB LTD   | 32                    | 1,205       | (74)                | 321         |
| D280 | Cara de Cão                       | (2,967)               | (2,967)     | -                   | -           |
| D590 | GAFISA SPE-72                     | -                     | -           | -                   | 1           |
| D620 | Gafisa SPE-52 E. Imob. Ltda       | 1,462                 | 44          | (3)                 | 42          |

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|      |                                  |       |       |         |       |
|------|----------------------------------|-------|-------|---------|-------|
| D630 | GPARK ÁRVORES - FASE 1           | 1,412 | -     | (7)     | -     |
| D730 | Gafisa SPE-32 Ltda               | 2,220 | 2,220 | -       | 2,220 |
| D940 | Terreno Ribeirão / Curupira      | 1,352 | 1,360 | -       | 1,360 |
| E240 | Edif Nice                        | (183) | (95)  | -       | (95)  |
| E350 | Gafisa SPE-71                    | 67    | 73    | (258)   | 124   |
| E360 | Zildete                          | 1,382 | 185   | -       | -     |
| E380 | Clube Baiano de Tênis            | 314   | 126   | -       | -     |
| E410 | Gafisa SPE-73                    | 1     | 1     | -       | 1     |
| E550 | Gafisa SPE 69 Empreendimentos    | 3,813 | 2,779 | -       | (72)  |
| E560 | GAFISA SPE 43 EMPR.IMOB.LTDA.    | 5     | 4     | -       | -     |
| E600 | SPE Franere GAF04                | -     | 467   | -       | -     |
| E770 | Gafisa SPE-74 Emp Imob Ltda      | 1,770 | 1,526 | (2,277) | 1     |
| E780 | GAFISA SPE 59 EMPREEND IMOB LTDA | 3     | 2     | (5)     | 1     |
| E790 | GAFISA SPE-67 EMP LTDA           | -     | -     | -       | 1     |
| E970 | Gafisa SPE 68 Empreendimentos    | 204   | 1     | (21)    | 1     |
| E980 | Gafisa SPE-76 Emp Imob Ltda      | 22    | 26    | (33)    | 24    |
| E990 | Gafisa SPE-77 Emp Imob Ltda      | 3,335 | 3,289 | (47)    | 3,289 |
| F100 | Gafisa SPE-78 Emp Imob Ltda      | 152   | 50    | (144)   | 1     |
| F110 | Gafisa SPE-79 Emp Imob Ltda      | 4     | 2     | (3)     | 1     |
| F120 | Gafisa SPE 70 Empreendimentos    | 5     | 5     | (746)   | (746) |
| F130 | GAFISA SPE 61 EMPREENDIMENTO I   | (150) | 1     | (18)    | (12)  |
| F140 | SOC.EM CTA.DE PARTICIP. GAFISA   | (878) | (878) | -       | (878) |
| F260 | Gafisa SPE-75 Emp Imob Ltda      | 356   | 58    | (355)   | -     |
| F270 | Gafisa SPE-80 Emp Imob Ltda      | 2     | -     | (2)     | -     |
| F520 | Gafisa SPE-85 Emp Imob Ltda      | (246) | (305) | (265)   | (96)  |

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|      |                                    |         |     |       |     |
|------|------------------------------------|---------|-----|-------|-----|
| F580 | <i>Gafisa SPE-86 Emp Imob Ltda</i> | 17      | 109 | (14)  | 0   |
| F590 | <i>Gafisa SPE-81 Emp Imob Ltda</i> | -       | (1) | -     | 0   |
| F600 | <i>Gafisa SPE-82 Emp Imob Ltda</i> | -       | (1) | -     | 0   |
| F610 | <i>Gafisa SPE-83 Emp Imob Ltda</i> | 492     | (1) | (400) | 0   |
| F620 | <i>Gafisa SPE-87 Emp Imob Ltda</i> | 1,456   | (1) | (52)  | -   |
| F630 | <i>Gafisa SPE-88 Emp Imob Ltda</i> | (66)    | (1) | 66    | -   |
| F640 | <i>Gafisa SPE-89 Emp Imob Ltda</i> | (3,884) | (1) | -     | -   |
| F650 | <i>Gafisa SPE-90 Emp Imob Ltda</i> | 328     | (1) | (280) | -   |
| F660 | <i>Gafisa SPE-84 Emp Imob Ltda</i> | (5,216) | 380 |       | 381 |
| F910 | <i>Gafisa SPE-91 Emp Imob Ltda</i> | 247     | -   | (188) | -   |
| F920 | <i>Angelo Agostini</i>             | 151     | -   | 1     | -   |
| F970 | <i>Gafisa SPE-92 Emp Imob Ltda</i> | 110     | -   | (109) | -   |
| F980 | <i>Gafisa SPE-93 Emp Imob Ltda</i> | 8       | -   | -     | -   |



|      |                                   |                       |             |                     |             |
|------|-----------------------------------|-----------------------|-------------|---------------------|-------------|
| F990 | Gafisa SPE-94 Emp Imob Ltda       | 8                     | -           | -                   | -           |
| G010 | Gafisa SPE-95 Emp Imob Ltda       | 8                     | -           | -                   | -           |
| G020 | Gafisa SPE-96 Emp Imob Ltda       | 8                     | -           | -                   | -           |
| G030 | Gafisa SPE-97 Emp Imob Ltda       | 9                     | -           | -                   | -           |
| G040 | Gafisa SPE-98 Emp Imob Ltda       | 8                     | -           | -                   | -           |
| G050 | Gafisa SPE-99 Emp Imob Ltda       | 8                     | -           | -                   | -           |
| G060 | Gafisa SPE-103 Emp Imob Ltda      | 8                     | -           | -                   | -           |
| G150 | SITIO JATIUCA SPE LTDA            | 3,360                 | -           | -                   | -           |
| G160 | DEPUT JOSE LAJES EMP IMOB         | 36                    | -           | -                   | -           |
| G170 | ALTA VISTTA                       | 372                   | -           | -                   | -           |
| G220 | OAS CITY PARK BROTAS EMP.         | 268                   | -           | -                   | -           |
| G250 | RESERVA SPAZIO NATURA             | 3                     | -           | (210)               | -           |
| G260 | CITY PARK ACUPE EMP. IMOB.        | 429                   | -           | -                   | -           |
|      | <b>Current account</b>            |                       |             |                     |             |
|      |                                   | <b>Parent company</b> |             | <b>Consolidated</b> |             |
|      | <b>Condominiums and consortia</b> | <b>2009</b>           | <b>2008</b> | <b>2009</b>         | <b>2008</b> |
| G500 | CITY PARK EXCLUSIVE               | 534                   | -           | -                   | -           |
| L130 | Gafisa SPE-77 Emp                 | (338)                 | 4,210       | (27)                | 1,463       |
| N030 | MARIO COVAS SPE EMPREENDIMENTO    | 40                    | 40          | -                   | (208)       |
| N040 | IMBUI I SPE EMPREENDIMENTO IMO    | 1                     | 1           | -                   | -           |
| N090 | ACEDIO SPE EMPREEND IMOB LTDA     | 1                     | 1           | -                   | -           |
| N120 | MARIA INES SPE EMPREEND IMOB.     | 1                     | 1           | -                   | (2)         |
| N230 | GAFISA SPE 64 EMPREENDIMENTO I    | 1                     | 1           | -                   | (50)        |
| N250 | FIT Jd Botanico SPE Emp.          | 1                     | 1           | -                   | -           |
| X100 | CIPESA EMPREENDIMENTOS IMOBILI    | 12                    | 3           | (12)                | -           |

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328      168,828      (37,689)      61,817

*Third party s works*

|      |                                       |       |       |       |       |
|------|---------------------------------------|-------|-------|-------|-------|
| A053 | <i>Camargo Corrêa Des.Imob SA</i>     | 917   | 916   | 917   | 916   |
| A103 | <i>Genesis Desenvol Imob S/A</i>      | (216) | (216) | (216) | (216) |
| A213 | <i>Empr. Icorp. Boulevard SPE LT</i>  | 56    | 56    | 56    | 56    |
| A243 | <i>Cond. Const. Barra First Class</i> | 31    | 31    | 31    | 31    |
| A833 | <i>Klabin Segall S.A.</i>             | 532   | 532   | 532   | 532   |
| A843 | <i>Edge Incorp.e Part.LTDA</i>        | 146   | 146   | 146   | 146   |
| A853 | <i>Multiplan Plan. Particip. e Ad</i> | 100   | 100   | 100   | 100   |
| A933 | <i>Administ Shopping Nova America</i> | 90    | 90    | 90    | 90    |
| A973 | <i>Ypuã Empreendimentos Imob</i>      | 200   | 4     | 200   | 4     |
| B053 | <i>Cond.Constr. Jd Des Tuiliere</i>   | (124) | (124) | (124) | (124) |
| B103 | <i>Rossi AEM Incorporação Ltda</i>    | 3     | 3     | 3     | 3     |
| B293 | <i>Patrimônio Constr.e Empr.Ltda</i>  | 307   | 307   | 307   | 307   |
| B323 | <i>Camargo Corrêa Des.Imob SA</i>     | (46)  | 39    | (46)  | 39    |
| B353 | <i>Cond Park Village</i>              | (88)  | (107) | (88)  | (107) |
| B363 | <i>Boulevard0 Jardins Empr Incorp</i> | (89)  | (89)  | (89)  | (89)  |
| B383 | <i>Rezende Imóveis e Construções</i>  | 809   | 809   | 809   | 809   |
| B393 | <i>São José Constr e Com Ltda</i>     | 543   | 543   | 543   | 543   |
| B403 | <i>Condomínio Civil Eldorado</i>      | 276   | 276   | 276   | 276   |
| B423 | <i>Tati Construtora Incorp Ltda</i>   | 286   | 286   | 286   | 286   |
| B693 | <i>Columbia Engenharia Ltda</i>       | 431   | 431   | 431   | 431   |
| B753 | <i>Civilcorp Incorporações Ltda</i>   | 4     | 4     | 4     | 4     |
| B773 | <i>Waldomiro Zarzur Eng. Const.Lt</i> | 1,801 | 1,801 | 1,801 | 1,801 |
| B783 | <i>Rossi Residencial S/A</i>          | 431   | 431   | 431   | 431   |

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|      |  |       |       |       |       |
|------|--|-------|-------|-------|-------|
| B863 | <i>RDV 11 SPE LTDA.</i>                | (749) | (781) | (749) | (781) |
| B913 | <i>Jorges Imóveis e Administrações</i> | 1     | 1     | 1     | 1     |
| C273 | <i>Camargo Corrêa Des.Imob SA</i>      | (661) | (673) | (661) | (673) |
| C283 | <i>Camargo Corrêa Des.Imob SA</i>      | (323) | (323) | (323) | (323) |
| C433 | <i>Patrimônio Const Empreend Ltda</i>  | 155   | 155   | 155   | 155   |
| D963 | <i>Alta Vistta Maceio (Controle)</i>   | 1     | 2,318 | 1     | 2,318 |
| D973 | <i>Forest Ville (OAS)</i>              | 814   | 807   | 814   | 807   |
| D983 | <i>Garden Ville (OAS)</i>              | 278   | 276   | 278   | 276   |
| E093 | <i>JTR - Jatiuca Trade Residence</i>   | 4,796 | 880   | 4,796 | 880   |
| E103 | <i>Acquarelle (Controle)</i>           | 81    | 1     | 81    | 1     |
| E133 | <i>Riv Ponta Negra - Ed Nice</i>       | 1,834 | 353   | 1,834 | 353   |
| E313 | <i>Palm Ville (OAS)</i>                | 343   | 185   | 343   | 185   |

|             |                                    |               |                |               |               |
|-------------|------------------------------------|---------------|----------------|---------------|---------------|
| <i>E323</i> | <i>Art Ville (OAS)</i>             | 322           | 180            | 322           | 180           |
| <i>E503</i> | <i>OSCAR FREIRE OPEN VIEW</i>      | (464)         | -              | (464)         | -             |
| <i>E513</i> | <i>OPEN VIEW GALENO DE ALMEIDA</i> | (207)         | -              | (207)         | -             |
| <i>F323</i> | <i>Conj Comercial New Age</i>      | 4,646         | -              | 4,646         | -             |
| <i>F833</i> | <i>Carlyle RB2 AS</i>              | (4,041)       | -              | (4,041)       | -             |
| <i>F873</i> | <i>Partifib P. I. Fiorata Lt</i>   | (430)         | -              | (430)         | -             |
|             | <i>Other</i>                       | (1,196)       | 36             | (1,696)       | 36            |
|             |                                    | <b>11,600</b> | <b>9,684</b>   | <b>11,100</b> | <b>9,684</b>  |
|             | <i>Grand total (a)</i>             | <b>90,866</b> | <b>167,522</b> | <b>7,222</b>  | <b>60,511</b> |

(a) The nature of related party operations is described in Note 7.

## 19. Profit sharing

The Company has a profit sharing plan that entitles its employees and those of its subsidiaries to participate in the distribution of profits of the Company that is tied to a stock option plan, the payment of dividends to shareholders and the achievement of specific targets, established and agreed-upon at the beginning of each year. At December 31, 2009, the Company recorded a provision for profit sharing amounting to R\$ 21,495 (R\$ 28,237 in consolidated) in the caption of General and Administrative Expenses.

## 20. Management compensation

The amounts recorded in General and Administrative Expenses referring to the compensation of the Company's Management members are as follows:

|   | <b>2009</b>  | <b>2008</b>  |
|---|--------------|--------------|
| <i>Fees of Board of Directors members</i> | 975          | 916          |
| <i>Fees of Statutory Board members</i>    | 2,365        | 3,231        |
|   | <b>3,340</b> | <b>4,147</b> |

The total annual amount to be distributed among the Company's management members for the year ended on December 31, 2009, as fixed and variable compensation is up to R\$ 7,775., according to the Annual Shareholders meeting held on April 30, 2009.

## **21. Insurance**

Gafisa S.A. and its subsidiaries maintain insurance policies against engineering risk, barter guarantee, guarantee for the completion of the work and civil liability related to unintentional personal damages caused to third parties and material damages to tangible assets, as well as against fire hazards, lightning strikes, electrical damages, natural disasters and gas explosion. The contracted coverage is considered sufficient by management to cover possible risks involving its assets and/or responsibilities. In view of their nature, the risk assumptions made are not included in the scope of the audit of the financial statements. Accordingly, they were not audited by our independent public accountants.

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**22. Segment information**

Starting in 2007, following the acquisition, formation and merger of Alphaville, FIT Residencial, Bairro Novo and Tenda, the Company's Chief Executive Officer assesses segment information on the basis of different business corporate segments and economic data rather than based on the geographic regions of its operations.

The segments in which the Company operates are the following: Gafisa for ventures targeted at high and medium income; Alphaville for platted lots; and Tenda for ventures targeted at affordable entry level income.

The Company's chief executive officer, who is responsible for allocating resources among the businesses and monitoring their progresses, uses economic present value data, which is derived from a combination of historical and forecasted operating results. The Company provides below a measure of historical profit or loss, selected segment assets and other related information for each reporting segment.

This information is gathered internally and used by management to develop economic present value estimates, provided to the chief executive officer for making operating decisions, including the allocation of resources among segments. The information is derived from the statutory accounting records which are maintained in accordance with the accounting practices adopted in Brazil. The reporting segments do not separate operating expenses, total assets and depreciation. No revenues from an individual client represented more than 10% of net sales and/or services.

|   | <b>2009</b>            |                |                |                    |
|---|------------------------|----------------|----------------|--------------------|
|   | <b>Gafisa S.A. (i)</b> | <b>Tenda</b>   | <b>AUSA</b>    | <b>Total</b>       |
| <i>Net operating revenue</i>                              | 1,757,195              | 988,444        | 276,707        | <b>3,022,346</b>   |
| <i>Operating costs</i>                                    | (1,297,036)            | (671,629)      | (175,097)      | <b>(2,143,762)</b> |
| <i>Gross profit</i>                                       | <b>460,159</b>         | <b>316,815</b> | <b>101,610</b> | <b>878,584</b>     |
| <i>Gross margin - %</i>                                   | 26.2                   | 32.1           | 36.7           | <b>29.1</b>        |
| <i>Net income (loss) for the year</i>                     | <b>151,104</b>         | <b>38,670</b>  | <b>23,766</b>  | <b>213,540</b>     |
| <i>Receivables from clients (current and non-current)</i> | 2,338,464              | 1,203,001      | 235,181        | <b>3,776,646</b>   |
| <i>Properties for sale (current and non-current)</i>      | 1,114,339              | 478,520        | 155,598        | <b>1,748,457</b>   |

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|   | <b>2009</b>                |                   |                |                                  |                    |                  |
|---|----------------------------|-------------------|----------------|----------------------------------|--------------------|------------------|
|   | <b>Gafisa S.A. (i)</b>     | <b>Tenda</b>      | <b>AUSA</b>    |                                  |                    | <b>Total</b>     |
| <i>Other assets</i>   | 1,366,999                  | 695,357           | 100,864        |                                  |                    | 2,163,220        |
| <b>Total assets</b>   | <b>4,819,802</b>           | <b>2,376,878</b>  | <b>491,643</b> |                                  |                    | <b>7,688,323</b> |
|   | <b>2008</b>                |                   |                |                                  |                    |                  |
|   | <b>Gafisa S.A.<br/>(i)</b> | <b>Tenda (ii)</b> | <b>AUSA</b>    | <b>Fit<br/>Residencial (iii)</b> | <b>Bairro Novo</b> | <b>Total</b>     |
| <i>Net operating revenue</i>                                      | 1,214,562                  | 163,897           | 249,586        | 78,467                           | 33,892             | 1,740,404        |
| <i>Operating costs</i>  | (847,617)                  | (111,920)         | (167,043)      | (60,082)                         | (27,739)           | (1,214,401)      |
| <i>Gross profit</i>   | 366,945                    | 51,977            | 82,543         | 18,385                           | 6,153              | 526,003          |
| <i>Gross margin - %</i>   | 30.2                       | 31.7              | 33.1           | 23.4                             | 18.2               | 30.2             |
| <i>Net income (loss) for the year</i>                             | 103,650                    | 15,685            | 21,081         | (22,263)                         | (8,232)            | 109,921          |
| <i>Receivables from<br/>clients (current and<br/>non-current)</i> | 1,377,690                  | 565,576           | 174,096        | -                                | 1,183              | 2,118,545        |
| <i>Properties for sale (current and<br/>non-current)</i>          | 1,340,555                  | 549,989           | 135,173        | -                                | 3,260              | 2,028,977        |
| <i>Other assets</i>   | 915,646                    | 428,465           | 39,585         | -                                | 7,640              | 1,391,336        |
| <b>Total assets</b>   | <b>3,633,891</b>           | <b>1,544,030</b>  | <b>348,854</b> | <b>-</b>                         | <b>12,083</b>      | <b>5,538,858</b> |

(i) Includes all subsidiaries, except Tenda and Alphaville Urbanismo S.A.

(ii) Includes the result for 2 months and 10 days of Tenda.

(iii) Includes the result for 10 months and 21 days of Fit Residencial.

### 23. Subsequent events

**(a) Proposal on the split of common shares and increase to the authorized capital limit**

On January 8, 2010, the Company submitted the following proposals to the Extraordinary Shareholders Meeting called upon to be held on February 10, 2010:

**(i)** Increase the authorized capital limit to 300,000,000 common shares, in order to restore the interval between current and authorized capital.

**(ii)** Split of common shares issued by the Company in the ratio of 1:2 (i.e., 2 new shares to one share existing at date of resolution). If the split is approved, capital would comprise 334,154,274 shares.

**(iii)** If the split is approved, the Company proposes a new adjustment to authorized capital, in the same ratio of 1:2, which would then comprise 600,000,000 common shares.

All of the above proposals were adopted by a vote of our shareholders.

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**(b) New pronouncements, interpretations and guidance issued and not adopted**

In the process of convergence of accounting practices adopted in Brazil into the International Financial Reporting Standards (IFRS), several pronouncements, interpretations and guidance were issued over 2009, with mandatory application for the years ending December 2010 onwards and the financial statements for 2009 to be disclosed together with those for 2010 for comparison purposes.

The Company is in the process of evaluating the potential effects related to the following pronouncements, interpretations and guidance, which may have a material impact on financial statements for the year ended December 31, 2009, to be disclosed in comparison with the financial statements ending December 31, 2010, as well as for the following years:

CPC 15 Business combinations: sets out the accounting treatment for business combinations regarding the recognition and measurement of acquired assets and assumed liabilities, goodwill based on future economic benefits, and minimum information to be disclosed by the Company in these transactions.

CPC 17 Construction contracts: sets out the accounting treatment for revenue and costs associated with construction contracts.

CPC 18 Investments in Associates: sets out how to record investments in associates in the individual and consolidated financial statements of the investor and subsidiaries in the financial statements of the parent company.

CPC 19 Interests in joint venture: sets out how to record interest in joint ventures and how to disclose assets, liabilities, income and expenses of these ventures in the financial statements of investors.

CPC 20 Borrowing costs: sets out the accounting treatment for borrowing costs and possibility of inclusion in assets when attributable to the acquisition, construction or production of a qualifying asset.

CPC 22 Segment reporting: establish principles for reporting information on operating segments in the annual financial information that allow the readers of financial statements to evaluate the nature and financial effects of the business activities with which it is involved and the economic environments where it operates.

CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors: sets out the criteria for selection of and change to accounting policies, together with the accounting treatment and disclosure on the change to accounting policies, the change to accounting estimates and correction of errors.

CPC 24 Subsequent event: sets out when the entity shall adjust its financial statements in relation to subsequent events and the information that it shall disclose on the date on which the authorization is given for issuing the financial statements on events subsequent to the period to which the statements refer.

CPC 25 - Provisions, Contingent Liabilities and Contingent Assets: sets out the criteria for recognition and proper bases for measuring the provisions and contingent liabilities and assets and that sufficient information is disclosed in the notes to financial statements to allow readers to understand their nature, timeliness and value.

CPC 26 - Presentation of Financial Statements: sets out the basis for presentation of financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities, and introduces the statement of comprehensive income as mandatory financial statement.

CPC 27 Property, plant and equipment: sets out the accounting treatment for property, plant, and equipment as to recognition, measurement, depreciation and impairment losses.

CPC 28 Investment property: sets out the accounting treatment for investment property and respective reporting requirements.

CPC 30 Revenue: sets out the accounting treatment for revenue from certain types of transactions and events.

CPC 31 Non-current assets held for sale and discontinued operations: sets out the accounting for non-current assets held for sale (on sale) and the presentation and reporting of discontinued operations.

CPC 32 Income taxes: prescribes the accounting treatment for all types of income taxes.

CPC 33 Employee benefits: sets out the accounting for and reporting of benefits given to employees.

#### **ICPC-02 Construction contract of the real estate sector**

On December 22, 2009, CVM published its Resolution No. 612, which approved the CPC Technical Interpretation (ICPC) 02 that deals with construction contracts of the real estate sector. This interpretation sets out criteria for accounting for revenue and the corresponding costs of entities that develop and/or build real estate directly or through contractors, to be implemented for 2010.

This pronouncement will produce a material impact on entities which activities are the development of residential and commercial real estate, as follows:

| <i><b>Description</b></i>           | <i><b>CFC Resolution No. 963/03 (applicable until the year ended December 31, 2009)</b></i> | <i><b>ICPC-02 (applicable from the year ending December 31, 2010)</b></i>   |
|-------------------------------------|---|---|
| <i>Revenue from real state sold</i> | <i>Recorded in income according to percentage of completion method.</i>                     | <i>Recorded in income upon the transfer of deed, risks, and benefits to the real estate purchaser (usually after the completion of the work and upon delivery of keys).</i> |
| <i>Cost of real estate sold</i>     | <i>Recorded in income when incurred, in proportion to the units sold.</i>                   | <i>Recorded in income in proportion to units sold taking into consideration the same criterion for recognizing revenue from real estate sold.</i>                           |

The headings that will feel impact are the following: accounts receivable and real estate development, selling expenses (commission), deferred and current taxes on revenue and income, inventories and real estate development costs and warranty provision.



Taking into consideration the extent of the complexity of changes required by the technical interpretation, the Company is evaluating the effects on its financial statements while it follows up the discussions and debates in the market, particularly in accounting associations and authorities, which will possibly express their opinion on application issues of this technical instruction.

With CVM Resolution No. 603, the Company is studying the best opportunity to adopt this technical interpretation in 2010, and in this moment, until there is a deeper clarification about the actual adoption of such technical instruction, the in the Company's understanding it is not possible to evaluate or quantify with reasonable assurance the possible effects on the financial statements.

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