

	Cement	Energy Concessions	Highway Concessions	Engineering and Construction	Apparel and Footwear	Real Estate Development	Shipbuilding
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Real Estate Development

Eurico Dimas,
CCDI's enterprise
in São Paulo (SP)

Cement

Energy
ConcessionsHighway
ConcessionsEngineering and
ConstructionApparel and
FootwearReal Estate
Development

Shipbuilding

The operations of Camargo Corrêa Desenvolvimento Imobiliário (CCDI) are organized in three business fronts: residential real estate for the low-income segment through the subsidiary HM Engenharia; medium- and high-standard enterprises, and large, high-standard (AAA) commercial or corporate properties.

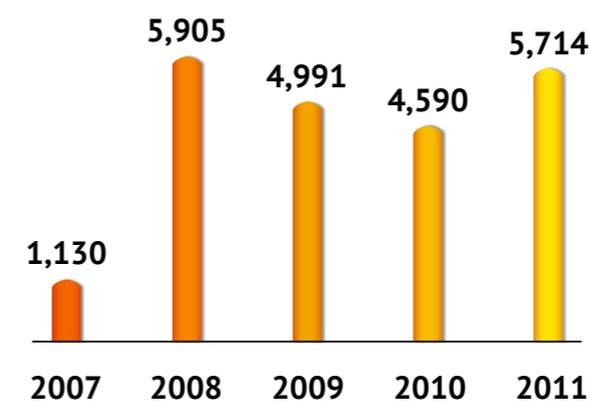
In 2011, pre-sales in these three segments amounted to R\$ 1,174.2 million, remaining stable compared to the previous year due inventory sale efforts, representing 91.1% of the total. The year had the highest number of deliveries in CCDI's history, with 3,613 units delivered. This higher volume caused significant deviations of costs compared to traditional projects, and had a consequent negative impact on financial results. They reflect pressures from the cost of labor and materials, management challenges, and contractual disputes with some outsourced construction companies. Overall, units sold amounted to 5,714.

To face the challenges, CCDI restructured its business management. Effective construction cost control and improved margins became increased concerns, and one measure was to undertake the construction of the company's own projects. In addition, emphasis was put on the low-income segment, where sales grew by 87% in the year. In commercial properties, the company closed 2011 with two major projects, both in the city of São Paulo: JK project, in Vila Olímpia neighborhood – in the

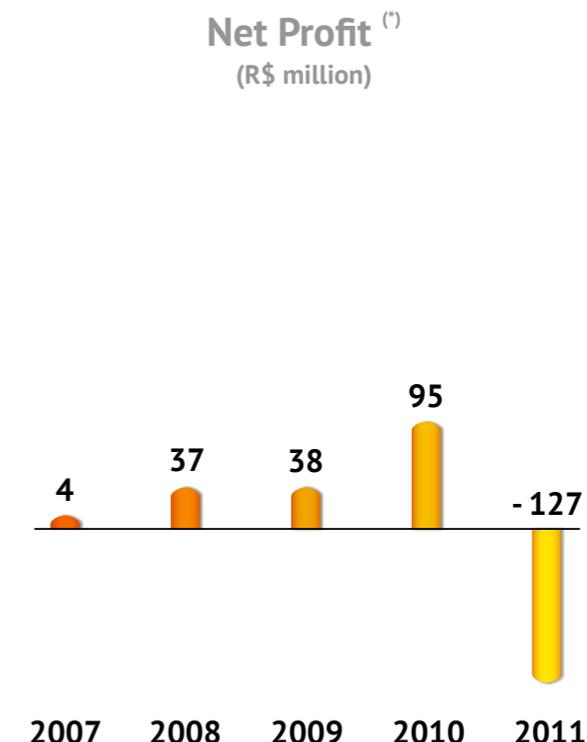
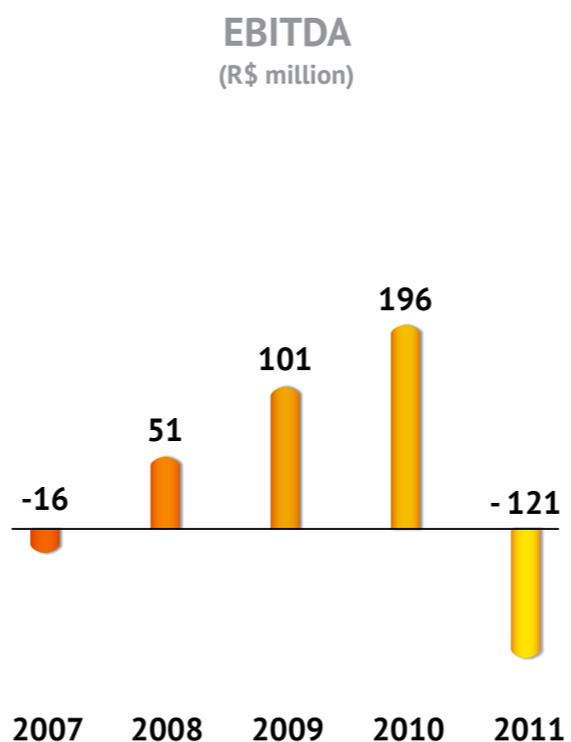
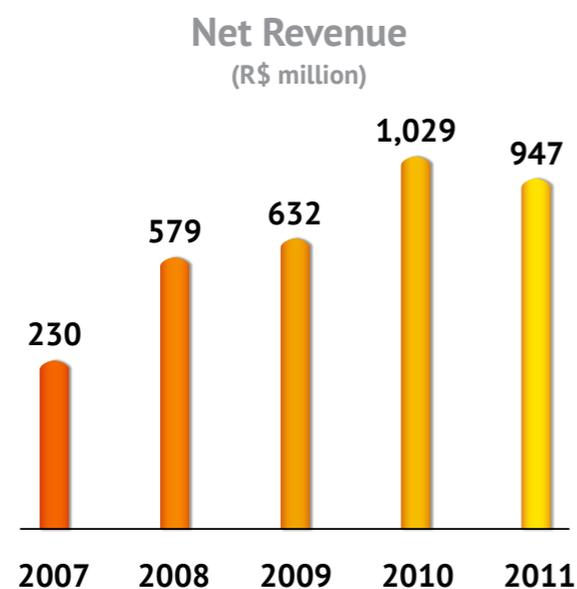
land plot where Camargo Corrêa Group has its head office – and a project to be constructed in the land that formerly held the mansion of Matarazzo family, at Paulista Avenue.

In the year, the Real Estate Development unit recorded net revenue of R\$ 947 million, down 8.0% compared to 2010. As a result of difficulties in the year, the EBITDA (earnings before interest, taxes, depreciation, and amortization) and the net profit were negative R\$ 121 million and R\$ 127 million, respectively.

Units sold



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^(*) Values are proportional to Camargo Corrêa Group's shareholding interest at CCDI

Outlook

Priorities for 2012 are cash management and cost control, in a continuous process of landbank filtering. In the traditional segment, the focus will be on works management to deliver the units within deadlines and quality standards planned. HM will intensify its operations in the low-income segment. In the AAA segment, the company will focus on its two works in progress. Subsequently, on March 16 2012 Camargo Corrêa placed a takeover bid intended to make CCDI a closed capital company.