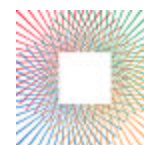*The* **BANK**
of **NEW YORK**

A SECURITIES SERVICING
DEPOSITARY RECEIPTS

Corporate Action

ATTENTION: International Research, Sales, Trading and Operations Staff

RATIO CHANGE

	OLD	**NEW**
Name:	**CYRELA BRAZIL REALTY S.A**	**CYRELA BRAZIL REALTY S.A**
Country:	BRAZIL	BRAZIL
Symbol:	Level I : CYRBY 144 A: CYRAY Reg S: --	Level I : CYRBY 144 A: CYRAY Reg S: --
CUSIP Number:	Level I : 23282C401 144 A : 23282C104 Reg S: 23282C203	Level I : 23282C401 144 A : 23282C104 Reg S: 23282C203
Exchange:	Level I : OTC 144 A : Portal Reg S: --	Level I : OTC 144 A : Portal Reg S: --
Ratio:	1 ADR: 10 ORDs	1 ADR: 20 ORDs

Please be advised that effective December 13, 2006 the Bank of New York as Cyrela Brazil Realty's depositary bank will amend the ADR ratio from 1 ADR representing 10 common shares to 1 ADR representing 20 common shares . The ratio change is a result of a **simultaneous 100% stock distribution** in the Brazilian market.

Note below the timetable for the ratio change and further details:

12/8/06 - Effective date of 1:20 ratio for pricing purposes.

12/13/06 – Effective date of 1:20 ratio for issuance and cancellation purposes.

There will not be a mandatory exchange of stock. **<u>No action is required by ADR holders</u>**.