

**Belo Horizonte, March, 12<sup>th</sup>, 2012 - Direcional Engenharia S.A.**, one of the largest homebuilders in Brazil, focused on developing large scale and low-income projects, operating in the North, Midwest and Southeast regions in Brazil, discloses hereby its operating and financial results for the fourth quarter of 2011 (4Q11) and the 2011 fiscal year. Unless otherwise indicated, the information included in this document is expressed in Brazilian Reals (R\$) and the PSV is % Direcional. The Company's consolidated financial statements are prepared in accordance with accounting practices adopted in Brazil, based on Brazilian Corporate Law and CVM regulations.

TICKER: DIRR3

Share price 03/09/2012: R\$ 11.85

Number of shares: 155,298,749

Market Cap:

R\$ 1,840.3 million / US\$ 1,035.8 million

Free Float: 51.1%

4Q11 average daily volume:

81.6 thousand shares

R\$ 739.2 thousand

#### TELECONFERENCE

Date:

03/13/2012 – Tuesday

Portuguese

09:00 am – Brasília time

English

10:00 am – New York time

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## DIRECIONAL ANNOUNCES RECORD NET REVENUE OF R\$ 1.1 BILLION IN 2011, A 37% YoY GROWTH. THE ADJUSTED NET INCOME<sup>1</sup> IN THE YEAR WAS R\$ 199 MILLION, WITH NET MARGIN OF 18.5%.

### 4Q11 – FINANCIAL AND OPERATING HIGHLIGHTS

- **Record net revenue** of R\$ 1.1 billion in 2011, a 37.1% YoY growth. In the 4Q11, net revenue was R\$ 296.0 million, a 12.4% growth over 4Q10;
- Adjusted **gross margin**<sup>1</sup> of 30.5% in the 4Q11 and 31.0% in 2011;
- Adjusted **EBITDA**<sup>2</sup> of R\$ 64.0 million in the 4Q11 and R\$ 243.3 million in 2011, with margins of 21.6% and 22.7%, respectively;
- **Record adjusted net income**<sup>2</sup> of R\$ 198.7 million in 2011 and R\$ 47.9 million in the 4Q11, with margins of 18.5% and 16.2% respectively;
- **Cash burn** of R\$ 27.7 million in the 4Q11 and R\$ 175.9 million in 2011, a 37.9% YoY decrease;
- **Net debt/equity ratio** of 9.9%;
- **Record volume of contracts under “Minha Casa, Minha Vida” (My Home, My Life) 1<sup>st</sup> Layer Program** of R\$ 522.5 million in 2011; R\$ 209.1 million were contracted in the 4Q11;
- **Record launches and sales** in 2011, with launched Potential Sales Value (PSV) of R\$ 1.4 billion<sup>3</sup> and contracted PSV of R\$ 1.2 billion<sup>3</sup>, a YoY growth of 35.7% and 19.1%, respectively;
- **Sales over supply ratio (VSO)** in the quarter was 31.8%, with 85% of the units launched in the quarter sold in the same quarter.

1 – Adjusted to exclude capitalized interest in production financing

2 – Adjusted for (non-cash) expenses relating to stock-option program

3 – Including equity acquisitions

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**MESSAGE FROM THE MANAGEMENT**

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We are extremely pleased to present our financial and operating results of 4Q11 and 2011. Our solid results were generated by means of our business model, which is based on four pillars: (i) focus on the low-income segment; (ii) operational expertise in areas where there is low competition and barriers to entry; (iii) large-scale projects; and (iv) an industrialized model that uses own workforce.

In 2011 we reached a record net revenue of R\$ 1.1 billion, a 37% YoY growth versus 2010, driven by turnkey project contracts under the 'Minha Casa, Minha Vida' (MCMV) program, which targets families with monthly income of up to R\$ 1.6 thousand ("MCMV 1<sup>st</sup> Layer"). Our revenue from this segment was R\$ 258.2 million, an increase of 183% compared to 2010.

Our gross profit was R\$ 301 million, a 21% YoY growth, with an adjusted gross margin of 31.0%. Our lower gross margin was, to a large extent, due to the increased share of MCMV 1<sup>st</sup> Layer projects in our revenue, since these projects, despite generating lower margins, provide better return on equity due to lower cash exposure.

In 2011 we reached a record adjusted net income of R\$ 199 million, a 13% YoY growth, with a net margin of 18.5%.

Despite this impressive growth, we reduced our cash burn by 38%, from R\$ 283 million in 2010 to R\$ 176 million in 2011. This reduction was due to a greater participation of revenues from turnkey projects executed this year, which grew by R\$152 million or 130% versus 2010. In 2011, revenues from turnkey projects accounted for 23.5% of Direcional's total revenues. That revenue is converted into cash in the very short term, since assessment and disbursement relative to these projects occur monthly. In 2012, we will continue to reduce our cash burn, given the increase of participation of turnkey projects in our revenues and the increase of delivery of concluded units.

In line with Direcional's conservative stance, we ended the year with gross debt of R\$ 473.2 million and R\$ 351.1 million in cash, resulting in a net debt of R\$ 122.0 million, which corresponds to 9.9% of our equity, a very comfortable leverage level if compared to the homebuilding sector average. It is also worth noting that 93% of our debt corresponds to construction financing from the National Housing Finance System (SFH), in which debt amortization occurs by transfer of the debt from the client to the bank that is financing the project.

The company launched a record 14,168 units in 2011, resulting on a PSV of R\$ 1.4 billion, a 37% YoY growth. 2011 launch highlights include the contracting of three large MCMV 1<sup>st</sup> Layer projects, representing a total of 8,872 units and PSV of R\$ 522.5 million.

We also registered record contracted sales in 2011, with a PSV of R\$ 1.2 billion, 19% higher when compared to 2010. Our Sales Speed reached 32% in the 4Q11 and 59% in 2011.

In 2011, we acquired six new plots of land with PSV of R\$ 581 million and revised our land bank projections amounting to R\$ 416.0 million, as a result of which our land bank value increased by R\$ 191.5 million. We emphasize that for MCMV 1<sup>st</sup> Layer projects it is not necessary any land acquisition, since these lands are purchased directly by Caixa Econômica Federal (CEF) or granted by the government.

We remain very optimistic regarding our pipeline of projects awaiting CEF approval under MCMV Phase 2 and we are confident in our unique execution capability, which will allow us to capitalize on the high demand associated with significant government incentives and to grow at an even faster pace in this segment, while maintaining low cash exposure.

We believe that our strong track record of MCMV 1<sup>st</sup> Layer and Residential Lease Program (PAR) projects consolidate our position as the most relevant player in Brazil's very low-income segment, since we have so far contracted approximately 20 thousand units in this segment, which equals to approximately R\$ 1.1 billion in PSV.

We reaffirm our confidence in our business model and our commitment to maintain Direcional's position as one of the most efficient and profitable companies in the market, as well as our focus on the creation of value for our clients and shareholders.

## KEY INDICATORS

	4Q11 (a)	4Q10 (b)	Δ % (a/b)	2011 (c)	2010 (d)	Δ % (c/d)
<b>Launches</b>						
Launched PSV (R\$'000)	441,944	559,680	-21.0%	1,411,774	1,272,312	11.0%
Launched PSV - % Direcional (R\$'000)	427,525	414,828	3.1%	1,315,685	1,066,550	23.4%
Launched PSV (R\$'000): MCMV 1st Layer	209,097	189,680	10.2%	522,492	380,278	37.4%
Launched PSV (R\$'000): ex MCMV 1st Layer projects	218,428	225,148	-3.0%	793,193	686,272	15.6%
Average Direcional Stake (%)	96.7%	74.1%	22.6 p.p.	93.2%	83.8%	9.4 p.p.
Units Launched	4,470	5,193	-13.9%	14,168	12,364	14.6%
Launched Units: MCMV 1st Layer	3,488	3,880	-10.1%	8,872	7,391	20.0%
Launched Units: ex MCMV 1st Layer	982	1,313	-25.2%	5,296	4,973	6.5%
Average Price (R\$/unit)	98,869	107,776	-8.3%	99,645	102,905	-3.2%
Project Acquisition (R\$'000)	-	-	n/a	131,289	-	n/a
Launched PSV - % Direcional + Project Acquisition (R\$'000)	427,525	414,828	3.1%	1,446,973	1,066,550	35.7%
<b>Sales</b>						
Contracted PSV (R\$'000)	405,886	489,805	-17.1%	1,285,327	1,240,604	3.6%
Contracted PSV - % Direcional (R\$'000)	367,034	406,331	-9.7%	1,141,272	1,036,951	10.1%
Contracted PSV - % Direcional (R\$'000): MCMV 1st Layer	209,097	189,680	10.2%	522,492	380,278	37.4%
Contracted PSV - % Direcional (R\$'000): ex MCMV 1st Layer	157,937	216,651	-27.1%	618,780	656,673	-5.8%
Units	4,650	5,341	-12.9%	13,168	12,359	6.5%
# of Units: MCMV 1st Layer	3,488	3,880	-10.1%	8,872	7,391	20.0%
# of Units: ex MCMV 1st Layer	1,162	1,461	-20.5%	4,296	4,968	-13.5%
Average Price (R\$/unit)	87,287	91,707	-4.8%	97,610	100,381	-2.8%
Sales Over Supply (% PSV)	31.8%	38.3%	-6.5 p.p.	58.8%	63.3%	-4.6 p.p.
Project Acquisition (R\$'000)	-	-	n/a	89,080	-	n/a
Contracted PSV - % Direcional + Project Acquisition (R\$'000)	367,034	406,331	-9.7%	1,230,352	1,036,951	18.7%
<b>Financial Indicators</b>						
Net revenue (R\$'000)	295,963	263,285	12.4%	1,072,312	781,907	37.1%
Gross Income (R\$'000)	82,565	78,607	5.0%	300,573	248,124	21.1%
Gross Margin (%)	27.9%	29.9%	-2.0 p.p.	28.0%	31.7%	-3.7 p.p.
Adjusted Gross Margin (%)	30.5%	31.3%	-0.8 p.p.	31.0%	33.4%	-2.4 p.p.
Adjusted EBITDA (R\$'000)	63,954	64,937	-1.5%	243,270	201,770	20.6%
Adjusted EBITDA Margin (%)	21.6%	24.7%	-3.1 p.p.	22.7%	25.8%	-3.1 p.p.
Adjusted Net Income (R\$'000)	47,922	50,822	-5.7%	198,650	176,402	12.6%
Adjusted net Margin (%)	16.2%	19.3%	-3.1 p.p.	18.5%	22.6%	-4.0 p.p.
<b>Other Indicators</b>						
Annualized ROE <sup>1</sup> (%)	15.8%	20.3%	14.4%	21.4%	25.8%	25.2%
ROE LTM <sup>2</sup> (%)	16.6%	19.0%	19.8%	22.3%	23.6%	21.1%
Cash and Cash Equivalent (R\$'000)	351,112	343,618	381,768	355,410	190,852	235,075
Total Debt (R\$'000)	473,152	437,708	408,630	348,307	302,374	245,724
Net Debt (R\$'000)	122,040	94,090	26,862	-7,103	111,522	10,649
Shareholder's Equity (R\$'000)	1,232,483	1,198,297	1,145,298	1,106,900	827,855	782,851
Net Debt / Shareholder's Equity (%)	9.9%	7.9%	2.3%	-0.7%	14.1%	1.4%
Net Debt / EBITDA last 12 months	0.5X	0.3X	0.1X	0.0X	0.5X	0.1X
Revenues to be Recognized (R\$'000)	1,456,898	1,325,614	1,076,828	967,047	1,011,455	979,936
Results to be Recognized (R\$'000)	555,266	499,703	413,473	382,339	404,563	380,825
Margin to be Recognized (%)	38.1%	37.7%	38.4%	39.5%	40.0%	38.9%
Inventories (R\$'000)	831,655	833,665	835,918	770,062	775,448	718,148
Inventories - % Direcional (R\$'000)	720,997	705,493	738,437	635,689	598,024	602,730
Total LandBank (R\$'000)	9,203,767	9,258,392	9,298,060	9,291,196	9,050,726	8,631,284
LandBank - % Direcional (R\$'000)	6,948,338	6,991,495	6,985,975	7,004,063	6,756,876	6,224,460
LandBank - Units	66,906	67,361	68,007	68,115	67,348	66,167

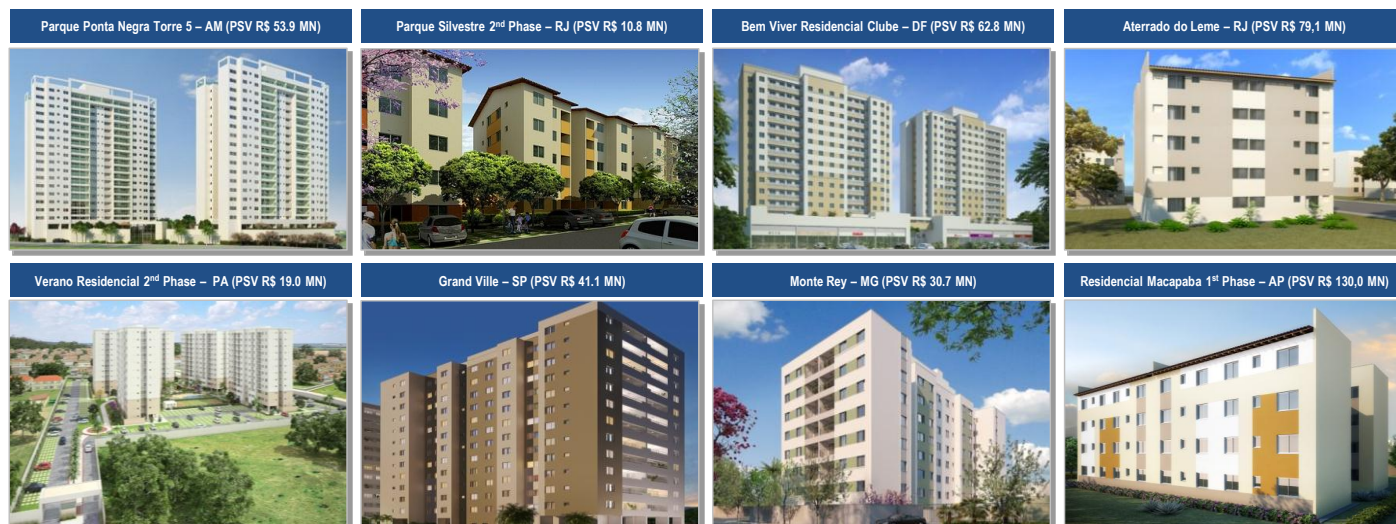
1. Annualized ROE: Annualized Quarter's Net Profit / Average Shareholders' Equity in the same period

2. ROE LTM: Net profit in the last twelve months / Average Shareholders' Equity in the same period



## LAUNCHES

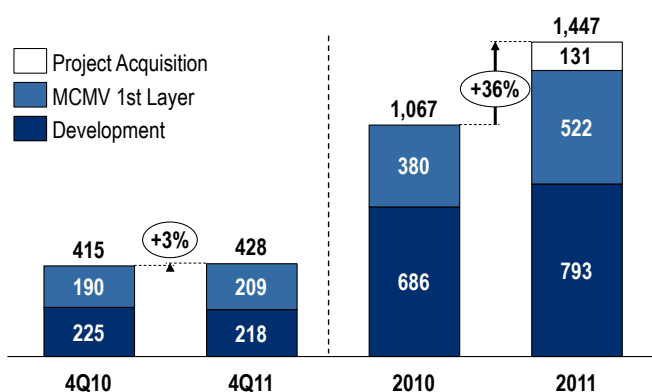
In 2011 Direcional launched 22 projects, consisting of 14,168 units, resulting on a total PSV of R\$ 1.4 billion, a 37% YoY growth. Launches in the 4Q11 were R\$ 427.5 million, corresponding of eight projects, as presented below:



The following charts show the evolution of our launches:

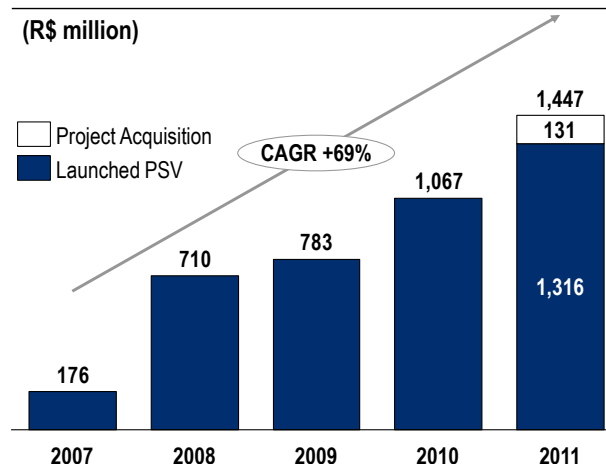
### Launched PSV

(R\$ million)



### Launched PSV – Track Record

(R\$ million)

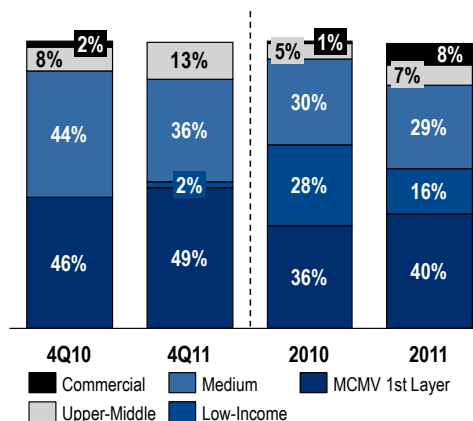


## Breakdown of Launches

Direcional remains focused on the low-income segment, which represented 56% of the company's Launched PSV in 2011, mainly in North and Southeast Brazil, which, taken together, accounted for 91% of the launched PSV in the year. The following charts detail the geographic and financial breakdown of the launches:

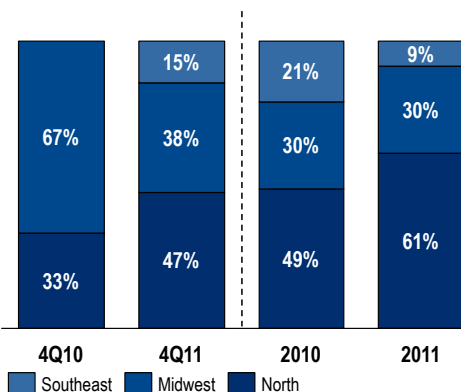
## Launches by Segment

(% PSV)



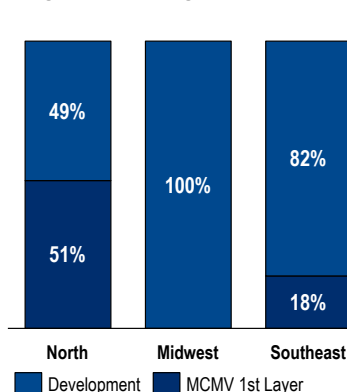
## Launches by Region

(% PSV)



## Launches

(Segment vs Region - 2011)



The following table provides consolidated information of the projects launched in 2011:

	2011 Projects	Date	City - State	PSV		# of Units Launched	Total Units (All Phases)	Segment
				Total (R\$'000)	% Direcional (R\$'000)			
1	Setor Total Ville - 6 <sup>th</sup> Phase	February	Santa Maria - DF	49,775	49,770	416	2,608	Low-Income
2	Condomínio Parque Silvestre - 1 <sup>st</sup> Phase	February	Rio de Janeiro - RJ	19,338	15,857	220	488	Low-Income
3	Allegro Mall	February	Manaus - AM	16,716	16,715	29	249	Commercial
4	Boulevard Esplanada	March	Belo Horizonte - MG	59,137	59,078	258	258	Medium
5	Brisas do Parque Residencial Club	March	Manaus - AM	81,998	81,916	320	320	Medium
	<b>Total - 1Q11</b>			<b>226,965</b>	<b>223,337</b>	<b>1,243</b>	<b>3,923</b>	
6	Verano Residencial - 1 <sup>st</sup> Phase	April	Belém - PA	36,968	36,931	184	539	Medium
7	Total Ville Macaé - 2 <sup>nd</sup> Phase	April	Macaé - RJ	27,264	13,632	340	1,145	RET1
8	Parque Ponta Negra - 3 <sup>rd</sup> Phase	April	Manaus - AM	47,711	47,706	137	820	Upper-Middle
9	Tulip Inn Savassi - Hotel	June	Belo Horizonte - MG	86,238	85,376	240	240	Commercial
10	Total Ville Vida Nova - 3 <sup>rd</sup> Phase	June	Manaus - AM	56,400	56,344	752	3,848	RET1
11	Bella Città Algodão - 2 <sup>nd</sup> Phase	June	Marituba - PA	48,000	47,995	640	4,938	RET1
	<b>Total - 2Q11</b>			<b>302,581</b>	<b>287,984</b>	<b>2,293</b>	<b>11,530</b>	
12	Portal Vistas do Horizonte	September	Belo Horizonte - MG	95,878	47,939	376	1,172	Medium
13	Total Ville Macaé - 3 <sup>rd</sup> Phase	September	Macaé - RJ	31,010	15,505	402	1,145	RET1
14	Residencial Meu Orgulho - 2 <sup>nd</sup> Phase	September	Manaus - AM	313,395	313,395	5,384	8,895	MCMV 1st Layer
	<b>Total - 3Q11</b>			<b>440,283</b>	<b>376,839</b>	<b>6,162</b>	<b>11,212</b>	
15	Aterrado do Leme	October	Rio de Janeiro - RJ	79,060	79,060	1,340	1,340	MCMV 1st Layer
16	Parque Ponta Negra - 4 <sup>th</sup> Phase	October	Manaus - AM	53,915	53,910	138	820	Upper-Middle
17	Condomínio Parque Silvestre - 2 <sup>nd</sup> Phase	October	Rio de Janeiro - RJ	13,152	10,785	140	488	RET1
18	Bem Viver Residencial Clube	November	Ceilândia - DF	62,912	62,849	220	220	Medium
19	Verano Residencial - 2 <sup>nd</sup> Phase	November	Belém - PA	19,064	19,045	92	539	Medium
20	Residencial Macapaba	December	Amapá - AP	130,037	130,037	2,148	4,148	MCMV 1st Layer
21	Grand Ville	December	São Bernardo - SP	53,038	41,104	264	528	Medium
22	Monte Rey	December	Belo Horizonte - MG	30,766	30,735	128	128	Medium
	<b>Total - 4Q11</b>			<b>441,944</b>	<b>427,525</b>	<b>4,470</b>	<b>8,211</b>	
1	Project Acquisition	May	Manaus - AM	131,289	131,289	n/a	n/a	-
	<b>Total - 2011</b>			<b>1,543,062</b>	<b>1,446,973</b>	<b>14,168</b>	<b>34,876</b>	

The following table provides consolidated information of our launches in 4Q11 and 2011:

Launches	4Q11 (a)	4Q10 (b)	Δ % (a/b)	2011 (c)	2010 (d)	Δ % (c/d)
Launched PSV (R\$'000)	441,944	559,680	-21.0%	1,411,774	1,272,312	11.0%
Launched PSV % Direcional (R\$'000)	427,525	414,828	3.1%	1,315,685	1,066,550	23.4%
Direcional's share (%)	96.7%	74.1%	30.5%	93.2%	83.8%	11.2%
Launched PSV (R\$'000): MCMV Layer 1	209,097	189,680	10.2%	522,492	380,278	37.4%
Launched PSV (R\$'000): ex MCMV Layer 1	218,428	225,148	-3.0%	793,193	686,272	15.6%
Units Launched	4,470	5,193	-13.9%	14,168	12,364	14.6%
Units Launched: MCMV Layer 1	3,488	3,880	-10.1%	8,872	7,391	20.0%
Units Launched: ex MCMV Layer 1	982	1,313	-25.2%	5,296	4,973	6.5%
# of Projects	8	6	33.3%	22	18	22.2%
Units Launched/# of Projects	559	866	-35.4%	644	687	-6.2%
Total Units/# of Projects (all phases)	1,011	911	10.9%	-	-	n/a
Usable Area Launched (sq. m)	209,512	280,921	-25.4%	672,760	646,183	4.1%
Average Area (sq. m / unit)	47	54	-13.4%	47	52	-9.1%
Average Price (R\$/unit)	98,869	107,776	-8.3%	99,645	102,905	-3.2%
Average Price (R\$/sq.m)	2,109	1,992	5.9%	2,098	1,969	6.6%
Project Acquisition PSV (R\$'000)	-	-	n/a	131,289	-	n/a
Launched PSV % Direcional + Project Acquisition PSV (R\$'000)	427,525	414,828	3.1%	1,446,973	1,066,550	35.7%

## MINHA CASA, MINHA VIDA (MCMV) 1<sup>st</sup> Layer PROJECTS

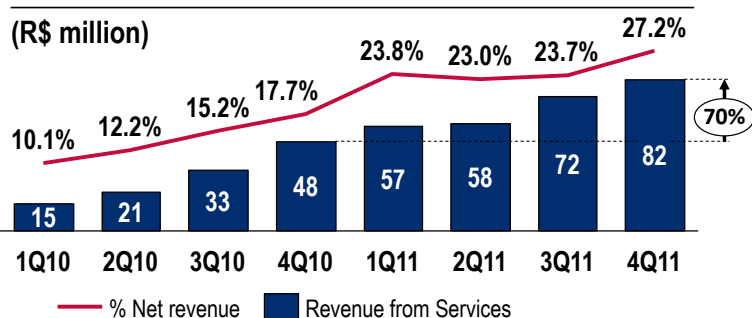
### Projects contracted in 2011

This year, Direcional contracted three MVMC projects, consisting of 8,872 units, resulting on a total PSV of R\$ 522.5 million, a 20% and 37% YoY growth, respectively. Average price per unit increased 15%, from R\$ 51.4 thousand in 2010 to R\$ 58.9 thousand in 2011.

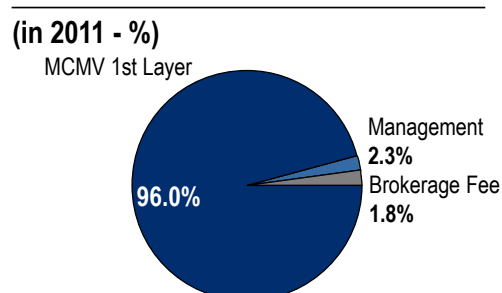
To build these units it will be used an industrialized construction model with aluminum molds and concrete walls, which will enable Direcional to deliver the projects in 15 to 18 months.

Direcional's revenues from services reached R\$ 82.1 million and R\$ 268.9 million in the 4Q11 and in 2011, respectively. This revenue includes turnkey projects, brokerage services and project management, which accounted for 27.2% of gross revenue, a 70% increase compared to 4Q10. Of the total of revenue from services, 96% corresponded to turnkey projects. The following charts display the evolution and the breakdown of the revenues from services:

#### Revenue from Services - Track Record



#### Breakdown of Revenue from Services



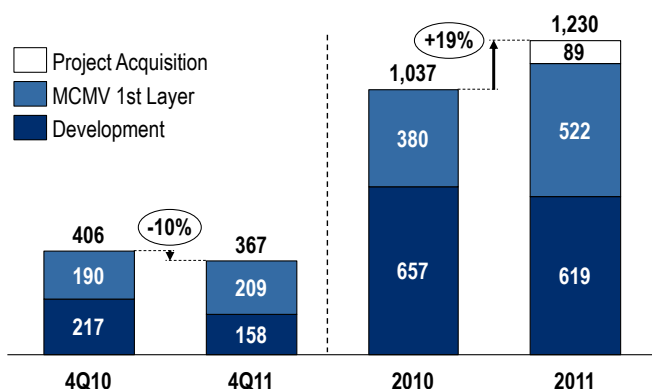


## CONTRACTED SALES

Direcional achieved sales of R\$ 1.2 billion in 2011, a 19% YoY growth. Contracted PSV in the 4Q11 was R\$ 367,0 million, with R\$ 209,1 million corresponding to MCMV 1<sup>st</sup> Layer projects, in which all the units are sold to CEF at the moment of launch.

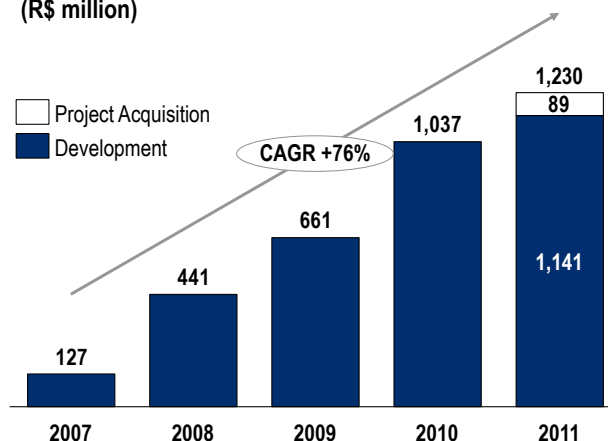
### Contracted PSV

(R\$ million)



### Contracted PSV – Track Record

(R\$ million)



## Breakdown of sales

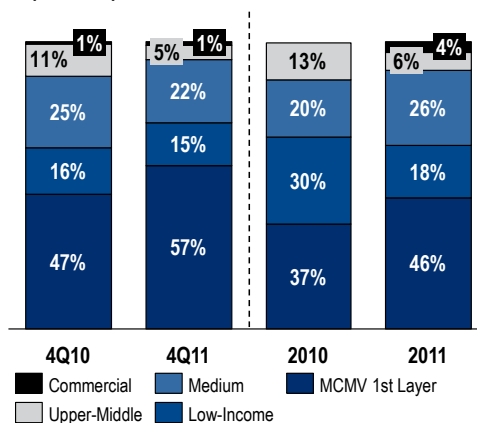
In 2011, 46% of the PSV sold corresponded to MCMV 1<sup>st</sup> Layer projects, a 9 p.p. increase compared to the previous year, further establishing Direcional as the most important and consistent player in this segment.

The largest participation of the launched PSV in 2011 from the North Brazil – 18 p.p versus 2010 – was primarily from MCMV 1<sup>st</sup> Layer, “Residencial Meu Orgulho” Phase 2 and “Residencial Macapaba” project contracts. The “Residencial Macapaba” project represents Direcional’s entry in Amapá state.

The following charts display the geographic and financial breakdown of sales in the 4Q11 and in 2011:

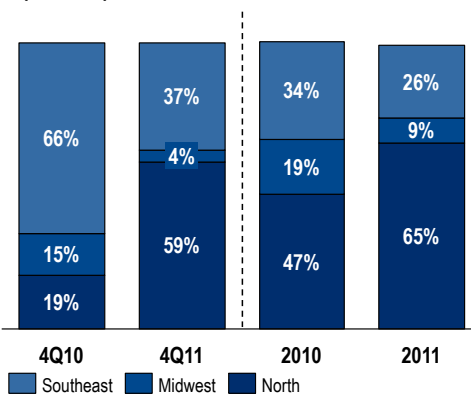
### Sales by Segment

(% PSV)



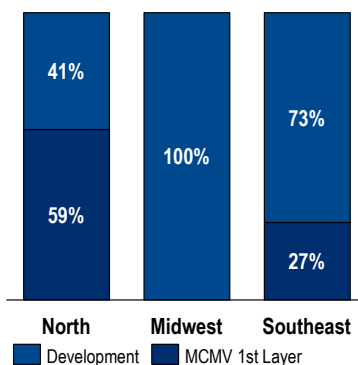
### Sales by Region

(% PSV)



### Sales

(Segment vs Region - 2011)



The following table displays consolidated information relative to contracted PSV in the 4Q11 and in 2011:

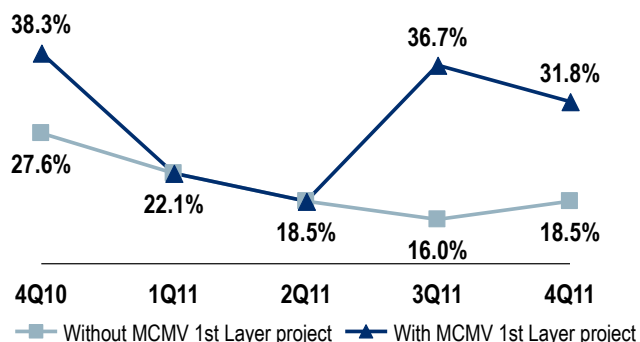
Contracted Sales	4Q11 (a)	4Q10 (b)	Δ % (a/b)	2011 (c)	2010 (d)	Δ % (c/d)
Contracted PSV (R\$'000)	405,886	489,805	-17.1%	1,285,327	1,240,604	3.6%
Contracted PSV % Direcional (R\$'000)	367,034	406,331	-9.7%	1,141,272	1,036,951	10.1%
Contracted PSV % Direcional (R\$'000): MCMV 1st Layer	209,097	189,680	10.2%	522,492	380,278	37.4%
Contracted PSV % Direcional (R\$'000): ex MCMV 1st Layer	157,937	216,651	-27.1%	618,780	656,673	-5.8%
# of Units	4,650	5,341	-12.9%	13,168	12,359	6.5%
# of Units: MCMV 1st Layer	3,488	3,880	-10.1%	8,872	7,391	20.0%
# of Units: ex MCMV 1st Layer	1,162	1,461	-20.5%	4,296	4,968	-13.5%
Average Price (R\$/unit)	87,287	91,707	-4.8%	97,610	100,381	-2.8%
VSO (Sales over total supply)	31.8%	38.3%	-6.5 p.p.	58.8%	63.3%	-4.6 p.p.
Project Acquisition: PSV (R\$'000)	-	-	n/a	89,080	-	n/a
Contracted PSV % Direcional + Project Acquisition (R\$'000)	367,034	406,331	-9.7%	1,230,352	1,036,951	18.7%

## SALES SPEED

In the 4Q11, our Sales over Supply ratio (VSO) reached 31.8%, indicative of strong sales speed. Excluding MCMV 1st Layer sales, VSO was 18.5%, 2.5 p.p. higher than in the 3Q11.

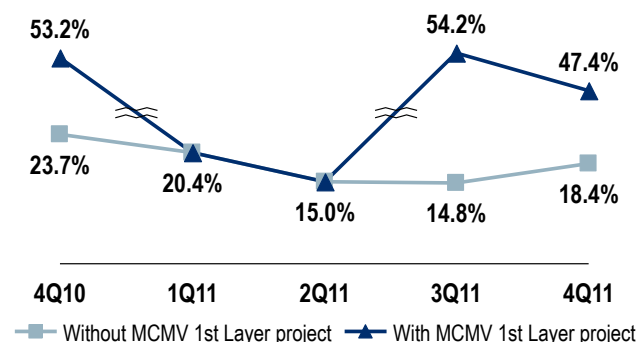
### Sales-over-supply ratio (VSO)

(In Total PSV)



### Sales-over-supply ratio (VSO)

(In Units)

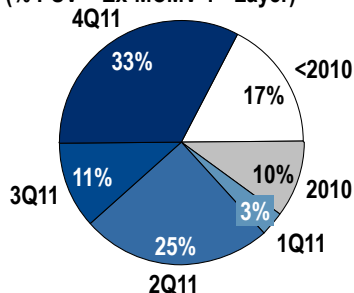


VSO = Sales in the Period / (Initial Inventory + Launches in the Period)

The adjacent sales speed chart shows the sales by quarter of launch since 4Q10 and reflects the immediate recognition of sales of turnkey project units in 3Q11, 4Q10 and, most notably, 4Q11, including the "Aterrado do Leme" and "Residencial Macapaba" projects.

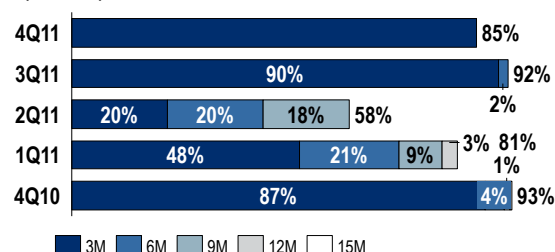
### Sales by Period of Launching - 4Q11

(% PSV - Ex-MCMV 1st Layer)



### Sales Speed

(% Units)



The analysis of sales per launch period reveals that 67% of the sold PSV, excluding the MCMV 1st Layer segment, was launched in quarters before 4Q11, with 17% of the projects completed or in the advanced stages of construction, evidencing a significant focus on inventory sales, particularly through the "sales fairs" held in the main cities in which Direcional operates.

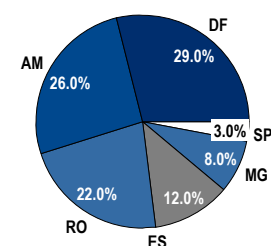
## PROJECTS DELIVERED

Direcional delivered 9 projects consisting of 1,887 total units and PSV of R\$ 304.8 million, in 2011.

	Projects	City - State	Date	PSV % Direcional (R\$'000)	# of Units
1	Equilibrium	Manaus - AM	2T11	43,561	136
2	Águas do Madeira	Porto Velho - RO	2T11	40,973	426
3	Grand Prix	Manaus - AM	2T11	36,983	192
4	Lake View Resort	Brasília - DF	2T11	87,812	232
5	Garden Club - 1st Phase	Porto Velho - RO	2T11	27,515	313
6	Dream Park	Serra - ES	2T11	35,704	282
7	Gran Paradiso	Belo Horizonte - MG	3T11	13,621	128
8	Villaggio Santa Mônica	Belo Horizonte - MG	3T11	10,219	120
9	Vernissage	Campinas - SP	3T11	8,448	58
	<b>Total</b>			<b>304,835</b>	<b>1,887</b>

Deliveries by Region

(% of PSV)



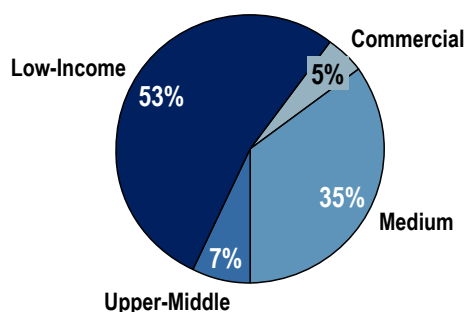
## LAND BANK

On December 31, 2011, the PSV of Direcional's land bank was R\$ 6.9 billion, with estimated construction of 66,906 units. The average price of the units in the land bank was R\$ 137.6 thousand.

The plots of land were acquired primarily through financial or physical swaps (76.0% of the acquisitions) at an average cost relative to PSV of 9.2%.

Land Bank by Segment

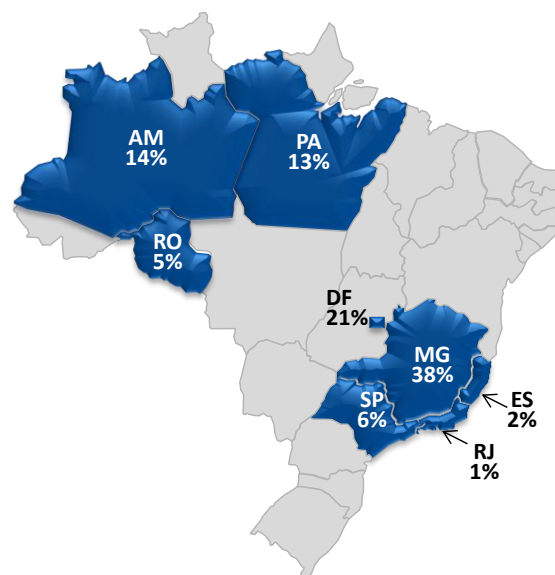
(% PSV)



- ✓ 60.7% large scale projects (more than 1,000 units);
- ✓ 53.3% in the North and Midwest regions;
- ✓ 53.0% projects in the low-income segment;
- ✓ 46.6% are eligible for the MCMV program.

Land Bank by Region

(% PSV)



The adjacent table shows Direcional's land bank by state in the end of 2011.

Direcional's land bank is proportionally lower in the North because of lower competition in land acquisition.

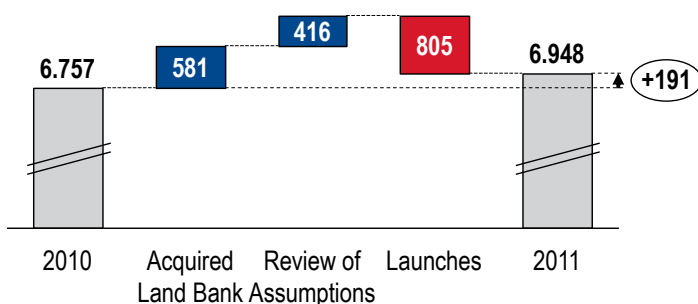
State	Potential PSV % Direcional (R\$'000)	# Units	Usable Area (sq. m)	Average Price/Units
MG	2,663,662	27,088	1,539,716	132,053
DF	1,447,549	18,924	1,070,875	136,813
AM	1,030,387	5,902	359,641	176,709
PA	917,513	8,243	452,312	111,319
SP	423,067	2,611	164,489	196,444
RO	311,697	2,976	149,093	114,337
RJ	103,489	752	51,745	172,023
ES	50,974	410	31,205	230,685
<b>TOTAL</b>	<b>6,948,338</b>	<b>66,906</b>	<b>3,819,076</b>	<b>137,563</b>

## Land Acquisition

Direcional chosen not to acquire any land in the 4Q11. In 2011, Direcional acquired six plots of land with PSV of R\$ 581 million and construction potential of 3,118 units. The average cost of acquisition represented 13.6% of PSV.

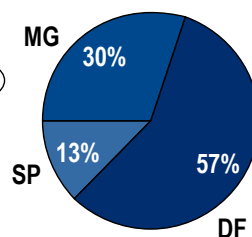
### Landbank Changes 2011

(In PSV R\$ million)



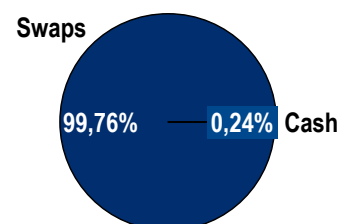
### Acquisition Region Breakdown

(In 2011 – % PSV)



### Type of Payment

(In 2011 – % PSV)



## INVENTORY

Direcional ended 2011 with inventory PSV of R\$ 721.0 million. On average, 89.1% of the units in projects under construction have already been sold.

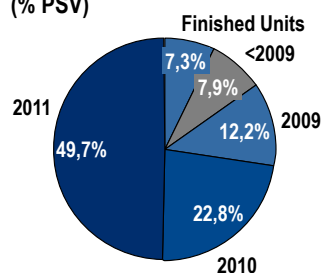
Inventory	PSV in Inventory % Direcional (R\$'000)	% Total	Units in Inventory	% Total
Under Construction	668,461	92.7%	3,704	93.7%
Finished Units	52,536	7.3%	247	6.3%
<b>Total Inventory</b>	<b>720,997</b>	<b>100.0%</b>	<b>3,951</b>	<b>100.0%</b>

In terms of completed units, Direcional holds just 247 units with a market value of R\$ 52.5 million.

The adjacent charts break down the inventory by launch date and geographic distribution:

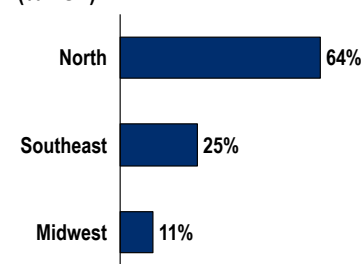
### Inventory by Period of Launching

(% PSV)



### Inventory by Region

(% PSV)



## FINANCIAL PERFORMANCE

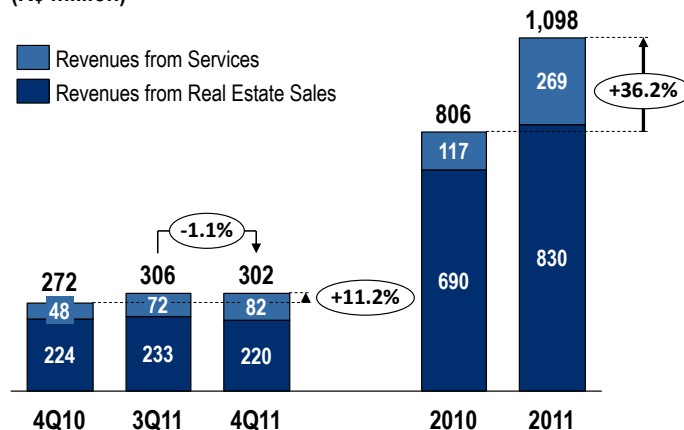
### Gross Operating Revenue

Direcional's gross operating revenue reached R\$ 1.1 billion in 2011, a 36.2% growth over 2010, driven by development projects (75.5%), turnkey projects (23.5%), project management fees (0.6%), and brokerage services relating to the units sold by Direcional's sales force (0.4%).

The adjacent charts compare the composition of gross operating revenue in 2011 and 2010:

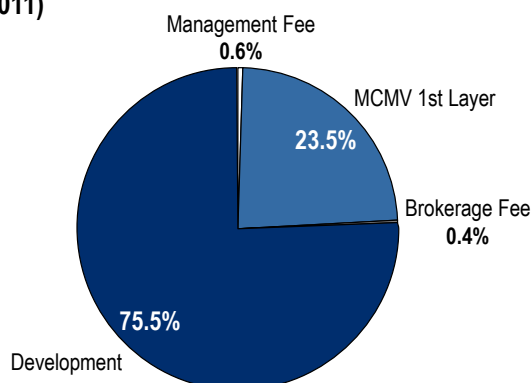
### Gross Operating Revenue

(R\$ million)



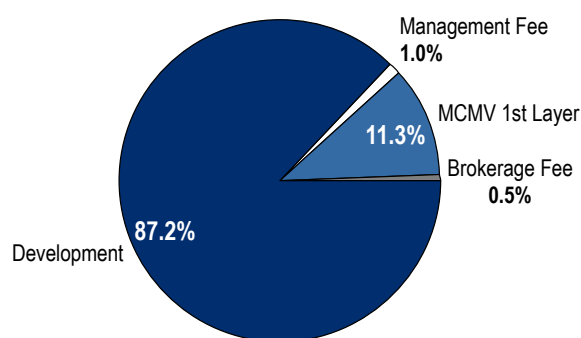
### Breakdown of Gross Operating Revenue

(2011)



### Breakdown of Gross Operating Revenue

(2010)



The following table breaks down our gross revenue in the 4Q11 and in 2011, compared to the same periods in 2010:

Gross Revenue (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (b/a)	Δ % (c/a)	2011 (d)	2010 (e)	Δ % (e/d)
Revenues from Real Estate Sales	220,418	233,331	223,897	-5.5%	-1.6%	829,524	689,610	20.3%
Revenues from Services	82,050	72,392	48,175	13.3%	70.3%	268,924	116,728	130.4%
<b>Gross Operating Revenues</b>	<b>302,468</b>	<b>305,723</b>	<b>272,072</b>	<b>-1.1%</b>	<b>11.2%</b>	<b>1,098,448</b>	<b>806,338</b>	<b>36.2%</b>

### • Revenues from Real Estate Sales:

Gross revenue from real estate sales in 4Q11 totaled R\$ 220.4 million, 1.6% lower than the R\$ 223.9 million in 4Q10. In 2011, gross revenue came to R\$ 829.5 million, up 20.3% over the R\$ 689.6 million posted in 2010.

The adjacent table breaks down the revenue recognized in 2011 by project launch year. Of the total revenue accounted in 2011, 74.1% corresponds to projects launched since January 2009.

Year of Launch	% of Revenue Recognition
<2007	2.6%
2008	23.3%
2009	36.0%
2010	24.2%
2011	13.9%
<b>Total</b>	<b>100.0%</b>



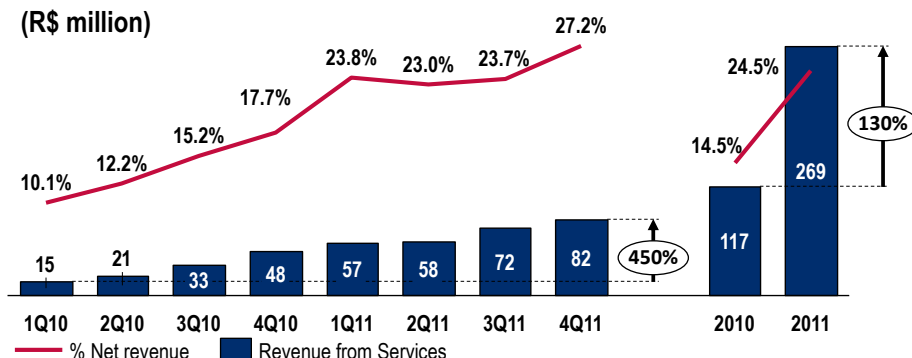
## • Revenue from Services:

Gross revenue from services reached R\$ 82.1 million in the 4Q11 and R\$ 268.9 million in 2011, growth of 70.3% and 130.4%, respectively, compared to the same periods in the previous year.

This revenue, which has been rising over the past quarters and accounts for 52.3% of the company's gross revenue growth in 2011, is resulted primarily from MCMV 1<sup>st</sup> Layer projects.

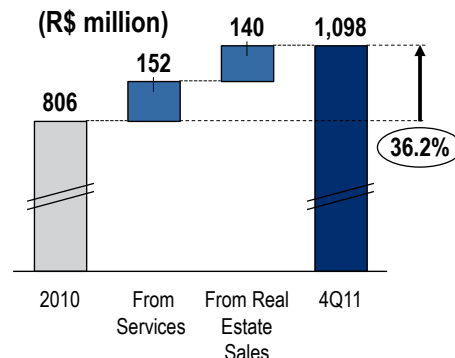
**Revenue from Services - Track Record**

(R\$ million)



**Gross Revenue – Track Record**

(R\$ million)



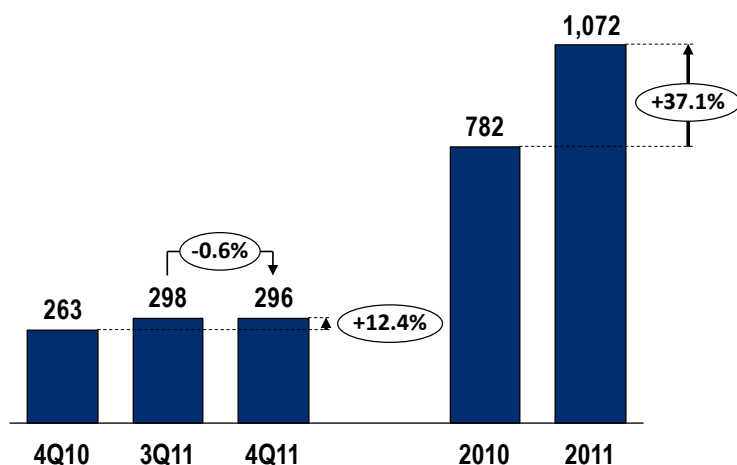
## Net Operating Revenue

Net revenue was R\$ 296.0 million in the 4Q11, a 12.4% increase compared to the R\$ 263.3 million reported in 4Q10. Net revenue in 2011 achieved R\$ 1.1 billion, a 37.1% increase relative to 2010.

The increase in net revenue, in the fourth quarter and in the year as a whole, reflects the higher volume of units built, the faster pace of construction and the consistent growth in the sale of inventory units in the past few quarters.

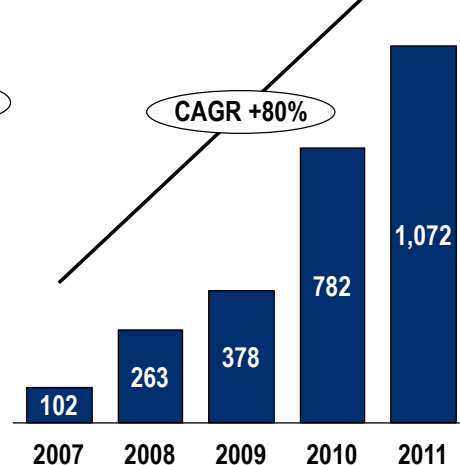
**Net Revenue**

(R\$ million)



**Net Revenues - Track Record**

(R\$ million)



It is important to note that 27% of the revenue accounted in the quarter will, in the very short term, be converted into cash, since it comes from service contracts. This helps shorten Direcional's cash cycle and is an advantage in relation to its peers, allowing the company to grow with lower cash investments and a higher return on invested capital.

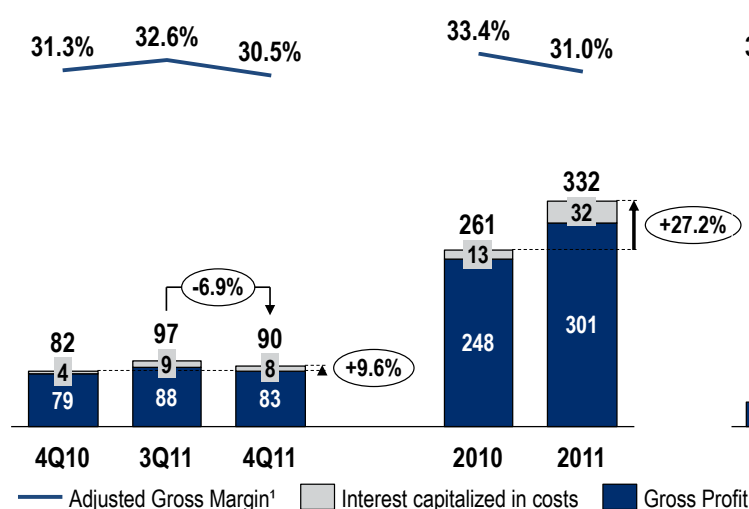
## Gross Profit

In the 4Q11, the adjusted gross profit<sup>1</sup> was R\$ 90.3 million, 9.6% higher than the R\$ 82.4 million reported in the 4Q10. In 2011, adjusted gross profit<sup>1</sup> reached R\$ 332.3 million, a 27.2% YoY growth.

In the 4Q11 the adjusted gross margin was 30.5%, consistent with the 31.3% achieved in 4Q10. In 2011, the adjusted gross margin was 31.0%, 2.4 p.p. below the margin reported in 2010. This reduction was due primarily to the greater participation of services in revenues, resulted mostly from MCMV 1<sup>st</sup> Layer turnkey projects.

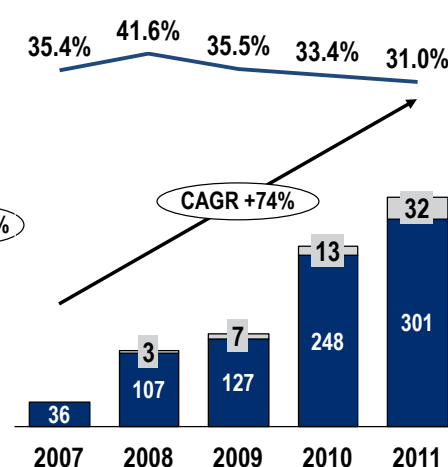
## Gross Profit and Gross Margin

(R\$ million)



### Gross Profit – Track Record

(R\$ million)



## Selling, General & Administrative Expenses

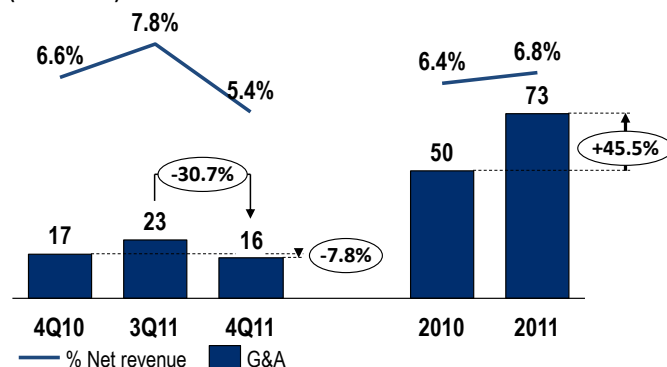
- **General and Administrative (G&A) Expenses:**

Throughout 2011, Direcional invested on strengthening its administrative structure, targeting processes, systems and internal controls, in an effort to establish a well-prepared team, equipped with efficient management tools, to support the company's rapid growth. Those investments resulted in a 0.4 p.p. increase in administrative costs over net revenue in 2011, compared to the previous year.

The significant drop in general and administrative expenses in 4Q11, compared to 3Q11, was the result of an accounting reclassification of R\$ 3.2 million<sup>3</sup> of *other revenues and operating expenses* line and the *general and administrative expenses* line, which had no effect on the company's net result.

Adjusted G&A<sup>2</sup>

(R\$ million)



1-Adjusted for interest capitalized on the cost; 2-Adjusted by (non-cash) expenses relating to the stock options program; 3-The bonus coinciding with 2010 goals and paid out in 2011 was approximately R\$3.2 million lower than the amount budgeted in 2010. The reversal of that provision was booked in the first quarter under other operating expenses. The company, along with Ernst & Young, determined that the most appropriate classification of that reversal should affect the general and administrative expenses line. In 4Q11 we therefore reclassified R\$3.2 million among the general and administrative expenses and other revenues and operating expenses lines.

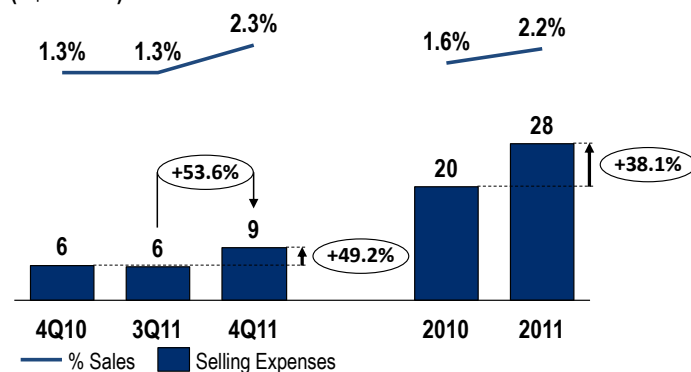
## Selling Expenses:

Selling expenses include expenses with marketing, advertising and depreciation of sales stands and model apartments.

The increase in the percentage of selling expenses over sales in 2011 primarily reflects (i) the one-off investment in marketing for Direcional's 30th anniversary campaign, that happened in 2Q11; and (ii) greater depreciation of sales stands in 4Q11, reflecting the end of the useful life of some stands and their demobilization.

## Selling Expenses

(R\$ million)



The following table compares selling and general and administrative expenses:

SG&A	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)	2011 (d)	2010 (e)	Δ % (d/e)
<b>Sales Expenses (R\$'000)</b>	<b>9,212</b>	<b>5,995</b>	<b>6,174</b>	<b>53.7%</b>	<b>49.2%</b>	<b>27,673</b>	<b>20,041</b>	<b>38.1%</b>
% of Net Revenues	3.1%	2.0%	2.3%			2.6%	2.6%	
% of Sales	2.3%	1.3%	1.3%			2.2%	1.6%	
% of Sales without MCMV 1st Layer	5.3%	4.7%	2.4%			4.0%	2.6%	
% of Total Launches	2.1%	1.4%	1.1%			2.0%	1.6%	
% of Total Launches ex MCMV 1st Layer	4.1%	8.1%	2.0%			3.3%	2.4%	
<b>G&amp;A (R\$'000)</b>	<b>19,364</b>	<b>27,826</b>	<b>20,074</b>	<b>-30.4%</b>	<b>-3.5%</b>	<b>96,193</b>	<b>59,872</b>	<b>60.7%</b>
<b>Adjusted G&amp;A (R\$'000)<sup>1</sup></b>	<b>16,001</b>	<b>23,103</b>	<b>17,357</b>	<b>-30.7%</b>	<b>-7.8%</b>	<b>72,759</b>	<b>50,022</b>	<b>45.5%</b>
% of Net Revenues	5.4%	7.8%	6.6%			6.8%	6.4%	
% of Sales	3.9%	4.9%	3.5%			5.7%	4.0%	
% of Total Launches	3.6%	5.2%	3.1%			5.2%	3.9%	

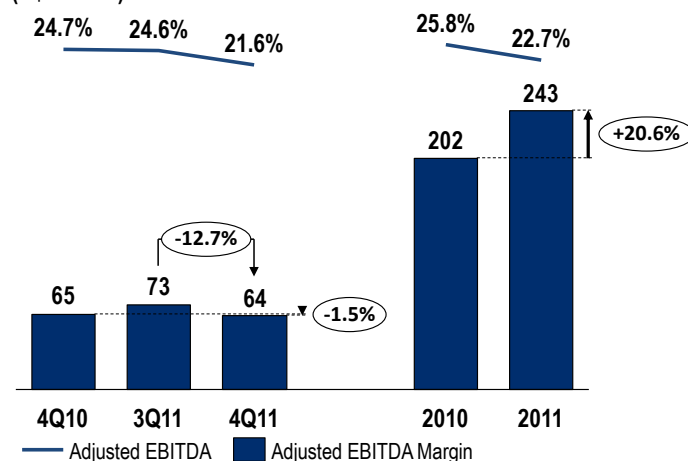
## Adjusted EBITDA <sup>1</sup>

Adjusted EBITDA was R\$ 64.0 million in 4Q11, consistent with the R\$ 64.9 million achieved in 4Q10. Adjusted margin over net revenue was 21.6%.

In 2011, adjusted EBITDA achieved R\$ 243.3 million, a 20.6% increase over the previous year.

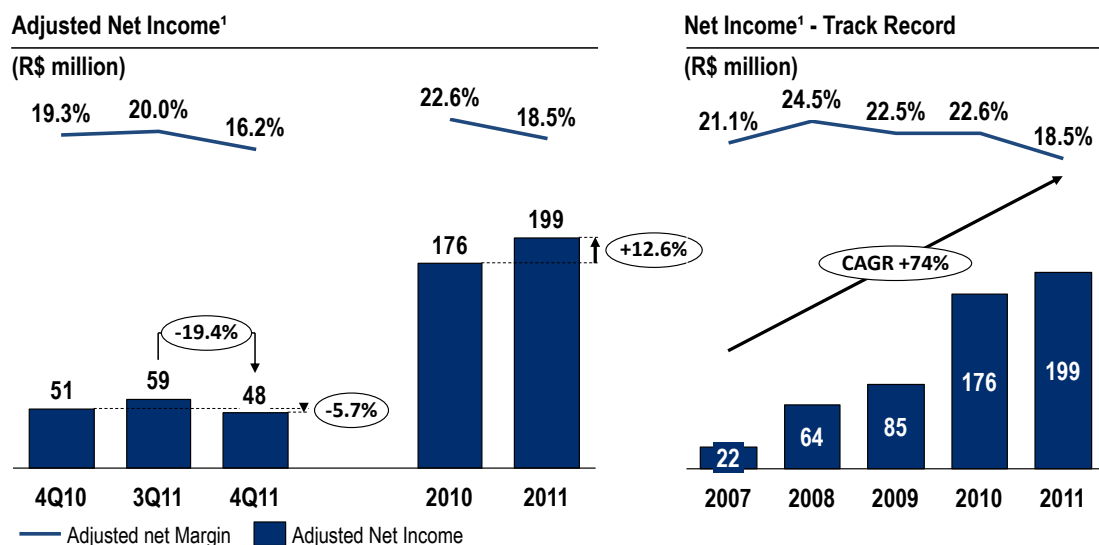
## Adjusted EBITDA<sup>1</sup>

(R\$ million)



## Adjusted Net Income<sup>1</sup>

Direcional ended 2011 with adjusted net income of R\$198.7 million, with a margin of 18.5%, clearly among the best in the sector, up 12.6% compared to 2010. The 4.1 p.p. decrease in margin compared to 2010 is resulted mainly from two factors: (i) a larger share of projects targeting the very low-income segment, which margins are lower than those of development projects but offer an excellent return on invested capital; and (ii) higher construction costs compared to 2009 and 2010, primarily due to labor costs.



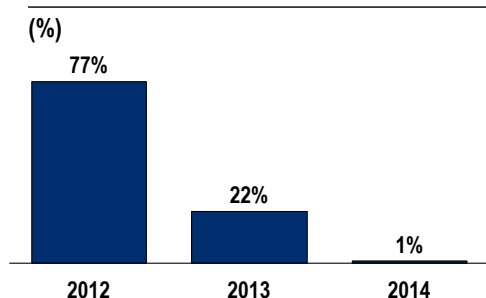
1. Adjusted for (non-cash) expenses related to stock option program

## Deferred Results

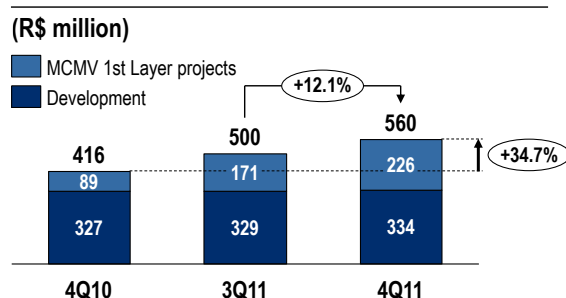
In the end of the 4Q11, deferred sales revenue was R\$ 1.5 billion, a 11.8% growth compared to the 3Q11, with a deferred margin of 37.8%. The construction schedule indicates that 77% of this result should be recognized by the end of 2012, with the remaining 23% to be accounted starting in January 2013.

Deferred Results Consolidated (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
<b>Deferred results Consolidated (1+2)</b>	<b>560,382</b>	<b>499,703</b>	<b>415,909</b>	<b>12.1%</b>	<b>34.7%</b>
Deferred revenues	1,482,460	1,325,614	1,022,801	11.8%	44.9%
Deferred results - Margin	37.8%	37.7%	40.7%	0.1 p.p.	-2.9 p.p.
<b>Deferred results Development (1)</b>	<b>334,100</b>	<b>328,803</b>	<b>326,813</b>	<b>1.6%</b>	<b>2.2%</b>
Deferred revenues	775,531	773,964	751,614	0.2%	3.2%
Deferred results - Margin	43.1%	42.5%	43.5%	0.6 p.p.	-0.4 p.p.
<b>Deferred results MCMV 1st Layer projects (2)</b>	<b>226,282</b>	<b>170,899</b>	<b>89,096</b>	<b>32.4%</b>	<b>154.0%</b>
Deferred revenues	706,928	551,651	271,186	28.1%	160.7%
Deferred results - Margin	32.0%	31.0%	32.9%	1.0 p.p.	-0.8 p.p.

### Estimated Schedule for REF



### Deferred Results



## BALANCE SHEET HIGHLIGHTS

### Accounts Receivable

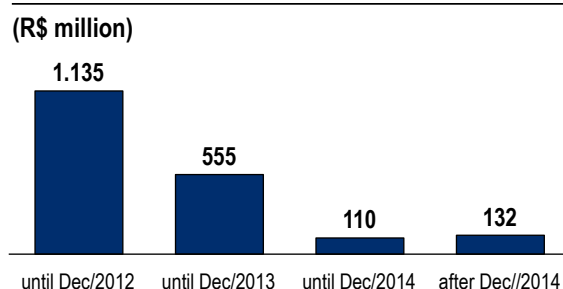
Direcional ended 2011 with an accounting balance for accounts receivable of R\$ 1.2 billion, a 41.2% growth over the balance of R\$ 819.8 million in the end of 2010. The short-term portion was R\$ 964.2 million, 83.3% of total receivables.

The real estate sales balance was R\$ 1.0 billion, compared to R\$ 751.5 million in 2010, a 39.0% increase. The services portion came to R\$ 112.1 million in 2011, up 64.2% on the R\$ 68.3 million in 2010.

Accounts Receivable (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)	Receivables Schedule (R\$'000)
Clients from Sold Units	1,044,255	997,434	751,511	4.7%	39.0%	Until 2012 964,149
Clients from services	112,139	114,238	68,303	-1.8%	64.2%	Until 2013 144,182
<b>Total</b>	<b>1,156,394</b>	<b>1,111,672</b>	<b>819,814</b>	<b>4.0%</b>	<b>41.1%</b>	Until 2014 17,455
Short Term	964,149	955,164	662,411	0.9%	45.6%	after the 2014 31,067
Long Term	192,245	156,508	157,403	22.8%	22.1%	<b>Total 1,156,853</b>

According to current accounting rules, accounts receivable must be recognized in proportion to the respective construction (Percentage of Completion – PoC). Therefore, the accounts receivable balance related to units sold and still not completed is not fully reflected in the Financial Statements. The total balance of accounts receivable of the company in 2011 was R\$ 1.9 billion, as per the graph:

#### Schedule - Accounts Receivable

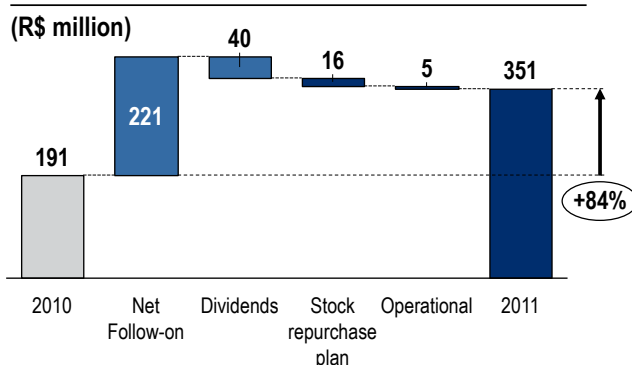


### Cash and Cash Equivalents

Cash and cash equivalents in the end of 2011 were R\$ 351.1 million, a growth of 84.0% compared to R\$ 190.8 million in 4Q10. That variation was mainly due to the resources captured in the February 2011 follow-on offering, a net amount R\$ 221.3 million, and to the reduction in the average construction cycle, resulted from the larger share of turnkey projects for MCMV 1<sup>st</sup> Layer in the company's business.

The adjacent chart shows Direcional's main cash variation generators:

#### Cash and Cash Equivalents – Track Record



Cash and Cash Equivalents (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
Cash & Bank	83,763	72,154	66,550	16.1%	25.9%
Financial Investments	267,349	271,464	124,301	-1.5%	115.1%
<b>Total</b>	<b>351,112</b>	<b>343,618</b>	<b>190,851</b>	<b>2.2%</b>	<b>84.0%</b>

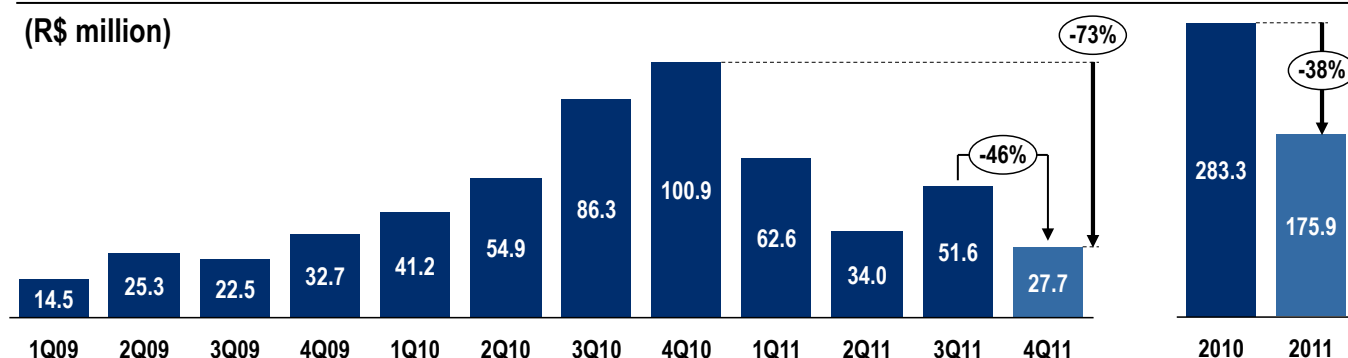


## Change in Net Debt or Cash Burn

Despite the company's significant growth in 2011, with net revenue growing 37%, Direcional reduced its cash burn by 38%, from R\$ 283.3 million in 2010 to R\$ 175.9 million in 2011. This reduction was due to the greater participation of revenue from turnkey projects this year. In 2011, revenue from turnkey projects accounted for 23.5% of Direcional's total revenues and represented very short-term cash, since the assessment and disbursement of these projects occur on a monthly basis. The higher delivery volume, combined with the larger share of MCMV 1<sup>st</sup> Layer projects forecast for 2012, will allow the company to further reduce cash burn in 2012.

### Cash Burn

(R\$ million)



## Indebtedness

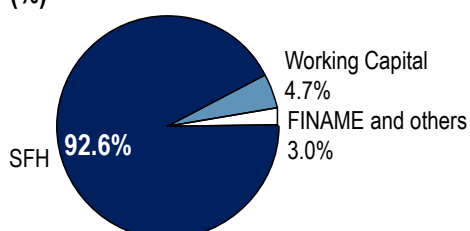
On December 31, 2011, Direcional's debt was as follows:

Cash and Debt (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
<b>Loans and Financing</b>	<b>473,152</b>	<b>437,708</b>	<b>302,374</b>	<b>8.1%</b>	<b>56.5%</b>
SFH	407,563	372,640	226,056	9.4%	80.3%
Receivables Securitization	31,847	35,273	46,843	-9.7%	-32.0%
FINAME and others	13,076	9,480	8,882	37.9%	47.2%
Working Capital	20,666	20,315	20,593	1.7%	n/a
<b>Cash and Cash Equivalents</b>	<b>351,112</b>	<b>343,618</b>	<b>190,852</b>	<b>2.2%</b>	<b>84.0%</b>
Net debt	122,040	94,090	111,522	29.7%	9.4%
Net debt / Equity	9.9%	7.9%	13.5%		

The following charts provide a breakdown of the company's gross debt and its amortization timeline. 92.6% of the company's gross debt, excluding securitization of receivables, corresponds to SFH financing:

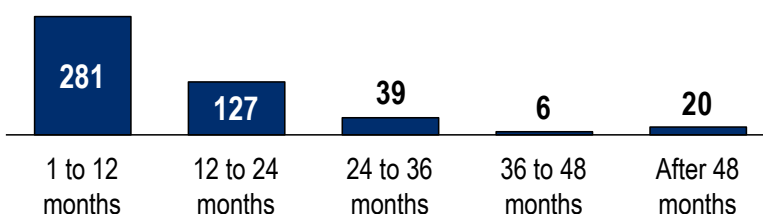
### Loans and Financing ex-securitization

(%)



### Amortization Schedule

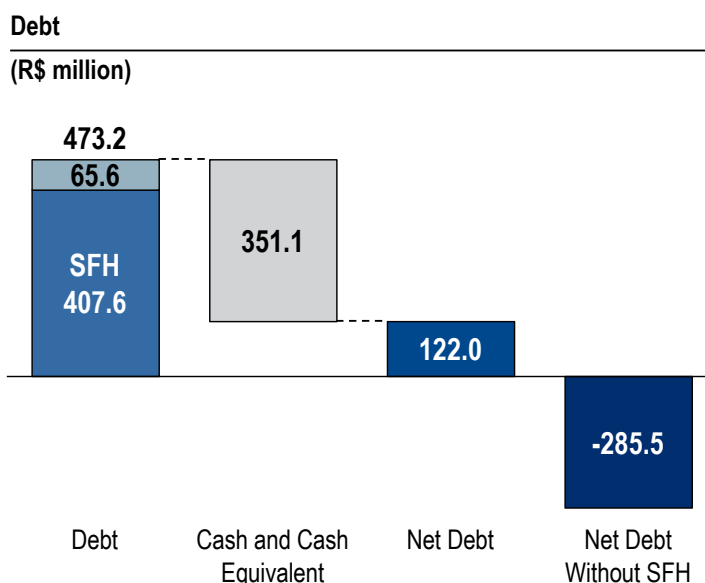
(R\$ million)



Direcional ended 2011 with total gross debt of R\$ 473.2 million and cash of R\$ 351.1 million, resulting in net debt of R\$ 122.0 million.

Excluding SFH financing, which was R\$ 407.6 million in the end of 2011, Direcional finished 2011 with net cash of R\$ 285.5 million.

The adjacent chart shows the composition of Direcional's gross and net debt in the end of 2011:



## SHARE REPURCHASE PLANS

In 2011, Direcional approved two Share Repurchase Plans, as detailed in the adjacent table.

Throughout the year, the company acquired 1,660,200 shares, in a total amount of R\$ 15.8 million, at an average price of R\$ 9.54 per share.

The second Share Repurchase Plan is active until April 20th, 2012.

Share Repurchase Plan - Details	Plan 1	Plan 2
Term	60 days	180 days
Starting date	8/12/2011	10/24/2011
Expiring date	10/11/2011	4/20/2012
# of shares approved by the Board	4,500,000	4,000,000
Buy back Approved (R\$'000)	R\$ 35,000.00	R\$ 30,000.00
Total Expenses	1,633,800	26,400
Average price	R\$ 9.56	R\$ 8.58

Statements contained in this press release concerning the business perspective, projections of operating and financial results and references to the growth potential of the Company, are mere predictions and were based on expectations and Management estimates in relation to the future performance of the Company. While the Company believes that such forecasts are based on reasonable assumptions, it does not ensure that they are achieved. Expectations and estimates that are based on the future prospects of the Company are highly dependent on market behavior, Brazil's economic and political situation, of existing and future state government regulations, industry and international markets, and therefore, are subject to changes that are beyond the control of the Company and its management. The Company makes no commitment to publish updates or revise expectations, estimates and forecasts contained herein arising from information or future events.

## CONSOLIDATED BALANCE SHEET

IFRS

ASSETS	12/31/2011	12/31/2010
<b>CURRENT ASSET</b>		
Cash and Cash Equivalents	351,112	190,851
Accounts receivable for property development	852,010	594,108
Accounts receivable for services rendered	112,139	68,303
Land units for development	242,300	252,992
Real property units completed	43,898	19,527
Real property units under construction	216,346	135,923
Sundry receivables	44,875	28,995
Transactions with related parties	37,560	7,441
Taxes recoverable	11,085	6,438
Commercial expenses to be allocated	2,233	3,588
<b>Total Current Assets</b>	<b>1,913,558</b>	<b>1,308,166</b>
<b>NONCURRENT ASSET</b>		
Accounts receivable for property development	192,245	157,403
Land units for development	248,801	151,118
Transactions with related parties	34,756	25,925
Sundry receivables	14,701	0
	<b>490,503</b>	<b>334,446</b>
Property, plant and equipment	45,662	34,630
Intangible assets	2,190	2,301
	<b>47,852</b>	<b>36,931</b>
<b>Total non-current assets</b>	<b>538,355</b>	<b>371,377</b>
<b>Total Assets</b>	<b>2,451,913</b>	<b>1,679,543</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>12/31/2011</b>	<b>12/31/2010</b>
<b>CURRENT LIABILITIES</b>		
Loans and Financing	280,903	121,643
Trade accounts payable	42,766	23,483
Labor obligations	34,942	27,583
Tax obligations	58,547	43,268
Property commitments payable	32,848	89,174
Advances from customers	74,715	36,749
Proposed Dividends	42,346	40,272
Accounts payable	91,337	29,275
Transactions with related parties	8,960	0
<b>Total Current Liabilities</b>	<b>667,364</b>	<b>411,447</b>
<b>NONCURRENT LIABILITIES</b>		
Loans and Financing	192,249	180,731
Provision for warranty	12,555	6,327
Tax obligations	14,632	11,026
Property commitments payable	110,666	83,887
Advances from Customers	200,393	155,760
Provision for tax, labor and civil contingencies	4,549	2,510
Sundry payables	17,022	0
<b>Total non-current liabilities</b>	<b>552,066</b>	<b>440,241</b>
Capital	496,686	324,247
Capital reserves	264,598	201,339
Income reserves	-15,846	0
Profit (loss) for the period	411,344	267,891
<b>Equity</b>	<b>1,156,782</b>	<b>793,477</b>
Interest in SCPs and SPEs	75,701	34,378
<b>Total Equity</b>	<b>1,232,483</b>	<b>827,855</b>
<b>Total liabilities and equity</b>	<b>2,451,913</b>	<b>1,679,543</b>

## CONSOLIDATED RESULTS STATEMENT

IFRS

Consolidated Statements of Income (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)	2011 (d)	2010 (e)	Δ % (d/e)
Real Estate Sales Revenues	220,418	233,331	223,897	-5.5%	-1.6%	829,524	689,610	20.3%
Services Revenues	82,050	72,392	48,175	13.3%	70.3%	268,924	116,728	130.4%
<b>Gross Revenues</b>	<b>302,468</b>	<b>305,723</b>	<b>272,072</b>	<b>-1.1%</b>	<b>11.2%</b>	<b>1,098,448</b>	<b>806,338</b>	<b>36.2%</b>
Deductions from Gross Revenues	-6,505	-8,086	-8,787	-19.6%	-26.0%	-26,136	-24,431	7.0%
<b>Operating revenue, net</b>	<b>295,963</b>	<b>297,637</b>	<b>263,285</b>	<b>-0.6%</b>	<b>12.4%</b>	<b>1,072,312</b>	<b>781,907</b>	<b>37.1%</b>
Cost of real property sale	-145,629	-154,021	-153,675	-5.4%	-5.2%	-570,573	-460,184	24.0%
Cost of services rendered	-67,769	-55,349	-31,004	22.4%	118.6%	-201,166	-73,600	173.3%
<b>Gross Profit</b>	<b>82,565</b>	<b>88,267</b>	<b>78,607</b>	<b>-6.5%</b>	<b>5.0%</b>	<b>300,573</b>	<b>248,124</b>	<b>21.1%</b>
General and Administrative Expenses	-19,364	-27,826	-20,074	-30.4%	-3.5%	-96,193	-59,872	60.7%
Selling expenses	-9,212	-5,995	-6,174	53.7%	49.2%	-27,673	-20,041	38.1%
Financial expenses	-1,567	-5,860	-2,344	-73.3%	-33.2%	-15,876	-4,567	247.6%
Financial income	9,859	11,826	3,463	-16.6%	184.7%	44,794	33,172	35.0%
Other operating income and expenses	-7,104	3,121	3,752	-327.6%	-289.3%	1,063	4,437	-76.0%
<b>Operating income (expenses)</b>	<b>-27,388</b>	<b>-24,734</b>	<b>-21,377</b>	<b>10.7%</b>	<b>28.1%</b>	<b>-93,885</b>	<b>-46,871</b>	<b>100.3%</b>
<b>Income before income and social contribution taxes</b>	<b>55,177</b>	<b>63,533</b>	<b>57,229</b>	<b>-13.2%</b>	<b>-3.6%</b>	<b>206,688</b>	<b>201,252</b>	<b>2.7%</b>
Income and social contribution taxes	-6,853	-7,429	-7,564	-7.8%	-9.4%	-25,098	-20,811	20.6%
<b>Net income for the period</b>	<b>48,324</b>	<b>56,104</b>	<b>49,665</b>	<b>-13.9%</b>	<b>-2.7%</b>	<b>181,590</b>	<b>180,441</b>	<b>0.6%</b>
Non-controlling interest in SPEs and SCPs	-3,765	-1,350	-1,560	178.9%	141.3%	-6,374	-13,889	-54.1%
<b>Net Income for the period</b>	<b>44,559</b>	<b>54,754</b>	<b>48,105</b>	<b>-18.6%</b>	<b>-7.4%</b>	<b>175,216</b>	<b>166,552</b>	<b>5.2%</b>

## EBITDA RECOMPOSITION

EBITDA Recomposition (R\$'000)	4Q11 (a)	3Q11 (b)	4Q10 (c)	Δ % (c/a)	Δ % (c/a)	2011 (d)	2010 (e)	Δ % (c/d)
<b>Net Income</b>	<b>44,559</b>	<b>54,754</b>	<b>48,105</b>	<b>-18.6%</b>	<b>-7.4%</b>	<b>175,216</b>	<b>166,552</b>	<b>5.2%</b>
(+) Depreciation and Amortization	5,983	2,268	2,328	163.8%	157.0%	10,363	6,274	65.2%
(+) Income Tax and Social Contribution	6,853	7,429	7,564	-7.8%	-9.4%	25,098	20,811	20.6%
(+) Minority Interest	3,765	1,350	1,560	178.9%	141.3%	6,374	13,889	-54.1%
(+/-) Financial Results	-8,292	-5,966	-1,119	39.0%	641.1%	-28,918	-28,605	1.1%
(+) Cost of production financing	7,723	8,740	3,781	-11.6%	104.3%	31,703	12,998	143.9%
(+) stock options expenses	3,363	4,723	2,717	-28.8%	23.8%	23,434	9,850	137.9%
<b>Adjusted EBITDA</b>	<b>63,954</b>	<b>73,298</b>	<b>64,937</b>	<b>-12.7%</b>	<b>-1.5%</b>	<b>243,270</b>	<b>201,770</b>	<b>20.6%</b>
<b>Adjusted EBITDA Margin</b>	<b>21.6%</b>	<b>24.6%</b>	<b>24.7%</b>			<b>22.7%</b>	<b>25.8%</b>	

## CONSOLIDATED CASH FLOW STATEMENT

IFRS

CONSOLIDATED CASH FLOW STATEMENTS (R\$'000)	12/31/2011	12/31/2010
<b>From operating activities</b>		
<b>Income before income and social contribution taxes</b>	<b>206,688</b>	<b>201,252</b>
<b>Adjustments to reconcile P&amp;L with cash from operating activities:</b>		
Depreciation and amortization	10,363	6,274
Equity pick-up	0	0
Reversed provision	6,228	4,652
Interest on fees and funding	-3,520	0
Provision for contingencies	2,039	1,340
Resultado com permuta física	-56,791	-21,753
Deferred tax - Indirect	8,979	13,079
Adjustment to present value on accounts receivable	9,112	21,315
Provision for stock options plan	23,434	9,850
Reversed provision	102	0
Provision for profit sharing	8,693	10,536
Participação de acionistas não controladores	-6,374	-13,889
<b>Decrease (increase) in assets</b>		
Accounts receivable	-345,794	-429,721
Inventories	-48,581	-214,960
Sundry receivables	-30,581	-16,478
Related Parties	-38,950	-7,441
Taxes recoverable	-4,647	-3,714
Commercial expenses to be allocated	1,355	1,559
<b>(Decrease)/increase in liabilities</b>		
Suppliers	19,283	11,507
Labor obligations	-1,334	7,802
Tax obligations	9,906	11,650
Property commitments payable	-35,268	141,364
Advances from customers	199	345
Accounts payable	79,816	14,724
Transactions with related parties	8,960	0
<b>Cash used in operating activities</b>	<b>-176,683</b>	<b>-250,707</b>
Income and social contribution taxes paid	-25,098	-20,811
<b>Net cash used in operating activities</b>	<b>-201,781</b>	<b>-271,518</b>
<b>Cash flow from investing activities</b>		
Increase in investments	0	0
Increase in property, plant and equipment	-18,973	-25,334
Increase in intangible assets	-603	-331
Dividends received	0	0
<b>Net cash used in investing activities</b>	<b>-19,576</b>	<b>-25,665</b>
<b>Cash flow from financing activities with shareholders</b>		
Integralização de capital, líquido de gastos	222,115	934
Ações em tesouraria	-15,846	0
Dividends paid	-40,272	-18,785
Amortizations of loans	214,564	195,781
Interest	-40,266	-17,709
Capital increase by non-controlling	41,323	13,933
<b>Net cash from (used in) financing activities</b>	<b>381,618</b>	<b>174,154</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>160,261</b>	<b>-123,029</b>
<b>Cash and cash equivalents</b>		
At the beginning of the period	190,851	313,881
At the end of the period	351,112	190,851
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>160,261</b>	<b>-123,030</b>



**ADDED-VALUE STATEMENT**

<b>STATEMENT OF VALUE ADDED</b>	<b>12/31/2011</b>	<b>12/31/2010</b>
<b>Revenue</b>	<b>1,099,409</b>	<b>810,553</b>
Sales of properties and services	1,098,448	806,338
Other revenues	1,063	4,437
Allowance for doubtful accounts	(102)	(222)
<b>Bought-in materials and services</b>	<b>(629,516)</b>	<b>(506,062)</b>
Cost of units sold and services	(471,512)	(360,736)
Materials, power, outsources and other operating	(89,560)	(130,932)
Other	(68,444)	(14,394)
<b>Gross wealth</b>	<b>469,893</b>	<b>304,491</b>
Depreciation and amortization, net	(10,363)	(6,274)
<b>Net wealth generated by the company</b>	<b>459,530</b>	<b>298,217</b>
<b>Wealth received</b>	<b>44,794</b>	<b>33,172</b>
Financial income	44,794	33,172
<b>Total wealth to distribute</b>	<b>504,324</b>	<b>331,389</b>
<b>To distribute to</b>	<b>504,324</b>	<b>331,389</b>
Employees	255,624	101,139
Taxes and duties	51,234	45,242
Interest of third-parts	15,876	4,567
Retained earnings	175,216	166,552
Portion of profit attributable to minority shareholders	6,374	13,889

**GLOSSARY**

**Land bank** – land held in inventory with the estimate of future PSV of the same.

**Classification of developments by Direcional, according to the economic segment to which they are intended:**

MCMV 1 <sup>st</sup> Layer	Residential developments under construction contract, in the form of turnkey contracts under the program "MCMV," contracted directly with CEF for families with monthly incomes up to R\$ 1,600.00. The properties of this segment have the final price determined by CEF and its purchase may be conditionally subsidized by the government.
Popular	Residential developments with average price per unit up to R\$ 170.0 thousand.
Popular – major size	Popular large-size residential developments with at least 1,000 units in the same site and average price per unit up to R\$ 170.0 thousand.
Medium	Residential developments with average price per Unit between R\$ 170.0 thousand and R\$ 350.0 thousand.
Upper-middle	Residential developments with average price per Unit over R\$ 350.0 thousand.

**Adjusted EBITDA** - Adjusted EBITDA is equal to EBITDA (earnings before financial interests included on the signed initials cost of sold property, Income Tax and Social Contributions, depreciation and amortization expenses), minus the participation of non-controlling shareholders and less spending on stock-options program. We believe that adjusting the present value of accounts receivable of Units sold and not delivered recorded as income (expense) gross operating is part of our operational activities and therefore we do not exclude this income (expense) in the calculation of Adjusted EBITDA. Adjusted EBITDA is not a measure of financial performance according to GAAP in Brazil, nor should be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA is an indicator of our overall economic performance, which is not affected by interest rate fluctuations, changes in tax burden from Income Tax and Social Contribution or levels of depreciation and amortization.

**Adjusted Net Income** – It is the Net Income calculated after deduction, in line with the G&A's, of administrative expenses relative to the stock Options Program, and of non recurring expenses related to the process of a Company going public (IPO).

**PoC Method** – In accordance with BR GAAP, the Revenue, costs and expenses related to the residential development, are appropriated based on an accounting method of cost incurred ("PoC"), by measuring the construction progress by the actual costs incurred versus total budgeted spending for each phase of the undertaking.

**New Market** – A special listing segment of BOVESPA, where companies adopt differentiated practices of corporate governance, which exceed the traditional segment requirements. Direcional joined the New Market on November 19, 2009.

**Swap** – a system of land purchase whereby the owner of land receives in payment a determined number of units of the undertaking to be built on the land.

**SFH Resources**– Housing Financial System Resources (SFH) are originated from the Guarantee Fund for Length of Employees Service (FGTS) and savings accounts deposits.

**Special Taxation System ("RET1")**: System of taxation applicable to projects with housing units with sales value up to R \$ 75.0 thousand, in which case the tax rate is 1% of gross revenue.

**Results to be Recognized** – Refers to the result of the balance of property sales transactions already contracted (for buildings whose construction has not yet been completed) and their respective budgeted costs to be incurred.

**Contracted Sales** – PSV arising from all real estate sales contracts concluded in a given period, including the sale of Units launched in the period and the sale of Units in Inventory.

**PSV** – Potential Sales Value (PSV) – The total value potentially obtained by the sale of all Units of a given residential development at the launch price. There is a possibility that the PSV launched is not realized or differs significantly from the Contracted Sales value, since the amount of Units effectively sold may be different from the amount of Units Launched and/or the actual selling price of each Unit may differ from the launch price.

**PSV Launched**: Potential Sales Value (PSV) of Units Launched over a given period.