DIRECIONAL engenharia

NOVO MERCADO BM&FBOVESPA

Belo Horizonte, August 08th, 2011 - Direcional Engenharia S.A., one of the largest homebuilders in Brazil, focused on developing large scale and low-income projects, operating in the North, Middle-West and South-East regions in Brazil, discloses hereby its operating and financial results for the second quarter of 2011 (2Q11). Except otherwise indicated, the information included in this document is expressed in Brazilian Reais (R$). The Company's consolidated financial statements are prepared in accordance with accounting practices adopted in Brazil, based on the Brazilian Corporate Law and CVM regulations.

TICKER: DIRR3

Share Price 05/AUG/2011: R$ 9,89
Number of Shares: 154,635,208

Market Value:
R$ 1,529.3 million / US$ 962.2 million

Free Float: 52.3%

2Q11 average daily volume:
85.1 thousand Shares
R$ 918.4 thousand

TELECONFERENCE

Date:
09/AUG/2011 – Tuesday

Portuguese
10:00 am – Brasília time
English
11:00 am – New York time

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DIRECIONAL ANNOUNCES NET REVENUE OF R$ 245 MILLION IN 2Q11, A 48% GROWTH QoQ.

MESSAGE FROM THE MANAGEMENT

We are pleased to announce financial results for the fiscal 2011 second quarter (2Q11) ended June 30th, 2011. During this period, Direcional launched a PSV of R$ 288 million and reported net revenue of R$ 244,7 million, which represent growth rates of 82%[1] and 48%, respectively, when compared to the year-ago quarter (2Q10). During the first half of 2011 the adjusted net margin[2] reached 19.1%, as a result of a 16.3% increase in adjusted net income (R$ 91.3 million in 1H11). The return on equity (ROE) for the last 12 months was 20.3%.

In 2Q11 we launched three projects within the Special Taxation Regime ("RET1"), which presented strong sales demand and strengthened our focus in the low-income segment. Two of these projects will adopt the industrialized construction technology – aluminum molds and concrete walls – commonly used in our projects within the 0-3 minimum wage bracket.

During 2Q11 our cash burn totaled R$ 34 million, a reduction of 48% compared to the previous quarter (1Q11). Such movement was strongly influenced by (i) improvements in the efficiency and speed of our financial transfer process ("Repasse") and (ii) higher proportion of income coming from 0-3 minimum wage projects.

Our gross margin declined by 1.8 p.p. when compared to the previous quarter (1Q11), due to budget reviews of on-going projects mostly in Porto Velho (RO). This region noticed an excessive increase in the overall labor costs, resulting from high demand of workers required to construct two hydroelectric plants (Santo Antônio and Jirau).

Following the recent approval of the 2nd phase of the "Minha Casa, Minha Vida" program, we are very optimistic about the opportunities to negotiate new projects for the 0-3 minimum wage income bracket in the following semester. Great performance and high profitability of the projects contracted within the 1st phase of the Program reinforce our strategic decision to focus 1/3 of our portfolio on projects in this segment.

We reinforce our commitment to maintain Direcional positioned among the most profitable companies in the sector, presenting sustainable growth, prioritizing cash generation and reducing the business cycle.

1. Not considering (i) the project Meu Orgulho within the 0-3 minimum wage bracket contracted in 2Q10 and (ii) the acquisition of 60% of the residential towers in the Ponta Negra Park project in 2Q11.
2. Adjusted for non-cash expenses related to the stock-options program

LAUNCHES
R$ 288.0 million in 2Q11 and $ 511.3 million in 1H11, a 81.8%[1] and 70.7%[1] growth, respectively, when compared to the same periods in the previous year.

CONTRACTED SALES
R$ 168.8 million in 2Q11 and $ 343.9 million in 1H11, a 26.8%[1] and 15.8%[1] growth, respectively, when compared to the same periods in the previous year.

ADJUSTED NET PROFIT
R$ 40.5 million in 2Q11, with an adjusted net margin of 16.6% and ROE LTM of 20.3%.

KEY INDICATORS

	2Q11 (a)	2Q10 (b)	Δ % (a/b)	1H11 (c)	1H10 (d)	Δ % (c/d)
Launches						
Launched PSV (R$'000)	302,581	356,258	-15.1%	529,546	524,687	0.9%
Launched PSV - % Direcional (R$'000)	287,984	349,043	-17.5%	511,320	490,157	4.3%
Launched PSV (R$'000): 0-3 mw projects	-	190,598	n/a	-	190,598	n/a
Launched PSV (R$'000): not considering 0-3 mw projects	287,984	158,445	81.8%	511,320	299,559	70.7%
Average Direcional Stake (%)	*95.2%*	*98.0%*	-2.8 p.p.	*96.6%*	*93.4%*	3.1 p.p.
Units Launched	2,293	4,117	-44.3%	3,536	5,383	-34.3%
Launched Units: 0-3 mw projects	0	3,511	n/a	0	3,511	n/a
Launched Units: not considering 0-3 mw projects	2,293	606	278.4%	3,536	1,872	88.9%
Average Price (R$/unit)	131,959	86,533	52.5%	149,759	97,471	53.6%
Sales						
Contratcted PSV (R$'000)	189,739	361,371	-47.5%	411,564	564,246	-27.1%
Contracted PSV - % Direcional (R$'000)	168,816	323,767	-47.9%	343,902	487,653	-29.5%
Contracted PSV - % Direcional (R$'000): 0-3 m.w. projects	-	190,598	n/a	-	190,598	n/a
Contracted PSV - % Direcional (R$'000): without 0-3 m.w. projects	168,816	133,169	26.8%	343,902	297,055	15.8%
Units	993	4,629	-78.5%	2,204	5,938	-62.9%
# of Units: 0-3 m.w. projects	-	3,511	n/a	-	3,511	n/a
# of Units: without 0-3 m.w. projects	993	1,118	-11.2%	2,204	2,427	-9.2%
Average Price (R$/unit)	191,076	78,067	144.8%	186,735	95,023	96.5%
Sales Over Supply (%)	18.5%	33.8%	-15.3 p.p.	31.5%	46.6%	-15.0 p.p.
Financial Indicators						
Net revenue (R$'000)	244,669	165,176	48.1%	478,712	307,915	55.5%
Gross Income (R$'000)	64,137	55,531	15.5%	129,741	105,580	22.9%
Gross Margin (%)	*26.2%*	*33.6%*	-7.4 p.p.	*27.1%*	*34.3%*	-7.2 p.p.
Adjusted EBITDA (R$'000)	**48,319**	**44,666**	8.2%	**106,017**	**87,034**	21.8%
Adjusted EBITDA Margin (%)	*19.7%*	*27.0%*	-7.3 p.p.	*22.1%*	*28.3%*	-6.1 p.p.
Adjusted Net Income (R$'000)	**40,526**	**40,975**	-1.1%	**91,251**	**78,444**	16.3%
Adjusted net Margin (%)	*16.6%*	*24.8%*	-8.2 p.p.	*19.1%*	*25.5%*	-6.4 p.p.

Other Indicators	2Q11	1Q11	4Q10	3Q10	2Q10	1Q10
Annualized ROE[1] (%)	14.9%	21.8%	25.8%	25.2%	22.9%	22.2%
ROE LTM[2] (%)	20.3%	22.5%	23.8%	21.1%	21.4%	20.6%
Cash and Cash Equivalent (R$'000)	381,768	355,410	190,852	235,075	296,036	292,019
Total Debt (R$'000)	408,630	348,307	302,374	245,724	220,384	142,672
Net Debt (R$'000)	26,862	-7,103	111,522	10,649	-75,652	-149,347
Shareholder's Equity (R$'000)	1,106,711	1,068,040	793,477	782,851	735,340	694,609
Net Debt / Shareholder's Equity (%)	2.4%	-0.7%	14.1%	1.4%	-10.3%	-21.5%
Net Debt / EBITDA last 12 months	0.12X	-0.03X	0.55X	0.06X	0.00X	-1.15X
Revenues to be Rocognized (R$'000)	1,076,828	967,047	1,011,455	979,936	984,403	776,754
Results to be Recognized (R$'000)	413,473	382,339	404,563	380,825	371,585	298,821
Margin to be Recognized (%)	38.4%	39.5%	40.0%	38.9%	37.7%	38.5%
Inventories (R$'000)	835,918	770,062	775,448	718,148	707,881	712,919
Total LandBank (R$'000)	9,298,060	9,291,196	9,050,726	8,631,284	8,139,293	7,485,173
LandBank - % Direcional (R$'000)	6,985,975	7,004,063	6,756,876	6,224,460	5,724,239	5,188,112
LandBank - Units	68,007	68,115	67,348	66,167	65,158	61,194

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

Launched Projects

In 2Q11 Direcional launched two projects in the Amazonas state (Parque Ponta Negra – 3rd Phase and Total Ville Vida Nova – 3rd Phase), two projects in Pará (Verano Residential – 1st Phase and Bella Città Algodoal – 3rd Phase), one project in Rio de Janeiro (Total Ville Macaé – 2nd Phase) and one Hotel in Minas Gerais (Tulip Inn Savassi). Overall, Direcional launched six projects, with a total PSV of R$ 288 million. Three of these projects are within the Special Taxation Regime(“RET1”), exclusive for units bellow R$ 75,000.

Tulip Inn Savassi - Hotel – PSV R$ 85.4 MM

Parque Ponta Negra – PSV R$ 47.7 MM

Verano Residencial – PSV R$ 36.9 MM

Total Ville Vida Nova – 3rd phase – PSV R$ 56.3 MM

Bella Cittá Algodoal – PSV R$ 48.0 MM

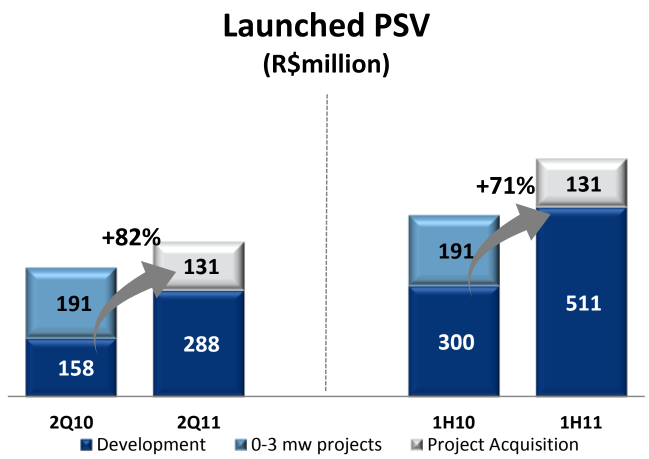
Total Ville Macaé – 2nd phase – VGV R$ 13.6 MM

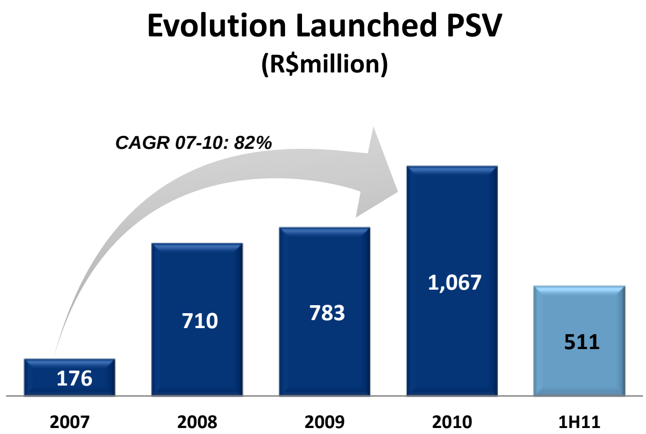
The table below provides information about the projects launched in 2Q11:

	2Q11 Projects	Date	City - State	PSV Total (R$'000)	PSV % Direcional (R$'000)	# of Units Launched	Total Units (All Phases)	Segment
1	Verano Residencial - 1st Phase	April	Belém - PA	36,968	36,931	184	539	Medium
2	Total Ville Macaé - 2nd Phase - RET 1	April	Macaé - RJ	27,264	13,632	340	1,145	Popular
3	Parque Ponta Negra - 3rd Phase	April	Manaus - AM	47,711	47,706	137	820	Upper-Middle
4	Tulip Inn Savassi - Hotel	June	Belo Horizonte - MG	86,238	85,376	240	240	Commercial
5	Total Ville Vida Nova - 3rd Phase - RET 1	June	Manaus - AM	56,400	56,344	752	3,848	Popular
6	Bella Città Algodoal - 3rd Phase - RET 1	June	Marituba - PA	48,000	47,995	640	4,938	Popular
	Launches 2Q11			**302,581**	**287,984**	**2,293**	**11,530**	
1	Acquisition of Project - Parque Ponta Negra	May	Manaus - AM	131,289	131,289	545	n/a	Medium
	Launches + Project Acquisition			**433,870**	**419,272**	**2,838**	**11,530**	

Launches Evolution

In 2Q11 Direcional launched PSV of R$ 288 million, a 82% growth when compared to 2Q10, not considering (i) the Meu Orgulho project within the 0-3 minimum wage bracket contracted in 2Q10 and (ii) the acquisition of 60% of the residential towers of Parque Ponta Negra project in 2Q11. In 1H11 Direcional launched R$ 511.3 million. Given the recent approval of the 2nd phase of the "Minha Casa, Minha Vida" program, we are very optimistic about the opportunities to negotiate new projects for the 0-3 minimum wage income bracket in the following semester.



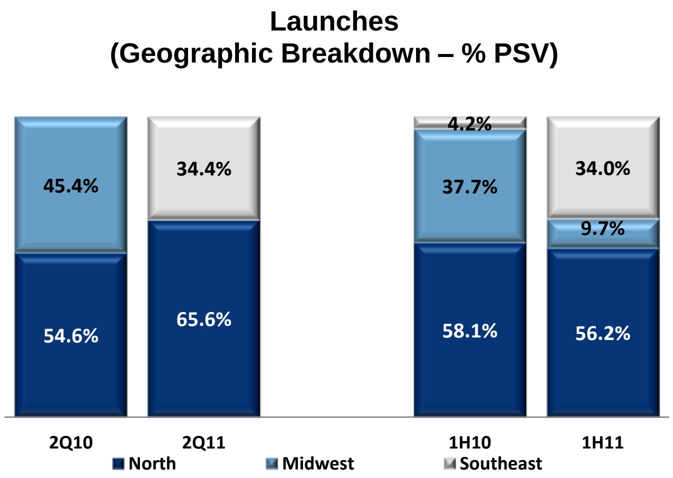


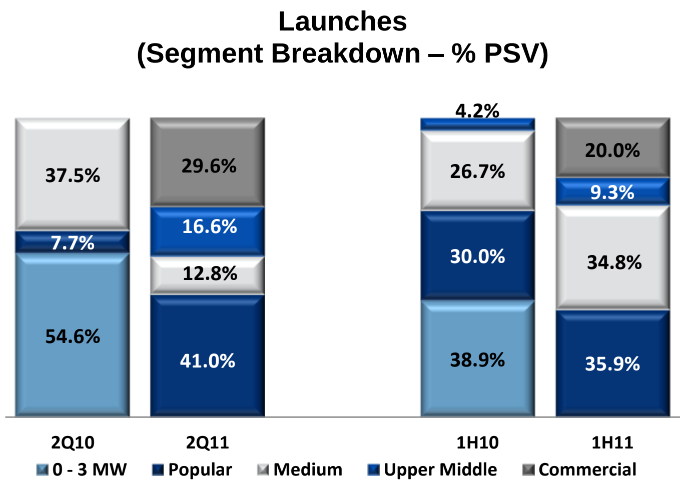
Launches	2Q11 (a)	2Q10 (b)	Δ % (a/b)	1H11 (c)	1H10 (d)	Δ % (c/d)
Launched PSV (R$'000)	302,581	356,258	-15.1%	529,546	524,687	0.9%
Launched PSV - % Direcional (R$'000)	287,984	349,043	-17.5%	511,320	490,157	4.3%
Average Direcional - %	95.2%	98.0%	-2.9%	96.6%	93.4%	3.4%
Launched PSV (R$'000): 0-3 mw projects	-	190,598	n/a	-	190,598	n/a
Launched PSV (R$'000): not considering 0-3 mw projects	287,984	158,445	81.8%	511,320	299,559	70.7%
Project Acquisition PSV (R$'000) - Parque Ponta Negra	131,289	-	n/a	131,289	-	n/a
Launched Units	2,293	4,117	-44.3%	3,536	5,383	-34.3%
Launched Units: 0-3 mw projects	-	3,511	n/a	-	3,511	n/a
Launched Units: not considering 0-3 mw projects	2,293	606	278.4%	3,536	1,872	88.9%
Projects	6	3	100.0%	11	7	57.1%
Launched Units/Project	382	1,372	-72.2%	321	769	-58.2%
Total Units/Project (considering all phases)	1,922	3,372	-43.0%	1,721	3,159	-45.5%
Usable Area Launched (sq. m)	103,596	181,806	-43.0%	182,870	262,944	-30.5%
Average Area (sq. m / unit)	45	44	2.3%	52	49	5.9%
Average Price (R$/unit)	131,959	86,533	52.5%	149,759	97,471	53.6%
Average Price (R$/sq.m)	2,921	1,960	49.1%	2,896	1,995	45.1%

Launches Breakdown

Out of the R$ 288 million PSV launched in 2Q11, R$ 104 million was in Amazonas state, being one popular project (Total Ville Vida Nova – 3rd Phase) and one upper-middle project (Parque Ponta Negra-3rd Phase); R$ 84.9 million in Pará, being one popular project (Bella Città Algodoal - 3rd Phase) and a middle-income project (Verano Residencial-1st Phase). Amazonas and Pará (North Region) accounted for 65.6% of the total PSV in 2Q11. In the Southeast region, Direcional launched one popular project in Rio de Janeiro (Total Ville Macaé 2nd Phase) and one hotel in Minas Gerais (Tulip Inn Savassi), a PSV total of R$ 99 million, or 34.4% of the total launched on 2Q11.

The popular segment eligible for the "MCMV" program accounted for 41% of the total PSV launched, in line with the company´s focus in this segment. We believe that the proportion of projects targeted at popular segments should increase in the next semester (2H11), as we intend to contract new 0-3 minimum wage projects.



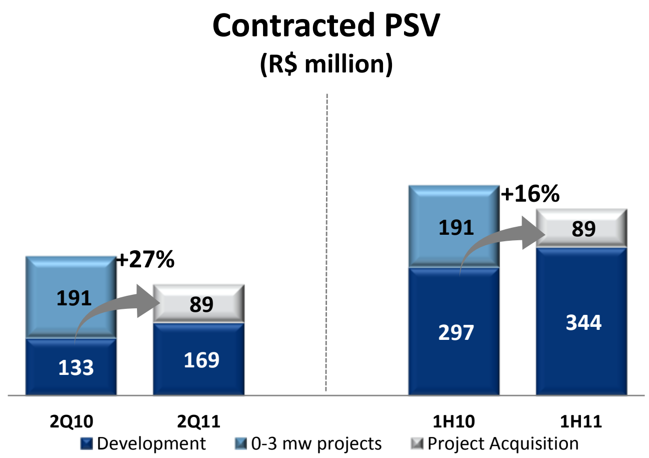


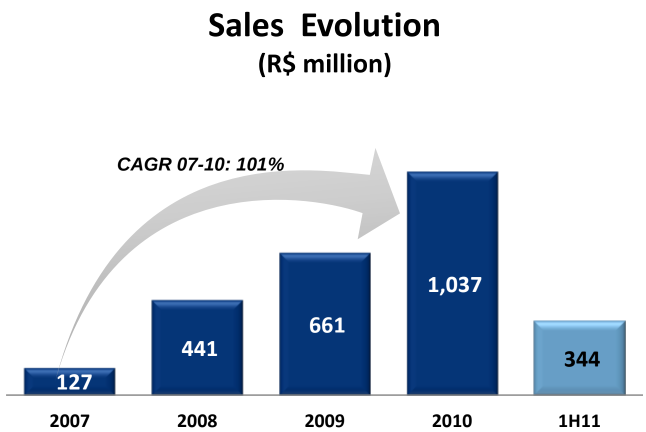
CONTRACTED SALES

Contracted Sales	2Q11 (a)	2Q10 (b)	Δ % (a/b)	1H11 (c)	1H10 (d)	Δ % (c/d)
Contratcted PSV (R$'000)	189,739	361,371	*-47.5%*	411,564	564,246	*-27.1%*
Contracted PSV - % Direcional (R$'000)	168,816	323,767	*-47.9%*	343,902	487,653	*-29.5%*
Contracted PSV - % Direcional (R$'000): 0-3 m.w. projects	-	190,598	-	-	190,598	*n/c*
Contracted PSV - % Direcional (R$'000): without 0-3 m.w. projects	168,816	133,169	*26.8%*	343,902	297,055	*15.8%*
PSV Project Acquisition - Parque Ponta Negra	89,080	-	*n/a*	89,080	-	*n/a*
# of Units	993	4,629	*-78.5%*	2,204	5,938	*-62.9%*
# of Units: 0-3 m.w. projects	-	3,511	*n/a*	-	3,511	*n/a*
# of Units: without 0-3 m.w. projects	993	1,118	*-11.2%*	2,204	2,427	*-9.2%*
Average Price (R$/unit)	191,076	78,067	*144.8%*	186,735	95,023	*96.5%*
VSO (Sales over total supply) - without 0-3 m.w. projects	18.5%	33.8%	*-15.3 p.p.*	31.5%	46.6%	*-15.0 p.p.*

Contracted Sales

In 2Q11, contracted sales totaled R$168.8 million. In June we launched two new projects within the Special Taxation Regime ("RET1"), with a PSV of R$ 104.3 million. Under this regime, the purchase agreement only becomes effective after Caixa Econômica Federal approves the mortgage credit facility. Since this process takes a few weeks, we could not compute any sales for these two projects in 2Q11, despite the impressive demand from customers. If we do not consider these two RET1 projects, contracted sales represented 92% and 85% of launched PSV in 2Q11 and 1H11, respectively.

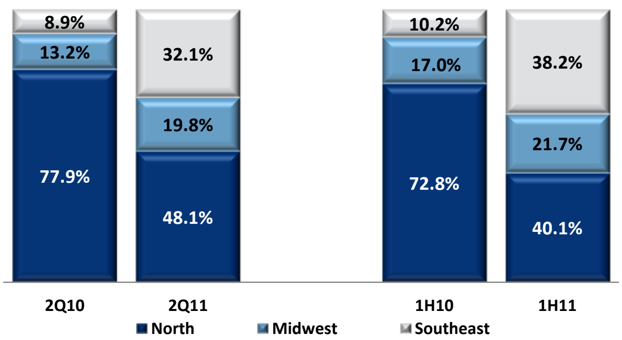




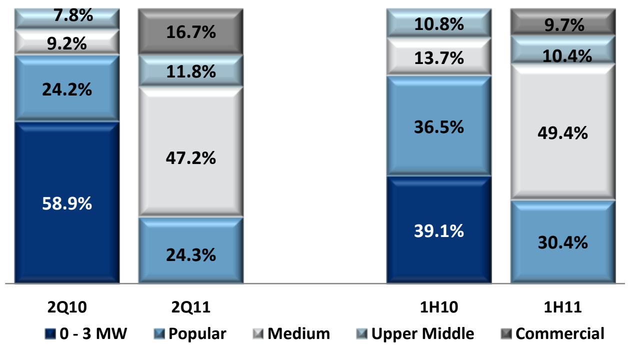
Sales Breakdown

The geographic and economic sales breakdown for 2Q11 and for 1H11 are represented in the graphs below:

Sales (Geographic Breakdown – % PSV)



Sales (Segment Breakdown – % PSV)

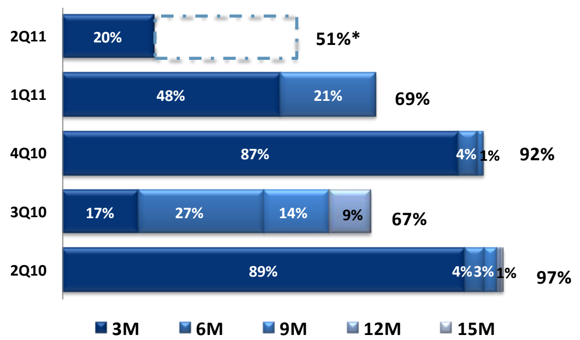


Sales Speed

The Sales Over Supply (VSO) graph below shows the sales breakdown per quarter of launch, since 1Q10. In 2Q10 and 4Q10, VSO was positively impacted by 0-3 minimum wage projects, which are fully recognized at the moment of launch (date of signature of the agreement with CEF).

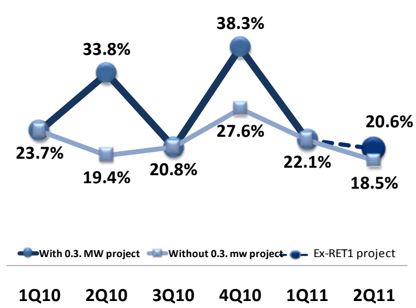
In June, Direcional launched two RET1 projects totaling 1,392 units. As mentioned in the previous section, we could not compute any sales for these projects despite the impressive demand from customers. As a result, Direcional sales accounted for 20% of total units launched. If we did not consider these two RET1 projects, sales speed would increase to 51% of total units launched.

Sales Speed (%)
In units

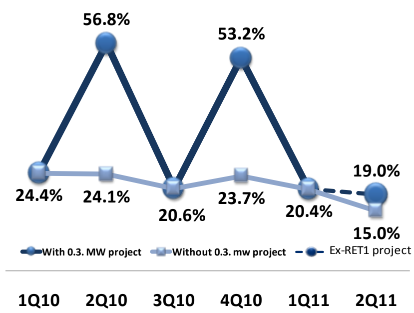


* Does not consider the launch of RET1 projects in June 2011

Sales Over Supply (VSO)
PSV Total



Sales Over Supply (VSO)
In units



VSO = Sales for the Period / (Initial inventory + launches in the period)
In 2Q10 and 4Q10 VSO was impacted by the units to 0-3 minimum wages segment

LAND BANK

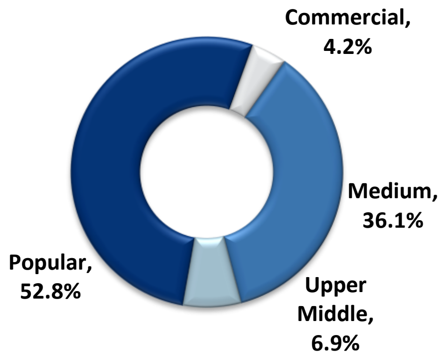
Land bank Breakdown

By the end of 2Q11, Direcional´s land bank featured PSV of R$ 9.3 billion (R$ 7 billion % Direcional), composed by (i) estimated construction of 68,007 units and (ii) average price per unit of R$ 136.7 thousand. About 52.8% of the total PSV is comprised by projects targeted at popular segments.

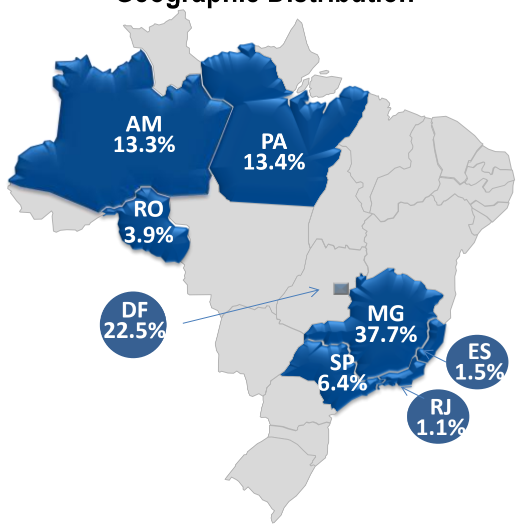
About 53.3% of the total PSV is located either in the North or Mid-West regions, whereas; 59.8% is related to large projects (over 1,000 units on the same site); and 46.1% is eligible for the MCMV program.

Ourland bank was acquired primarily through physical or financial swap (76.7% of acquisitions). The ratio between average cost of land acquisition and PSV is 9.3%.

Economic Breakdown*
(% Direcional)



Geographic Distribution*



"Minha Casa, Minha Vida"
- **49.9 thousand units eligible for the program**
- **73.4% of total Land bank**

** Distribution and breakdown based on potential PSV (% Direcional). Does not consider projects for the 0-3 mw segment of the MCMV Program, given that their acquisition is made through a contract with a purchase option.*

The table below presents the total land bank breakdown per region, at the end of 2Q11:

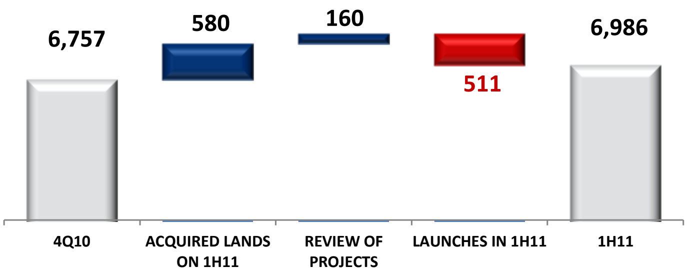
State	PSV (R$'000)		Average % Direcional	# Units	Usable Area (sq. m)	Average Price	
	Total	% Direcional				R$/Unit	R$/sq.m
MG	3,582,221	2,637,310	73.6%	27,234	1,551,187	131,535	2,309
DF	2,715,609	1,573,977	58.0%	19,565	1,111,915	138,799	2,442
AM	954,069	941,598	98.7%	5,529	353,674	172,557	2,698
PA	937,455	937,361	99.9%	8,335	458,929	112,472	2,043
SP	541,420	445,158	82.2%	2,849	173,856	190,039	3,114
RO	298,557	270,030	90.4%	2,806	133,083	106,400	2,243
RJ	139,367	77,051	55.3%	937	55,750	148,738	2,500
ES	129,361	103,489	80.0%	752	51,745	172,023	2,500
TOTAL	**9,298,060**	**6,985,975**	**75.1%**	**68,007**	**3,890,138**	**136,722**	**2,390**

Land Bank Acquisition

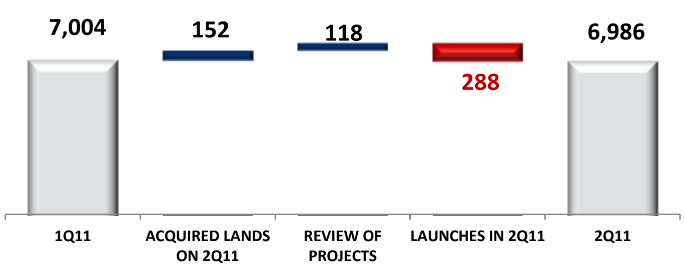
In 2Q11 two plots of land were acquired with potential PSV of R$ 152.3 million* (Direcional %) and a construction potential of 980 units. 67.4% of the land acquired during 2Q11 was paid through physical or financial swap, whereas the average cost of acquisition represented 12.4% of PSV.

In 1H11, Direcional acquired six plots of land with total PSV of R$ 580 million (% Direcional) and a construction potential of 3,107 units. 59.4% of the land acquired during 1H11 was paid through physical or financial swap, whereas the average cost of acquisition represented 13.6% of PSV.

LAND BANK VARIATION (% DIRECIONAL) – 1H11



LAND BANK VARIATION (% DIRECIONAL) – 2Q11



** In Operational Preview released on 05 July, we reported a value of PSV of R $ 254.7 million. However, in July we canceled the purchase of a lot located in the city of Belo Horizonte during the Due Diligence process., with PSV of R$ 102.3 million,*

INVENTORY

Inventory – Market Value

Direcional ended 2Q11 with total inventory PSV of R$ 835.9 million (R$ 754.6 million % Direcional). We have already sold 84% of the units located in projects under construction. Regarding concluded projects, Direcional holds 272 units, with PSV of R$ 67.5 million (R$ 41.4 million % Direcional).

Inventory	PSV in Inventory (R$'000)		Units in Inventory	Units in Inventory (without swap)	% Units in Inventory
	Total	% Direcional			
Launches 2011	306,844	300,931	2,289	2,183	63.6%
Launches 2010	250,270	234,384	1,272	1,131	9.3%
Launches 2009	124,009	112,580	1,049	695	7.7%
Launches 2008	84,523	63,920	433	296	13.6%
Previous Launches	2,818	1,409	23	6	6.7%
Under Construction	**768,464**	**713,224**	**5,066**	**4,311**	**16.0%**
Finished Units	67,453	41,375	419	272	5.9%
Total Inventory	**835,918**	**754,600**	**5,485**	**4,583**	**N/A**

ECONOMIC AND FINANCIAL PERFORMANCE

Gross Operating Revenues

The table below presents the gross operating revenue for 2Q11 and:

Gross Revenue (R$'000)	2Q11 (a)	2Q10 (b)	Δ % (b/a)	1H11 (c)	1H10 (d)	Δ % (d/c)
Gross Operating Revenues	**251,296**	**169,799**	**48.0%**	**490,257**	**317,151**	**54.6%**
Revenues from Real Estate Sales	193,569	149,137	29.8%	375,775	281,561	33.5%
Revenues from Services	57,727	20,662	179.4%	114,482	35,590	221.7%

- **Revenue from Development:**

In 2Q11, gross revenue related to developed projectswas R$ 193.6 million, 48% higher than 2Q10 (R$ 149.1 million). In 1H11, accumulated gross revenue was R$ 375.8 million, which represents a 54.6% growth when compared to 1H10 (R$ 281.6 million).

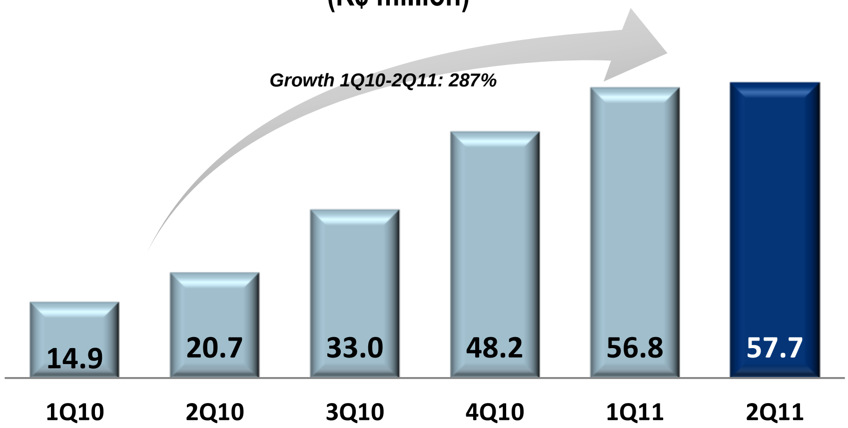
The table at the right side shows the composition of revenue recognized throughout 1H11, according to the year that the project was launched. About 97% of the revenue recognized in 2Q11refers to projects that were launched from January 2008 onwards.

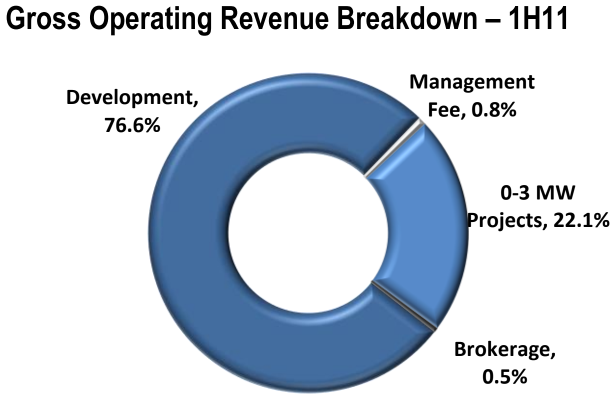
Year of Launch	% of Revenue Recognition
<2007	3.0%
2008	32.5%
2009	38.0%
2010	18.3%
2011	8.2%
Total	**100.0%**

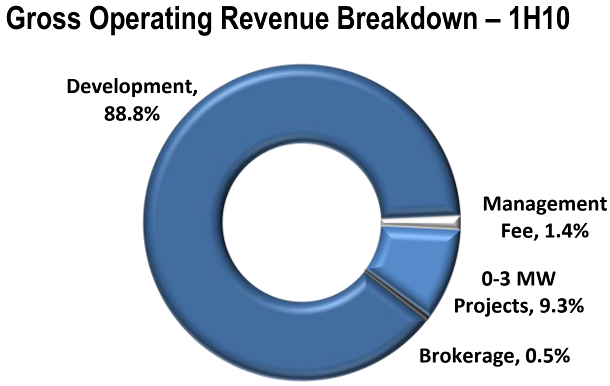
- **Revenue from of Services:**

Gross revenue from services totaled R$ 57.7 million in 2Q11, 179.4% higher than 2Q10 (R$ 20.7 million). This source of revenues has been increasing consistently throughout the past quarters and comes primarily from projects within MCMV 0-3 minimum wages program.

Evolution of the Revenue from the Provision of Services (R$ million)



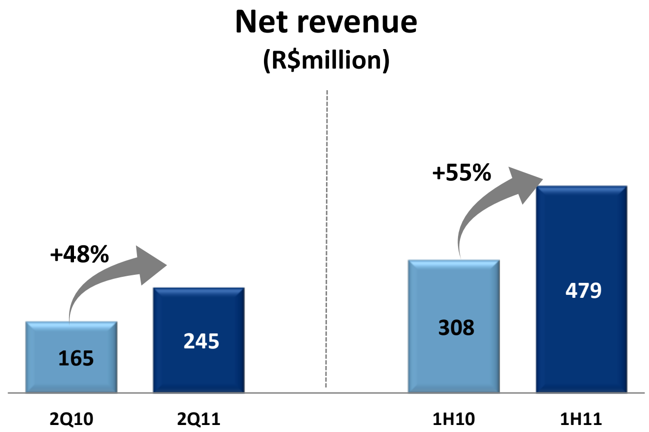


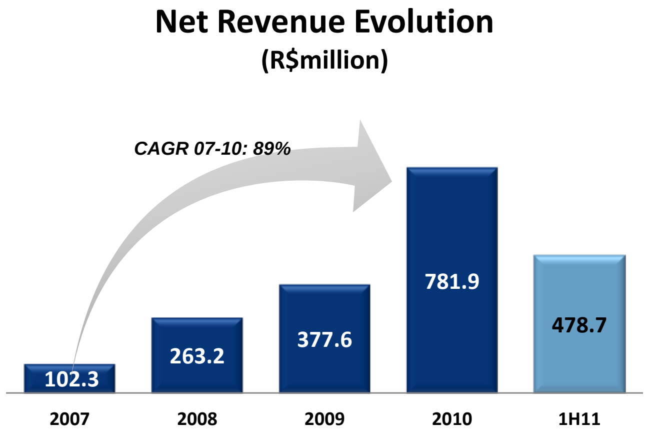


Net Operating Revenue

Net revenue totaled R$ 244.7 million in 2Q11, a 48.1 growth when compared to the year-ago quarter (2Q10: R$ 165.2 million).

During the first semester of 2011 net revenue reached R$ 478.7 million, 55.5% higher than 1H10.

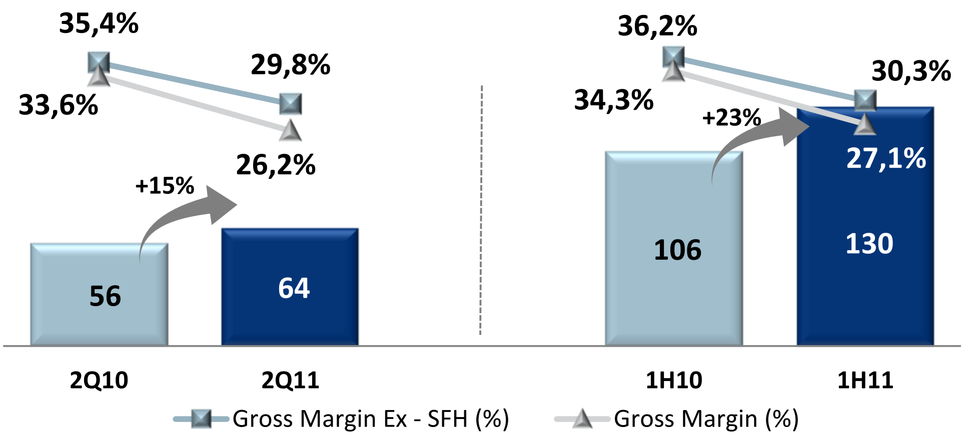




It is important to highlight that 23% of the revenue recognized in Direcional´s results will be converted into cash in a very short timaframe, since it comes from service contracts. This effect contributes to a reduction in Direcional´s cash cycle and constitutes a differential factor in relation to other companies in the sector, since it allows Direcional to grow with lower cash requirements and superior return on equity (ROE).

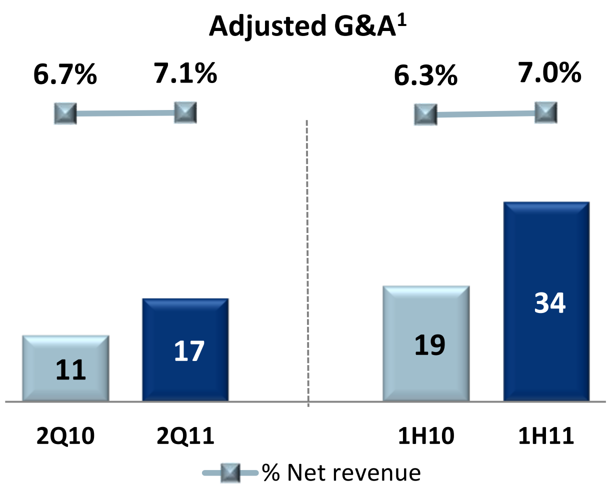
Gross Profit

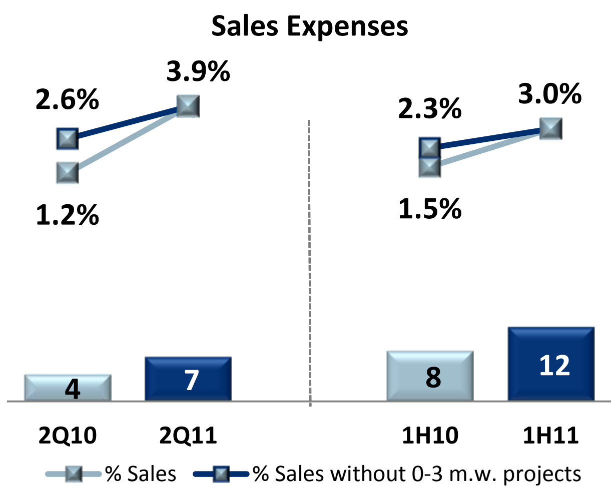
In 2Q11, gross profit was R$ 64.1 million, 15.5% higher when compared to 2Q10 (R$ 55.5 million), whereas gross margin reached 26.2%. In 1H11 gross profit was R$ 129.7 million, 22.9% higher than 1H10, and gross margin reached 27.1%.



Our gross margin declined by 1.8 p.p. when compared to the previous quarter (1Q11), due to budget reviews of on-going projects mostly in Porto Velho (RO). This region noticed an excessive increase in the overall labor costs, resulting from high demand of workers required to construct two hydroelectric plants (Santo Antônio and Jirau).

Sales, General and Administrative Expenses.





1. Adjusted for non-cash expenses with the *stock-options program*

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

G&A expenses include services (audit firms, consulting, attorney fees and others), rent, wages and social charges for headquarters´ staff (not involved directly in the construction activities), corporate expenses (publication of minutes and balance sheets), legal costs (notaries and government entities) and other expenses.
In 2Q11, Direcional´s Stock Options Program in the value of R$ 4.3 million was recognized as administrative expenses , even though it doesn't have cash effect at this moment.

- **Sales Expenses:**

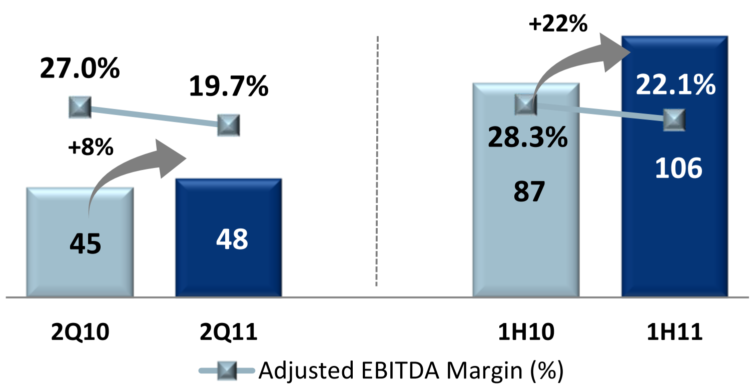
Sales expenses include sales commissions spending, advertising and depreciation of sales stands and apartment models.
As a result of an institutional marketing campaign related to Direcional´s 30-year celebration, sales expenses increased by R$ 3.0 million when compared to the previous quarter (R$ 4.5 million in 1Q11 and R$ 7.5 million in 2Q11).

Adjusted EBITDA[1]

Adjusted EBITDA reached R$ 48.3 million in 2Q11, 8.2% higher when compared to the year-ago quarter (2Q10: R$ 44.7 million). In 1H11 it totaled R$ 106 million, 21.8% higher than in 1H10.

In 2Q11, the adjusted EBITDA margin was 19.7%, whereas in 1H11 the margin was 22.1%.

Adjusted Ebitda and Ebitda Margin[1]



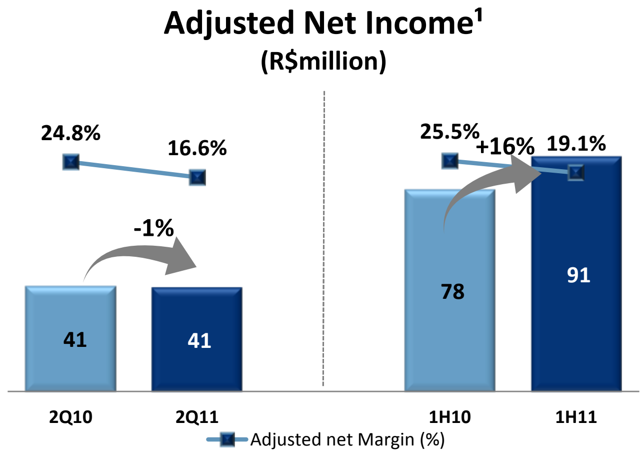
1. Adjusted for non-cash expenses with the *stock-options program*

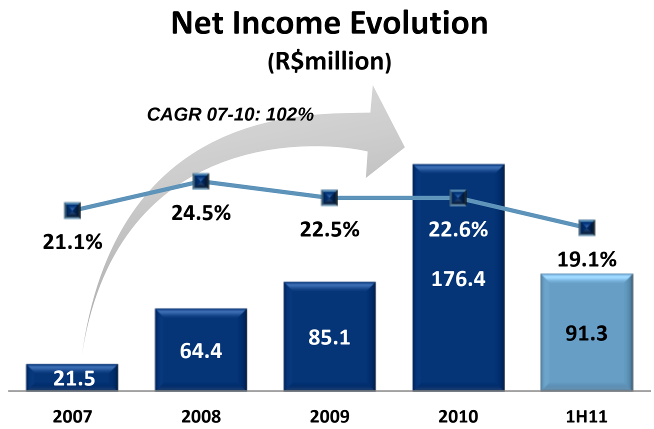
Financial Results

In 2Q11, financial revenue reached R$ 14.5 million, compared to R$ 10.4 million in 2Q10. Such increase is explained by larger average balances of financial investments, due to funds raised through a *Follow-On* deal (Feb/11, R$ 223.8 million).

Adjusted Net Income[1]

In 2Q11, adjusted net income[1] totaled R$ 40.5 million and the adjusted net margin reached 16.6%. These results compare to net income of R$ 40.5 million and net margin of 24.8% in the year-ago quarter (2Q10).



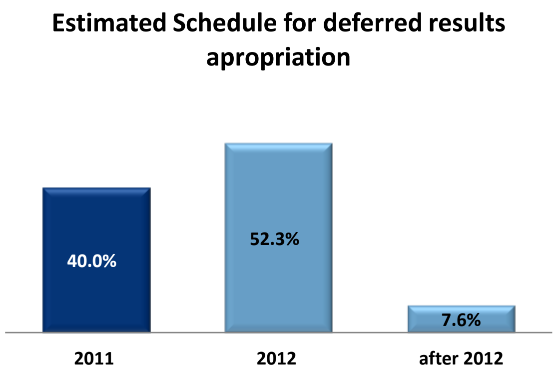


1. Adjusted for non-cash expenses with the *stock-options program*

Deferred Results

At the end of 2Q11, deferred sales revenue reached R$ 1.08 billion, an increase of 11.4% when compared to 1Q11. The deferred margin was 38.4%. According to our construction schedule, 40% of the balance should be recognized in 2011, 52.3% in 2012 and the remaining 7.6% from 2013 onwards.

Results to be Recognized (R$'000)	2Q11 (a)	1Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
Deferred revenues Consolidated (1+2)	**413,476**	**382,339**	**404,563**	***8.1%***	***2.2%***
Deferred costs	1,076,829	967,047	1,011,455	*11.4%*	*6.5%*
Deferred results	663,353	584,708	606,892	*13.5%*	*9.3%*
Deferred results - Margin	38.4%	39.5%	40.0%	-2.9%	-4.0%
Deferred revenues Development (1)	**312,496**	**325,687**	**315,467**	***-4.0%***	***-0.9%***
Deferred costs	*723,042*	*762,873*	*740,269*	*-5.2%*	*-2.3%*
Deferred results	*410,545*	*437,186*	*424,802*	*-6.1%*	*-3.4%*
Deferred results - Margin	43.2%	42.7%	42.6%		1.4%
Deferred revenues 0-3 mw projects (2)	**100,979**	**56,652**	**89,096**	***78.2%***	***13.3%***
Deferred costs	*353,787*	*204,174*	*271,186*	*73.3%*	*30.5%*
Deferred results	*252,808*	*147,522*	*182,090*	*71.4%*	*38.8%*
Deferred results - Margin	28.5%	27.7%	32.9%		



BALANCE SHEET HIGHLIGHTS

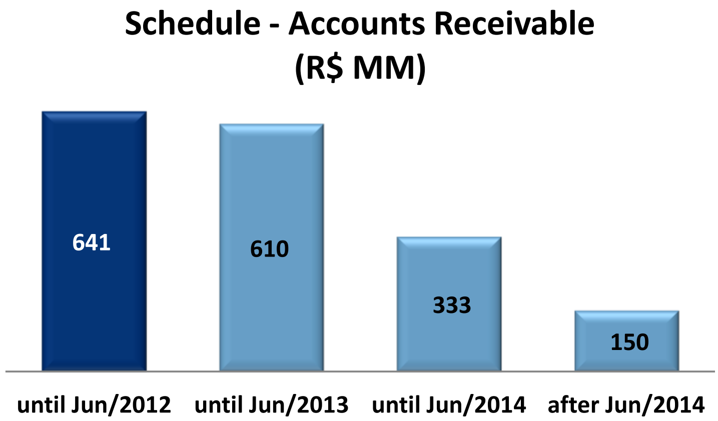
Accounts Receivable

In 2Q11, the accounting balance for accounts receivable reached R$ 1.01 billion, 12.4% higher than the balance of R$ 899.4 million in 1Q11. The short-term portion (current asset) totaled R$ 868.8 million or 85.9% of total receivables.

Accounts Receivable (R$'000)	2Q11 (a)	1Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
Clients from Sold Units	918,826	822,256	751,511	11.7%	22.3%
Clients from services	92,276	77,128	68,303	19.6%	35.1%
Total	**1,011,102**	**899,384**	**819,814**	**12.4%**	**23.3%**
Short Term	868,765	739,824	662,411	17.4%	31.2%
Long Term	142,337	159,560	157,403	-10.8%	-9.6%

Receivables Schedule (R$'000)	
by Jun/2012	868,765
by Jun/2013	104,569
after Jun/2013	37,768
Total	**1,011,102**

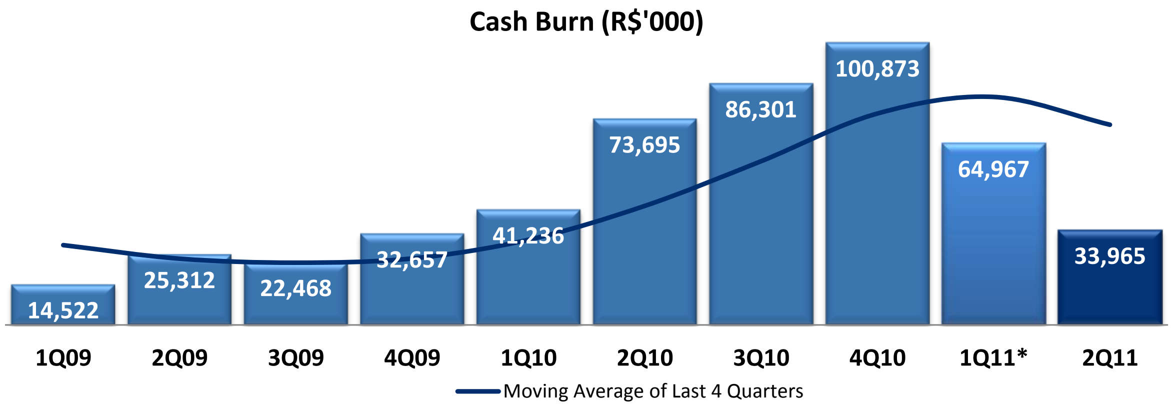
According to current accounting rules, accounts receivable must be recognized in accordance with the execution proportion of the respective construction (Percentage of Completion – PoC). Therefore, the accounts receivable balance related to units sold and still not completed is not fully reflected in the Financial Statements. The total balance of accounts receivable of the company in 2Q11 was R$ 1,734.1 million, as per the graph below:



Cash and Cash Equivalents

The cash and equivalents balance at the end of 2Q11 totaled R$ 381.8 million, an increase of 100% when compared to R$ 190.9 million in 4Q10. The movement is explained mainly by funds raised in the follow-on deal (February 2011, a net amount of R$ 223.8 million).

Cash and Equivalents (R$'000)	2Q11 (a)	1Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
Cash	54,083	58,036	66,549	-6.8%	-18.7%
Financial Aplication	327,685	297,374	124,302	10.2%	163.6%
Total	**381,768**	**355,410**	**190,851**	**7.4%**	**100.0%**



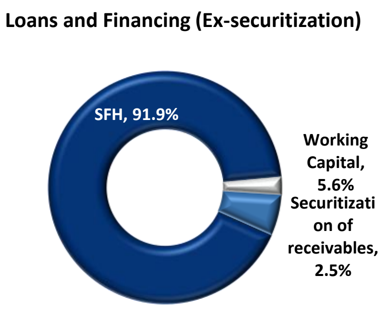
Cash Consumption: measured by the variation in net debt, deduced from increases to capital

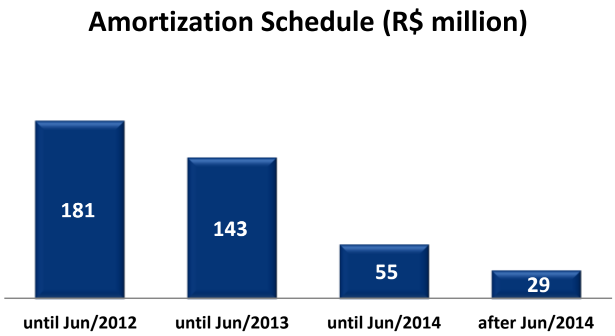
*** 1Q11: Adjustment of R$ 223.8 million referring to the *follow-on* and R$ 40.3 million with reference to the payment of dividends in the 2010 fiscal year.**

Direcional´s cash balance increased by R$ 8.3 million in 1H11, net of funds raised at the follow-on deal (R$ 223.8 million) and dividends paid on Feb/2011 (R$ 40.3 million). Such movement was strongly influenced by (i) improvements in the efficiency and speed of our financial transfer process ("Repasse") and (ii) higher proportion of income coming from 0-3 minimum wage projects. This good performance allows us to continue pursuing sustainable growth and taking advantage of opportunities in the sector.

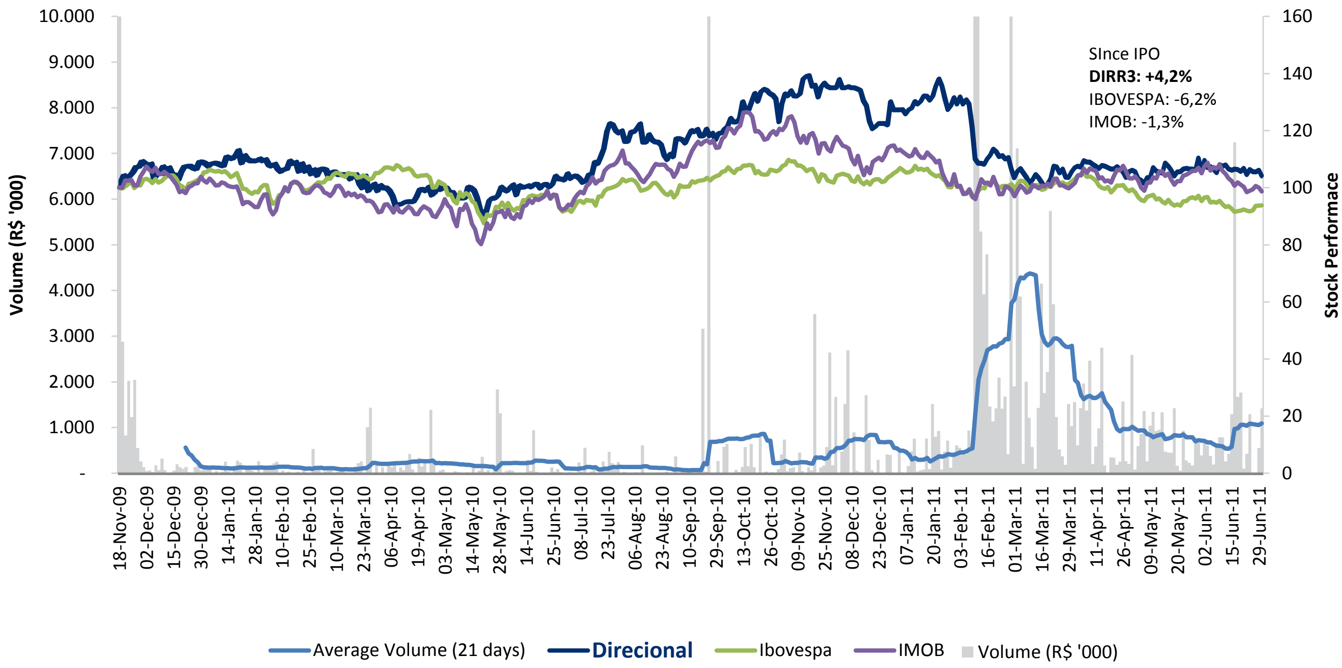
Indebtedness

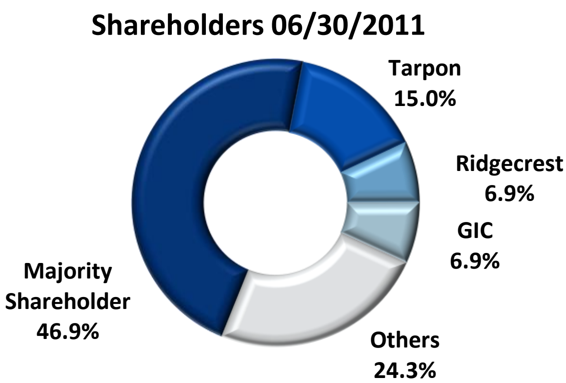
Cash Position (R$'000)	2Q11 (a)	1Q11 (b)	4Q10 (c)	Δ % (a/b)	Δ % (a/c)
Loans and Financing	**408,630**	**348,307**	**302,374**	**17.3%**	**35.1%**
SFH	341,303	282,674	226,056	20.7%	51.0%
Securitization of receivables	37,216	36,429	46,843	2.2%	-20.6%
FINAME and others	9,149	8,611	8,882	6.2%	3.0%
Working Capital	20,962	20,593	20,593	1.8%	1.8%
Cash and Cash Equivalents	**381,768**	**355,410**	**190,852**	**7.4%**	**100.0%**
Net debt	26,862	-7,103	111,522		
Net debt / Equity	2.3%	-0.7%	14.1%		





SHARE PERFORMANCE





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.

APPENDIX I
CONSOLIDATED BALANCE SHEET

IFRS

ASSETS	6/30/2011	12/31/2010
Cash and Cash Equivalents	381,768	190,851
Accounts Receivable	776,489	594,108
Service Accounts Receivable	92,276	68,303
Landbank	285,918	252,992
Marketable Real Estate	29,793	19,527
Under construction Real Estate Inventory	194,460	135,923
Others Receivables	26,518	28,995
Related Parties	21,415	7,441
Recoverable Taxes and Contributions	8,423	6,438
Selling Expenses to be recognized	2,680	3,588
Current Assets	**1,819,740**	**1,308,166**
Accounts Receivable	142,337	157,403
Landbank	148,007	151,118
Related Parties	23,007	25,925
Credits	5,564	
Long-Term Assets	**318,915**	**334,446**
Fixed Assets	37,502	34,630
Intangible	2,036	2,301
Permanent Assets	**39,538**	**36,931**
Total of long-term Assets	**358,453**	**371,377**
Total Assets	**2,178,193**	**1,679,543**

LIABILITIES AND SHAREHOLDER'S EQUITY	6/30/2011	12/31/2010
Loans and Financing	180,633	121,643
Suppliers	32,976	23,483
Labor Provisions	28,715	27,583
Taxes Payable	52,015	43,268
Creditors	107,974	89,174
Advances from Customers	68,160	36,749
Proposed Dividends	0	40,272
Other Accounts Payable	71,054	29,275
Related Parties	8,717	0
Current Liabilities	**550,244**	**411,447**
Loans and Financing	227,997	180,731
Provision for warranty	8,285	6,327
Taxes Payable and Labor Provisions	9,033	11,026
Creditors	67,020	83,887
Advances from Customers	167,306	155,760
Provision for tax, labor and civil	2,975	2,510
Other debts	35	0
Long Term Liabilities	**482,651**	**440,241**
Capital Stock	496,331	324,247
Stock issue reserve	256,736	201,339
Investment Reserve	277,741	267,891
Period Results	75,903	0
Shareholder´s Equity	**1,106,711**	**793,477**
Non-controlling interest in SCPs and SPEs	**38,587**	**34,378**
Total Equity	**1,145,298**	**827,855**
Total Liabilities and Shareholder's Equity	**2,178,193**	**1,679,543**

APPENDIX II
CONSOLIDATED RESULTS STATEMENT

IFRS

Consolidated Income Statements (R$'000)	2Q11 (a)	2Q10 (b)	Δ % (a/b)	1H11 (c)	1H10 (d)	Δ % (c/d)
Real Estate Sales Revenues	193,569	149,137	29.8%	375,775	281,561	33.5%
Services Revenues	57,727	20,662	179.4%	114,482	35,590	221.7%
Gross Revenues	**251,296**	**169,799**	**48.0%**	**490,257**	**317,151**	**54.6%**
Deductions from Gross Revenues	-6,627	-4,623	43.3%	-11,545	-9,236	25.0%
Net Revenues	**244,669**	**165,176**	**48.1%**	**478,712**	**307,915**	**55.5%**
Cost of Real Estate Sold	-142,688	-97,819	45.9%	-270,923	-181,871	49.0%
Cos of Services	-37,844	-11,826	220.0%	-78,048	-20,464	281.4%
Gross Profit	**64,137**	**55,531**	**15.5%**	**129,741**	**105,580**	**22.9%**
Adjusted General and Administrative Expenses	-21,744	-13,260	64.0%	-49,003	-23,378	109.6%
Sales Expenses	-7,469	-4,482	66.6%	-12,466	-8,414	48.2%
Financial Expenses	-6,544	-599	992.5%	-8,449	-1,378	513.1%
Financial Revenues	14,527	10,425	39.3%	23,109	17,541	31.7%
Other Operating Expenses/Revenues	-549	137	-500.7%	5,046	1,055	378.3%
Operating Expenses/Revenues	**-21,779**	**-7,779**	**180.0%**	**-41,763**	**-14,574**	**186.6%**
Earnings Before Income Tax and Social Contribution	**42,358**	**47,752**	**-11.3%**	**87,978**	**91,006**	**-3.3%**
Provision for Income Tax and Social Contribution	-6,190	-4,039	53.3%	-10,816	-7,802	38.6%
Earnings Before Minority Interests	**36,167**	**43,713**	**-17.3%**	**77,162**	**83,204**	**-7.3%**
Participation of Partners	55	-4,899	-101.1%	-1,259	-8,673	-85.5%
Net Income for the period	**36,222**	**38,814**	**-6.7%**	**75,903**	**74,531**	**1.8%**

APPENDIX III
EBITDA RECOMPOSITION

EBITDA Recomposition (R$'000)	2Q11 (a)	2Q10 (b)	Δ % (c/a)	1H11 (c)	1H10 (d)	Δ % (c/d)
Net Income	**36,222**	**38,814**	**-6.7%**	**75,903**	**74,531**	**1.8%**
(+) Depreciation and Amortization	794	1,557	**-49.0%**	2,112	2,468	**-14.4%**
(+) Income Tax and Social Contribution	6,190	4,039	**53.3%**	10,816	7,802	**38.6%**
(+) Minority Interest	-55	4,899	**-101.1%**	1,259	8,673	**-85.5%**
(+-) Financial Results	-7,983	-9,826	**-18.8%**	-14,660	-16,163	**-9.3%**
(+) Cost of production financing	8,847	3,022	**192.8%**	15,240	5,810	**162.3%**
(+) stock options expenses	4,304	2,161	**99.2%**	15,348	3,913	**292.2%**
Adjusted EBITDA	**48,319**	**44,666**	**8.2%**	**106,018**	**87,034**	**21.8%**
Adjusted EBITDA Margin	**19.7%**	**27.0%**		**22.1%**	**28.3%**	

1. Adjusted by non cash expenses (stock options)

APPENDIX IV
CONSOLIDATED CASH FLOW STATEMENT

IFRS

CONSOLIDATED CASH FLOW (R$'000)	6/30/2011	6/30/2010
Operating activities		
Earnings Before Minority Interests	**87,978**	**91,006**
Expenses (income) not affecting net working capital:		
Depreciation and amortization	2,112	2,468
Equity income	0	0
Provision for warranty	0	0
deferred tax	4,612	-4,820
Present value adjustment on receivables	1,838	13,702
Provision for stock option	15,349	3,538
Reversal of provision	-3,257	0
Minority Interests	-1,259	-8,673
(Decreases) increase in assets		
Accounts receivable	-193,126	-187,664
Real Estate for Sale	-98,618	-5,508
Other Credits	-3,087	-14,242
Related Parties	-11,056	0
Taxes recoverable	-1,985	-1,802
Deferred selling expenses	907	3,366
(Decreases) increases in liabilities		
Suppliers	9,493	2,767
Payroll, social charges	4,389	5,409
Tax and social contribiutions	2,142	13,680
Committed by real estate lenders	1,933	9,501
Advances from Customers	42,958	-21,958
Accounts payable	44,237	-1,050
Related Parties	8,717	0
Cash and cash equivalents applied to operating activities	**-85,723**	**-100,280**
Provision for Income Tax and Social Contribution	-10,816	-8,673
Net cash and cash equivalents applied to operating activities	**-96,539**	**-108,953**
Cash Flow of Investments activities:		
Acquisition of investments		
Acquisition of assets in property, plant and equipment	-4,984	-6,580
Increase (decrease) in intangible	265	-207
Dividends	0	0
Net cash and cash equivalents applied to investment activities		
Entrance of new loans and financing	106,256	97,086
Net cash and cash equivalents applied to investment activities	**101,537**	**90,299**
Financing activities cash flow:		
Entrance of new loans and financing	221,982	858
Dividends	-40,272	-18,785
Accounts payable to related parties	4,209	18,736
Net cash and cash equivalents applied to financing activities	**185,919**	**809**
Increase (decrease) in cash and cash equivalents	**190,917**	**-17,845**
Cash and cash equivalents		
At the begining of the period	190,851	313,881
At the begining of the period	381,768	296,036
Increase (decrease) in cash and cash equivalents:	**190,917**	**-17,845**

APPENDIX V
ADDED-VALUE STATEMENT

STATEMENT OF VALUE ADDED	6/30/2011	6/30/2010
Revenue	**495,117**	**318,140**
Sales of properties and services	490,257	317,151
Other revenues	5,046	1,055
Allowance for doubtful accounts	-186	-66
Bought-in materials and services	**-326,054**	**-184,768**
Cost of units sold and services	-226,629	-127,989
Materials, power, outsources and other operating	-88,593	-36,611
Other	-10,832	-20,168
Gross wealth	**169,063**	**133,372**
Depreciation and amortization, net	-2,112	-2,468
Net wealth generated by the company	**166,951**	**130,904**
Wealth received	**23,109**	**17,541**
Financial income	23,109	17,541
Total wealth to distribute	**190,060**	**148,445**
To distribute to	**190,060**	**148,445**
Employees	82,088	46,825
Taxes and duties	22,361	17,038
Remuneração de capitais de terceiros	8,449	1,378
Retained earnings	75,903	74,531
Portion of profit attributable to minority shareholders	1,259	8,673

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:

0-3 MW (or Up to 3 MW)	Residential developments under construction contract, in the form of turnkey contracts under the program "MCMV," contracted directly with CEF for families with incomes up to three minimum wages. 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. Directional 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.