

Belo Horizonte, November, 10<sup>th</sup>, 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, Midwest and Southeast regions in Brazil, discloses hereby its operating and financial results for the third quarter of 2011 (3Q11). Except otherwise indicated, the information included in this document is expressed in Brazilian Reais (R\$) and the PSV are % Direcional. 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 11/09/2011: R\$ 8.70

Number of shares: 154.904.732

Market Cap:

R\$ 1.345.3 million / US\$ 757.5 million

Free Float: 51.1%

3Q11 average daily volume:

111.9 thousand shares

R\$ 1,116.8 thousand

#### TELECONFERENCE

Date:

11/11/2011 – Friday

Portuguese

11:00 am – Brasília time

English

10:00 am – New York time

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## DIRECIONAL ANNOUNCES RECORD NET INCOME<sup>1</sup> OF R\$59.5 MILLION IN 3Q11, 26% GROWTH YoY

### 3Q11 - FINANCIAL AND OPERATING HIGHLIGHTS

- **Record Net Revenue** of R\$297.6 million in the quarter and R\$776.3 million in the first nine months, increasing 41% and 50%, respectively, from the same periods last year;
- Adjusted **Gross Margin**<sup>2</sup> of 32.6% in 3Q11 and 31.2% in 9M11;
- Adjusted **EBITDA**<sup>1</sup> of R\$73.3 million in 3Q11 and R\$179.3 in 9M11, accompanied by margins of 24.6% and 23.1%, respectively;
- Adjusted **Net Income**<sup>1</sup> of R\$59.5 million in 3Q11 and R\$150.7 million in 9M11, accompanied by margins of 20.0% and 19.4%, respectively;
- **Cash Burn** of R\$51.6 million in the quarter and R\$150.5 million year to date;
- **Net Debt/Equity ratio** of 7.9%;
- Contracting of the 2<sup>nd</sup> phase of Residencial Meu Orgulho, **the largest project of the Minha Casa, Minha Vida program**;
- **Record Launches and Sales** in 9M11, with launched Potential Sales Value (PSV) of R\$1,019.4<sup>3</sup> million and contracted PSV of R\$863.3<sup>3</sup> million, up 56.4% and 36.9%, respectively, from 9M10;
- **Sales over supply ratio** reached 36.7% in 3Q11, with 90% of the units launched in the quarter sold within the quarter.

1 – Adjusted for (non-cash) expenses with stock option program

2 – Adjustment excludes the interest capitalized on construction financing

3 – Includes project acquisitions

#### LAUNCHES

R\$ 376.8 million in 3Q11 and R\$ 1,019<sup>3</sup> million in 9M11, a 133% and 56% growth, respectively, when compared to the same periods in the previous year.

#### SALES

R\$ 430.3 million in 3Q11 and R\$ 863.3<sup>3</sup> million in 9M11, a 201% and 37% growth, respectively, when compared to the same periods in the previous year.

#### ADJUSTED NET INCOME

R\$ 59.5 million in 3Q11, with an adjusted net margin of 20.0% and Annualized ROE of 21.1%.

**MESSAGE FROM THE MANAGEMENT**

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We are immensely pleased to present the financial and operating results of the past quarter (3Q11) and the first nine months of 2011 (9M11).

Among the 3Q11 launches, we wish to highlight the 2<sup>nd</sup> phase of the “Meu Orgulho” project in Manaus, which qualifies for the Minha Casa, Minha Vida program in the monthly family income range of up to R\$1,600 (“MCMV 1<sup>st</sup> Layer”). This phase of the project has a PSV of R\$313.4 million and envisages the delivery of 5,384 units. For this project, we will adopt an industrialized construction model that uses aluminum moulds and concrete walls, just as in the 1<sup>st</sup> phase of the project, which will enable us to deliver the project in 15 to 18 months.

We remain highly optimistic about our pipeline of projects awaiting approval from the Caixa Econômica Federal (CEF) under the 2<sup>nd</sup> phase of the Minha Casa, Minha Vida program. We are also confident about our unique execution capacity, which will enable us to grow by taking advantage of the strong demand created by significant governmental incentives, further accelerating our growth in this segment with low cash commitment. Our successful track record of executing projects in MCMV 1<sup>st</sup> Layer and Residential Lease program (PAR) helps consolidate our position as the most important player in Brazil’s low-income segment, given that we have so far contracted more than 17,700 units in this segments, equivalent to PSV of roughly R\$927 million.

Another 3Q11 highlight was the launch of a new project under the Special Taxation Regime (RET1), which was the 3<sup>rd</sup> phase of the Total Ville project in Macaé, Rio de Janeiro, with PSV of R\$15.5 million. This is the fourth project under RET1, which already amounts to R\$133.5 million in launches this year. There has been strong demand for projects launched under RET1, and the Company has adopted a conservative policy of registering a each sale only after the mortgage loan is approved by CEF.

Launches in the year, combined with the project acquisitions, totaled R\$1,019.4 million, broken down as follows: 30.7% in MCMV 1<sup>st</sup> Layer, 19.5% in low-income projects, 12.9% in project acquisitions, and 36.8% in other types of projects. Until this quarter, we launched 83.3% of the total volume launched in the whole of 2010 and expect a substantial growth of between 20 and 30% in 2011 over the launches in 2010.

We closed 3Q11 with an inventory PSV of R\$705.5 million, 7% down from the R\$754.6 million recorded at the end of 2Q11. At the end of the quarter, 87.1% of the units under construction had already been sold. We are focusing on selling units in inventory, and in October we held a sales fair in Porto Velho, which was a success in terms of new sales proposals. We intend to organize a similar event in Manaus in November.

As a result of the above-mentioned performance, we closed 9M11 with net revenue of R\$776.3 million, a remarkable 50% increase over the same period in 2010. Our Adjusted Net Income<sup>1</sup> totaled R\$150.7 million in 9M11, 20.0% up on the same period last year, accompanied by an adjusted net margin of 19%. Return on Equity (Annualized ROE) stood at 21.1%.

We reaffirm our confidence in our business model and our commitment to growth with profitability, solid financial health and corporate security, with focus on creating value for our clients and shareholders.

1 – Adjusted for (non-cash) expenses with stock option program

## KEY INDICATORS

	3Q11 (a)	3Q10 (b)	Δ % (a/b)	9M11 (c)	9M10 (d)	Δ % (c/d)
<b>Launches</b>						
Launched PSV (R\$'000)	440,283	187,945	134.3%	969,830	712,632	36.1%
Launched PSV - % Direcional (R\$'000)	376,839	161,565	133.2%	888,160	651,722	36.3%
Launched PSV (R\$'000): MCMV 1st Layer	313,395	-	n/a	313,395	190,598	64.4%
Launched PSV (R\$'000): ex MCMV 1st Layer projects	63,444	161,565	-60.7%	574,765	461,124	24.6%
Average Direcional Stake (%)	85.6%	86.0%	-0.4 p.p.	91.6%	91.5%	0.1 p.p.
Units Launched	6,162	1,788	244.6%	9,698	7,171	35.2%
Launched Units: MCMV 1st Layer	5,384	-	n/a	5,384	3,511	53.3%
Launched Units: ex MCMV 1st Layer	778	1,788	-56.5%	4,314	3,660	17.9%
Average Price (R\$/unit)	71,451	105,115	-32.0%	100,003	99,377	0.6%
Project Acquisition (R\$'000)	-	-	n/a	131,289	-	n/a
Launched PSV - % Direcional + Project Acquisition (R\$'000)	376,839	161,565	133.2%	1,019,449	651,722	56.4%
<b>Sales</b>						
Contracted PSV (R\$'000)	467,877	186,553	150.8%	879,440	750,799	17.1%
Contracted PSV - % Direcional (R\$'000)	430,336	142,968	201.0%	774,238	630,621	22.8%
Contracted PSV - % Direcional (R\$'000): MCMV 1st Layer	313,395	-	n/a	313,395	190,598	64.4%
Contracted PSV - % Direcional (R\$'000): ex MCMV 1st Layer	116,940	142,968	-18.2%	460,842	440,023	4.7%
Units	6,314	1,080	484.6%	8,518	7,018	21.4%
# of Units: MCMV 1st Layer	5,384	-	n/a	5,384	3,511	53.3%
# of Units: ex MCMV 1st Layer	930	1,080	-13.9%	3,134	3,507	-10.6%
Average Price (R\$/unit)	74,101	172,734	-57.1%	103,245	106,982	-3.5%
Sales Over Supply (% PSV)	36.7%	20.8%	15.8 p.p.	50.4%	53.6%	-3.3 p.p.
Project Acquisition (R\$'000)	-	-	n/a	89,080	-	n/a
Contracted PSV - % Direcional + Project Acquisition (R\$'000)	430,336	142,968	201.0%	863,318	630,621	36.9%
<b>Financial Indicators</b>						
Net revenue (R\$'000)	297,637	210,707	41.3%	776,349	518,622	49.7%
Gross Income (R\$'000)	88,267	63,937	38.1%	218,008	169,517	28.6%
Gross Margin (%)	29.7%	30.3%	-0.7 p.p.	28.1%	32.7%	-4.6 p.p.
Adjusted Gross Margin (%)	32.6%	32.0%	0.6 p.p.	31.2%	34.5%	-3.3 p.p.
Adjusted EBITDA (R\$'000)	73,298	51,302	42.9%	179,316	138,438	29.5%
Adjusted EBITDA Margin (%)	24.6%	24.3%	0.3 p.p.	23.1%	26.7%	-3.6 p.p.
Adjusted Net Income (R\$'000)	59,477	47,136	26.2%	150,728	125,580	20.0%
Adjusted net Margin (%)	20.0%	22.4%	-2.4 p.p.	19.4%	24.2%	-4.8 p.p.
<b>Other Indicators</b>						
Annualized ROE <sup>1</sup> (%)	21.1%	14.9%	21.8%	25.8%	25.2%	22.9%
ROE LTM <sup>2</sup> (%)	19.0%	19.8%	22.5%	23.8%	21.1%	21.4%
Cash and Cash Equivalent (R\$'000)	343,618	381,768	355,410	190,852	235,075	296,036
Total Debt (R\$'000)	437,708	408,630	348,307	302,374	245,724	220,384
Net Debt (R\$'000)	94,090	26,862	-7,103	111,522	10,649	-75,652
Shareholder's Equity (R\$'000)	1,198,297	1,145,298	1,106,900	827,855	782,851	735,340
Net Debt / Shareholder's Equity (%)	7.9%	2.3%	-0.7%	14.1%	1.4%	-10.3%
Net Debt / EBITDA last 12 months	0.3X	0.1X	0.0X	0.5X	0.1X	0.0X
Revenues to be Recognized (R\$'000)	1,325,614	1,076,828	967,047	1,011,455	979,936	984,403
Results to be Recognized (R\$'000)	499,703	413,473	382,339	404,563	380,825	371,585
Margin to be Recognized (%)	37.7%	38.4%	39.5%	40.0%	38.9%	37.7%
Inventories (R\$'000)	833,665	835,918	770,062	775,448	718,148	707,881
Inventories - % Direcional (R\$'000)	705,493	738,437	635,689	598,024	602,730	576,754
Total LandBank (R\$'000)	9,258,392	9,298,060	9,291,196	9,050,726	8,631,284	8,139,293
LandBank - % Direcional (R\$'000)	6,991,495	6,985,975	7,004,063	6,756,876	6,224,460	5,724,239
LandBank - Units	67,361	68,007	68,115	67,348	66,167	65,158

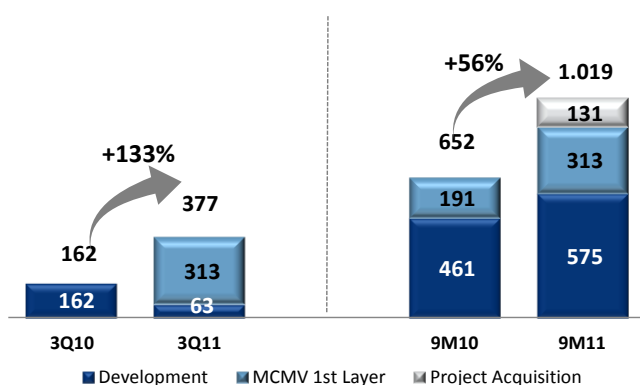
1. Annualized ROE: Annualized Quarter's Net Profit / Average Shareholders' Equity in the same period

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

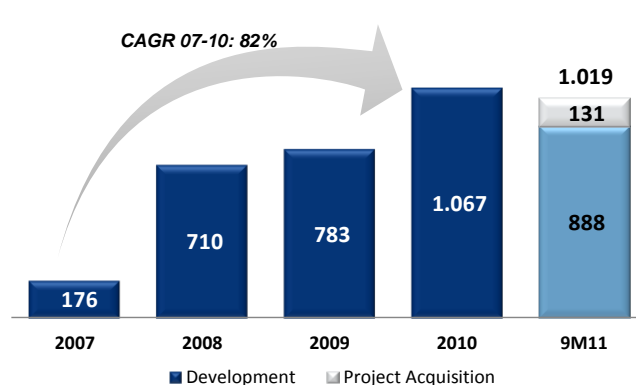
## LAUNCHES

Direcional launched PSV of R\$1.0 billion in 9M11, 56% more than in 9M10. In 3Q11, launches totaled R\$377 million, 133% up on 3Q10. Three projects were launched, notably the 2<sup>nd</sup> phase of the Meu Orgulho project in Manaus, under MCMV 1<sup>st</sup> Layer - **Brazil's largest project under the MCMV program**. Another project launched was Total Ville Macaé – 3<sup>rd</sup> phase, with 402 units and PSV of R\$15.5 million under RET1. In the last 12 months, Direcional launched 5 projects under RET1, totaling 2,540 units for PSV of R\$150 million.

**Launched PSV  
(R\$ million)**



**Launched PSV – Track Record  
(R\$ million)**



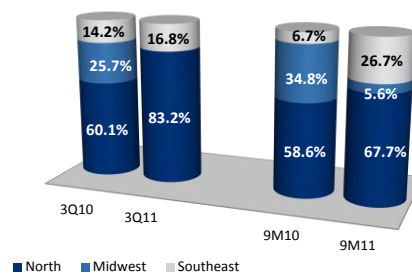
## Breakdown of Launches

The Company maintains its focus on popular projects, with its presence concentrated in Brazil's North, Midwest and Southeast regions. The charts below show the breakdown of 3Q11 and 9M11 launches by region and economic segment.

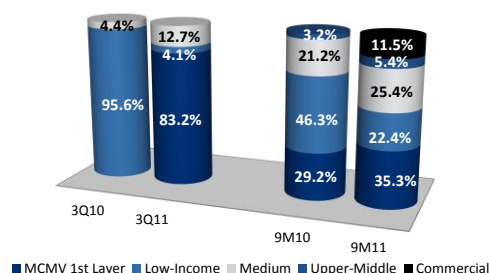
### 3Q11 Launches



**Launches  
(Geographic Breakdown - % PSV)**



**Launches  
(Segment Breakdown - % PSV)**





3Q11 Projects	Date	City - State	PSV		# of Units Launched	Total Units (All Phases)	Segment
			Total (R\$'000)	% Direcional (R\$'000)			
1 Portal Vistas do Horizonte	Setembro	Belo Horizonte - MG	95,878	47,939	376	1,172	Medium
2 Total Ville Macaé - 3ª Etapa - RET 1	Setembro	Macaé - RJ	31,010	15,505	402	1,145	Low-Income
3 Residencial Meu Orgulho - 2ª Fase	Setembro	Manaus - AM	313,395	313,395	5,384	8,895	MCMV 1st Layer
<b>Total</b>			<b>440,283</b>	<b>376,839</b>	<b>6,162</b>	<b>11,212</b>	

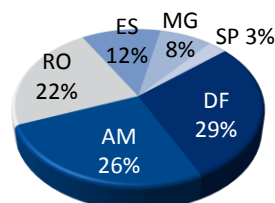
Launches	3Q11 (a)	3Q10 (b)	Δ % (a/b)	9M11 (c)	9M10 (d)	Δ % (c/d)
Launched PSV (R\$'000)	440,283	187,945	134.3%	969,830	712,632	36.1%
Launched PSV - % Direcional (R\$'000)	376,839	161,565	133.2%	888,160	651,722	36.3%
Direcional's share - %	85.6%	86.0%	-0.4%	91.6%	91.5%	0.1%
Launched PSV (R\$'000): MCMV 1st Layer	313,395	-	n/a	313,395	190,598	64.4%
Launched PSV (R\$'000): ex MCMV 1st Layer	63,444	161,565	-60.7%	574,765	461,124	24.6%
Units Launched	6,162	1,788	244.6%	9,698	7,171	35.2%
Units Launched: MCMV 1st Layer	5,384	-	n/a	5,384	3,511	53.3%
Units Launched: ex MCMV 1st Layer	778	1,788	-56.5%	4,314	3,660	17.9%
# of Projects	3	5	-40.0%	14	12	16.7%
Units Launched/# of Projects	2,054	358	474.4%	693	598	15.9%
Total Units/# of Projects (all phases)	3,737	909	311.1%	1,846	906	103.8%
Usable Area Launched (sq. m)	280,378	102,319	174.0%	463,248	365,262	26.8%
Average Area (sq. m / unit)	46	57	-20.5%	48	51	-6.2%
Average Price (R\$/unit)	71,451	105,115	-32.0%	100,003	99,377	0.6%
Average Price (R\$/sq.m)	1,570	1,837	-14.5%	2,094	1,951	7.3%
Project Acquisition - PSV (R\$'000)	-	-	n/a	131,289	-	n/a
Launched PSV - % Direcional + Project Acquisition - PSV (R\$'000)	376,839	161,565	133.2%	1,019,449	651,722	56.4%

## PROJECTS DELIVERED

In 2011, Direcional delivered 9 projects, totaling 1,887 units and with PSV of R\$304.8 million.

Projects	City - State	Quarter	PSV % Direcional (R\$ '000)	Units
1 Equilibrium	Manaus - AM	2Q11	43,561	136
2 Águas do Madeira	Porto Velho - RO	2Q11	40,973	426
3 Grand Prix	Manaus - AM	2Q11	36,983	192
4 Lake View Resort	Brasília - DF	2Q11	87,812	232
5 Garden Club - Fase 01	Porto Velho - RO	2Q11	27,515	313
6 Dream Park	Serra - ES	2Q11	35,704	282
7 Gran Paradiso	Belo Horizonte - MG	3Q11	13,621	128
8 Villaggio Santa Mônica	Belo Horizonte - MG	3Q11	10,219	120
9 Vernissage	Campinas - SP	3Q11	8,448	58
<b>Total</b>			<b>304,835</b>	<b>1,887</b>

Deliveries by Region  
(% of PSV)






## PROJECTS UNDER TURNKEY CONTRACTS

Turnkey contracts for construction works are entered into with Caixa Econômica Federal (CEF) under the Minha Casa, Minha Vida program, and with state and municipal governments under the Residential Lease Program (PAR).

The Company closure in October was 17,717 units contracted in this segment, distributed across ten projects. **The total value of the contracts is R\$926.5 million**, equivalent to a total built-up area of 729,411 square meters.

To operate profitably in this segment, we believe an industrialized construction process is of paramount importance, with total control over all activities, processes and costs. Direcional reiterates that this segment **is part of its business portfolio** and is strategically important for its growth model.

PAR	+	1 <sup>st</sup> Phase "MCMV"	+	2 <sup>nd</sup> Phase "MCMV"
<ul style="list-style-type: none"> <li># of projects: 5</li> <li># of Units: .3,602</li> <li>Total PSV: R\$ 153.7 million</li> <li>Previous to "MCMV" Program</li> </ul>  <p>Petrópolis - AM</p>		<ul style="list-style-type: none"> <li># of projects: 3</li> <li># of Units: .7,391</li> <li>Total PSV: R\$ 380.3 million</li> </ul>  <p>Meu Orgulho 1<sup>st</sup> Phase</p>		<ul style="list-style-type: none"> <li># of projects: 2</li> <li># of Units: .6,724</li> <li>Total PSV: R\$ 392.5 million</li> </ul>  <p>Meu Orgulho 2<sup>nd</sup> Phase</p>

## Second Phase of "Residencial Meu Orgulho"

In 3Q11, Direcional signed an agreement with CEF for the implementation of a project under the 2<sup>nd</sup> phase of the Minha Casa, Minha Vida program. This agreement refers to the 2<sup>nd</sup> phase of "Residencial Meu Orgulho" and envisages the construction of 5,384 units (648 houses and 4,736 apartments distributed in 296 blocks).

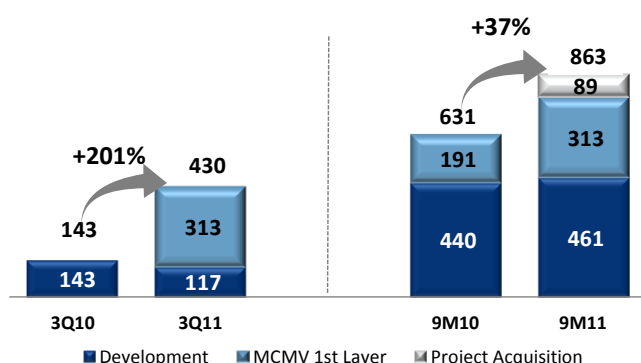
The construction of this 2<sup>nd</sup> phase will also employ the industrialized construction model, using aluminum moulds and concrete walls, which will enable the project to be delivered in 15 to 18 months.

"Residencial Meu Orgulho" – 1 <sup>st</sup> Phase		"Residencial Meu Orgulho" – 2 <sup>nd</sup> Phase	
			
Location	Manaus - AM	Location	Manaus - AM
Launch	2Q10	Launch	3Q11
Segment	MCMV 1 <sup>st</sup> Layer	Segment	MCMV 1 <sup>st</sup> Layer
# Units	3,511	# Units	5,384
Total PSV	R\$ 190,6 million	Total PSV	R\$ 313.4 million
Housing PSV	R\$ 149,2 million	Housing PSV	R\$ 272.6 million
Infrastructure PSV	R\$ 41,4 million	Infrastructure PSV	R\$ 40.7 million

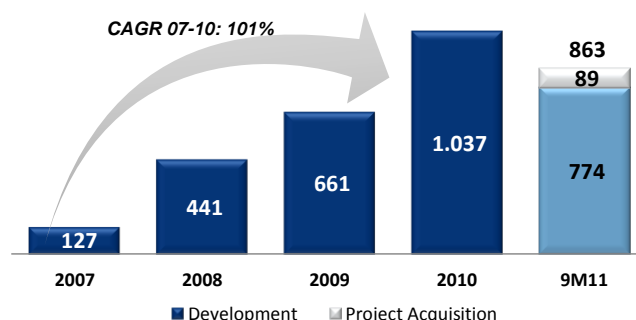
## CONTRACTED SALES

In 9M11, Direcional sold R\$863 million, 37% more than in the same period in 2010. Contracted PSV totaled R\$430 million in 3Q11, 201% higher than in 3Q10, led by the contracting of the Meu Orgulho project, where the units are sold in advance to CEF, upon launch.

**Contracted PSV  
(R\$ million)**



**Contracted PSV – Track Record  
(R\$ million)**

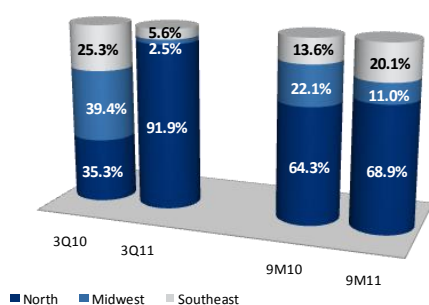


## Breakdown of Sales

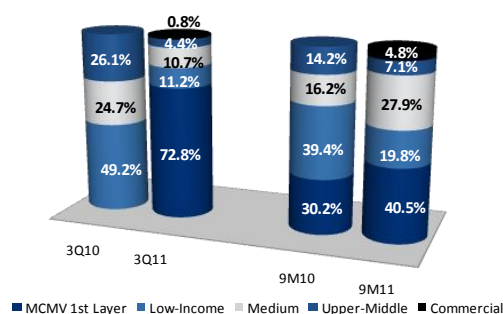
In 9M11, 40% of all units sold pertain to MCMV 1<sup>st</sup> Layer projects, consolidating the Company's position as a major player in this segment, given that the percentage share of MCMV 1<sup>st</sup> Layer projects in the business was not only maintained but actually increased in relation to the same period last year.

The charts below present the breakdown of 3Q11 and 9M11 sales by region and economic segment.

**Sales  
(Geographic Breakdown – % PSV)**



**Sales  
(Segment Breakdown – % PSV)**

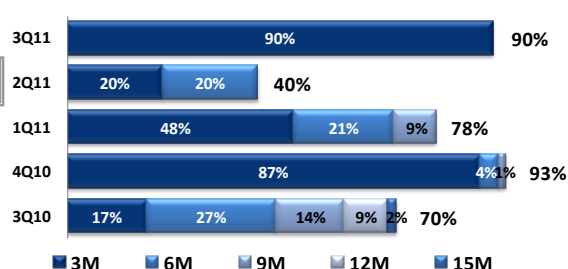


Contracted Sales	3Q11 (a)	3Q10 (b)	Δ % (a/b)	9M11 (c)	9M10 (d)	Δ % (c/d)
Contracted PSV (R\$'000)	467,877	186,553	150.8%	879,440	750,799	17.1%
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# of Units: ex MCMV 1st Layer	930	1,080	-13.9%	3,134	3,507	-10.6%
Average Price (R\$/unit)	74,101	172,734	-57.1%	103,245	106,982	-3.5%
VSO (Sales over total supply)	36.7%	20.8%	15.8 p.p.	50.4%	53.6%	-3.3 p.p.
Project Acquisition: PSV (R\$'000)	-	-	n/a	89,080	-	n/a
Contracted PSV % Direcional + Project Acquisition (R\$'000)	430,336	142,968	201.0%	863,318	630,621	36.9%

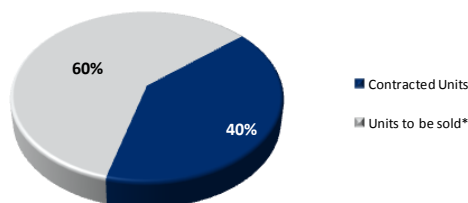
## SALES SPEED

In 9M11, Direcional sold 85% of launched PSV, which corresponds to a Sales over Supply ratio (VSO) of 50.4%. The Company launched four RET1 projects, totaling 1,732 units, of which 700 units (40.4%) had already been sold by the end of October. Despite the very heavy demand in this segment, Direcional has adopted the policy of registering the sale of a unit only after CEF has approved the mortgage loan. Of the three projects launched in 2Q11 (R\$118.0 million), Direcional expects to conclude and register the sales over the coming months.

**Sales Speed (%)**  
In Units

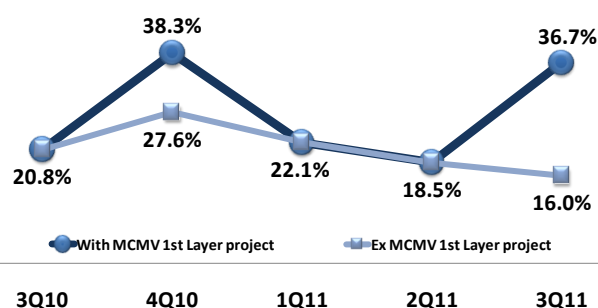


**Status of Sales under RET1 launched in 2Q11 - % Units**

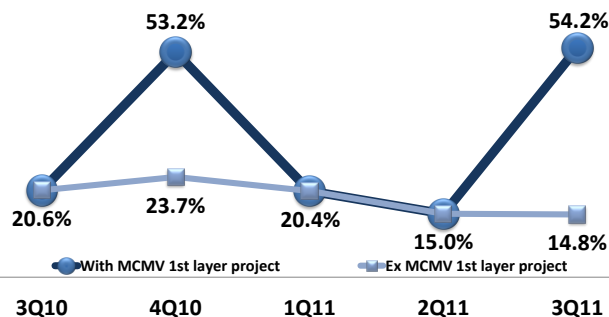


\* RET1 sales are subject to the mortgage facility approval by CEF

**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)

## LAND BANK

The table below shows the land bank by region at the end of 3Q11.

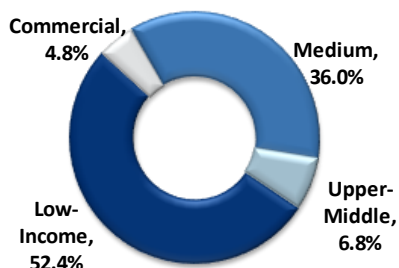
At the close of 3Q11, Direcional's land bank had a potential PSV of R\$7.0 billion, with the estimated construction of 67,361 units. The average price of the units comprising the land bank was R\$137,400.

The lots were acquired mainly through physical or financial swap (76.4% of acquisitions) at an average cost of 9.3% in relation to the PSV.

State	PSV (R\$'000)	# Units	Usable Area (sq. m)	Average Price
	% Direcional			R\$/Unit
MG	2,631,163	26,969	1,539,822	131,429
DF	1,573,097	19,596	1,111,788	138,535
AM	960,457	5,490	359,641	177,220
PA	937,361	8,335	458,929	112,472
SP	455,484	2,875	177,561	192,954
RO	270,030	2,806	133,083	106,400
RJ	60,413	538	37,264	197,197
ES	103,489	752	51,745	172,023
<b>TOTAL</b>	<b>6,991,495</b>	<b>67,361</b>	<b>3,869,833</b>	<b>137,444</b>

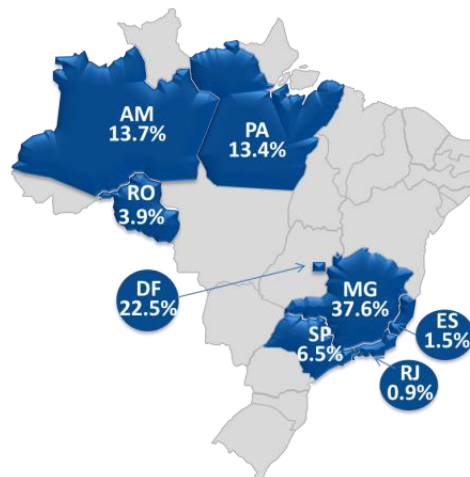


**Breakdown by segment  
(% PSV)**



- ✓ 59.2% large scale projects (more than 1,000 units);
- ✓ 53.5% in the North and Midwest regions;
- ✓ 52.4% projects in the low-income segment;
- ✓ 45.6% are eligible for the MCMV program.

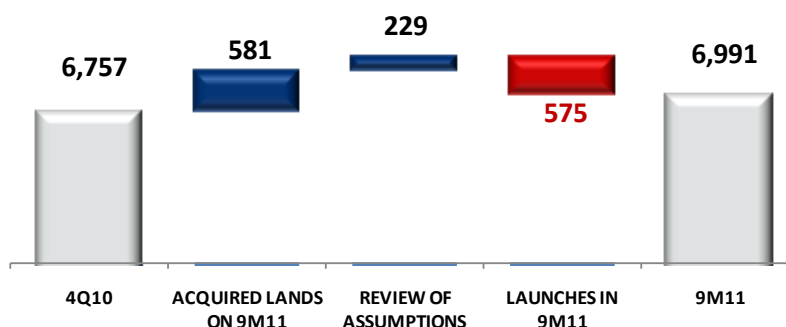
**Breakdown by geographic region  
(% PSV)**



## Land Acquisition

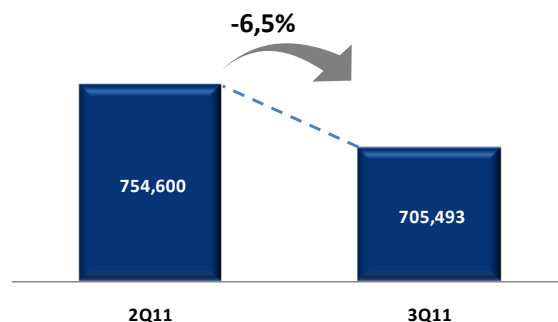
In 3Q11, the Company did not acquire any lots. In 9M11, Direcional adopted the strategy of replenishing the land bank in proportion to the launches and acquired six lots, with PSV of R\$581 million and construction potential of 3,118 units.

**Land Bank Evolution – 9M11  
(R\$ million)**

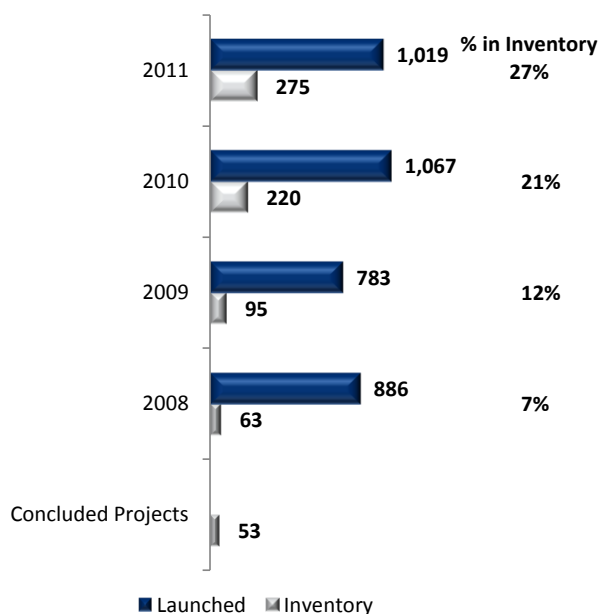


## INVENTORY

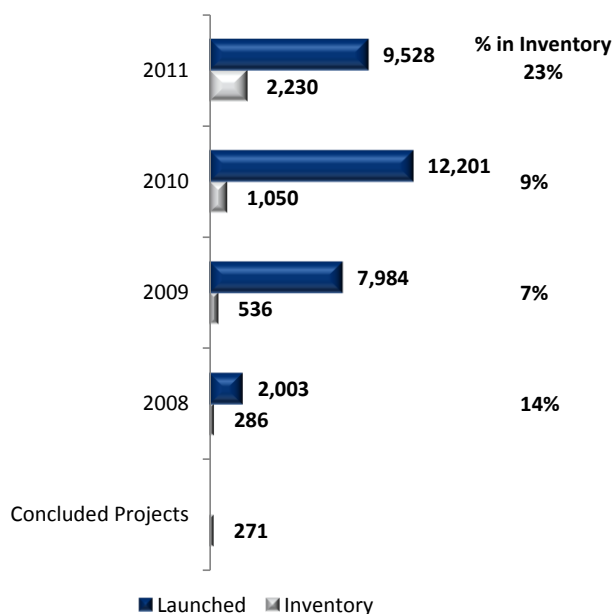
Direcional closed 3Q11 with inventory PSV of R\$705.5 million, 6.5% down from the R\$754.6 million at the end of 2Q11. At the end of the quarter, there were 271 finished units in inventory, with market value of R\$52.8 million. Direcional has already sold 87.1% of its units under construction.



Inventory – In PSV (R\$ million)



Inventory – In units



Inventory	PSV in Inventory (R\$'000)		Units in Inventory	Units in Inventory (without swap)	% Units in Inventory
	Total	% Direcional			
Under Construction	756,473	652,713	4,900	4,102	12.9%
Finished Units	77,192	52,780	444	271	6.2%
<b>Total Inventory</b>	<b>833,665</b>	<b>705,493</b>	<b>5,344</b>	<b>4,373</b>	<b>N/A</b>

## FINANCIAL PERFORMANCE

### Gross Operating Revenue

The table below shows the breakdown of the 3Q11 and 9M11 gross operating revenue in relation to the same periods in 2010.

Gross Revenue (R\$'000)	3Q11 (a)	3Q10 (b)	Δ % (b/a)	9M11 (c)	9M10 (d)	Δ % (d/c)
<b>Gross Operating Revenues</b>	<b>305,723</b>	<b>217,115</b>	<b>40.8%</b>	<b>795,980</b>	<b>534,266</b>	<b>49.0%</b>
Revenues from Real Estate Sales	233,331	184,152	26.7%	609,106	465,713	30.8%
Revenues from Services	72,392	32,963	119.6%	186,874	68,553	172.6%

#### • Revenue from Real Estate Sales:

Gross revenue from real estate sales was R\$233.3 million in 3Q11, 26.7% up from the R\$184.2 million recorded in 3Q10. In 9M11, this revenue amounted to R\$609.1 million, 30.8% up from the R\$465.7 million recorded in 9M10, mainly due to the strong sales performance of units in inventory in 3Q11, as well as the faster pace of the construction works.

The table shows the breakdown of the revenue booked in 9M11 according to the year of launch of the projects. Projects launched as of January 2009 account for 70.3% of the revenue booked in the first nine months of 2011.

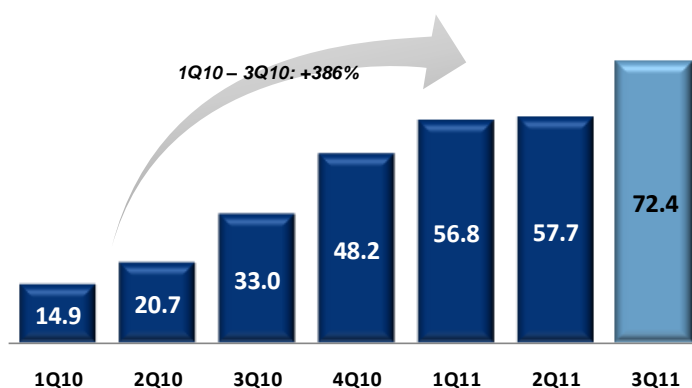
Year of Launch	% of Revenue Recognition
<2007	2.7%
2008	27.0%
2009	38.4%
2010	21.1%
2011	10.8%
<b>Total</b>	<b>100.0%</b>

#### • Revenue from Services:

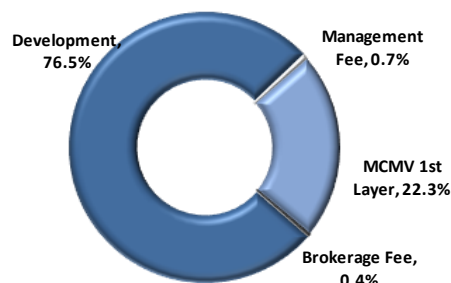
Gross revenue from services reached R\$72.4 million in 3Q11, 119.6% higher than the R\$33.0 million recorded in 3Q10. In 9M11, service revenue totaled R\$186.9 million, 172.6% up over 9M10.

This revenue, which has followed an upward trend in recent quarters, mainly results from the projects under the MCMV 1<sup>st</sup> Layer, initiated in 2009.

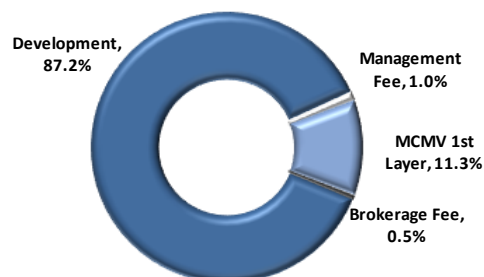
**Evolution of Revenue from Services  
(R\$ million)**



## Breakdown of Gross Operating Revenue in 9M11



## Breakdown of Gross Operating Revenue in 9M10



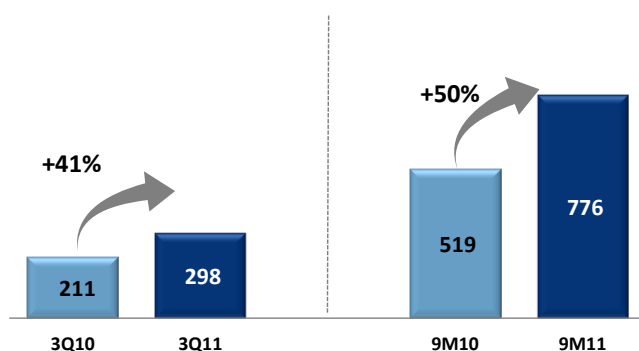
## Net Operating Revenue

Net revenue totaled R\$297.6 million in 3Q11, 41.3% up from the R\$210.7 million recorded in 3Q10.

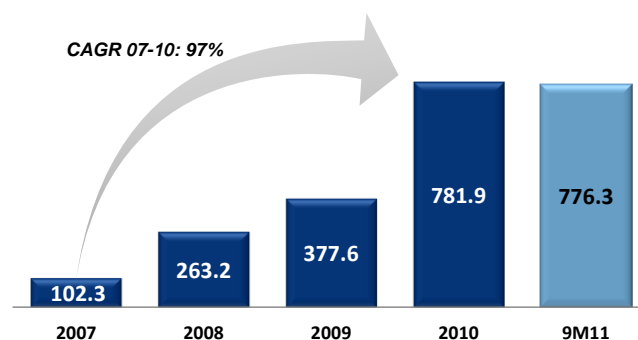
In 9M11, net revenue amounted to R\$776.3 million, an increase of 49.7% year on year.

This increase in net revenue, both in the quarter and in the first nine months, reflects the higher volume of units built, the faster pace of construction works and the consistent growth in the sale of inventory units in the quarter.

### Net Revenue (R\$ million)



### Net Revenues - Track Record (R\$ million)



Note that 22% of the revenue booked in the quarter will be converted into cash very soon as it comes from service contracts. This helps shorten Direcional's cash cycle and is an advantage in relation to its peers, allowing it to grow with lower cash investments and a higher return on invested capital.



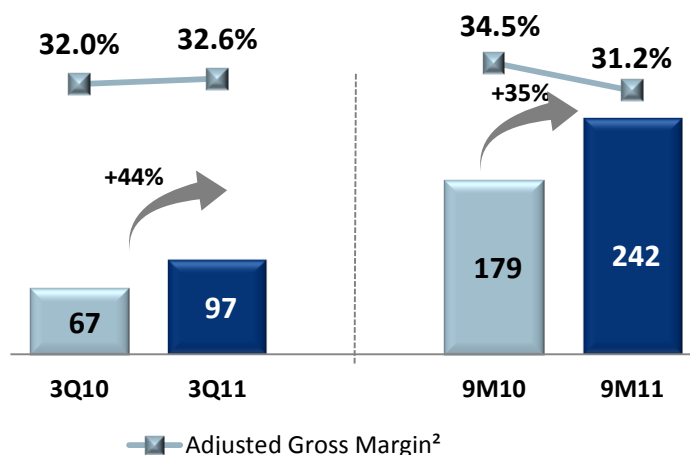
## Gross Profit

In 3Q11, gross profit, adjusted for interest capitalized in costs amounted to R\$97.0 million, 44.0% up from the R\$67.3 million recorded in 3Q10.

Year-to-date gross profit totaled R\$242.0 million, 35.4% higher than in 9M10.

Adjusted gross margin stood at 32.6% in 3Q11, in line with the 32.0% reached in 3Q10.

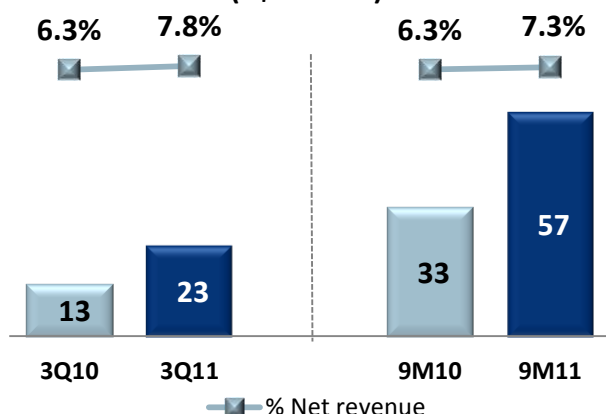
## Gross Profit and Gross Margin (R\$ million)



<sup>2</sup> Adjusted for interest capitalized in costs

## Seles, General & Administrative Expenses

### Adjusted G&A<sup>1</sup> (R\$ million)



### General and Administrative (G&A) Expenses:

G&A expenses include services (audit, consulting, lawyers' fees, etc), rent, salaries and payroll charges of employees in business support areas (not directly connected with construction activities), corporate expenses (publication of minutes and balance sheets), legal expenses (notaries and board of trade), and other expenses.

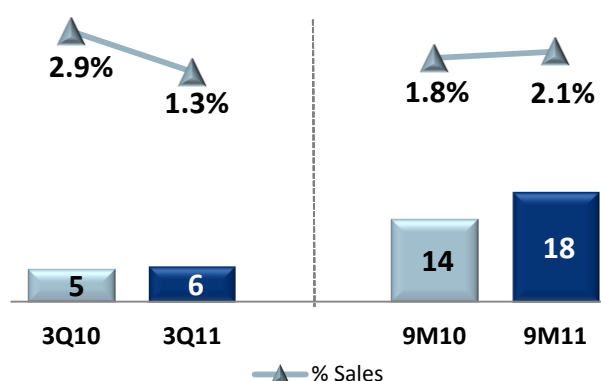
<sup>1</sup> Adjusted for (non-cash) expenses with stock option program of R\$4.8 million in 3Q11 and R\$20.1 in 9M11.

### Sales Expenses:

Sales expenses include expenses with commissions on sales, advertising and depreciation of sales stands and model apartments.

The increase in the percentage of sales expenses over sales in 2011 primarily reflects the one-off investment made in 2Q11 allocated to the advertising campaign of Direcional celebrating its 30<sup>th</sup> anniversary.

## Sales Expenses (R\$ million)



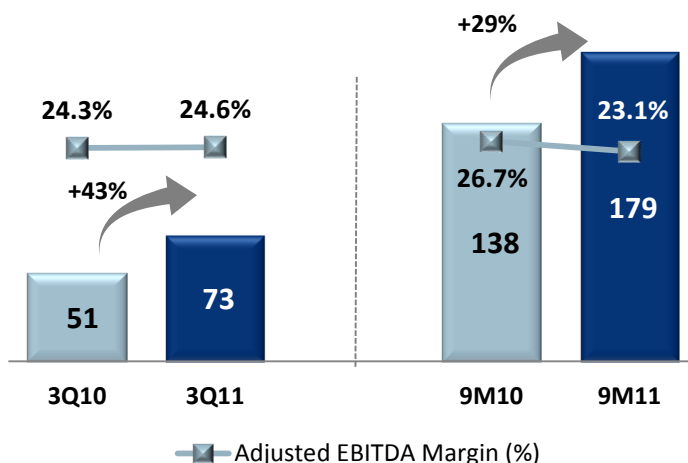
## Adjusted EBITDA<sup>1</sup>

Adjusted EBITDA totaled R\$73.3 million in 3Q11, 42.9% up from the R\$51.3 million recorded in 3Q10.

Adjusted EBITDA margin over net revenue was 24.6% in 3Q11, in line with the 24.3% recorded in 3Q10.

In 9M11, adjusted EBITDA totaled R\$179.3 million, 29.5% up over 9M10.

EBITDA and Adjusted Ebitda Margin<sup>1</sup>  
(R\$ million)



<sup>1</sup> Adjusted for (non-cash) expenses with stock option program

## Financial Results

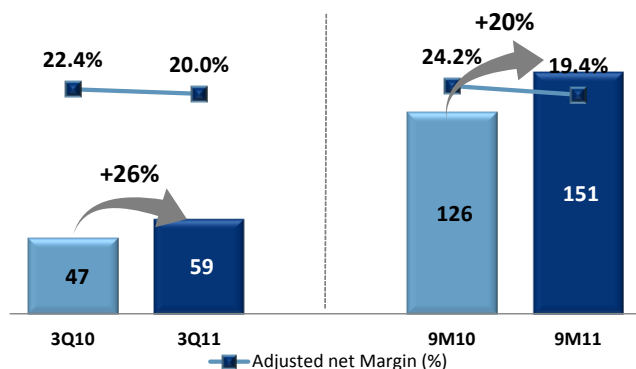
In 3Q11, financial revenues amounted to R\$11.8 million, versus R\$12.2 million in 3Q10. Financial expenses (excluding construction financing) reached R\$5.9 million in 3Q11, versus R\$0.9 million in 3Q10. Net financial result in 3Q11 totaled R\$6.0 million, versus R\$11.3 million in 3Q10.

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

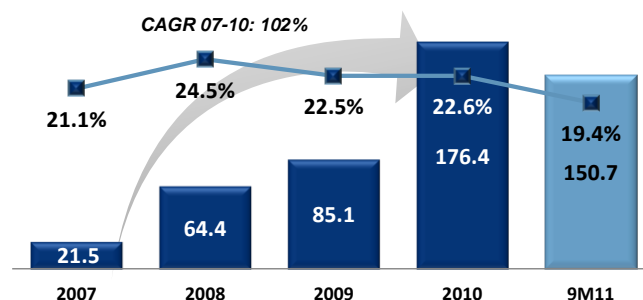
In 3Q11, adjusted net income<sup>1</sup> totaled R\$59.5 million, with an adjusted net margin of 20.0%, versus net income of R\$47.1 million in 3Q10, accompanied by a margin of 22.4%.

Net income in 9M11 was R\$150.7 million, 20% up year on year, with an adjusted net margin <sup>1</sup> of 19.4%.

Adjusted Net Income<sup>1</sup>  
(R\$ million)



Net Income<sup>1</sup> - Track Record  
(R\$ million)

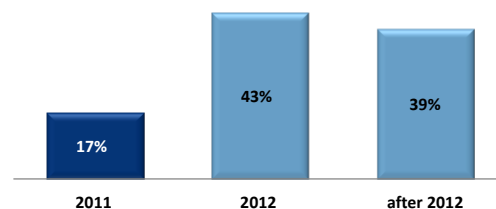


<sup>1</sup> Adjusted for (non-cash) expenses with stock option program

## Deferred Results

At the end of 3Q11, deferred sales revenue reached R\$ 1.3 billion, an increase of 23.1% when compared to 2Q11. The deferred margin was 37.7%. According to our construction schedule, 61% of the balance should be recognized by the end of 2012 and the remaining 39% starting from January 2013.

### Estimated Schedule for deferred results appropriation



Deferred Results Consolidated (R\$'000)	3Q11 (a)	2Q11 (b)	3Q10 (c)	Δ % (a/b)	Δ % (a/c)
<b>Deferred results Consolidated (1+2)</b>	<b>499,703</b>	<b>413,476</b>	<b>380,825</b>	<b>20.9%</b>	<b>31.2%</b>
Deferred revenues	1,325,614	1,076,829	979,936	23.1%	35.3%
Deferred results - Margin	37.7%	38.4%	38.9%	-0.7 p.p.	-1.2 p.p.
<b>Deferred results Development (1)</b>	<b>328,803</b>	<b>312,496</b>	<b>278,536</b>	<b>5.2%</b>	<b>18.0%</b>
Deferred revenues	773,964	723,042	673,976	7.0%	14.8%
Deferred results - Margin	42.5%	43.2%	41.3%	-0.7 p.p.	1.2 p.p.
<b>Deferred results MCMV 1st Layer projects (2)</b>	<b>170,899</b>	<b>100,979</b>	<b>102,289</b>	<b>69.2%</b>	<b>67.1%</b>
Deferred revenues	551,651	353,787	305,960	55.9%	80.3%
Deferred results - Margin	31.0%	28.5%	33.4%	2.4 p.p.	-2.5 p.p.

## BALANCE SHEET HIGHLIGHTS

### Accounts Receivable

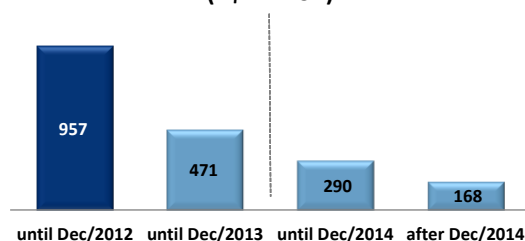
Direcional ended 3Q11 with an accounting balance for accounts receivable of R\$1.11 billion, 59.7% up from the R\$696.2 million recorded in 3Q10. The short-term portion (current asset) totaled R\$955.2 million or 85.9% of total receivables.

Accounts receivable relating to property sales totaled R\$ 997.4 million, 49.3% up from the R\$668.0 million recorded in 3Q10. The portion relating to services totaled R\$114.2 million in 3Q11, 306% higher than the R\$28.1 million recorded in 3Q10.

Accounts Receivable (R\$'000)	3Q11 (a)	2Q11 (b)	3Q10 (c)	Δ % (a/b)	Δ % (a/c)	Receivables Schedule (R\$'000)	
Clients from Sold Units	997,434	918,826	668,018	8.6%	49.3%	Until Sep/2012	955,164
Clients from services	114,238	92,276	28,139	23.8%	306.0%	Until Sep/2013	119,571
<b>Total</b>	<b>1,111,672</b>	<b>1,011,102</b>	<b>696,157</b>	<b>9.9%</b>	<b>59.7%</b>	Until Sep/2014	11,137
Short Term	955,164	868,765	510,057	9.9%	87.3%	after Sep/2014	25,800
Long Term	156,508	142,337	186,100	10.0%	-15.9%	<b>Total</b>	<b>1,111,672</b>

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 3Q11 was R\$ 1,885.6 million, as per the graph:

### Schedule - Accounts Receivable (R\$ million)

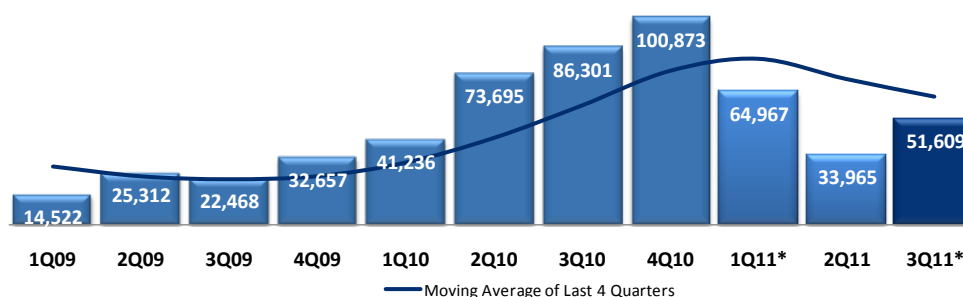


## Cash and Cash Equivalents

Cash and cash equivalents at the end of 3Q11 stood at R\$343.6 million, 46.2% up on the R\$235.1 million recorded in 3Q10, mainly due to the net proceeds of R\$223.8 million raised through a follow-on operation in February 2011.

Cash and Cash Equivalents (R\$'000)	3Q11 (a)	2Q11 (b)	3Q10 (c)	Δ % (a/b)	Δ % (a/c)
Cash & Bank	72,154	54,083	55,439	33.4%	30.2%
Financial Investments	271,464	327,685	179,636	-17.2%	51.1%
<b>Total</b>	<b>343,618</b>	<b>381,768</b>	<b>235,075</b>	<b>-10.0%</b>	<b>46.2%</b>

**Cash Burn (R\$'000)**



Cash Burn: measured by the variation of the net debt, less capital increases

\* 1Q11: Adjusted by R\$223.8 million of follow-on and R\$40.3 million paid as dividends for fiscal year 2010;

\* 3T11: Adjusted in the amount of R\$15.6 million relating to disbursements with the stock repurchase plan.

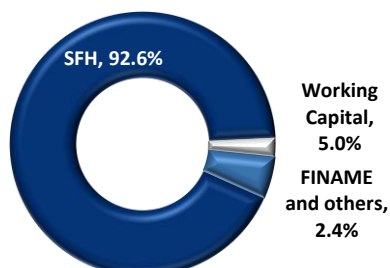
The efficiency in the financial transfer process and the increased share of MCMV 1<sup>st</sup> Layer projects in the breakdown of revenue recognition enabled Direcional to keep its cash burn low despite accelerated growth, which will allow it to grow in a sustainable manner by seizing the opportunities in the sector.

## Indebtedness

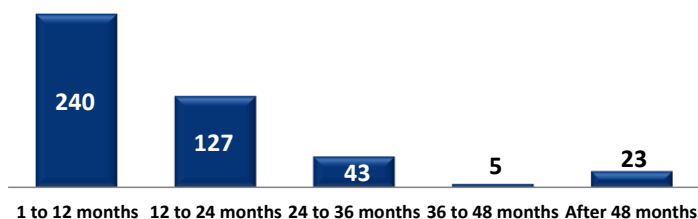
(R\$'000)	3Q11 (a)	2Q11 (b)	3Q10 (c)	Δ % (a/b)	Δ % (a/c)
<b>Loans and Financing</b>	<b>437,708</b>	<b>408,630</b>	<b>245,724</b>	<b>7.1%</b>	<b>78.1%</b>
SFH	372,640	341,303	184,243	9.2%	102.3%
Receivables Securitization	35,273	37,216	53,097	-5.2%	-33.6%
FINAME and others	9,480	9,149	8,384	3.6%	13.1%
Working Capital	20,315	20,962	0	-3.1%	n/a
<b>Cash and Cash Equivalents</b>	<b>343,618</b>	<b>381,768</b>	<b>235,075</b>	<b>-10.0%</b>	<b>46.2%</b>
Net debt	94,090	26,862	10,649		
Net debt / Equity	7.9%	2.3%	1.4%		



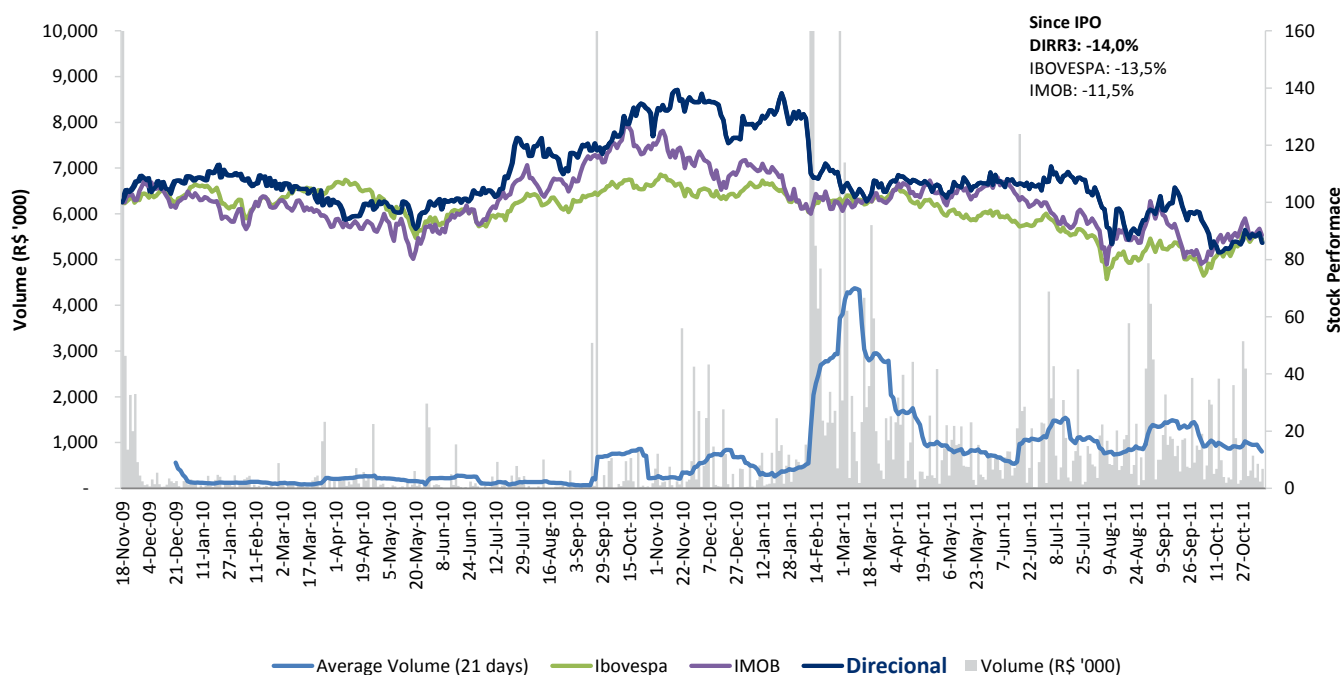
## Loans and Financing (ex- securitization)



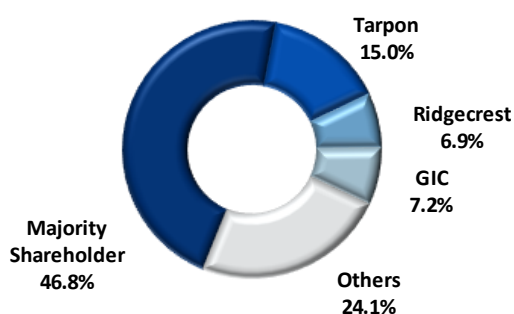
## Amortization Schedule (R\$ million)



## SHARES PERFORMANCE



## Shareholders 09/30/2011



## SUBSEQUENT EVENTS (4Q11)

### Contracting of the “Aterrado do Leme” project

On October 28<sup>th</sup>, 2011, Direcional Engenharia S.A. signed an agreement with Caixa Econômica Federal and the municipal government of Rio de Janeiro for the implementation of a residential project under MCMV 1<sup>st</sup> Layer, in the city of Rio de Janeiro. **This was the first agreement signed in the city of Rio de Janeiro in this segment during the second phase of the MCMV program.**

The agreement envisages the construction of the project called “Aterrado do Leme”, as well as three buildings with 67 blocks, totaling **1,340 housing units**, with an average price of R\$59,000 per unit and **total PSV of R\$79.1 million.**

### Share Repurchase Plans

The table shows the details of the Share Repurchase Plan approved in 3Q11 and concluded on October 11<sup>th</sup>.

On October 21<sup>st</sup>, the Board of Directors approved the 2<sup>nd</sup> Share Repurchase Plan authorizing the repurchase of up to 4 million shares, equivalent to 5.05% of the outstanding shares.

The new plan will be effective for 180 days as of October 24<sup>th</sup>, 2011, expiring on April 20<sup>th</sup>, 2012, with a maximum amount of R\$30.0 million to be allocated to the plan.

Share Repurchase Plan - Details	Plan 1	Plan 2
<b>Term</b>	<b>60 days</b>	<b>180 days</b>
Starting date	8/12/2011	10/24/2011
Expiring date	10/11/2011	4/20/2012
<b>Status</b>	<b>finished</b>	<b>active</b>
<b># of shares approved by the Board (a)</b>	<b>4,500,000</b>	<b>4,000,000</b>
<b># of repurchased shares (b)</b>	<b>1,633,800</b>	<b>-</b>
<b>% (b/a)</b>	<b>36.3%</b>	<b>0.0%</b>
<b>Buy back Approved (c)</b>	<b>35,000,000.00</b>	<b>30,000,000.00</b>
<b>Total Expenses</b>	<b>15,618,904.00</b>	<b>0.00</b>
<b>% (d/c)</b>	<b>44.6%</b>	<b>0.0%</b>
<b>Average price</b>	<b>9.56</b>	<b>0.00</b>

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	09/30/2011	06/30/2011
Cash and Cash Equivalents	343.618	381.768
Accounts receivable for property development	840.926	776.489
Accounts receivable for services rendered	114.238	92.276
Land units for development	299.227	285.918
Real property units completed	40.803	29.793
Real property units under construction	268.272	194.460
Sundry receivables	40.125	26.518
Transactions with related parties	14.041	21.415
Taxes recoverable	9.485	8.423
Commercial expenses to be allocated	2.495	2.680
<b>Total Current Assets</b>	<b>1.973.230</b>	<b>1.819.740</b>
Accounts receivable for property development	156.508	142.337
Land units for development	124.044	148.007
Transactions with related parties	30.639	23.007
Sundry receivables	14.203	5.564
<b>Long-Term Assets</b>	<b>325.394</b>	<b>318.915</b>
Property, plant and equipment	41.483	37.502
Intangible assets	2.240	2.036
<b>Permanent Assets</b>	<b>43.723</b>	<b>39.538</b>
<b>Total non-current assets</b>	<b>369.117</b>	<b>358.453</b>
<b>Total Assets</b>	<b>2.342.347</b>	<b>2.178.193</b>
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/2011	06/30/2011
Loans and Financing	240.282	180.633
Trade accounts payable	33.294	32.976
Labor obligations	36.572	28.715
Tax obligations	56.376	52.015
Property commitments payable	106.592	107.974
Advances from customers	60.156	68.160
Proposed Dividends	947	0
Accounts payable	77.808	71.054
Transactions with related parties	4.648	8.717
<b>Total Current Liabilities</b>	<b>616.675</b>	<b>550.244</b>
Loans and Financing	197.426	227.997
Provision for warranty	10.846	8.285
Tax obligations	11.511	9.033
Property commitments payable	104.140	67.020
Advances from Customers	179.366	167.306
Provision for tax, labor and civil contingencies	4.141	2.975
Sundry payables	19.945	35
<b>Total non-current liabilities</b>	<b>527.375</b>	<b>482.651</b>
Capital	496.686	496.331
Capital reserves	245.722	256.736
Income reserves	277.742	277.741
Profit (loss) for the period	130.657	75.903
<b>Equity</b>	<b>1.150.807</b>	<b>1.106.711</b>
Interest in SCPs and SPEs	47.490	38.587
<b>Total Equity</b>	<b>1.198.297</b>	<b>1.145.298</b>
<b>Total liabilities and equity</b>	<b>2.342.347</b>	<b>2.178.193</b>

## APPENDIX II CONSOLIDATED RESULTS STATEMENT

IFRS

Consolidated Statements of Income (R\$'000)	3Q11 (a)	3Q10 (b)	Δ % (a/b)	9M11 (c)	9M10 (d)	Δ % (c/d)
Real Estate Sales Revenues	233.331	184.152	26,7%	609.106	465.713	30,8%
Services Revenues	72.392	32.963	119,6%	186.874	68.553	172,6%
<b>Gross Revenues</b>	<b>305.723</b>	<b>217.115</b>	<b>40,8%</b>	<b>795.980</b>	<b>534.266</b>	<b>49,0%</b>
Deductions from Gross Revenues	-8.086	-6.408	26,2%	-19.631	-15.644	25,5%
<b>Operating revenue, net</b>	<b>297.637</b>	<b>210.707</b>	<b>41,3%</b>	<b>776.349</b>	<b>518.622</b>	<b>49,7%</b>
Cost of real property sale	-154.021	-124.638	23,6%	-424.944	-306.509	38,6%
Cost of services rendered	-55.349	-22.132	150,1%	-133.397	-42.596	213,2%
<b>Gross Profit</b>	<b>88.267</b>	<b>63.937</b>	<b>38,1%</b>	<b>218.008</b>	<b>169.517</b>	<b>28,6%</b>
General and Administrative Expenses	-27.826	-16.420	69,5%	-76.829	-39.798	93,0%
Selling expenses	-5.995	-5.453	9,9%	-18.461	-13.867	33,1%
Financial expenses	-5.860	-845	593,5%	-14.309	-2.223	543,7%
Financial income	11.826	12.168	-2,8%	34.935	29.709	17,6%
Other operating income and expenses	3.121	-370	-943,5%	8.167	685	1092,3%
<b>Operating income (expenses)</b>	<b>-24.734</b>	<b>-10.920</b>	<b>126,5%</b>	<b>-66.497</b>	<b>-25.494</b>	<b>160,8%</b>
<b>Income before Income and social contribution taxes</b>	<b>63.533</b>	<b>53.017</b>	<b>19,8%</b>	<b>151.511</b>	<b>144.023</b>	<b>5,2%</b>
Income and social contribution taxes	-7.429	-5.445	36,4%	-18.245	-13.247	37,7%
<b>Net income for the period</b>	<b>56.104</b>	<b>47.572</b>	<b>17,9%</b>	<b>133.266</b>	<b>130.776</b>	<b>1,9%</b>
Non-controlling interest in SPEs and SCPs	-1.350	-3.656	-63,1%	-2.609	-12.329	-78,8%
<b>Net Income for the period</b>	<b>54.754</b>	<b>43.916</b>	<b>24,7%</b>	<b>130.657</b>	<b>118.447</b>	<b>10,3%</b>

## APPENDIX III EBITDA RECOMPOSITION

EBITDA Recomposition (R\$'000)	3Q11 (a)	3Q10 (b)	Δ % (c/a)	9M11 (c)	9M10 (d)	Δ % (c/d)
<b>Net Income</b>	<b>54.754</b>	<b>43.916</b>	<b>24,7%</b>	<b>130.657</b>	<b>118.447</b>	<b>10,3%</b>
(+) Depreciation and Amortization	2.268	1.831	23,9%	4.380	4.299	1,9%
(+) Income Tax and Social Contribution	7.429	5.445	36,4%	18.245	13.247	37,7%
(+) Minority Interest	1.350	3.656	-63,1%	2.609	12.329	-78,8%
(+/-) Financial Results	-5.966	-11.323	-47,3%	-20.626	-27.486	-25,0%
(+) Cost of production financing	8.740	3.407	156,5%	23.980	9.217	160,2%
(+) stock options expenses	4.723	3.995	18,2%	20.071	7.908	153,8%
(+) Non-recurring expenses	-	375	-100,0%	-	775	-100,0%
<b>Adjusted EBITDA</b>	<b>73.298</b>	<b>51.302</b>	<b>42,9%</b>	<b>179.316</b>	<b>138.736</b>	<b>29,2%</b>
<b>Adjusted EBITDA Margin</b>	<b>24,6%</b>	<b>24,3%</b>		<b>23,1%</b>	<b>26,8%</b>	



## APPENDIX IV CONSOLIDATED CASH FLOW STATEMENT

IFRS

CONSOLIDATED CASH FLOW STATEMENTS (R\$'000)	09/30/2011	09/30/2010
<b>From operating activities</b>		
<b>Income before income and social contribution taxes</b>	<b>151.511</b>	<b>144.023</b>
<b>Adjustments to reconcile P&amp;L with cash from operating activities:</b>		
Depreciation and amortization	4.380	4.299
Equity pick-up	0	0
Reversed provision	4.519	1.393
Interest on fees and funding	26.990	-2.870
Provision for contingencies	1.631	139
Deferred tax - Indirect	7.737	-15.735
Adjustment to present value on accounts receivable	5.173	17.263
Provision for stock options plan	20.071	7.133
Reversed provision	-321	0
Provision for profit sharing	1.442	2.446
<b>Decrease (increase) in assets</b>		
Accounts receivable	-297.031	-295.678
Inventories	-172.786	-47.402
Sundry receivables	-25.333	-20.740
Related Parties	-11.314	-3.727
Taxes recoverable	-3.047	-2.353
Commercial expenses to be allocated	1.093	1.493
<b>(Decrease)/increase in liabilities</b>		
Fornecedores	9.811	9.302
Labor obligations	7.547	7.325
Tax obligations	5.856	37.058
Property commitments payable	37.671	-3.174
Advances from customers	47.013	0
Accounts payable	68.799	1.831
Transactions with related parties	4.648	-
<b>Cash used in operating activities</b>	<b>-103.940</b>	<b>-157.974</b>
Income and social contribution taxes paid	-18.245	-12.329
<b>Net cash used in operating activities</b>	<b>-122.185</b>	<b>-170.303</b>
<b>Cash flow from investing activities</b>		
Increase in investments	0	0
Increase in property, plant and equipment	-10.415	-16.182
Increase in intangible assets	-757	-230
Dividends received	0	0
<b>Net cash used in investing activities</b>		
Ingressos e amortizações dos empréstimos	0	0
<b>Net cash used in investing activities</b>	<b>-11.172</b>	<b>-16.412</b>
<b>Cash flow from financing activities with shareholders</b>		
Capital payment, net of expenses	222.221	858
Treasury Shares	-15.619	-
Dividends paid	-39.325	-18.785
<b>Cash flow from financing activities with shareholders</b>		
Inflows and loan amortization charges	108.344	122.426
<b>Non-controlling shareholders interest</b>		
Interest in SCPs and SPEs	10.503	3.410
<b>Net cash from (used in) financing activities</b>	<b>286.124</b>	<b>107.909</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>152.767</b>	<b>-78.806</b>
<b>Cash and cash equivalents</b>		
At the beginning of the period	190.851	313.881
At the end of the period	343.618	235.075
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>152.767</b>	<b>-78.806</b>

**APPENDIX V  
ADDED-VALUE STATEMENT**

<b>STATEMENT OF VALUE ADDED</b>	<b>9/30/2011</b>	<b>9/30/2010</b>
<b>Revenue</b>	<b>804,147</b>	<b>534,812</b>
Sales of properties and services	795,980	534,266
Other revenues	8,167	685
Allowance for doubtful accounts	-	(139)
<b>Bought-in materials and services</b>	<b>-</b>	<b>-</b>
Cost of units sold and services	(315,015)	(276,279)
Materials, power, outsources and other operating	(88,465)	(34,911)
Other	(22,579)	(49,227)
<b>Gross wealth</b>	<b>378,088</b>	<b>174,395</b>
Depreciation and amortization, net	(3,562)	(4,299)
<b>Net wealth generated by the company</b>	<b>374,526</b>	<b>170,096</b>
<b>Wealth received</b>	<b>-</b>	<b>-</b>
Financial income	34,935	29,709
<b>Total wealth to distribute</b>	<b>409,461</b>	<b>199,805</b>
<b>To distribute to</b>	<b>-</b>	<b>-</b>
Employees	224,010	25,432
Taxes and duties	37,876	28,891
Remuneração de capitais de terceiros	14,309	14,706
Retained earnings	130,657	118,447
Portion of profit attributable to minority shareholders	2,609	12,329

**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.