

The year 2009 was marked by the association between Duratex and Satipel, on 22.Jun.2009, an event that allowed the creation of the biggest panel making company of the southern hemisphere and one of the largest worldwide, strengthening the competitive advantages based on the capacity of product development and technological innovation, besides the adoption of best management practices and enhancement of cultures and management skills. Furthermore, it was created a global company with economies of scale in competitive markets and ready to continue its well succeeded sustainable growth path. The total capacity of manufacturing panels resulting from this combination is 3.9 million m<sup>3</sup>/year, which allows significant economies of scale in increasingly competitive markets.

From the corporate governance standpoint, Duratex took an important step by joining the Novo Mercado of BM&BOVESPA, a differentiated segment in which are those companies that, spontaneously, have agreed to adopt differentiated practices. Among these practices stands out the issue of common shares only (one share one vote), 100% tag along and have in the Board of Directors at least 20% of independent members. In order to enhance its corporate image, the company has gone beyond the minimum established by ensuring a minimum dividend equivalent to 30% of adjusted net income, besides 30% of the Board of Directors composed of independent members.

It was a highlight of the year the completion of major Capex investments. There were opened three new MDF and MDP production lines. Thus, the company has an extra capacity for MDF manufacturing of 1,150,000 m<sup>3</sup>/year divided into two industrial units: 800,000 m<sup>3</sup>/year in Agudos (SP) and 350,000 m<sup>3</sup>/year in Uberaba (MG). The MDP production capacity has also been expanded with the completion of a unit in Taquari (RS), with capacity of 700,000 m<sup>3</sup>/year. However, Important projects continue to be carried out during 2009, as the capacity expansion of metal fittings to 18 million pieces/year to be completed in 2010 and a resin plant which will ensure input self-sufficiency to the plants located in the state of Sao Paulo.

The outstanding performance secured significant market recognition through various awards received:

- Brazilian environmental benchmarking – Wood Division
- Top Mobile Prize – Conducted by Alternativa Editorial/Revista Móbile - Wood Division
- Export Quality 2009 – Promoted by Revista da Madeira
- PINI prize – Durafloor - granted by the magazine Construção Mercado
- Top Anamaco 2009 – Durafloor - prize awarded by the National Association of Construction Materials
- Top Marcas – Flooring category - magazine Projetodesign
- International Design Excellence Awards (Idea) International Edition –Twin Filter
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- Museu da Casa Brasileira Design Award – Twin filter and Kit Brasil

- Planeta Casa – by the magazine Casa Claudia/Editora Abril - Kit Brasil and Twin Filter.