



DURATEX

2006 - First Quarter Results

May, 9th / 2006

www.duratex.com.br

Securities Offered

- ▶ **Secondary Offering:** 9.5 million Preferred Shares (“Base Offering”)
- ▶ **Primary Offering:** 4.5 million Common Shares

Secondary Offering of Preferred Shares

- ▶ Increase the stock’s liquidity and its potential valorization;
- ▶ Increase the shareholder base;
- ▶ Favorable moment;
- ▶ Support the Primary Offering.

Primary Offering Common Shares

- ▶ Avoid decreasing Itaúsa’s participation in the Company’s Capital;
- ▶ Capture funding to finance the Company’s future Capex.

Equity Offering

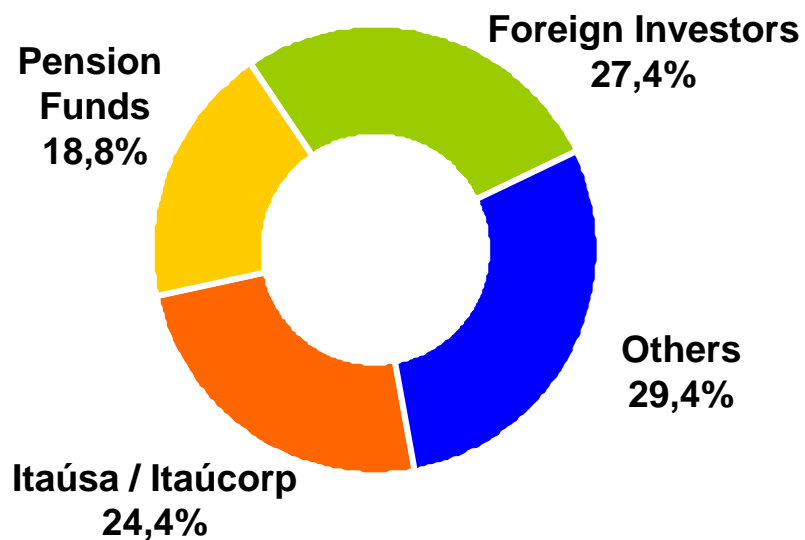


	Selling Shareholders	Securities Offered (1.000)	Proceeds at R\$ 43,50 per share (in R\$ M)
Secondary Offering of Preferred Stock			
	Itaúsa / Itaúcorp	6.200	270
	Fundação Itaúsa Industrial	700	30
	Previ	2.600	113
SUB - TOTAL		9.500	413
Primary Offering Common Stock			
	Duratex	4.500	196
SUB - TOTAL		4.500	196
FINAL RESULT		14.000	609

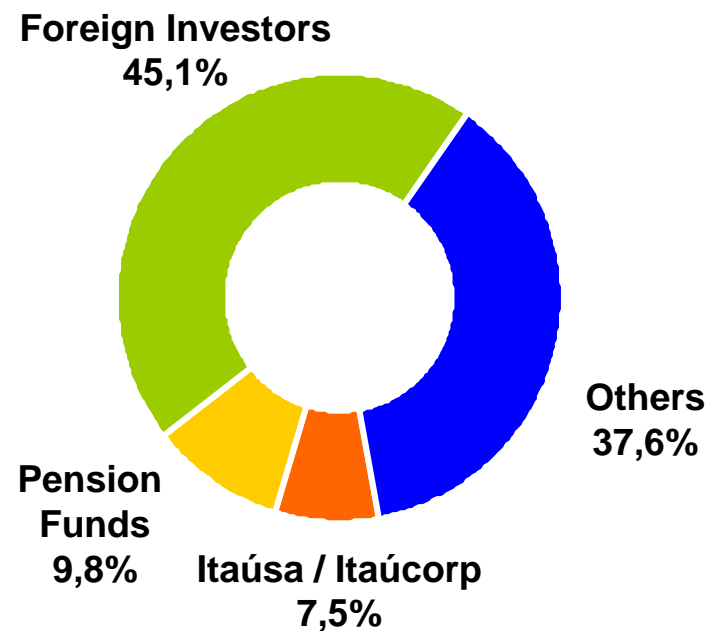
Preferred Stock Increased Liquidity



**Pre Offering
Shareholding Structure as of 31/Mar/2006**



**Post Offering
Shareholding Structure as of 12/Apr/2006**



► Free Float Market Value as of 28/Apr/2006: **R\$ 1,6 billion**

Capital Stock Increase and Stock Dividend



- ▶ Capital Stock increase by means of incorporating R\$383 million in reserves;
- ▶ New Capital Stock: R\$904 million;
- ▶ Stock dividend of 1 (one) new share to each share owned as of 28/Apr/2006;
- ▶ The unitary cost of the stock dividend is: **R\$ 4,901215**;
- ▶ The new Capital Stock will be represented by: **126.827.072 shares**
 - ▶ Common: **53.120.492**
 - ▶ Preferred **73.706.580**

OBJECTIVE:

- ▶ Reduce the stock price so as to turn it more attractive to non institutional investors.

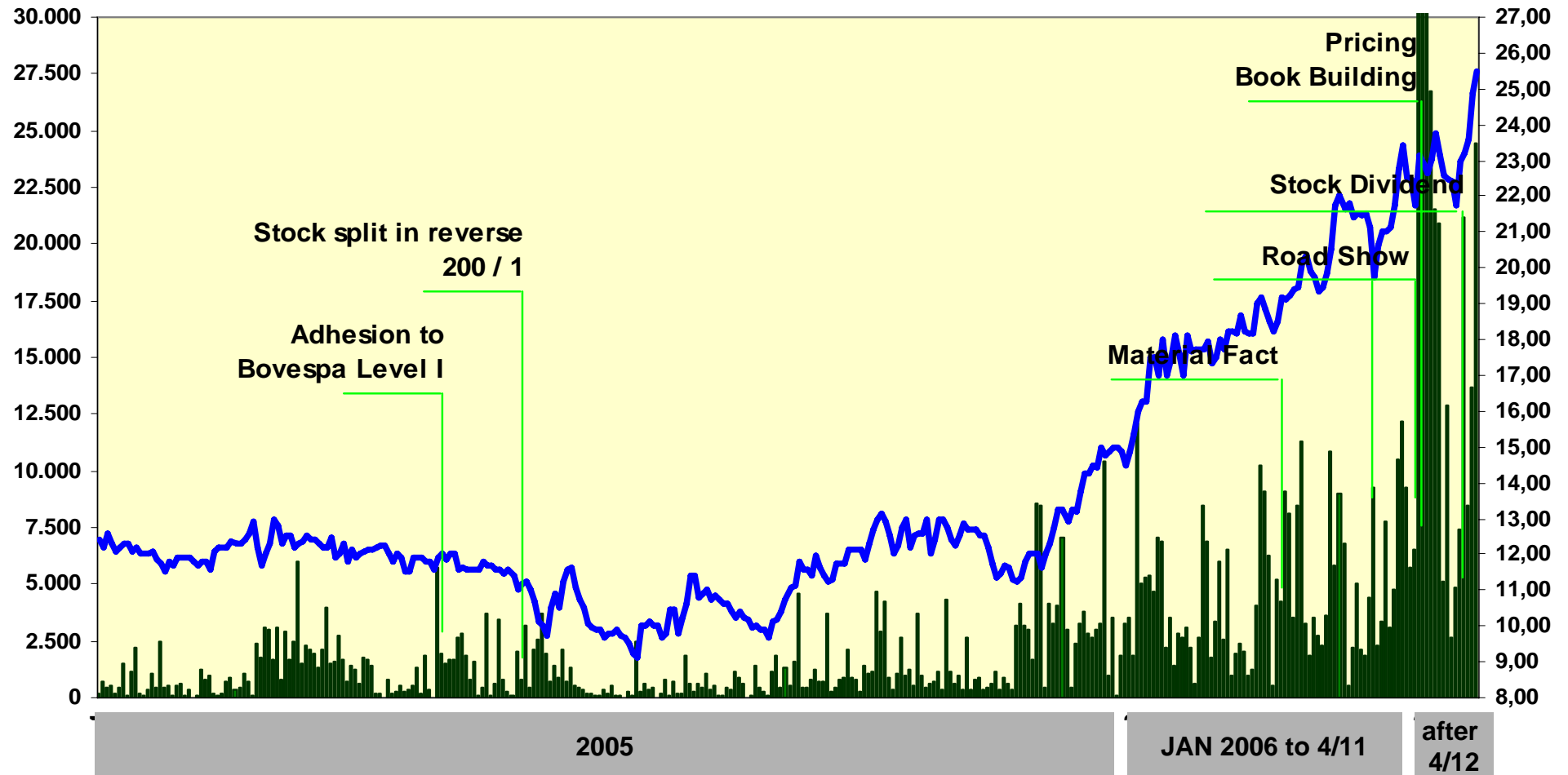
- ▶ General Ordinary Assembly of 28/Apr/2006: elects an **independent member** for the Board of Directors;
- ▶ Board Member: **Jair Ribeiro da Silva Neto**
- ▶ Summary of his Business Experience: lawyer, entrepreneur, founder of Banco Ptrimônio and a former officer for Chase Manhattan Bank in Brazil and New York. Has entrepreneurial ventures in foreign trade, IT and culture and education;
- ▶ His choosing attends Bovespa's independency requirements;
- ▶ The election of an independent board member adds to a number of other actions towards the strengthening of the Company's image in capital markets, such as:
 - ▶ 80% Tag-Along rights for the PN stock ,
 - ▶ Termination of the Beneficiary Parts in favorable conditions,
 - ▶ Establishment of a 30% minimum dividend over the adjusted net income,
 - ▶ Adhesion to Bovespa's Level I of corporate governance,
 - ▶ Block-trade of preferred stock.

Duratex's Stock Performance (31/Dec/2004 to 05/May/2006)



**Traded Volume
(R\$1.000)**

**Price
(R\$)**

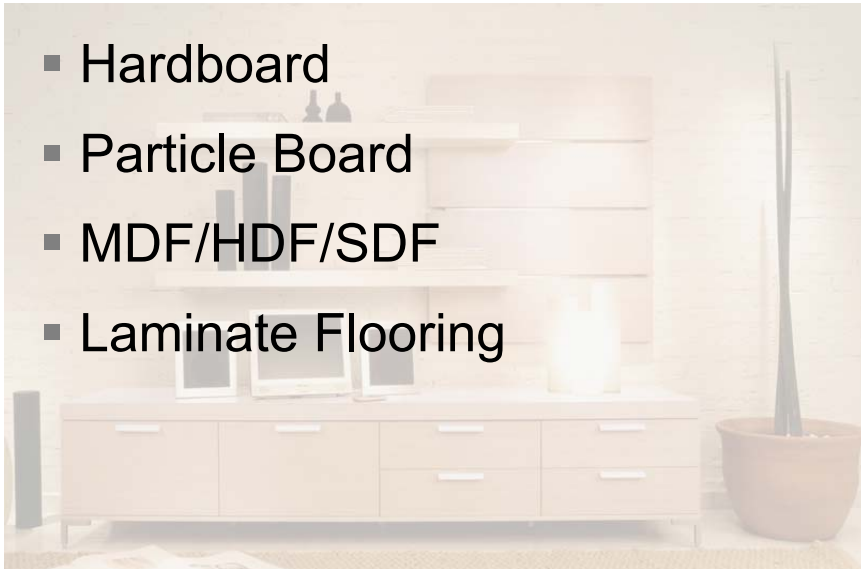


▶ Duratex Preferred Shares:	20%	47%	11%
▶ Ibovespa:	28%	13%	8%
▶ Daily Trading Volume PN's:	R\$ 1,4 M	R\$ 4,8 M	R\$ 22,0 M

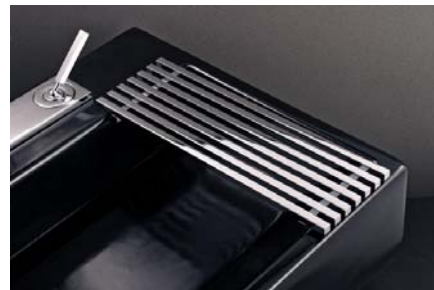


Wood

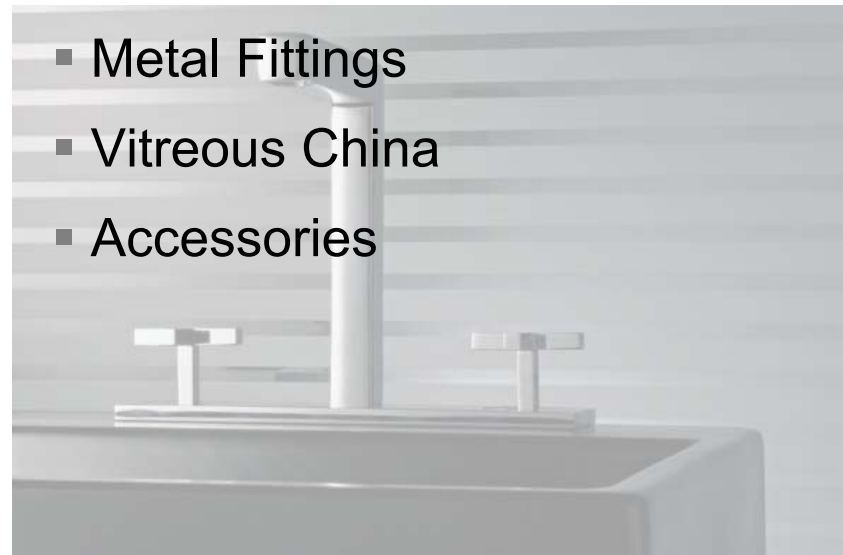
- Hardboard
- Particle Board
- MDF/HDF/SDF
- Laminate Flooring



Deca



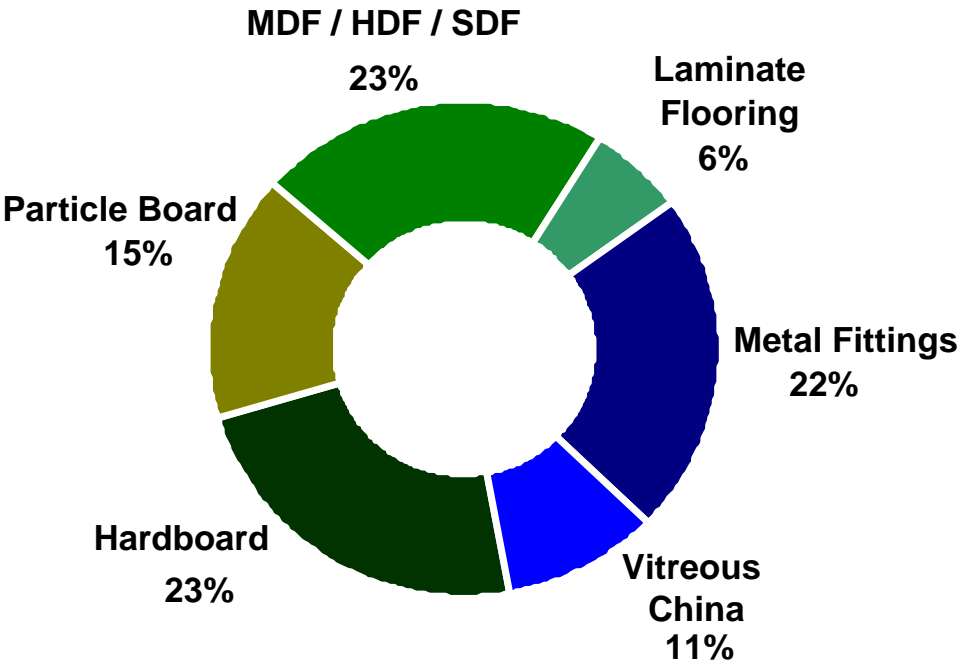
- Metal Fittings
- Vitreous China
- Accessories



Duratex's Overview



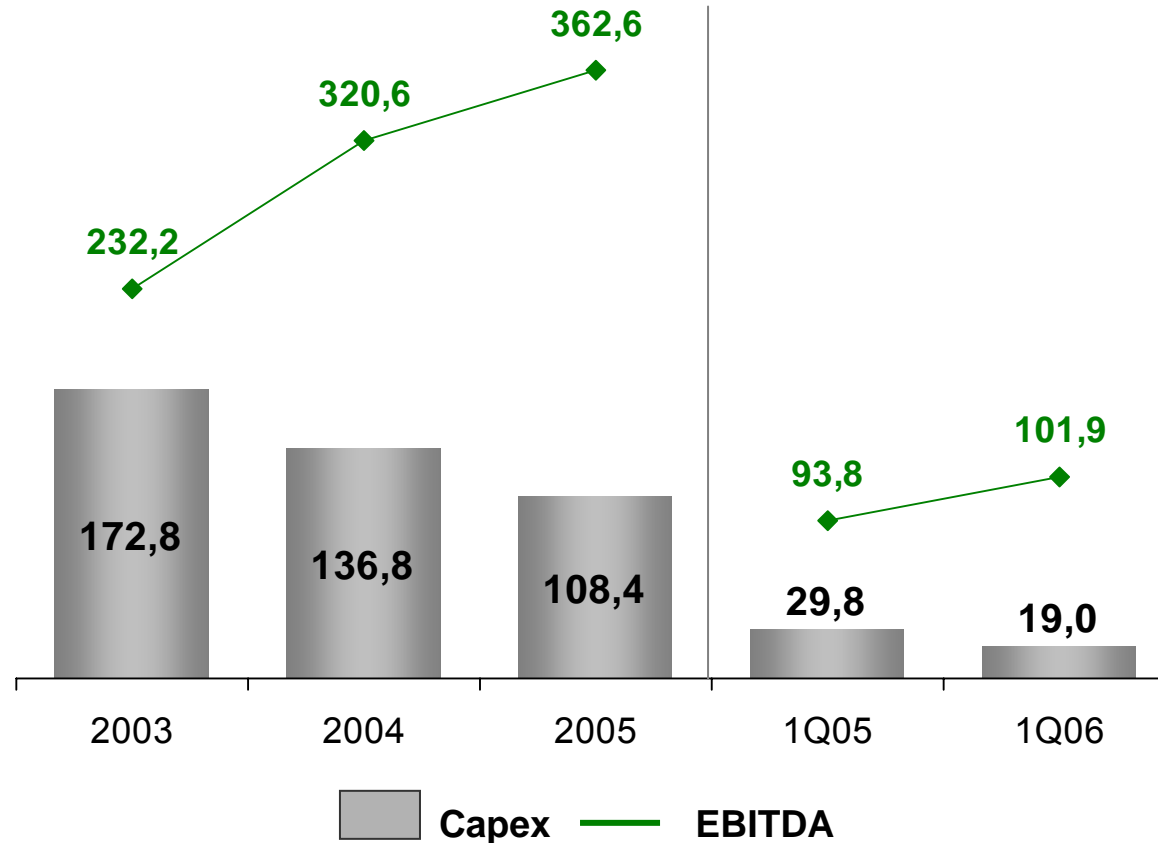
Net Revenues Breakdown (1Q06)



Capex & EBITDA



Values Expressed in R\$M

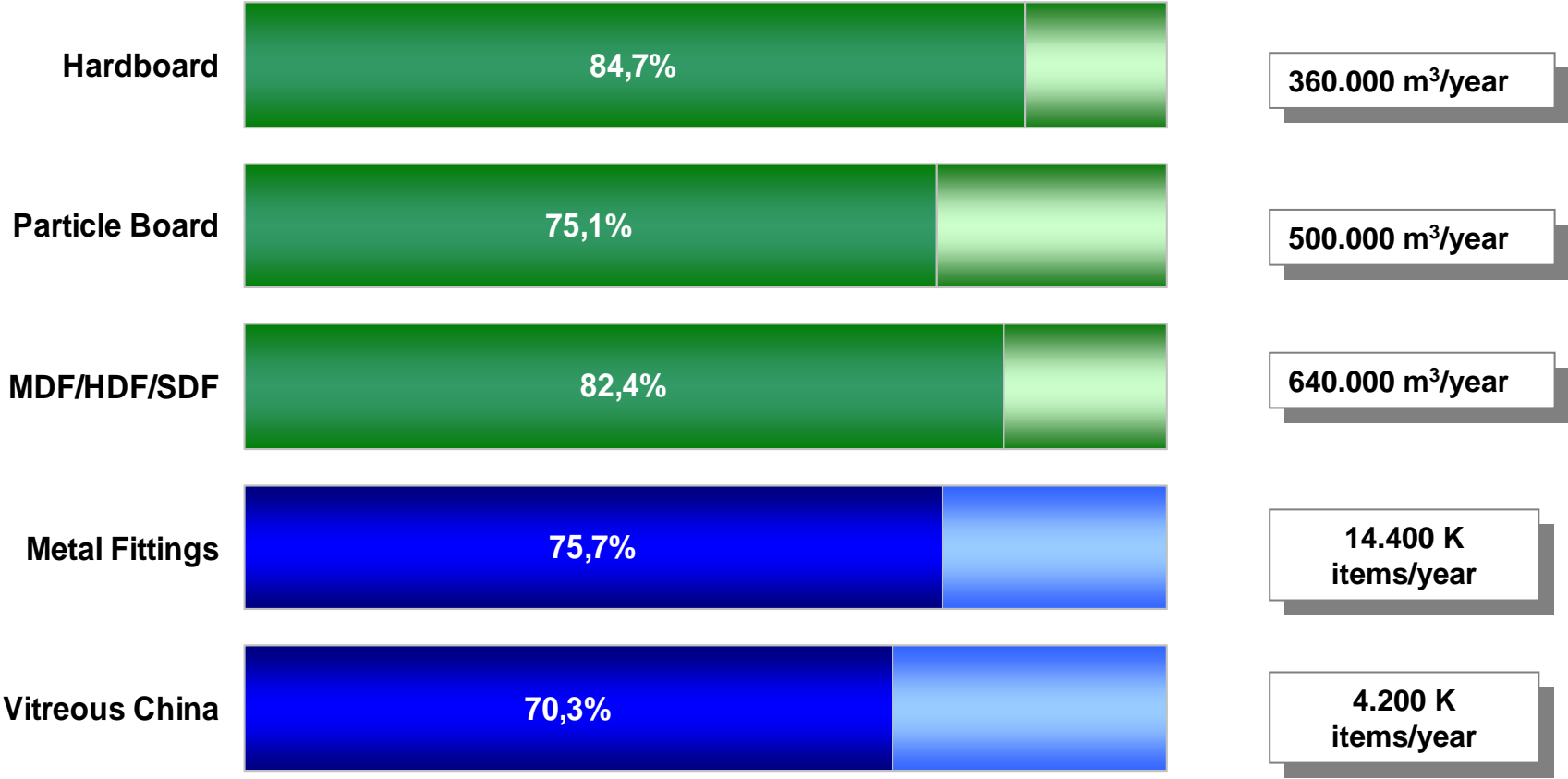


- After the conclusion of a Capex cycle, Duratex is prepared to capture the market's growing demand.

Nominal Capacity & Occupancy Rate



Occupancy Rate during the 1Q06



Quarterly Performance



	1Q06	4Q05	3Q05	2Q05	1Q05
Shipments					
Wood (in 1.000 m³)	267,1	275,3	254,5	262,5	248,1
Deca (in 1.000 pieces)	3.350	3.390	3.376	2.855	3.204

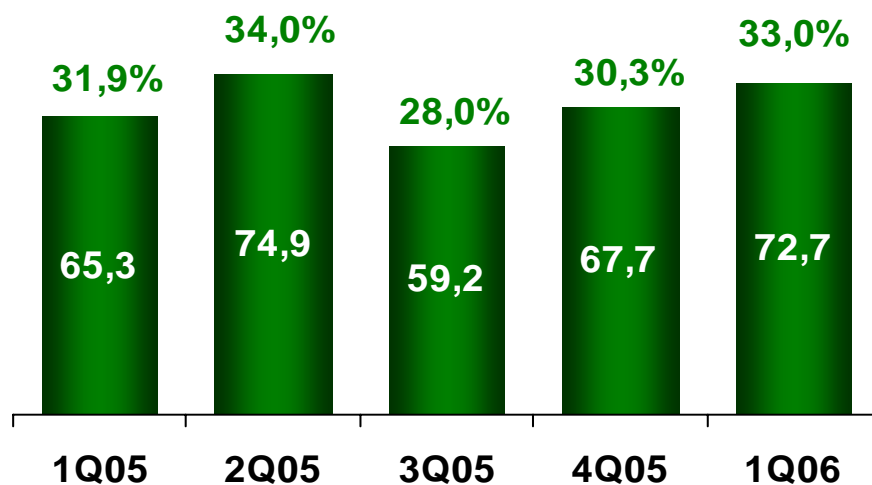
(in R\$ M)

Net Revenues	330,4	330,3	317,9	316,1	306,3
COGS	(188,6)	(199,2)	(190,8)	(180,0)	(173,9)
Gross Profit	141,8	131,1	127,1	136,1	132,5
<i>% Gross Margin</i>	43%	40%	40%	43%	43%
Oper Res before Financ Res	82,0	64,7	65,5	77,2	74,8
EBITDA	101,9	85,4	85,5	97,9	93,8
<i>% EBITDA Margin</i>	31%	26%	27%	31%	31%
Net Income	44,8	31,3	33,1	32,7	40,1
ROE (annualized)	17,6%	12,5%	13,4%	13,5%	16,9%

Wood Division's Performance



EBITDA (in R\$ M) & Margin (%)

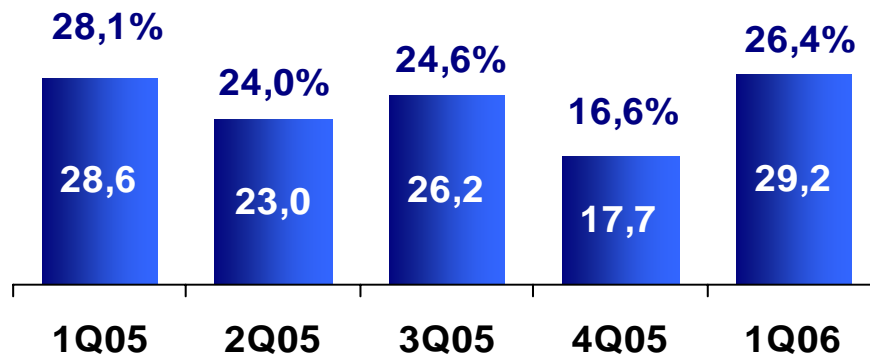


- ▶ Timberland self-sufficiency;
- ▶ Leadership in the wood panel segment;
- ▶ Production Lines in the “state of art”
- ▶ Enriched selling mix.

Deca Division's Performance



EBITDA (in R\$ M) & Margin (%)

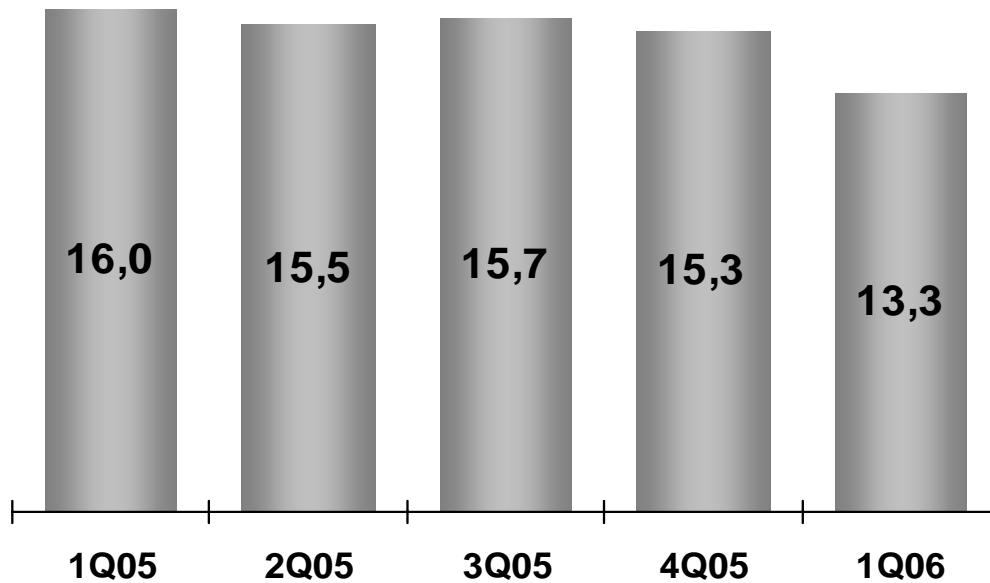


- ▶ Well known brands and countrywide presence: **Deca** and **Hydra**;
- ▶ Leadership within the segments for luxury and super-luxurious products;
- ▶ Distribution and technical assistance network present countrywide;
- ▶ Release of differentiated products.

Exports



in US\$ Million



- ▶ Decreased volume of MDF exports;
- ▶ Enrichment of the selling mix;
- ▶ Third consecutive year taking part of the *Kitchen and Bath* fair, in the USA.

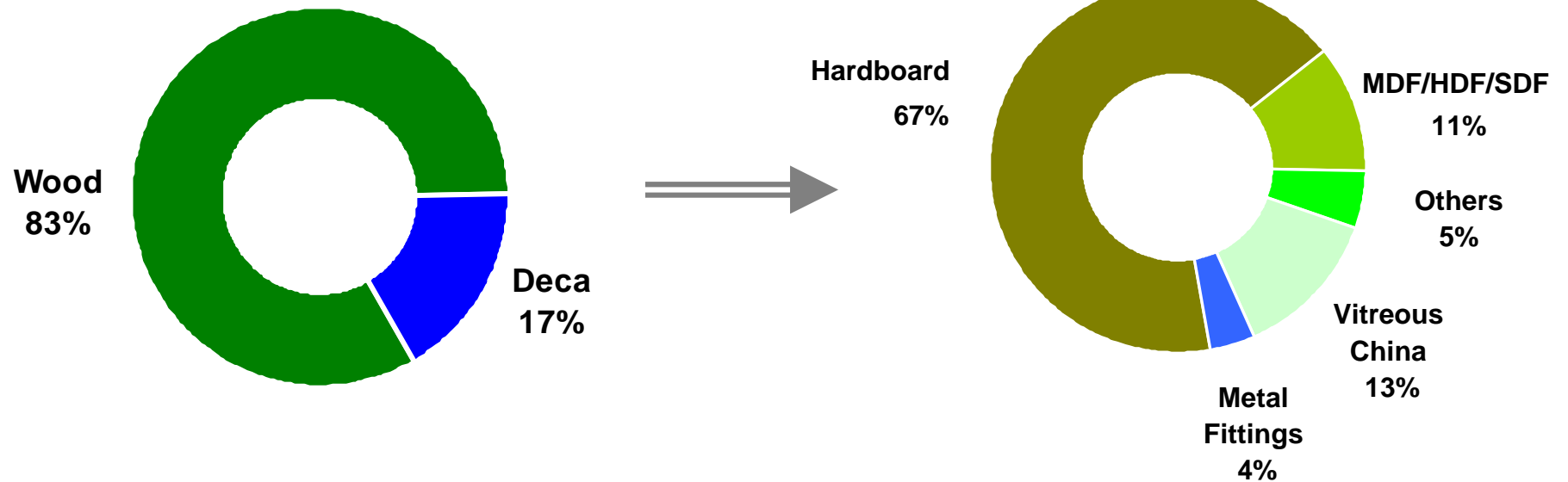
Exports



Highlights

► Attended Markets:

United States	50%
Europe	19%
Asia / Middle East	7%
South and Central America	15%
Others	9%



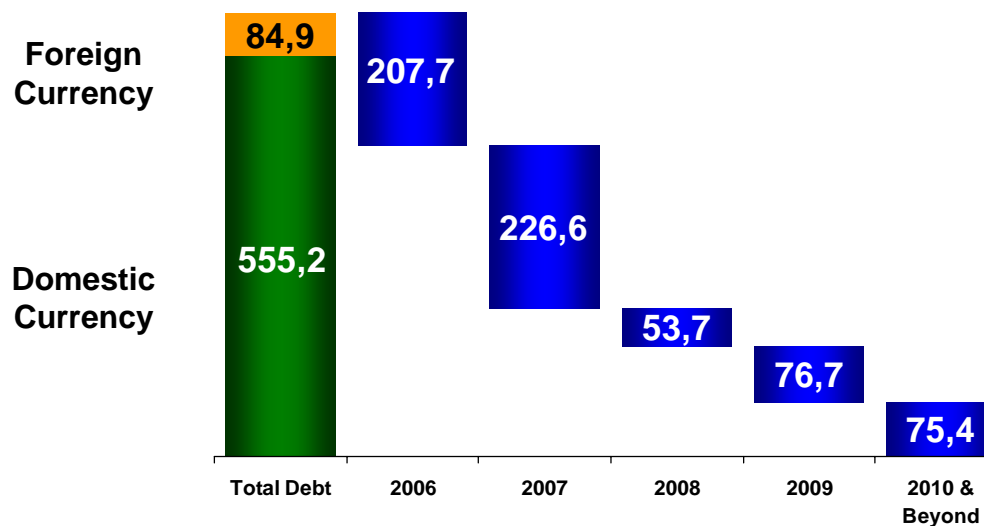
► Export mix for 2005: 90% Wood Division and 10% Deca Division

Financial Performance



in R\$ million	mar-05	dec-05	mar-06
Short Term Debt	177	151	214
Long Term Debt	330	440	426
Total Debt	507	591	640
Cash and Cash Equivalents	85	234	285
Net Debt	422	357	355
Shareholder's Equity	1.004	1.051	1.082
Net Debt / Equity	42,1%	34,0%	32,8%
Net Debt / Annual EBITDA	1,13	0,98	0,87

Total Debt and Amortization Schedule





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