

# DURATEX

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## First Quarter 2007 Results

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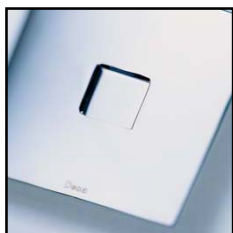
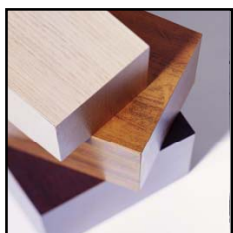


# > 1Q2007 Results



## Highlights

- ✓ Shipped volumes:
  - Wood Division **+ 14%**
  - Deca Division: **+ 4%**
- ✓ Net Revenues totaled **R\$ 356,5 million**, 8% over that for 1Q06;
- ✓ EBITDA reached **R\$ 120,6 million**, which corresponds to an EBITDA margin of 34%;
- ✓ Net Income accounted for **R\$ 74,7 million**;
- ✓ Announced CAPEX between 2007 and 2009: **R\$ 850 million**;
- ✓ Market Capitalization at the end of March → **R\$ 5,3 billion**



## > Business Segments



### Madeira

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



### Deca

- ✓ Metal Fittings
- ✓ Vitreous China
- ✓ Accessories



## > CAPEX 2007 - 2009

- **R\$630 M → Wood Division:**
  - new MDF line;
  - new Low Pressure (BP) coating line;
  - acquisition of timberland.
- **R\$200 M → Deca Division:**
  - capacity expansion in metal fittings;
  - capacity expansion in vitreous china.
- **R\$ 20 M → Corporate Area:**
  - acquisition of an ERP system.

**Total estimated CAPEX for the period: R\$850 M**

## > Industrial Expansion

### CAPEX Wood Division

- Localization: **Agudos/SP**
- New MDF line with initial capacity of **500.000 m<sup>3</sup>**  
→ capacity growth of 78%;
- New Low Pressure (BP) coating line of **8.500.000 m<sup>2</sup>/year**  
→ capacity growth of 35%;
- Acquisition of **18.500 hectares** of land.



Agudos plant

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### CAPEX Deca Division

- Localization: **São Paulo and Jundiaí/SP**
- Metal Fittings: **+ 400.000 pieces / year**,  
→ capacity growth of 33%;
- Vitreous China: **+ 140.000 pieces / year**,  
→ capacity growth of 44%;



Metal Fittings and Vitreous China plants  
in Jundiaí/SP

## > CAPEX 2007 - 2009

- **Funding source for the planned investments:**

- Primary offering of shares that took place in April 2006 worth R\$ 196 million;
- Internal cash generation;
- Third party funding being the highlight BNDES financing lines.

- **Briefing of Duratex announced expansions:**

	As it was	Additions			After the CAPEX	Var. %
	2006	2007	2008	2009		
MDF (in m <sup>3</sup> )	640.000	-	-	500.000	1.140.000	78%
BP Coating Line (1.000 m <sup>2</sup> )	24.000	-	8.500	-	32.500	35%
Timberland (hectares)	91.690	8.500	5.000	5.000	110.190	20%
Metal Fittings (1.000 pieces)	14.400	1.200	1.200	2.400	19.200	33%
Vitreous China (1.000 pieces)	3.800	240	-	1.440	5.480	44%

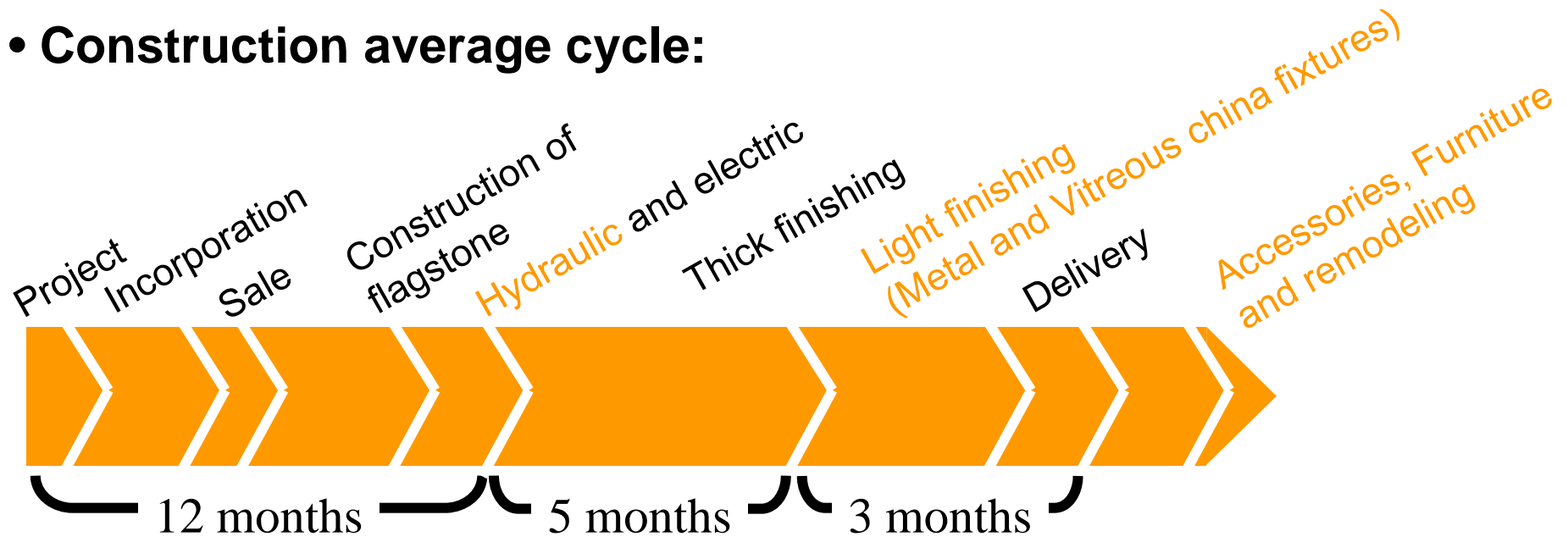
# > Civil construction sector

## • Housing sector outlook:

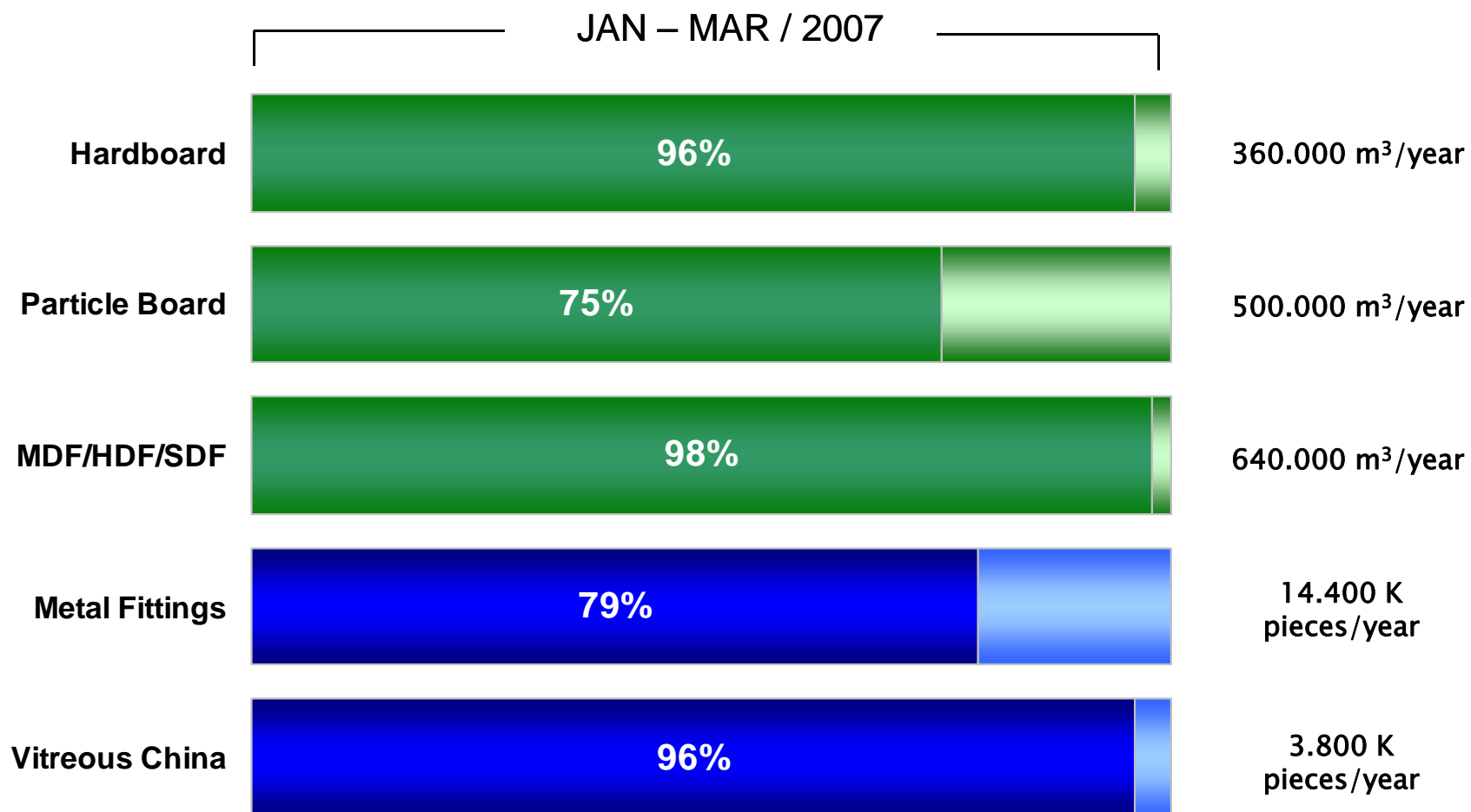
in R\$ M	2005	2006	Var %
Net Revenues *	2.495,7	3.716,0	49%
VGV *	4.421,3	12.080,7	173%

\* Selected Companies: Abyara, Brascan, CCDI, Company, Cyrela, Even, Gafisa, Klabin Segall, Lopes, PDG Realty, Rodobens, Rossi Residencial and Tecnisa.

## • Construction average cycle:



# > Duratex' nominal industrial capacity and occupancy rate



## > Consolidated quarterly performance

	1Q07	4Q06	1Q06	Var. (%) 1Q07 x 4Q06	Var. (%) 1Q07 x 1Q06
<b>Shipments</b>					
<b>Wood (in 1.000 m<sup>3</sup>)</b>	304	329	267	-8%	14%
<b>Deca (in 1.000 pieces)</b>	3.488	3.821	3.350	-9%	4%
<b>in R\$ M</b>					
<b>Net Revenues</b>	<b>357</b>	<b>411</b>	<b>330</b>	<b>-13%</b>	<b>8%</b>
COGS	(194)	(226)	(189)	-14%	3%
<b>Gross Profit</b>	<b>163</b>	<b>184</b>	<b>142</b>	<b>-12%</b>	<b>15%</b>
<i>Gross Margin</i>	46%	45%	43%	-	-
<b>EBITDA</b>	<b>121</b>	<b>126</b>	<b>102</b>	<b>-4%</b>	<b>18%</b>
<i>EBITDA Margin</i>	34%	31%	31%	-	-
<b>Net Income</b>	<b>75</b>	<b>65</b>	<b>45</b>	<b>15%</b>	<b>67%</b>
<b>ROE (annualized)</b>	<b>23%</b>	<b>20%</b>	<b>18%</b>	-	-

## > Effect on changing revenues recognition momentum

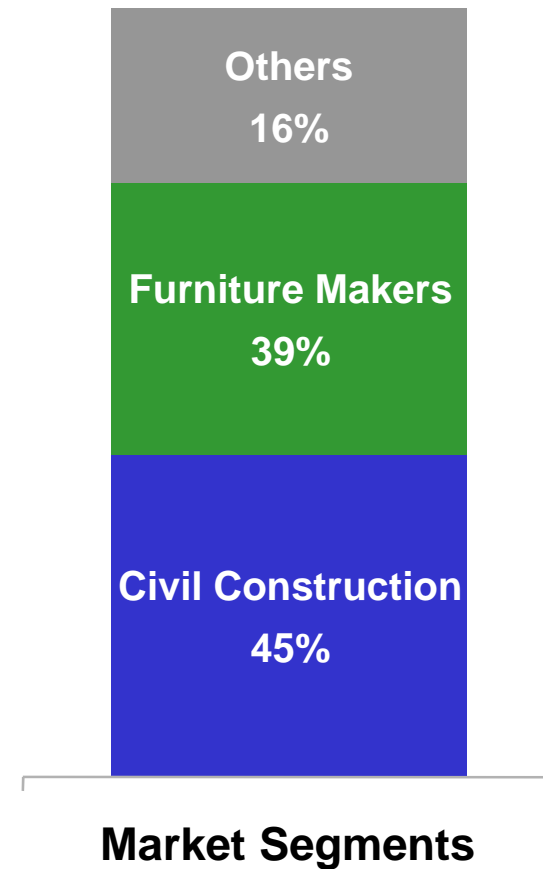
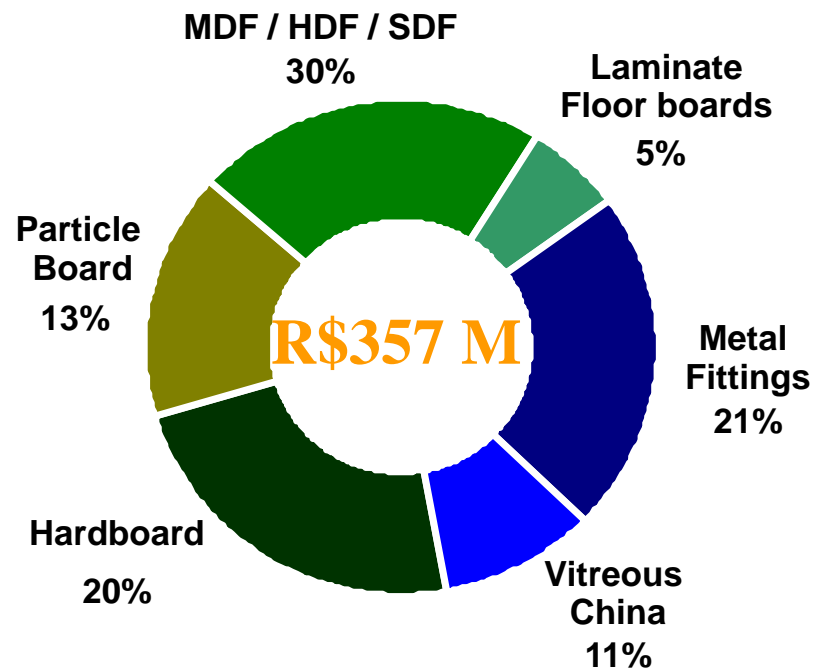
in R\$ M	1Q07		Previous Basis	
	Published	effect	1Q07	1Q06
<b>Net Revenues</b>	<b>357</b>	<b>(42)</b>	<b>399</b>	<b>330</b>
<b>EBITDA</b>	<b>121</b>	<b>(14)</b>	<b>134</b>	<b>102</b>
<i>EBITDA Margin</i>	34%	-	34%	31%
<b>Net Income</b>	<b>75</b>	<b>(8)</b>	<b>83</b>	<b>45</b>
<b>ROE (annualized)</b>	<b>23%</b>	-	<b>25%</b>	<b>18%</b>

## > Effect on changing revenues recognition momentum

(in R\$ M)	1Q07 Published	Effects	Previous Basis	
			1Q07	1Q06
<b>Net Renevues</b>				
Wood	243	(21)	264	220
Deca	114	(21)	135	110
<b>EBITDA</b>				
Wood	94	(5)	99	73
Deca	27	(9)	36	29

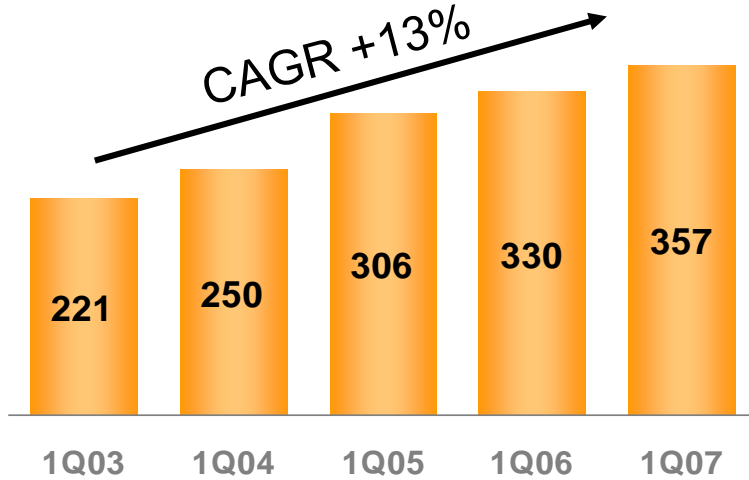
# > Consolidated Performance

## • 1Q07 Net Revenues breakdown

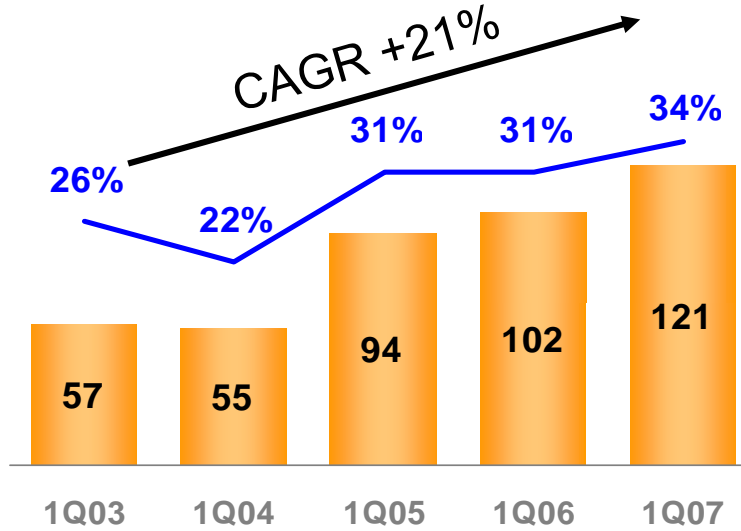


# > Consolidated quarterly performance (in R\$ M)

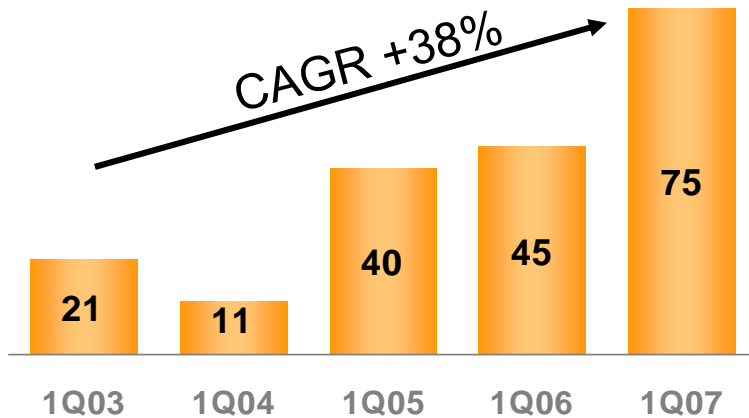
## Net Revenues



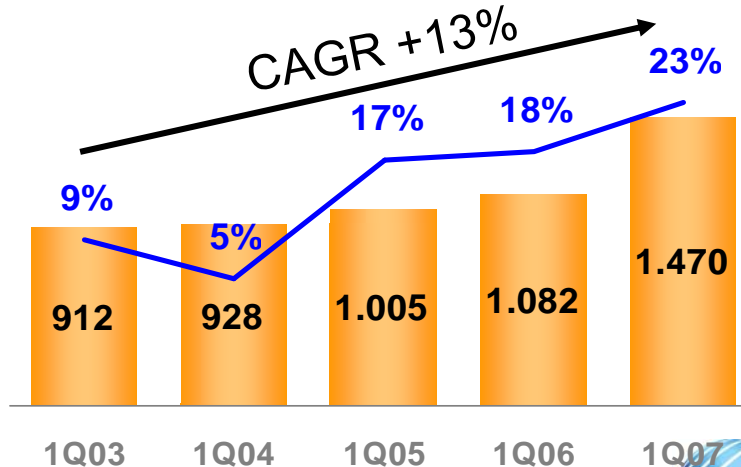
## Ebitda & Margin



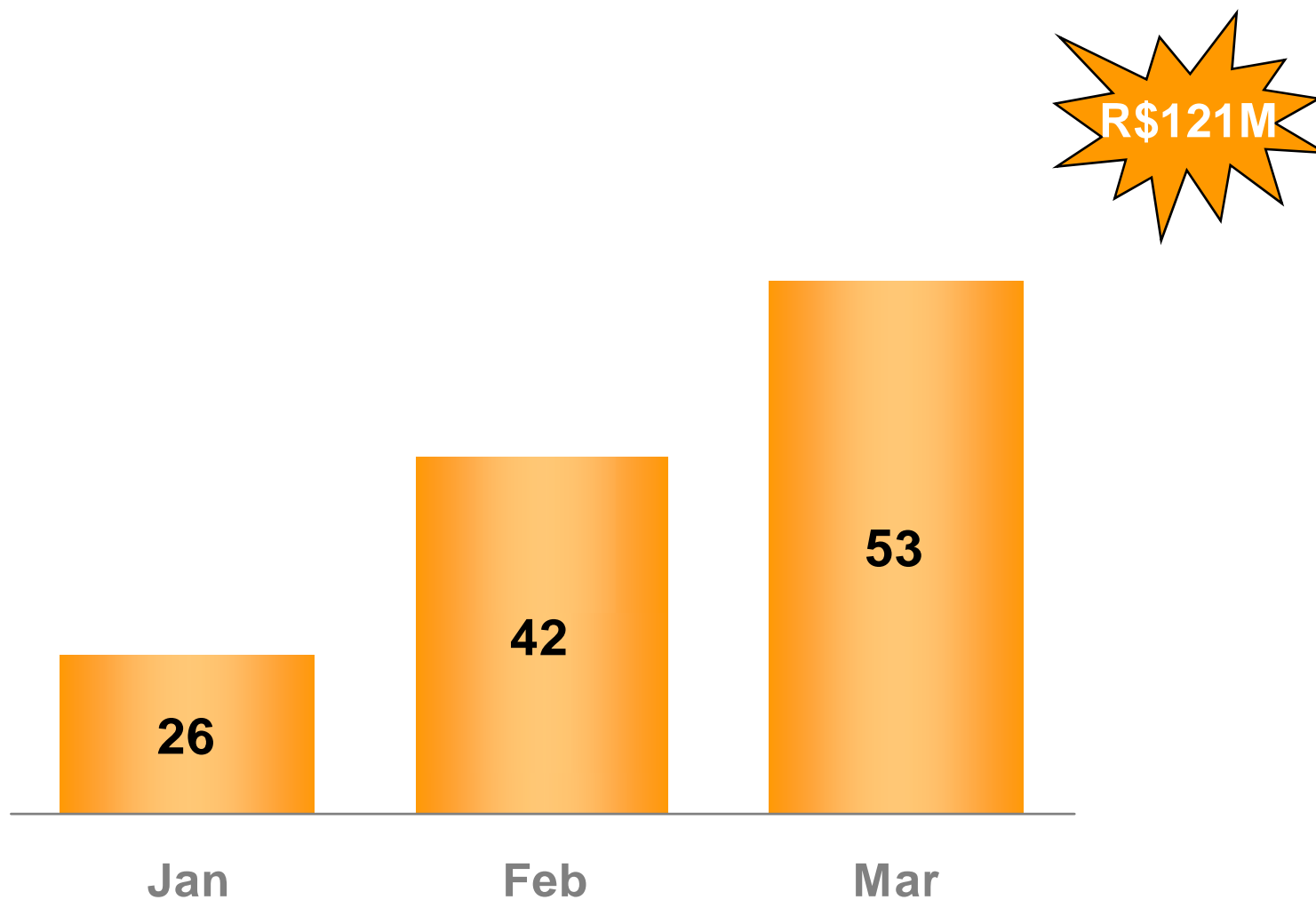
## Net Income



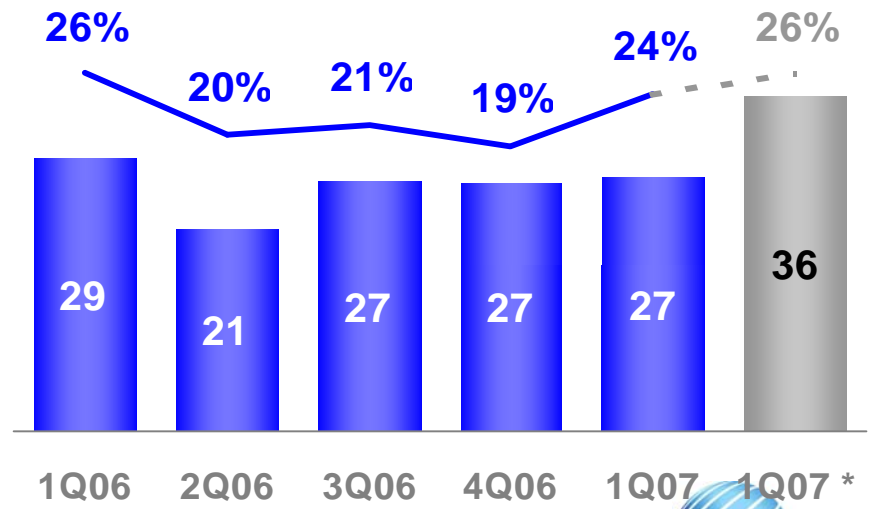
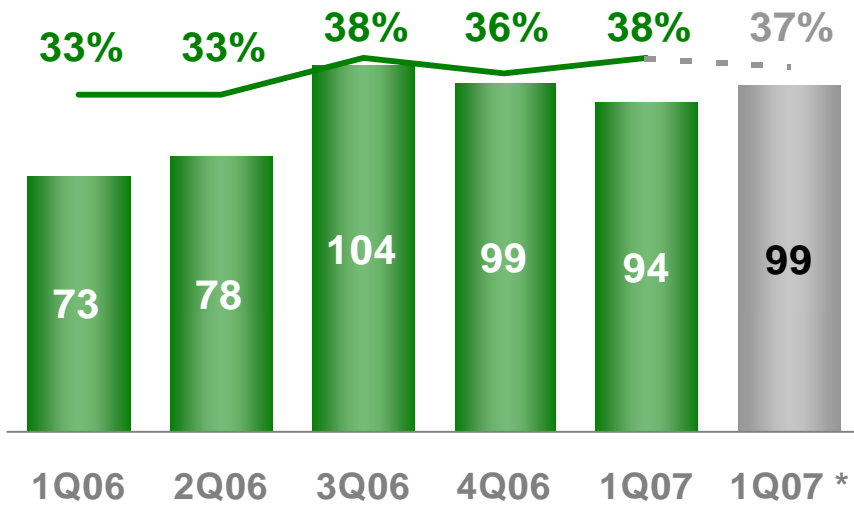
## Equity & ROE



## > 2007 EBITDA monthly performance (in R\$m)



# > Performance per Division - EBITDA (in R\$ M) & Margin (%)



\* Same basis before changing the revenues recognition momentum

## > Capital Markets

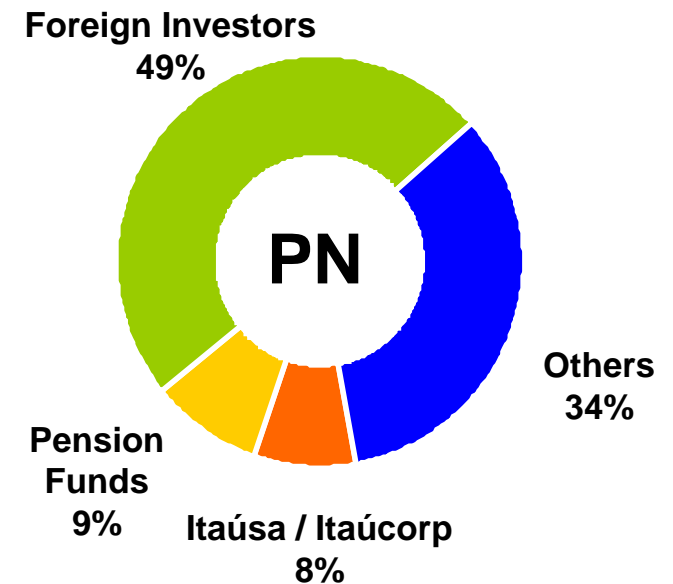
### • Shareholders' structure as of March/2007

Outstanding number of shares: 129,7 M

Common 53,6 M

Preferred 76,1 M

### Shareholders breakdown



### • Corporate Governance

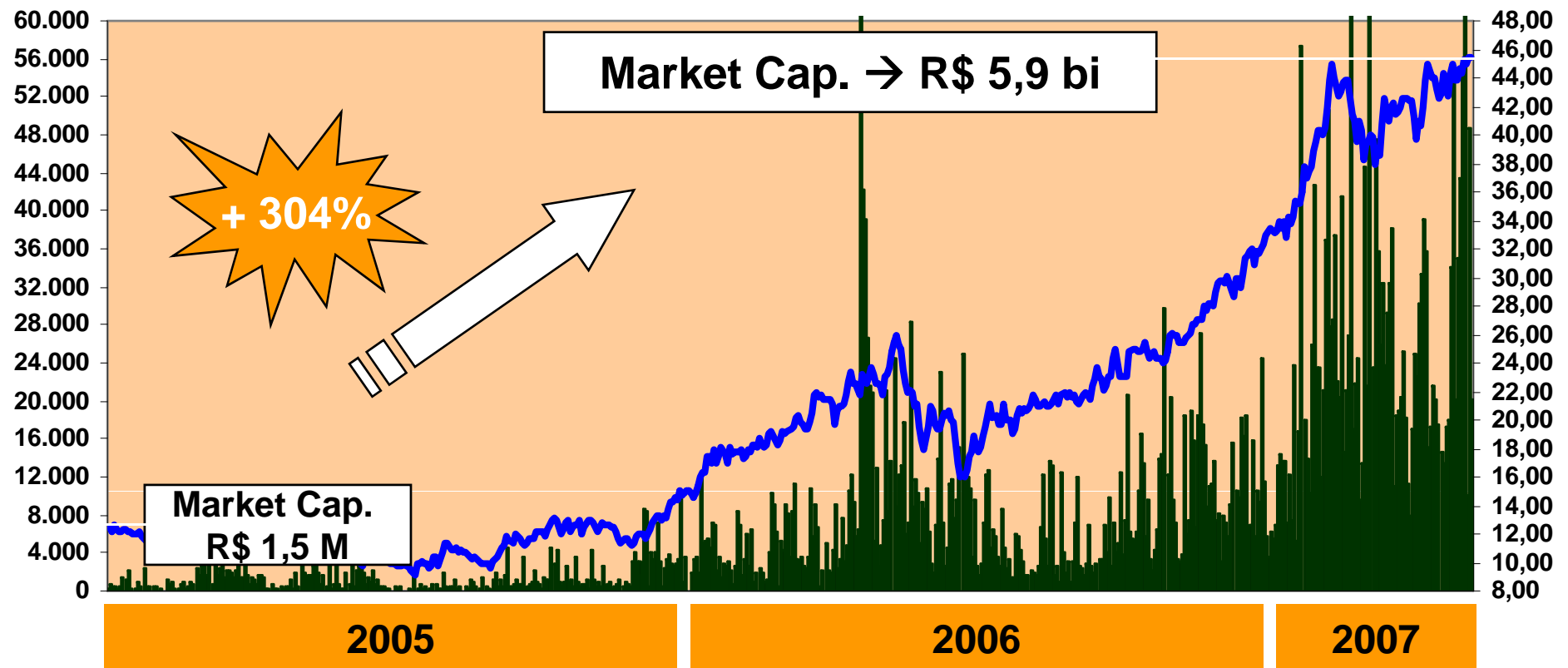
→ 80% Tag-along rights of preferred shares

→ Minimum dividend of **30% of adjusted net income**

→ Level I of differentiated practices of Corporate Governance

# > Capital Markets

	2005	2006	2007 until May 3rd
Daily average financial vol. (in R\$ M)	1,3	8,2	22,5
Price (R\$)	14,9	33,2	45,5





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