



Fact Sheet 3Q2011



CORPORATE GOVERNANCE

Electronic address to communicate corporate governance matters with the executive level: corporate.governance@duratex.com.br

- » Shares listed on the Novo Mercado of BM&FBOVESPA
- » Common shares only, which give to each shareholder the right to one share one vote at the Shareholders General Assemblies
- » Tag-Along of 100% to all shares
- » 3 independent members in the Board of Directors
- » Committees of the Board of Directors: People, Nomination and Governance; Sustainability; Audit and Risk Management; Negotiation; and Evaluation of Transactions with Related Parties
- » Dividend Policy granting a minimum pay-out ratio of 30% over the adjusted Net Income
- » Securities Trading Policies and Disclosure of Relevant Fact in place
- » Adhered to the ABRASCA Arbitration Code
- » Duratex stock included on the BM&FBOVESPA Sustainability Index – ISE, 2011
- » Number of outstanding shares: 550,035,331
- » Free float of 42.3% of the total outstanding shares
- » Brokerage houses that follow the stock: Ativa, Banco Fator Corretora, BTG Pactual, Citibank, Coinvalores, Deutsche Bank, Itaú Corretora, JP Morgan, Lopes Filho, Merrill Lynch, Morgan Stanley, Safra, Santander e Votorantim.

CONFERENCE CALL

The English speaking Conference Call regarding the 3Q11 results will be conducted on November 4th as follows:

Time: 09:00 am local time (07:00 am Eastern time)

Dial in numbers:

+55 11 4688-6361 (Brazil)

+1 888 700-0802 (USA)

+1 786 924-6977 (other countries)

PIN: Duratex

Webconference: www.duratex.com.br

The support material will be posted on the Company's website, on November 3rd, at 03:00 pm.

The conference call audio will be accessible on a playback mode through +55 11 4688-6312, access code 7016038, one hour after the end of the event. The web cast will be made available for consultation through this phone until November 10th. After this period, it can be found on the Company's website (www.duratex.com).

INVESTOR RELATIONS

Flavio Marassi Donatelli – CFO and Director of Investor Relations
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SCENARIO AND MARKET

During the last period the domestic economy has been affected by the slowdown in industrial activity, mainly due to the implementation of measures to contain inflation, adopted by the monetary authority. Among these measures is increase of the basic interest rate, the Tax on Financial Operations (IOF) and an increase in the reserve requirements on demand deposit. In this new scenario, the predicted expansion of Brazil's GDP was revised down and the availability of credit to the retail became more expensive and was offered with an option of fewer installments.

On the external front, a series of bad news contributed to uncertainty about the condition of more developed economies liquidity. The European Union, in its current configuration, is threatened. Greece, Italy, Portugal and Spain have caused concerns in global markets due to the high level of existing and recurrent debt, as well as high levels of fiscal deficits. The financial system's exposure to sovereign debt of these same countries also have caused concerns, probably downgraded, by ratings agencies, of important European institutions credit notes, which creates speculation for the existence of systemic risk. Not only that, the U.S. risk grade was downgraded to AA by S&P Ratings in the wake of a poorly conducted negotiations between Democrats and Republicans on raising the debt ceiling of the state, which is already considered high.

The growing nervousness of the markets indirectly affects Brazil. Although it had its rating improved by Fitch and Moody's Ratings to BBB and BBB+, respectively, the country now faces a steep devaluation of the Real, in a short time, that may be a source of additional pressure on inflation. The currency price closed in September at R\$1.8544 per dollar, devaluation equivalent to 18.8% and 11.3% to its share price at the end of June 2011 and December 2010 respectively, R\$1.5611 and R\$1.6662.

STRATEGIC MANAGEMENT

Although set in a more challenging scenario, the Company remains attentive to the present opportunities in its segment, and maintains the planned investments. This is possible by the high level of employment rate in the country coupled with increased real income and the existence of structural conditions favorable to stimulate domestic consumption.

Altogether, year to date, the Company invested R\$423.3 million, highlights: (i) the down payment made for acquisition of equipment geared to the installation of new lines of MDF and execution of infrastructure works in the unit Itapetinga/SP, a location where the first of two projected plants will be implemented; (ii) completion of the installation and start-up of a new low pressure finishing line (BP), located in Agudos/SP, which already contributed to the increase in the mix sale of panels; (iii) opening of a new line of laminate flooring in Agudos/SP, which allows meeting the growing demand for this type of product; (iv) completion of the acquisition of Elizabeth Loucas Sanitarias; and (v) beginning completion process of the assembly and activity of a new equipment for electroplating, metal fittings segment in Jundiáí/SP, and a new furnace with a burning capacity of 800 thousand pieces annual of sanitary wares, in united of Cabo de Santo Agostinho/PE. In progress, also in Deca Division, there are works in Queimados/RJ unit, which will allow greater geographic diversification in the segment of bathroom fixtures and with addition of 2.4 million pieces annual production capacity by the end of 2012.

CONSOLIDATED PERFORMANCE

Financial statements made available today, with the CVM and BM&FBOVESPA, contemplate the international reporting standard IFRS (International Financial Reporting Standards) in accordance with CVM Instructions 457/07 and 485/10 CVM.

As will be seen throughout this report, the result of the 3Q11 and accumulated year to date, was strongly affected by inflation, especially on the cost side, and economic measures, that inhibited further growth of consumption of panels, mainly. This is due to the fact that these panels are widely used in furniture manufacturing and sold to the retail, that depends on credit, which has become more expensive and has been offered with reduced number of installments.

In addition, two non-cash factors affected the outcome of 2011 result compared with 2010 period. The first one is related to the impact on the result in biological assets changes due to an increase in wood price, especially in the third quarter of 2010. This factor contributed to the result of biological assets that was R\$27.9 million higher than in the 3Q11, and year to date, R\$35.6 million above the 2011 result (respectively (+) R\$42.3million and (+) R\$53.9 million before the effect of income tax). This increase results from the entry of Low Pressure finishing line, paper saturation machine and laminate flooring line, which are aimed at enriching the sales mix of panels. In Deca Division the

highlights of the nine months period are, besides the acquisition of Elizabeth Louças Sanitárias, the entry of a new furnace in Pernambuco, as well as other equipment that is aimed at improving production capacity of metal fittings. All of the above events should help in understanding the variation between 2010 and 2011 results.

The main changes in the financial statements, resulting from the adoption of IFRS, are related to the following events: Business

Combinations, Biological Assets and Employee Benefits. Below are made available the reconciliation tables of Total Assets, Equity and Net Income due to the adoption of new accounting standard. It is worth noting that the analysis contained herein are characterized spontaneous, in line with best governance practices and transparency. However, they do not replace the official statements, available at CVM, pursuant to applicable law, therefore, should be examined together.

TOTAL ASSETS	3Q11	2Q11	3Q10
Before IFRS adjustments (in R\$'000)	5,553,312	5,503,248	4,821,099
Business Combination	733,919	744,274	763,790
Biological Assets	327,275	326,188	329,614
Employee Benefits	77,274	69,881	64,061
Others Adjusts	2,873	2,873	(8,473)
After IFRS adjustment	6,694,653	6,646,464	5,970,091
Variation	1,141,341	1,143,216	1,148,992

EQUITY	3Q11	2Q11	3Q10
Before IFRS adjustments (in R\$'000)	2,800,726	2,732,339	2,544,143
Business Combination	550,514	549,068	560,191
Biological Assets	216,001	215,284	217,545
Employee Benefits	51,001	46,121	42,280
Others Adjusts	19,795	19,450	37,109
After IFRS adjustment	3,638,037	3,562,262	3,401,268
Variation	837,311	829,923	857,125

NET INCOME	3Q11	2Q11	3Q10	Jan-Sep/11	Jan-Sep/10
Before IFRS adjustments (in R\$'000)	117,257	108,268	118,385	303,420	310,878
Business Combination	(4,639)	(2,919)	(3,931)	(11,630)	(11,264)
Biological Assets	717	(5,481)	28,611	(3,228)	32,368
Employee Benefits	4,879	515	1,808	6,911	5,426
Others Adjusts	0	0	7,564	0	(13,614)
After IFRS adjustment	118,214	100,383	152,437	295,473	323,794
Extraordinary Events	(15,881)	(9,284)	(3,962)	(25,165)	(3,962)
IFRS Recurrent Net Income	102,333	91,099	148,475	270,308	319,832

In order to make a transparent transition between accounting standards, we provide below a comparative table containing values before IFRS.

Before IFRS Adjustments (in R\$ '000, unless otherwise indicated)	3Q11	2Q11	3Q10	Jan-Sep/11	Jan-Sep/10
BALANCE SHEET					
Total Assets	5,553,312	5,503,248	4,821,099	5,553,312	4,821,099
Stockholders' Equity	2,800,726	2,732,339	2,544,143	2,800,726	2,544,143
INCOME STATEMENT					
Gross Profit	283,003	267,559	281,331	776,013	788,687
Gross Margin	35.8%	35.6%	40.0%	35.3%	39.0%
EBITDA	260,221	231,966	245,432	681,675	666,249
EBITDA Margin	32.9%	30.9%	34.9%	31.0%	32.9%
Net Income	117,258	108,268	118,385	303,420	310,878
INDICATORS					
ROE	17.0%	16.0%	18.9%	14.9%	17.1%

Following are the financial highlights in IFRS for the period ended September of 2011, as well as the comparison with the previous nine months period quarter, of the previous year.

(in IFRS and R\$ '000)	3Q11	2Q11	3Q10	Jan-Sep11	Jan-Sep10
BALANCE SHEET					
Cash	710,992	759,763	452,899	710,992	452,899
Current Assets	1,958,858	1,924,822	1,493,094	1,958,858	1,493,094
Total Assets	6,694,653	6,646,464	5,970,091	6,694,653	5,970,091
Current Liabilities	998,666	945,373	749,165	998,666	749,165
Total Financial Debt	1,907,769	1,929,836	1,500,800	1,907,769	1,500,800
Stockholders' Equity	3,638,037	3,562,262	3,401,268	3,638,037	3,401,268
INCOME STATEMENT					
Net Revenue	789,775	751,181	703,313	2,200,821	2,022,196
Domestic Market	754,725	718,134	674,534	2,104,159	1,938,753
Foreign Market	35,050	33,047	28,779	96,662	83,443
Gross Profit	276,644	253,856	322,790	755,518	829,229
Gross Margin	35.0%	33.8%	45.9%	34.3%	41.0%
EBITDA ⁽¹⁾	242,094	225,954	231,812	650,568	637,994
EBITDA Margin	30.7%	30.1%	33.0%	29.6%	31.5%
Net Income	118,214	100,383	152,437	295,473	323,794
Net Margin	15.0%	13.4%	21.7%	13.4%	16.0%
INDICATORS					
Current Ratio ⁽²⁾	1.96	2.04	1.99	1.96	1.99
Net Debt ⁽³⁾	1,196,777	1,170,073	1,047,901	1,196,777	1,047,901
Net Debt/EBITDA last 12 months	1.32	1.31	1.28	1.32	1.28
Average Equity	3,600,150	3,541,398	3,355,646	3,543,340	3,264,806
ROE ⁽⁴⁾	13.1%	11.3%	18.2%	11.1%	13.2%
SHARES					
Earnings per Share (R\$) ⁽⁵⁾	0.2156	0.1828	0.2774	0.5390	0.5893
Closing Price (R\$) ⁽⁶⁾	8.61	13.21	15.29	8.61	15.29
Book Value per Share (R\$)	6.61	6.48	6.18	6.61	6.18
Treasury Shares	1,849,486	1,199,486	579,257	1,849,486	579,257
Market Value (R\$1.000) ⁽⁷⁾	4,719,880	7,250,121	8,401,183	4,719,880	8,401,183

(1) EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization): measurement of operational performance provided by Earnings before Interest, Taxes, Depreciation and Amortization (LAJIDA).

(2) Current liquidity: result from the division of current assets by current liabilities and reflects the amount of Reais available to face the short-term requirements.

(3) Net Indebtedness: Total Financial Debts (-) Cash.

(4) ROE (Return on Equity): performance measurement provided by the division of Net Income for the period annualized by average Net Equity.

(5) Earnings per share: calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares issued during the year, net of shares held in treasury. This indicator was adjusted for periods prior to the second quarter of 2011 as a result of the 20% stock dividends, occurred on May 5th 2011, allowing thereby, comparability between periods.

(6) The share price prior to June 2011 was adjusted due to stock dividend of May 5th, 2011, equivalent to 20%.

(7) The Market Value was calculated from the share price at the end of the period multiplied by the number of shares (550,035,331), net of treasury shares and adjusted from stock dividend, for periods prior to June 2011.

Extraordinary events that affected the results (not included in the tables above):

- **3Q11:** the period results have non-recurrent events of (+) R\$25,820 thousand in EBITDA, equivalent to an effect of (+) R\$15,881 thousand in Net Income. These values derive from the fixed asset sale, mainly.
- **2Q11:** (+) R\$14,068 thousand in EBITDA, equivalent to an effect of (+) R\$9,284 thousand in Net Income. These values derive from the fixed asset sale, mainly.
- **3Q10:** (+) R\$6,004 thousand in EBITDA and (+) R\$3,962 thousand in Net Income due to recovery of allowance for doubtful accounts and sales of assets.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Net Revenue

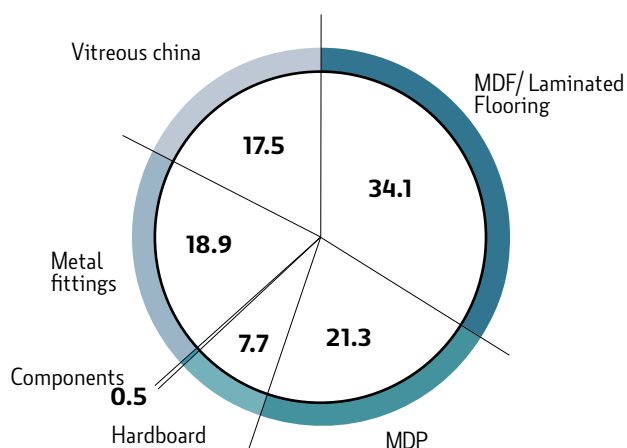
Net revenue totaled R\$2,200.8 million in the year, which represents an expansion of 8.8% compared to the same period of 2010. During the quarter the Net Revenue amounted R\$789,8 million, representing an expansion of 5.1% on sales compared to the previous quarter and 12.3% over the same period of 2010. The improvement seen in 2011 is based on the better shipped volume growth, mainly in Deca Division, better price basis, and the consolidation of Elizabeth Louças Sanitárias operations, whose acquisition was completed in February of this year.

The domestic market remains the main destination of sales, accounting for more than 95% of its total.

R\$'000	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
Net Revenue	789,775	751,181	5.1	703,313	12.3	2,200,821	2,022,196	8.8
Domestic Market	754,725	718,134	5.1	674,534	11.9	2,104,159	1,938,753	8.5
International Market	35,050	33,047	6.1	28,779	21.8	96,662	83,443	15.8

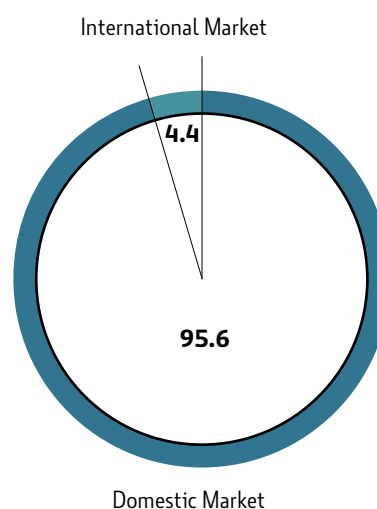
Net Revenue Breakdown (3Q11)

in %



Geographical Distribution of Net Revenues (3Q11):

in %



Cost of Goods Sold

Cost of goods sold, net of depreciation and the change in fair value of biological assets resulted in a cash cost of R\$450.5 million during the quarter, representing an annual growth of 22.0%. This increase was due to increased costs in the period, mainly those related to labor, metals, and resin, and is evidenced in the cash margins.

Gross Profit for the quarter, according to the new accounting standard, considers the mark to market timber prices and its depletion, which are non-cash events. Because of the transit of such events on the result, there can be wide variation in gross margin between periods, which actually occurred in the analysis of the

cumulative nine months result. The net effect of biological assets mark to market is contributing with (+) R\$49.0 million in gross profit of 2010. Depreciation, amortization, and depletion also represents non-cash nature event. As a result of investment plan in progress, this item has increased (+) R\$27.7 million between 2010 and 2011. Since the use of new equipment is not fully in the initial stages, there is a negative bias in Gross Profit of 2011 due to this fact. Excluding the effect of biological assets increase in 2010 and increase of depreciation in 2011, nominal Gross Profit remained flat year over year by approximately R\$780 million. This analysis also applies to the Gross Profit comparison between third quarters that was stable at approximately R\$280 million.

R\$'000	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
COGS (cash)	(450,493)	(422,538)	6.6	(369,188)	22.0	(1,254,479)	(1,083,789)	15.7
GROSS CASH MARGIN (1)	43.0%	43.8%	-	47.6%	-	43.0%	46.4%	-
Change in the Fair Value of Biological Assets	37,194	27,693	34.3	72,509	(48.7)	100,490	149,411	(32.7)
Depletion portion of Biological Assets	(36,108)	(35,998)	0.3	(29,159)	23.8	(105,381)	(100,369)	5.0
Depreciation/Amortization/Depletion	(63,725)	(66,482)	(4.1)	(54,686)	16.5	(185,934)	(158,220)	17.5
Gross Profit	276,644	253,856	9.0	322,790	(14.3)	755,518	829,229	(8.9)
GROSS MARGIN	35.0%	33.8%	-	45.9%	-	34.3%	41.0%	-

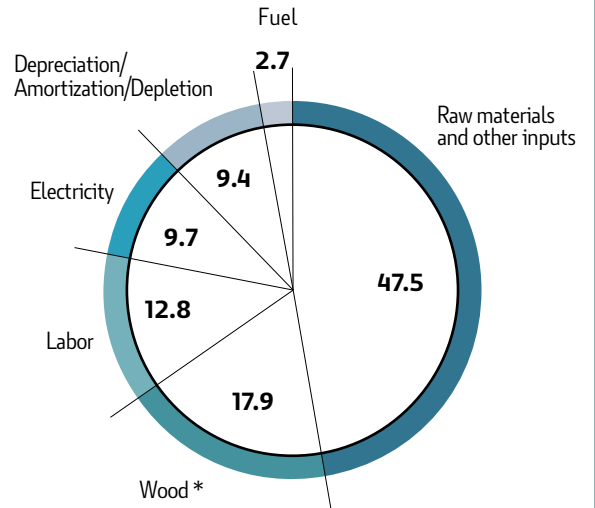
(1) Gross Cash Margin is given by the ratio of the difference between Net Revenue and COGS (cash) over Net Revenue.

Net Revenue and Gross Cash Margin



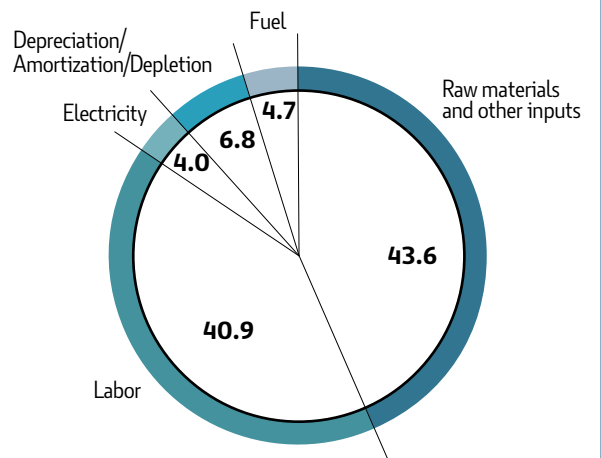
Cost of Goods Sold 3Q2011 – Wood Division

in %



Cost of Goods Sold 3Q2011 – Deca Division

in %



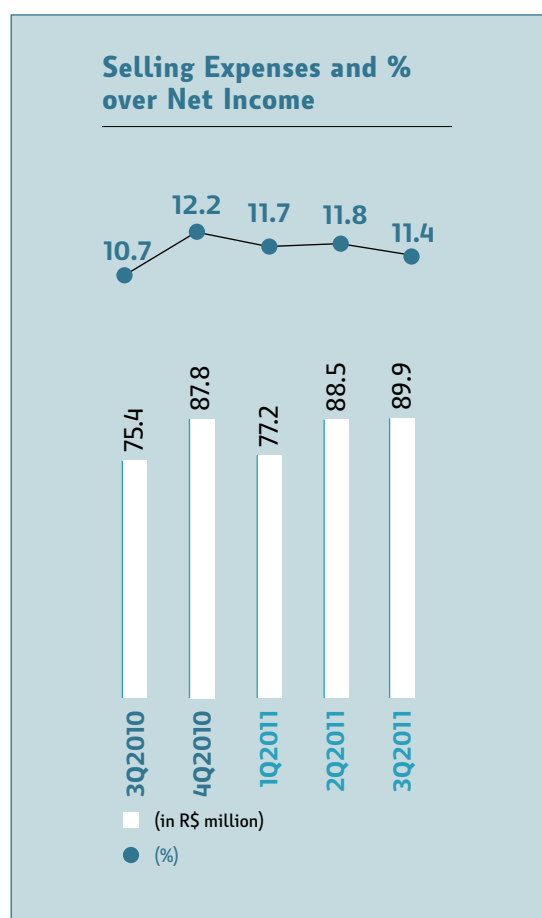
* Includes depreciation, amortization and depletion incident in the wood costs.

Selling Expenses

Selling expenses totaled R\$89.9 million in the quarter and, although they presented an increase of 1.6% over the previous period, there was a dilution in earnings. This dilution occurs

basically as a result of economies of scale and consequent dilution of the fixed portion.

R\$'000	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
Selling Expenses	(89,873)	(88,470)	1.6	(75,389)	19.2	(255,501)	(220,551)	2.2
% of NET REVENUE	11.4%	11.8%	-	10.7%	-	11.6%	10.9%	-



General and Administrative Expenses

General and Administrative Expenses totaled R\$27.7 million in the 3Q11. This level of expenses has remained stable in relation to prior periods and to expenses accumulated in the year. Since there was an evolution in revenue compared to past periods, there was a dilution of participation of this type of expenditure in relation to revenue.

R\$'000	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
General and Administrative Expenses	(27,721)	(26,961)	2.8	(27,803)	(0.3)	(78,691)	(78,756)	(0.1)
% of NET REVENUE	3.5%	3.6%	-	4.0%	-	3.6%	3.9%	-

EBITDA

The basic difference between the results before and after the adoption of IFRS, disregarding the non-cash events linked to the biological assets and employees benefits, is in the reclassification of profit sharing and stock options, previously allocated after the

operating result, benefiting therefore EBITDA. After the adoption of IFRS, these events are allocated proportionally on cost of goods sold, selling, general and administrative expenses, thus, reducing the EBITDA.

Before IFRS adjustments	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
R\$ '000								
Operational Profit before Financial Results	194,471	163,524	18.9	190,668	2.2	489,859	507,781	(3.5)
Depreciation/Amortization/Depletion	65,750	68,442	(3.9)	54,764	20.1	191,816	158,468	21.0
EBITDA	260,221	231,966	12.2	245,432	6.0	681,675	666,249	2.3
EBITDA Margin	32.9%	30.9%	-	34.9%	-	31.0%	32.9%	-
Extraordinary Events ⁽¹⁾	(25,820)	(14,068)	-	(6,004)	-	(39,888)	(6,004)	-
Recurrent EBITDA	234,401	217,898	7.6	239,428	(2.1)	641,787	660,245	(2.8)
Recurrent EBITDA Margin	29.7%	29.0%	-	34.0%	-	29.2%	32.6%	-

(1) 2Q11, 3Q11 and 3Q10: fixed asset sale, mainly.

In IFRS, the Company's operating profit, measured as EBITDA, underwent major changes with the adoption of the new accounting standards. The main changes are related to biological assets and the benefit to employees. Since they are accounting events with non-cash nature, they will be disregarded for the purpose of formation of this indicator. In order to give a greater transparency to the calculation, a table below provides a reconciliation of operating performance.

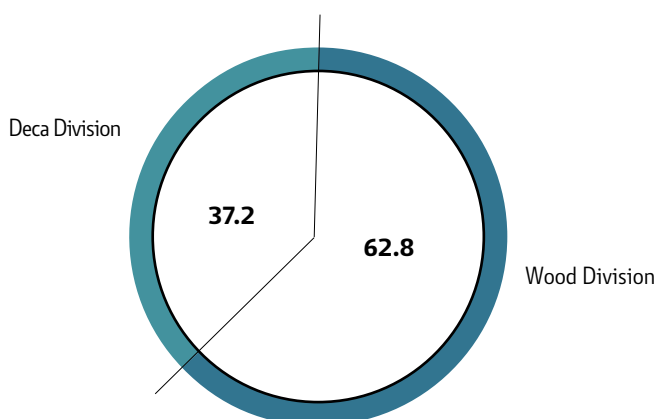
Note that, unlike in Gross Profit and Net Income, which results were impacted by a change of the biological assets, besides the effect of depreciation, amortization and depletion that are not taken into account in the formation of EBITDA, the result was stable compared to the 2010 year. The margins of 2011, on the other hand, were pressured by increased cost of inputs and labor.

After IFRS adjustments	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
R\$ '000								
Operational profit before Financial Results	178,560	143,411	24.5	217,182	(17.8)	445,148	518,939	(14.2)
Depreciation/Amortization/Depletion	72,013	75,018	(4.0)	60,720	18.6	211,000	176,319	19.7
Change in the Fair Value of Biological Assets	(37,194)	(27,693)	34.3	(72,509)	(48.7)	(100,490)	(149,411)	(32.7)
Depletion portion of Biological Assets	36,108	35,998	0.3	29,159	23.8	105,381	100,369	5.0
Employee Benefits	(7,393)	(780)	-	(2,740)	-	(10,471)	(8,222)	-
EBITDA	242,094	225,954	7.1	231,812	4.4	650,568	637,994	2.0
EBITDA Margin	30.7%	30.1%	-	33.0%	-	29.6%	31.5%	-
Extraordinary Events ⁽¹⁾	(25,820)	(14,068)	-	(6,004)	-	(39,888)	(6,004)	-
Recurrent EBITDA	216,274	211,886	2.1	225,808	(4.2)	610,680	631,990	(3.4)
Recurrent EBITDA Margin	27.4%	28.2%	-	32.1%	-	27.7%	31.3%	-

(1) 2Q11, 3Q11 and 3Q10: fixed asset sale, mainly.

Ebitda Profile in IFRS (3Q11)

in %



Net Income

Net income totaled R\$118.2 million in the quarter, representing an increase of 17.8% over the previous quarter, but with a decrease of 22.5% over the same period of 2010, reflecting cost pressures discussed above, besides of non-cash effect related to biological assets mark to market that presented a contribution of (+) R\$49.0 million in the accumulated 2010 result and (+) R\$43.4 million to the result of the 3rd quarter of that year.

The 2011 result is benefited by fixed assets sale, mainly, which contributed with (+) R\$15.9 million in the third quarter and (+) R\$25.2 million in accumulated of nine months.

NET INCOME								
R\$ '000	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Sep/10	%
Before IFRS adjustment	117,257	108,268	8.3	118,385	(0.9)	303,420	310,878	(2.4)
ROE	17.0%	16.0%	-	18.9%	-	14.9%	17.1%	-
Business Combination	(4,639)	(2,919)		(3,931)		(11,630)	(11,264)	
Biological Assets	717	(5,481)		28,611		(3,228)	32,368	
Employee Benefits	4,879	515		1,808		6,911	5,426	
Others Adjusts	0	0		7,564		0	(13,614)	
After IFRS adjustment	118,214	100,383	17.8	152,437	(22.5)	295,473	323,795	(8.7)
ROE	13.1%	11.3%	-	18.2%	-	11.1%	13.2%	-
Extraordinary Events ⁽¹⁾	(15,881)	(9,284)		(3,962)		(25,165)	(3,962)	
Recurrent Net Income	102,333	91,099	12.3	148,475	(31.1)	270,308	319,833	(15.5)
Recurrent ROE	11.4%	10.3%	-	17.7%	-	10.2%	13.1%	-

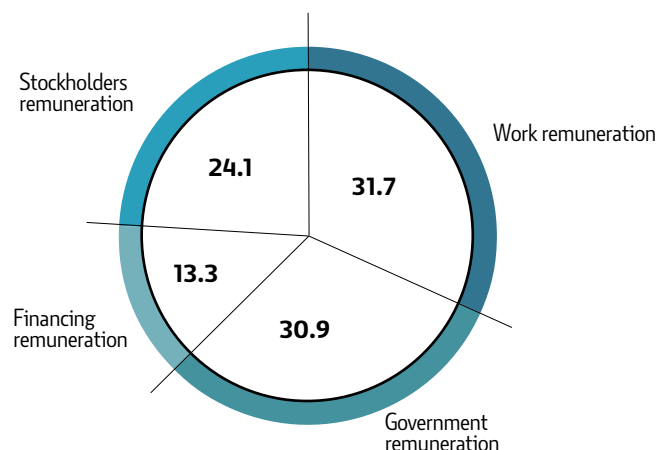
(1) 2Q11, 3Q11 and 3Q10: fixed asset sale, mainly.

Added Value

The value added in the quarter totaled R\$481.1 million, 19.2% higher in relation to the previous quarter. Year to date, the Added Value amounted R\$1,226.6 million. Of this amount R\$379.4 million, representing 12.7% of revenues and 30.9% of total value added, were paid to federal, state and municipal governments in the form of taxes and contributions.

Distribution of Added Value (Jan-Sep/2011)

in %



Debt

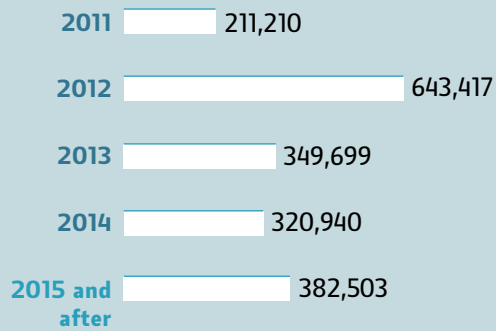
Total Debt at the end of September was R\$1,907.8 million, equivalent to a Net Debt of R\$1,196.8 million, representing an increase of 27.1% over the same period of 2010. This is mainly due to investments made in the period in the amount of R\$423.3 million, which include the concluded acquisition of Elizabeth Louças Sanitárias, among

others. This level of Net Debt amounts to 1.32x EBITDA for the last 12 months and 32.9% of the Equity at the end of the period, which is considered low. During this year, R\$510.2 million new loans were contracted and R\$333.2 million was amortized.

R\$'000	30.Sep.2011	30.Jun.2011	Variation	30.Sep.2010	Variation
Short Term	584,854	531,969	52,885	410,432	174,422
Long Term	1,322,915	1,397,867	(74,952)	1,090,368	232,547
Total Debt	1,907,769	1,929,836	(22,067)	1,500,800	406,969
Cash	710,992	759,763	(48,771)	452,899	258,093
Net Debt	1,196,777	1,170,073	26,704	1,047,901	148,876
Net Debt/Equity (in %)	32.9%	32.8%	-	30.8%	-

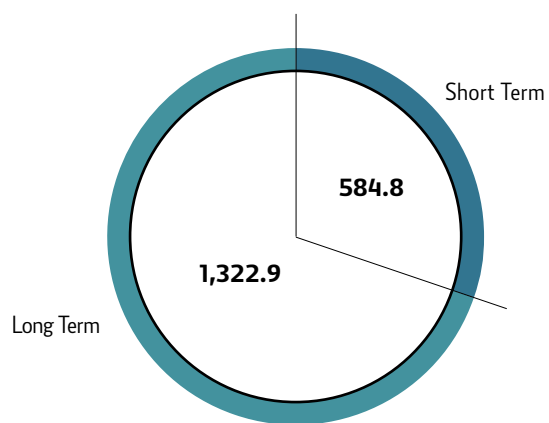
Amortization Schedule

in R\$'000



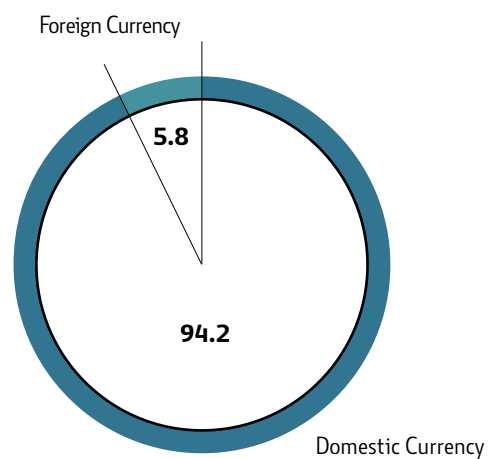
Total debt by the end of September 2011

in R\$ million



Debt profile

in %



FINANCIAL REVENUES AND EXPENSES

R\$ '000	3Q11	2Q11	Var.	3Q10	Var.	Jan-Sep/11	Jan-Sep/10	Var.
Financial Revenues	39,096	16,473	22,623	10,857	28,239	74,714	35,790	38,924
Financial Expenses	(68,582)	(48,597)	(19,985)	(34,983)	(33,599)	(165,410)	(109,834)	(55,576)
Financial Net Income	(29,486)	(32,124)	2,638	(24,126)	(5,360)	(90,696)	(74,044)	(16,652)

OPERATIONS

Wood Division

The year over year performance showed progress in the level of shipped volume and in Net Revenue result. In comparison with the previous quarter there was an increase of 5.1%, of shipped panels, totaling 611.7 thousand m³ in the 3Q11, and increase of 4.5% of Net Revenue to R\$502.1 million in relation to the previous quarter of 2011. During nine months period, there was 1,713,200 m³ wood panels shipped, which is equivalent to a revenue of R\$1,396.5 million. The Company credits a gradual improvement in volumes since the end of the first quarter for the year to date performance. At that time, in response to the inflationary pressure in 1Q11, there was a reduction of inventory levels in the chain of furniture manufacturers, in addition to the shortening of the financing terms offered to the retail.

The increase in Unit Net Revenue was insufficient to offset the cost pressure associated mainly with the price of resin, which is based on methanol and urea. There was also pressure associated with the existing energy contracts indexed to IGPM, and labor, whose annual negotiation with unions implied increases in real wages. These factors are evidenced in the comparative evolution, in relation to the previous quarter and the same period in 2010, Unit Cash Cost increased 2.3% and 7.8% respectively. During the year, this indicator has evolved 9.6%.

In this environment, the operating result measured by EBITDA totaled R\$173.1 million in the 3Q11 and R\$443.3 million in nine months period of this year equivalent of respective margins of 34.5% and 31.7%. Events of an extraordinary nature, associated with the sale of fixed assets, contributed to these results, mainly. Excluding them, the 3Q11 EBITDA is R\$147.3 million, with margin of 29.3%, and for the 9M11 is R\$403.4 million with a margin of 28.9%. The nominal result of the 3rd quarter of 2011 remained stable compared to the previous quarter and the same period in 2010.

One way to alleviate cost pressures is associated with the constant search for improvement of sales. In this regard have been completed investments that allowed the growth of capacity of coating panels and production of laminate flooring, Durafloor. The main strategy of this action is to expand and strengthen the product line in order to meet an increasing number of consumers. This should happen when the degree of occupation of these new lines increases.

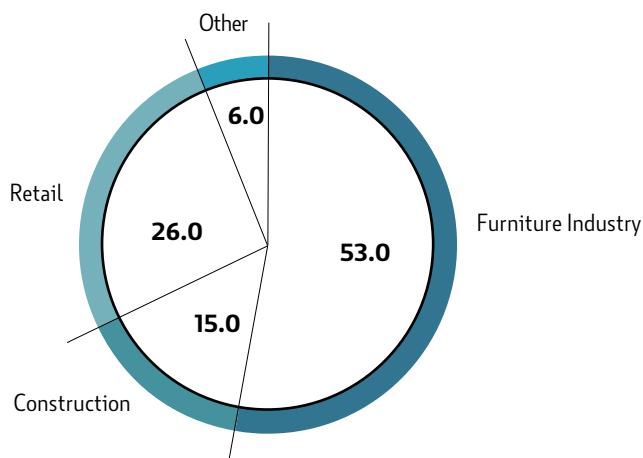
Among the recognitions in the period, we highlight the award for best company in the Plant Exploration and Reforestation of the 7th *Prêmio Melhores do Agronegócio* 2011. It is worth mentioning that Duratex has a business model that has a high degree of integration of timber production and supply of its panel production lines. There are approximately 230 thousand hectares of land, of which 140 thousand planted forests, mainly eucalyptus.

AFTER IFRS ADJUSTMENTS	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Setp10	%
SHIPMENT (in m³)								
Standard	364,054	346,908	4.9	372,331	(2.2)	1,031,837	1,055,354	(2.2)
Coated	247,642	235,238	5.3	217,788	13.7	681,328	687,599	(0.1)
Total	611,696	582,146	5.1	590,119	3.7	1,713,165	1,742,953	(1.7)
FINANCIAL HIGHLIGHTS (R\$1.000)								
Net Revenue	502,085	480,680	4.5	472,566	6.2	1,396,473	1,356,229	3.0
Domestic Market	478,066	457,031	4.6	453,824	5.3	1,328,300	1,301,230	2.1
Foreign Market	24,019	23,649	1.6	18,742	28.2	68,173	54,999	24.0
Unit Net Revenue (in R\$ per m³ shipped)	820.81	825.70	(0.6)	800.80	2.5	815.14	778,12	4.8
Unit Cash Cost⁽¹⁾ (in R\$ per m³ shipped)	468.60	458.14	2.3	434.52	7.8	465.97	425.15	9.6
Operational Profit before Financial Results	119,165	90,353	31.9	150,017	(20.6)	271,688	338,616	(19.8)
Change in the Fair Value of Biological Assets	(37,194)	(27,693)	34.3	(72,509)	(48.7)	(100,490)	(149,411)	(32.7)
Depletion Portion of Biological Assets	36,108	35,998	0.3	29,159	23.8	105,381	100,369	5.0
Depreciation/Amortization/Depletion	59,872	61,802	(3.1)	50,728	18.0	173,522	146,836	18.2
Employee Benefits	(4,808)	(546)	-	(1,841)	-	(6,795)	(5,519)	-
EBITDA	173,143	159,914	8.3	155,554	11.3	443,306	430,891	2.9
Extraordinary Events	(25,820)	(14,068)	-	(6,004)	-	(39,888)	(6,004)	-
Recurrent EBITDA	147,323	145,846	1.0	149,550	(1.5)	403,418	424,887	(5.1)
Recurrent EBITDA Margin	29.3%	30.3%	-	31.6%	-	28.9%	31.3%	-
Before IFRS Adjustments								
Recurrent EBITDA	158,052	147,930	6.8	157,789	0.2	420,182	441,555	(4.8)
Recurrent EBITDA Margin	31.5%	30.8%	-	33.4%	-	30.1%	32.6%	-

(1) Unit Cash Cost is given by the ratio of cost of goods sold net of depreciation, amortization, and depletion over the volume shipped.

Wood Division – Market segments

in %



Deca Division

Deca's performance remains strong. There was an increase in shipments when compared to the previous quarter and to the same period of 2010 of 8.3% and 22.6%, respectively, to 6,780 million pieces. The accumulated annual sales expanded by 15.7% and the volume reached 18,776 million parts. Net revenues followed this movement increasing 6.4% and 24.7% in the quarter, to R\$287.7 million. The accumulated annual revenue reached R\$ 804.3 million, an increase of 20.8%. This performance is based on the strong pace of construction, which sector in turn, finds support in offering secured credit lines and terms of funding. It is noteworthy that this performance in the year and in the 3Q11, is a record. In comparison, Deca superior performance, of twice the industry, according to the ABRAMAT Index. This index measures the performance of domestic sales of a selection of manufacturers of finishing building materials. From January to September, this index showed change of 9.1% over 2010, while Deca's Net Sales in the domestic market grew by 21.7%.

Operating performance, EBITDA totaled R\$68.9 million in the quarter, equivalent to a margin of 24.0%, and R\$ 207.3 million in nine months period, with a margin of 25.8%. With regard to

the annual comparison of EBITDA margin, there was a decrease due to unfavorable cost environment, mainly due to the level of copper prices and wage replacements, as a result of an inflationary environment. There was also the conclusion of acquisition of Elizabeth Louças Sanitárias, which presents a composite of sales of products focused on the specific economic sector and, therefore, lower operating margins. The opening of a new furnace in Pernambuco and the subsequent hiring of labor, also contributed to the observed decline.

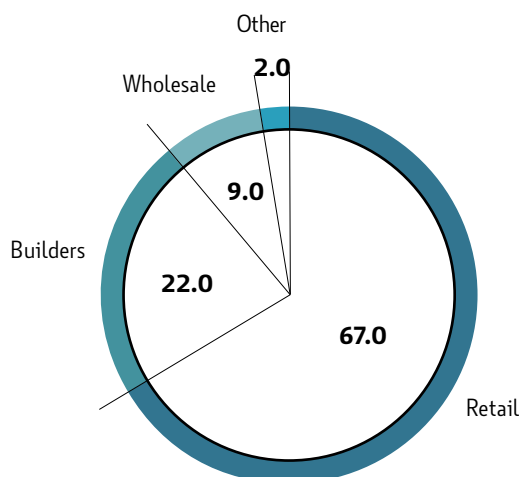
It is worth noting that while the EBITDA margin for the nine months period of the 2011 has presented retraction, there were marginal changes in nominal cash generation, which reinforces the positioning of Deca in the market.

The highlight of the period is recognition for Deca. The brand won another year in the raw the award of Top of Mind Home & Market magazine, in the category of brand projection, as the most remember brand in the segments of sanitary wares and metals, and has been elected a Company of the 2011 Year.

AFTER IFRS ADJUSTMENTS	3Q11	2Q11	%	3Q10	%	Jan-Sep/11	Jan-Setp10	%
SHIPMENT (in 1,000 pieces)								
Basic	2,321	2,224	4.4	2,058	12.8	6,522	6,113	6.7
Finishing	4,459	4,035	10.5	3,471	25.5	12,254	10,113	21.2
Total	6,780	6,259	8.3	5,529	22.6	18,776	16,226	15.7
FINANCIAL HIGHLIGHTS (R\$1.000)								
Net Revenue	287,690	270,501	6.4	230,747	24.7	804,348	665,967	20.8
Domestic Market	276,659	260,103	6.4	220,940	25.2	775,859	637,523	21.7
Foreign Market	11,031	9,398	17.4	9,807	12.5	28,489	28,444	0.2
Unit Net Revenue (in R\$ per piece shipped)	42.43	43.22	(1.8)	41.73	3.2	42.84	41.04	4.4
Unit Cash Cost (in R\$ per piece shipped)	24.17	24.90	(2.9)	20.23	21.3	24.30	21.12	15.1
Operational Profit before Financial Results	59,395	53,057	11.9	67,165	(11.6)	173,460	180,323	(3.8)
Depreciation/Amortization/Depletion	12,141	13,216	(8.1)	9,992	21.5	37,478	29,483	27.1
Employee Benefits	(2,585)	(233)	-	(899)	-	(3,676)	(2,703)	-
EBITDA	68,951	66,040	4.4	76,258	(9.6)	207,262	207,103	0.1
Extraordinary Events	0	0	-	0	-	0	0	-
Recurrent EBITDA	68,951	66,040	4.4	76,258	(9.6)	207,262	207,103	0.1
Recurrent EBITDA Margin	24.0%	24.4%	-	33.0%	-	25.8%	31.1%	-
Before IFRS Adjustments								
Recurrent EBITDA	76,349	69,968	9.1	81,639	(6.5)	221,605	218,693	1.3
Recurrent EBITDA Margin	26.5%	25.9%	-	35.4%	-	27.6%	32.8%	-

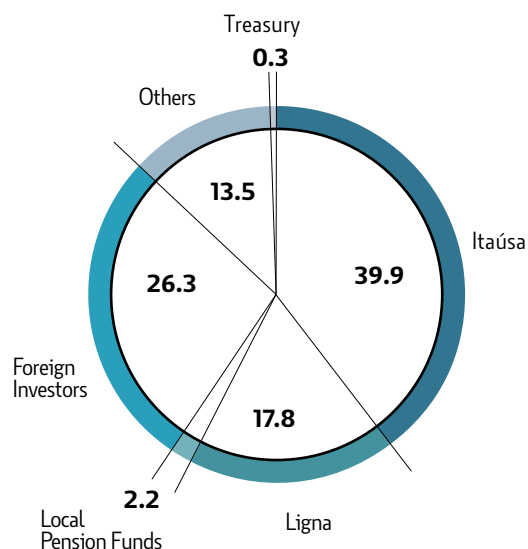
Deca Division - Market segments

in %



Shareholder Structure in September 2011

in %



CAPITAL MARKET

At the end of September 2011, Duratex had a market value equivalent to R\$4,719.9 million, based on the share price R\$8.61.

Year to date, 524.5 thousand negotiations were performed that handled 253.1 million DTEX3 shares, which represented a financial turnover equivalent to R\$3,401.2 million, which corresponds to an average daily trading volume equivalent to R\$18.1 million in the period. This level of liquidity ensured the presence of the share in the portfolio of the Ibovespa Index, composed of approximately 60 stocks, which main criterion for inclusion is the liquidity of the shares. Another important index that has included in its portfolio shares of the Company is the ISE – Corporate Sustainability Index. This index is comprised of approximately 40 stocks that stand out in the international application of the concept of Triple Bottom Line sustainability, assessing, in an integrated manner, social, environmental and economic-financial aspects, which were incorporated into practices related to corporate governance, business practices, nature of the product and climate change.

Duratex shares are listed on Novo Mercado of BM&FBOVESPA differentiated segment list that includes those companies that spontaneously stand out in adopting the highest standards of corporate governance. In this context, the Company is subject to arbitration in the Chamber of Arbitration of the Novo Mercado of BM&FBOVESPA to solve any dispute or controversy arising between the Company, shareholders and directors.

In addition to the prerequisites of the Novo Mercado, the Company has a differentiated policy of dividends distribution, equivalent to 30% of adjusted net income, holds 1/3 of independent board member, and adopts level A from the international reporting standard known as GRI (Global Reporting Initiative). This report is available on the Company's website: www.duratex.com.br. It should be noted that the Company site has been redesigned to incorporate navigation solutions and most modern search tools, and programming language that allows access on portable devices like smart phones and iPad. Please visit it and leave your opinion, so that we can make it even more interesting and catered to your needs.

In order to strengthen its commitment to best governance practices, Duratex pre adhered ABRASCA Code of Self-Regulation, which entered into force on August 15, 2011, and established within the Board, a Committee for Evaluation of Transactions with Related Parties, composed only of independent Board members. Recall that the Company has three other committees led by independent Board members, namely: (i) Audit and Risk Management; (ii) Sustainability; and (iii) People, Governance and Nominating Committee.

60 YEARS OF DURATEX

During the last two months, Duratex promoted the Rino Mania Project which meet several rino-sculptures decorated by artists in exhibition in São Paulo and other 11 cities, where the Company has its operation units. The Rino Mania aimed to bring art to everyone, with easy access, viewing, and promote interaction between people and their cities. All works were auctioned on October 27, and the money was donated to charities.

Also included in the celebrations of 60 years, the Company has been promoting concerts with the Philharmonic Bachiana SESI-SP, conducted by João Carlos Martins, in the cities of its operations. The concerts were opened to the public, with a focus on employees and the local communities. Up to the end of September 2011, events had taken place in São Leopoldo and Taquari in Rio Grande do Sul, Estrela do Sul and Uberaba, in Minas Gerais, Botucatu, Agudos, Lençóis Paulista and Jundiáí, in the State of São Paulo. In all, this events reached an audience of about 27,000 people, at each concert, were everyone was invited to donate books or food to local institutions.

SOCIAL AND ENVIRONMENTAL RESPONSABILITY

At the end of the 3Q11, the Company had 10,806 employees, Who were paid the amount of R\$90.8 million, 3.4% higher than for the previous quarter and 24.8% above that for the third quarter of 2010.

(Amounts in R\$'000)	3Q11	2Q11	3Q10	Jan-Sep/11	Jan-Sep/10
EMPLOYEES (number)	10,806	10,545	9,624	10,806	9,624
Remuneration	90,765	87,765	72,742	256,257	211,241
Mandatory Legal Charges	45,609	44,842	40,016	134,321	115,557
Differentiated Benefits	15,288	14,188	12,558	43,538	35,009

The Company invested R\$18.6 million in actions directed to the environment during the year, of which highlight are the treatment of effluents, waste collection and maintenance of forest areas. Compared to 2010, this figure is roughly 50% above the R\$12.3 million invested in that year.

In the social-environmental scope and culture and sport incentives, from the estimated budget estimated in the budget of R\$2.5 million, R\$1.7 million were invested, highlights being: (i) conducting 11 concerts of the Philharmonic Bachiana SESI-SP, under the baton of a conductor João Carlos Martins, approximately 27 thousand viewers; (ii) Morada Ecológica exposure, which offered the public the opportunity to follow the latest developments in relations between architecture and ecology at the Museum of Modern Art of São Paulo; (iii) environmental education project "Water Planet – The Sustainable World", that through play conveyed notions of sustainability for children in public schools in the municipality of Estrela do Sul/MG and other neighboring municipalities; and (iv) project *Arrastão Esportes*,

which aims to meet 850 students 2-24 years of age, promoting skills development from education through sport.

Additionally, the Company has invested approximately R\$3.0 million in new projects of the same nature, which will run in the second half of 2011 and throughout 2012, highlights being: (i) establishment of three new Community Libraries "Reading is Necessary" in public schools in Botucatu/SP, Uberaba/MG and Cabo de Santo Agostinho/PE, and rehabilitation of two existing libraries, located in Estrela do Sul/MG and Taquari/RS; (ii) project "Singing for a Better World" composed of a workshop on music and musical affective memory, designed by students of public schools, and 12 musical events conducted by the Urban Troubadours in the capital and towns of the State of São Paulo; (iii) release of the book art "Forest Trail", which illustrates and rescues the history of forest development in Brazil; (iv) donation of a library Ecological "Corner of Knowledge" to EMEF Prof. Zelia Camargo Prandini, located in the city of Paulista/SP, collection of 500 books and space for

puppet theater and literary soiree; (v) project "Educational MAM", with educational activities that contribute to the learning process and stimulate the construction of new knowledge, enabling access to the exhibition and its contents to all public profiles, such as students, school groups, teachers, artists and researchers; (vi) project "Theatre in the Square" in four cities in the state of Sao Paulo, performing arts, theater, theater for children, stories quotations, exhibits and film presentations by local artists; (vii) project "Circus ... The World for All", which includes documentary about the ability to overcome the disabled and the importance of their cultural background to break barriers, and book children about the history of the circus, emotions, joys and difficulties in assembling the shows, with emphasis on social responsibility, respect for diversity and inclusion; and (viii) project "EX4 in Schools", which aims, through music, to present new perspective of life, social integration, a form of drug use prevention and eradication of violence, with better use of the school environment for artistic presentations.

In June, an electronic journal entitled Sustainability Duratex was released. This newsletter will be used for disclosure of issues related to sustainable practices by the Company in the social, economic and environmental levels.

As reported earlier in the Management Report, referring to the performance of the 1st semester 2011, the Company completed the process of defining the new Mission, Vision and Values. As of June also began an internal program called *Somos Assim*, that is being spread through presentations and distribution of explanatory booklets.

ACKNOWLEDGEMENTS

We appreciate the support from our shareholders, the dedication and commitment of our employees, the partnership with suppliers, and the confidence of our costumers placed in the Company.

The Management

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS in R\$ '000	30.Sep.2011	AV%	30.Jun.2011	AV%	30.Sep.2010	AV%
CURRENT	1,958,858	29.3	1,924,822	29.0	1,493,094	25.0
Cash and Cash Equivalents	710,992	10.6	759,763	11.4	452,899	7.6
Accounts Receivable	700,378	10.5	629,726	9.5	581,996	9.7
Inventory	404,639	6.0	392,563	5.9	318,618	5.3
Others	142,849	2.1	142,770	2.1	139,581	2.3
NON CURRENT	4,735,795	70.7	4,721,642	71.0	4,476,997	75.0
Long Term	277,995	4.1	257,436	3.9	238,496	4.0
Other Investments	652	-	652	-	652	-
Plant, Property and Equipment	2,825,717	42.2	2,820,434	42.4	2,675,941	44.8
Biological Assets	1,058,358	15.8	1,044,774	15.7	1,015,878	17.0
Intangible	573,073	8.6	598,346	9.0	546,030	9.1
TOTAL ASSETS	6,694,653	100.0	6,646,464	100.0	5,970,091	100.0

LIABILITIES AND EQUITY CAPITAL in R\$ '000	30.Sep.2011	AV%	30.Jun.2011	AV%	30.Sep.2010	AV%
CURRENT LIABILITIES	998,666	14.9	945,373	14.2	749,165	12.5
Loans and Financing	584,854	8.7	531,969	8.0	410,432	6.9
Suppliers	122,232	1.8	121,816	1.8	105,211	1.8
Taxes and Contributions	78,836	1.2	77,492	1.2	94,641	1.6
Dividends and IOC	43,797	0.7	66,954	1.0	741	0.0
Others	168,947	2.5	147,142	2.2	138,140	2.3
NON CURRENT LIABILITIES	2,057,950	30.7	2,138,829	32.2	1,819,658	30.5
Loans and Financing	1,322,915	19.8	1,397,867	21.0	1,090,368	18.3
Provisions for Contingencies	142,743	2.1	138,641	2.1	174,309	2.9
Taxes and Contribution	472,422	7.1	485,232	7.3	437,174	7.3
Other Accounts Payable	119,870	1.8	117,089	1.8	117,807	2.0
EQUITY CAPITAL	3,638,037	54.4	3,562,262	53.6	3,401,268	57.0
Capital	1,550,000	23.2	1,550,000	23.3	1,288,085	21.6
(-) IPO Cost	(7,823)	-0.1	(7,823)	-0.1	(7,823)	-0.1
Capital Reserves	306,701	4.6	304,854	4.6	302,228	5.1
Revaluation Reserves	90,714	1.4	101,754	1.5	105,658	1.8
Profit Reserve	1,300,601	19.4	1,214,966	18.3	1,305,534	21.9
Treasury Stock	(22,712)	-0.3	(16,369)	-0.2	(5,974)	-0.1
Equity Adjustment	416,461	6.2	411,130	6.2	412,796	6.9
Minority Interest	4,095	0.1	3,750	0.1	764	0.0
LIABILITIES AND EQUITY CAPITAL	6,694,653	100.0	6,646,464	100.0	5,970,091	100.0

INCOME STATEMENT

in R\$ '000

	3Q11	2Q11	3Q10	Jan-Sep/11	Jan-Sep/10
NET REVENUES	789,775	751,181	703,313	2,200,821	2,022,196
Change in Biological Assets	37,194	27,693	72,509	100,490	149,411
Cost of Goods Sold	(550,325)	(525,018)	(453,032)	(1,545,793)	(1,342,378)
GROSS PROFIT	276,644	253,856	322,790	755,518	829,229
Selling Expenses	(89,873)	(88,470)	(75,389)	(255,501)	(220,551)
General and Administrative Expenses	(27,721)	(26,961)	(27,803)	(78,691)	(78,756)
Management Fees	(3,106)	(3,453)	(2,446)	(10,513)	(7,646)
Other Operating Results	22,616	8,439	30	34,335	(3,337)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	178,560	143,411	217,182	445,148	518,939
Financial Revenue	39,096	16,473	10,857	74,714	35,790
Financial Expense	(68,582)	(48,597)	(34,983)	(165,410)	(109,834)
OPERATING PROFIT	149,074	111,287	193,056	354,452	444,895
I. Income Tax and Social Contribution	(10,527)	(42,808)	(13,523)	(63,973)	(77,458)
I. Deferred Income Tax and Social Contribution	(20,333)	31,904	(27,096)	4,994	(43,643)
NET INCOME	118,214	100,383	152,437	295,473	323,794

CASH FLOW STATEMENT

in R\$ '000

	3Q11	2Q11	3Q10	Jan-Sep/11	Jan-Sep/10
NET INCOME FOR THE PERIOD	118,214	100,383	152,437	295,473	323,794
Non Cash Event					
Depreciation, Amortization and Depletion	108,239	111,016	89,880	316,499	276,689
Changes on Biological Assets Fair Value	(37,194)	(27,693)	(72,509)	(100,490)	(149,411)
Interest, Foreign Exchange and Monetary Changes, net	59,816	37,799	28,437	136,961	95,591
Provisions and Asset Write Down	(29,759)	(8,262)	14,683	(12,936)	44,905
Working Capital Investments	(44,261)	(43,735)	(21,563)	(125,782)	16,894
(Increase) Reduction in Assets					
Clients	(69,237)	(60,246)	(80,941)	(136,105)	(159,794)
Inventory	(7,340)	(8,540)	(5,280)	(39,936)	(59,785)
Other Assets	13,797	(21,906)	10,196	(3,918)	48,950
Increase (Reduction) in Liabilities					
Suppliers	(2,040)	(2,242)	(10,840)	(5,341)	(1,941)
Personnel Liabilities	18,478	23,156	9,425	34,016	21,594
Accounts Payable	3,961	(7,569)	9,669	3,672	97,642
Taxes and Contribution	(6,885)	28,143	41,468	11,328	64,848
Other Liabilities	5,005	5,469	4,740	10,502	5,380
CASH PROVIDED BY OPERATING ACTIVITIES	175,055	169,508	191,405	509,725	608,462
Investing Activities					
Investments in Fixed and Intangible Asset	(79,673)	(121,556)	(216,951)	(423,317)	(363,351)
CASH USED IN INVESTING ACTIVITIES	(79,673)	(121,556)	(216,951)	(423,317)	(363,351)
Financing Activities					
Issuance of New Deb	15,201	325,279	89,654	510,231	517,528
Debt Amortization	(96,948)	(115,772)	(252,422)	(333,249)	(494,869)
Dividends, Interest on Capital	(57,839)	(111)	(76,177)	(159,427)	(112,140)
Treasury Stock	(6,343)	1,073	491	(10,915)	(3,159)
Cash Generated (Used) in Financing Activities	(145,929)	210,469	(238,454)	6,640	(92,640)
Exchange Rate Variation on Cash and Cash Equivalent	1,776	(404)	(833)	1,395	(496)
Increase (Reduction) in Cash for the Period	(48,771)	258,017	(264,833)	94,443	151,975
Opening Balance	759,763	501,746	717,732	616,549	300,924
Closing Balance	710,992	759,763	452,899	710,992	452,899