



Respected Shareholders,

The management of **Celulose Irani S.A.** submits to your appreciation the Management Report and the Company's Financial Statements with the respective opinion of the Independent Auditors relating to the fiscal year ended on December 31, 2009. The Financial Statements are elaborated pursuant to the Law of Incorporation by Shares and its amendments are based upon standards set by the Brazilian Securities and Exchange Commission - also known as CVM.

MESSAGES TO SHAREHOLDERS

Celulose Irani S.A. is an integrated Packaging and Paper plant with its own robust forest base. The core of its business is the optimal usage of the pinewood planted forest (long fiber) through multiuse, seeking to add value to each stage of the productive process, as well as to each forest-sourced product: wood pulp, paper, package, furniture, wood, resins and biomass for energy.

HIGHLIGHTS OF YEAR 2009

The year 2009 was marked worldwide by the strong financial and economic crisis which began in 2008. For Celulose Irani S.A. this year was the year for the consolidation of investments made in 2007 and 2008 and the beginning of capturing its benefits. Even with the crisis, the Company increased substantially its cash generation margins, as well as its market-share in the corrugated cardboard segment, achieving a new level of competitiveness after the investments made. Also, in 2009, cost reductions actions were implemented in all units, aiming at adapting the operating structure to new reality that came with the crisis.

IRANI's consolidated Gross Revenue remains stable in 2009, decreasing only by 1.4% as compared to 2008. This good performance recorded by the Company in a period when most of the companies suffered the effects from the crisis happened due to productivity and sales increase in its two packaging factories: one in Indaiatuba (SP), where the new plant was implanted during 2008 and the other in Vargem Bonita (SC), where investments in technological update and in capacity increase were finalized during 2008. Paper plant decreased its relative participation in this year Company's gross revenue, increasing the paper supply for packaging plants.

Dollar ended the year with a devaluation of 25.5% over 2008 which contributed for the reduction of debt denominated in foreign currency. Due to Company's policy to keep levels of payment in strong currency equivalent to receivables, there is a cash flow protection, and it does not generate significant or not expected cash losses because of these sudden changes. In this way, Company did not have loss with derivative transactions, since it does not operate with these instruments.



Celulose Irani S.A.



Annual Report - 2009

Company ended 2009 with a Net Result of R\$ 44,069 thousand, of which R\$ 58,823 thousand are positive net exchange variation. Adjusted EBITDA, had an increase of 58.6% as compared to 2008, showing a significant increase in the capacity of generating operating result. EBITDA margin increased from 15.1% in 2008 to 24.6% in 2009. With this result, the net debt/EBITDA ration that was 6.35 times in 2008, increased to 3.11 times in 2009.

Following the work initiated in 2008, this year the Company implemented changes in financial statements to new Law 11.638/07 and MP 449/08. During this year several pronouncements and technical interpretations were issued, approved by CVM deliberations that will be applicable to Company for the 2010 financial statements. The Company presented in explanatory note # 29 the evaluation of biological assets (forests) and lands using the fair value method. This new accounting concept that will be officially adopted in 2010, has a positive impact of R\$ 204 million in Shareholders' equity as of December 31, 2009, raising it from R\$ 90 million to R\$ 294 million, showing a more suitable position of Assets and Shareholders' equity of the Company.

ECONOMIC-FINANCIAL PERFORMANCE

MAIN FINANCIAL INDICATORS					
(R\$ thousand)	4Q09	3Q09	4Q08	2009	2008
Gross Operating Revenue (*)	123,823	118,480	118,952	479,071	485,632
Domestic Market	113,761	102,713	99,218	403,324	392,412
Foreign Market	10,062	15,767	19,734	75,747	93,220
Net Operating Revenue (*)	96,451	93,549	95,180	376,879	388,391
Gross Profit	23,957	21,718	25,370	92,760	90,497
Gross Margin	24.8%	23.2%	26.7%	24.6%	23.3%
Net Profit (Loss)	5,874	18,385	(33,923)	44,069	(54,223)
(*) 2009 - Gross and Net Operating Revenue adjusted by (R\$ 3,907 thousand) regarding performance purchase for AAE (Advances Against Exchange) contract, not considered an ordinary revenue of the Company.					
EBITDA - EARNING BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (*)					
(R\$ thousand)	4Q09	3Q09	4Q08	2009	2008
Result before Income Tax	11,655	30,840	(51,032)	70,704	(81,538)
Depreciation, Depletion and Amortization	10,069	9,781	11,030	40,311	36,306
Financial Result	6,485	(5,499)	54,397	(12,588)	91,189
EBITDA	28,209	35,122	14,395	98,427	45,957
Provisions (IPI and Contingencies)	1,683	928	544	4,581	10,238
Non-recurring events *	-	(10,190)	2,316	(10,190)	2,316
Adjusted EBITDA	29,892	25,860	17,255	92,818	58,511
EBITDA Margin	31.0%	27.6%	18.1%	24.6%	15.1%
* Obs. Non-recurring events	-	(10,190)	2,316	(10,190)	2,316
Asset selling - farm	-	(11,647)	-	(11,647)	-
Windstorm	-	1,457	-	1,457	-
PDD - clients maturing before 2008	-	-	2,316	-	2,316

(*)Note: EBITDA is the added operating income from net financial expenses (income) and depreciations, depletions and amortizations. EBITDA is not a measure used in accounting practices adopted in Brazil, not representing the cash flow for the periods presented and should not be considered as an alternative to net profit as an indicator of our operating performance or as an alternative to cash flow for an indicator of liquidity. EBITDA does not have a standard meaning and our definition of EBITDA may not be comparable to EBITDA or adjusted EBITDA as defined by other companies. Although EBITDA does not provide, in accordance with the accounting practices used in Brazil, a measure for operating cash flow, our government uses it to measure our operational performance. Additionally, we believe that certain investors and financial analysts use EBITDA as an indicator of a company's operational performance and/or its cash flow.



Gross Revenue

The Gross Revenue in 4Q09 reached a total of R\$ 123,823 thousand, 4.1% and 4.5% higher as compared to 4Q08 and 3Q09, respectively. In 2009, the Gross Revenue had a small decrease of 1.4% as compared to 2008, totaling R\$ 479,071 thousand as compared to R\$ 485,632 in 2008.

In dollars the Gross Revenue was 10.1% smaller in 2009, adding US\$ 243,250 thousand, as compared to US\$ 270,641 thousand in 2008.

Net Operating Income

The Net Operating Revenue was 1.3% and 3.1% higher in 4Q09 as compared to 4Q08 and 3Q09, respectively. In 2009, it totaled R\$ 376,879 thousand with a reduction of 3.0% as compared to the previous year.

The Gross Profit in 4Q09 was R\$ 23,957 thousand, 5.6% smaller than 4Q08 and 10.3% higher than 3Q09. In 2009, it totaled R\$ 92,760 thousand against R\$ 90,497 thousand in 2008, a growth of 2.5%. The Gross Margin increased in 2009, staying at 24.6%.

In 4Q09, the Result before Income Tax, was R\$ 11,655 thousand and in 2009 was R\$ 70,704 thousand, reverting the negative result from 4Q08 (R\$ 51,032 thousand negative) and from 2008 (R\$ 81,538 thousand negative).

EBITDA

The absolute value of the adjusted consolidated EBITDA was established in R\$ 29,892 thousand in 4Q09, as compared to R\$ 17,255 thousand in 4Q08, representing 73.2% increment. As compared to 3Q09, EBITDA also presented an increase of 15.6%. In 2009, adjusted EBITDA totaled R\$ 92,818 thousand, a 58.6% increase as compared to 2008.

The margin of the adjusted consolidated EBITDA had a growth from 15.1% in 2008 to 24.6% in year 2009.

Financial Income

The Financial Income was negative by R\$ 6,485 thousand in 4Q09, reverting the positive base of previous quarter (3Q09). As compared to the same quarter of previous year had a substantially decrease, due to exchange variation.

In 2009, the Financial Income was positive in R\$ 12,588 thousand, against R\$ 91,189 thousand negative in 2008. Of the R\$ 12,588 thousand positive of 2009, R\$ 58,823 thousand represent net foreign exchange variation in assets, R\$ 1,949 thousand of financial revenue and R\$ 48,184 thousand correspond to financial expenses (interest, bank charges and discounts granted).

The Financial Income is presented in the following way: (in R\$ thousand)

	4Q09	3Q09	4Q08	2009	2008
Financial Revenue	5,966	19,910	4,561	75,538	36,746
Financial Expenses	(12,451)	(14,411)	(58,958)	(62,950)	(127,935)

There are added to the financial income and financial expenses above the following active and passive exchange variation:

	4Q09	3Q09	4Q08	2009	2008
Active Exchange Variation	5,383	19,300	4,452	73,589	34,131
Passive Exchange Variation	(1,424)	(2,735)	(47,361)	(14,766)	(95,974)
Net exchange variation	3,959	16,565	(42,909)	58,823	(61,843)

The financial result without Exchange variation is as follows:

	4Q09	3Q09	4Q08	2009	2008
Financial Result without Exchange Variation	(10,444)	(11,066)	(11,488)	(46,235)	(29,346)

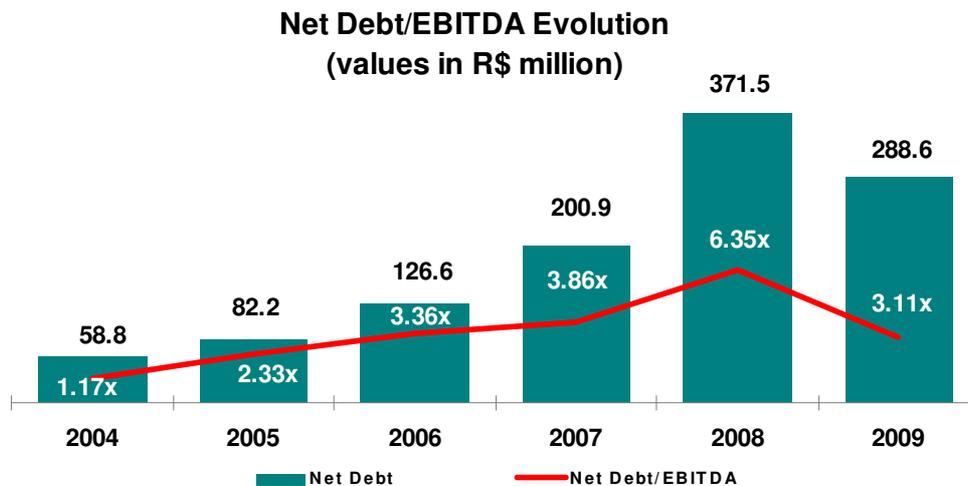
All quarters were affected by the exchange variation of dollar and euro that are basis for financing adjustments.

Net Income/Loss

In 4Q09, the Operating Net Income was R\$ 5,874 thousand positive as compared to R\$ 33,923 thousand negative recorded in the same quarter of previous year. As compared to 3Q09 had a strong decrease due to the recognition in 3Q09 of a forestry property sale in Santa Catarina. The property sold represents only 10% of forestry assets from SC and 7% of total forestry assets of the Company (SC and RS). The Company has a forestry base enough to supply 100% of its wood needs.

The Operating Net Income in 2009, was R\$ 44,069 thousand positive, reverting almost integrally the negative result of R\$ 54,223 thousand of previous year. Additionally, portion was realized of assets revalued at R\$ 1,614 thousand in 2009 (R\$ 483 thousand in 2008), not transferred as revenue in the Income Statement of the Fiscal Year (DRE) (Deliberation 183/95 of CVM).

Net Indebtedness

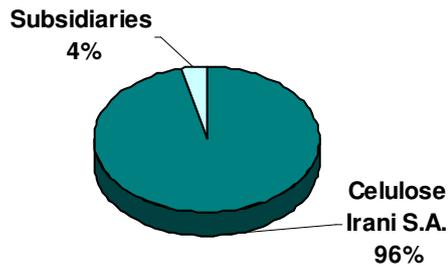


Evolution of Net Debt/EBITDA ratio has its high level in December 2008 due to the investments carried out during Project 'Superação' (R\$ 160.8 million). Starting on 1Q09, this indicator captures the benefits of the Project and the settlement of the debt, dropping from 6.35x in 2008 to 5.74x in 1Q09, to 4.44x in 2Q09 and to 3.84x in 3Q09, and ending year of 2009 at 3.11x. Therefore, in this period EBITDA had an increase and on the other hand indebtedness decreased due to appreciation of Brazilian Real and the debt settlement related to the dollar-denominated debt.

OPERATING PERFORMANCE

The participation of Consolidated Gross Operating Revenue in 2009 was as follows:

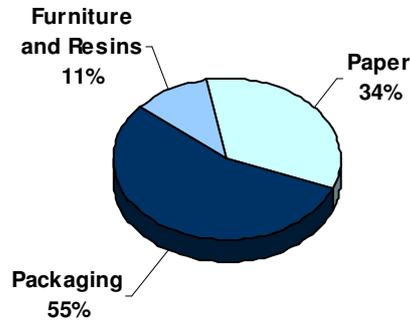
Sharing of Gross Operating Rev. per Company



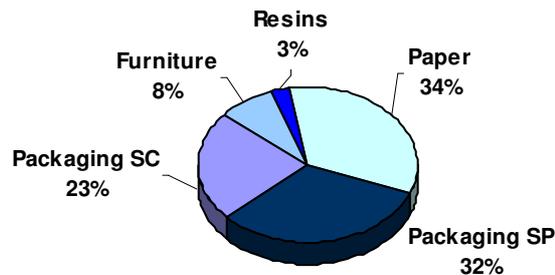
Sales

Sales distribution in the parent company had the following participation, in year 2009:

Share of Sales per Business Division

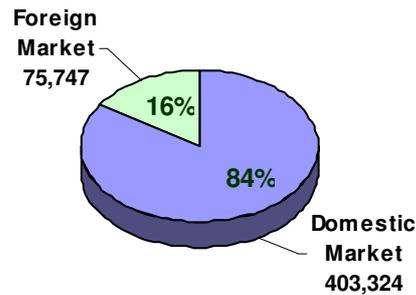


Share of Sales per Business Unit



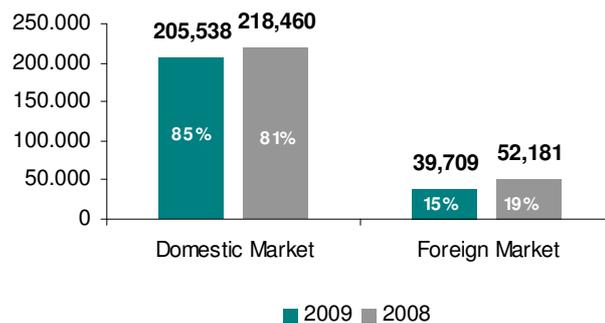
The composition of the Consolidated Gross Revenue per market is distributed as follows in 2009:

Share of Domestic and Foreign Sales
(in R\$ thousand and %)



The distribution of Dollar Sales had the following participation, in 2009 and 2008:

Share of Domestic and Foreign Sales
(in US\$ thousand)



PERFORMANCE OF BUSINESS

Celulose Irani S.A. is comprised of three Divisions. These Divisions are organized according to the market segment they work in, are independent in their operations and smoothly incorporated, seeking to optimize the use of pinewood forests planted through multiuse and the vertical integration of its business.



Paper Division, located in Vargem Bonita - SC, aims at the production of kraft paper of low and high grammages and recycled paper for the domestic, foreign markets, and for the Packaging Division.

Packaging Division produces boxes and sheets of corrugated cardboard, light and heavy, and counts on two production plants, one in Vargem Bonita - SC and another in Indaiatuba - SP. The plant of Indaiatuba - SP was inaugurated on June 02nd, 2008 and the resources used were from 'Overcoming Challenges Project'.

Furniture and Resins Division industrializes forest-based products, seeking to optimize the exploitation of forests, through multiuse. This division currently relies on two production units, one being a reforest wood furniture factory in Rio Negrinho- SC and a business unit named Resins, located in the Resort of Pinhal - RS, which produces pitch and turpentine, from natural resin provided by the subsidiary Habitasul Forest S.A.

Besides these three Divisions, Celulose Irani S.A. relies on the subsidiaries Irani Trading S.A. which handles all the export operations of the company and act in management and rent of properties, Habitasul Florestal S.A., with a forest base of 8.4 thousand hectares of pine forests, provider of resin for the Resins plant of Celulose Irani S.A. and also the timber supplier for the sawmills in the region and. Meu Móvel de Madeira Comércio de Móveis e Decorações Ltda., which sells directly to end-customer through the website www.meumoveldemadeira.com.br. In 2009, a new subsidiary was initiated under the name of HGE – Geração de Energia Sustentável Ltda, which aim at the generation, transmission and distribution of electric energy from wind origin.

Paper Division

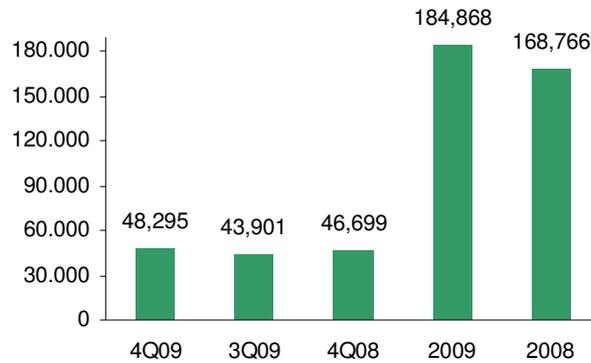
Celulose Irani S.A. had a share of about 4.5% of the national production of Paper for Packaging in 2009, according to preliminary data from Bracelpa - Brazilian Association of Paper and Wood pulp. The Paper Division relies on four machines, whereas one of them uses trimmings as the basis for its production. The other machines, in turn, use mainly Kraft pulp of its own production.

The paper production in 4Q09 had an increase of 3.4% and 10.0% as compared to 4Q08 and 3Q09, respectively. In the year 2009, production increased 9.5% going from 168,766 ton in 2008 to 184,868 ton in 2009. This year 186,987 ton were dispatched against 168,270 ton in 2008.

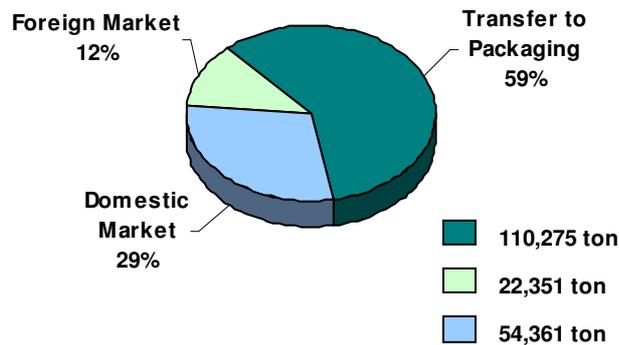
The production and distribution of paper produced at its own plants had the following composition in 2009:



Production of Paper (in ton)



Dispatch/Sales of Paper - Year 2009 (in ton)



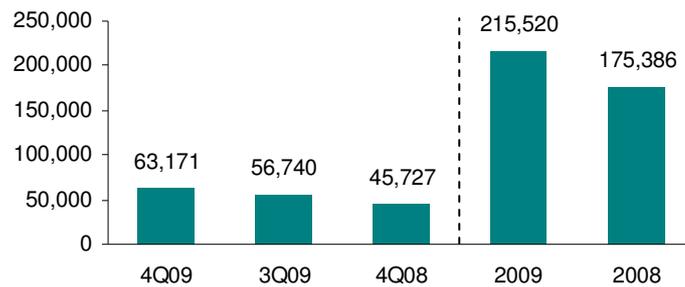
In the forested area, reforestation investments continue which could ensure future supply of wood for processing and biomass, for the paper and wood pulp mill. In 2009 there was a 9.75% decrease in the reforested area of the company due to the sale of a property (Fazenda Serraria Grande) in the city of Caçador/SC. This year 1,088 ha of Pine Forests were planted for use as wood for processing, of these 1,023 ha in own land and 65 ha in third party properties in forestry and leasing partnership arrangements. This year 184 ha of Eucalyptus Forests were planted for use as wood for biomass. In year 2009, 68,940 stereo meters of pine logs were sold to the market against 70,700 stereo meters in year 2008.



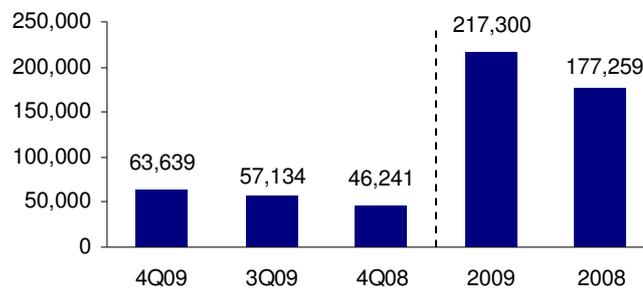
Packaging Division

The Packaging Division had an increase in its participation in the domestic market of packaging from 4.1% of the market in 2008 to 5.0% of the market in 2009, according to data from ABPO - Brazilian Association of Corrugated Cardboard. The production of packaging in square meters in its two plants grew in 4Q09, 38.2% and 11.3%, as compared to 4Q08 and 3Q09, which results from the implementation of the new factory at Indaiatuba and the technological update of Vargem Bonita plant. As compared to 2008, the year 2009 ended with a production 22.9% higher. The sales increase kept the same path, in 4Q09 had a volume 37.6% and 11.4% higher than 4Q08 and 3Q09, respectively. The total sales in square meters accounted for a 22.6% increase in 2009 when compared to 2008, while the market had a growth of only 0.78% in the same period, according to information from ABPO.

Production of Packaging
(in thousand of square meters)



Sales of Packaging
(in thousand of square meters)



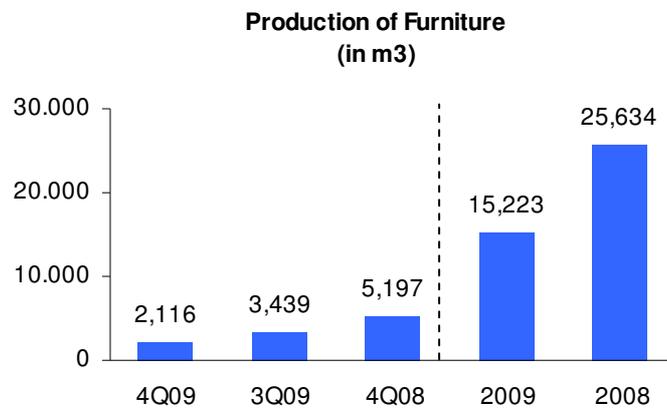


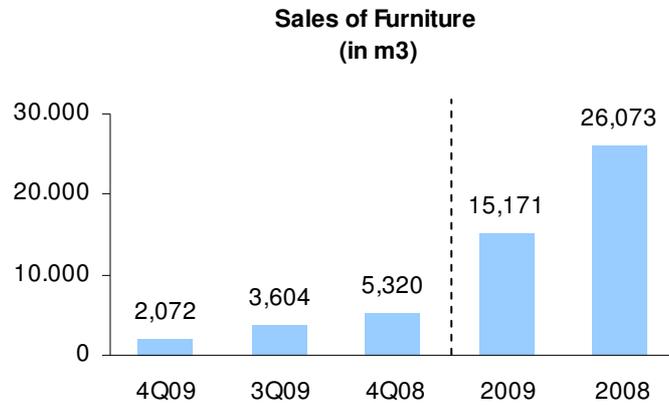
Trading of sheets and corrugated cardboard boxes followed the parameters of the national market. At the end of 2009, average prices of corrugated cardboard boxes were stable as compared to those of December 2008 and the sheet prices showed a small decrease of 3.0% R\$/ton as compared to the prices of 2008.

Furniture and Resins Division

The Furniture and Resins Division sells virtually all of its production to foreign markets.

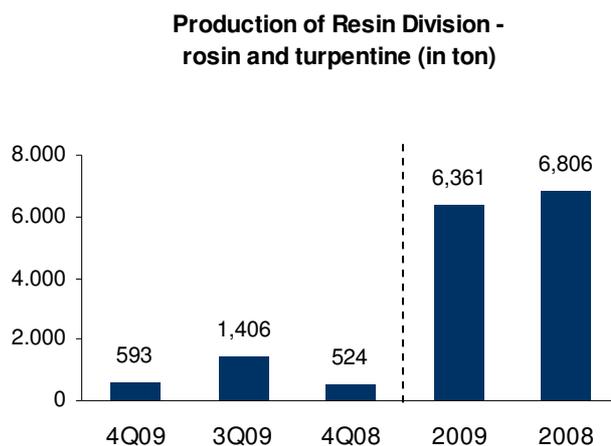
In 2009, the furniture factory had a significant reduction in production and sales volume, basically due to decrease in outsourcing production caused by dollar appreciation and smaller demand in foreign market. From this scenario, a new strategy was implemented for the next years, which consists of operating through own factory and sales in domestic market through the subsidiary www.meumoveldemadeira.com.br.





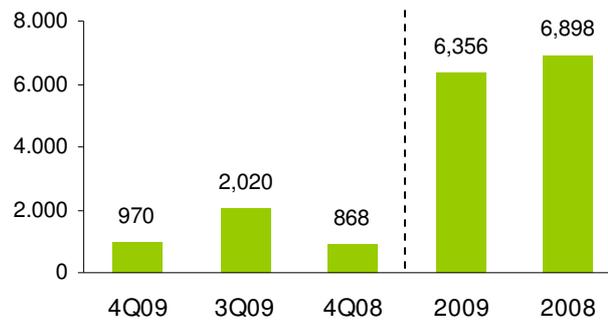
**considering own and outsourced production*

The resins plant, that has its production destined to the foreign market, produced 593 ton of resins and turpentine pitch in 4Q09, an increase of 13.1% as compared to 4Q08 but decreased as compared to 3Q08 due to period in between harvest. In 2009, production was 6.5% smaller than 2008. Sales, on the other hand, increased by 11.8% in 4Q09 when compared to 4Q08. In 2009, sales were 7.8% smaller than 2008.





**Sales of Resin Division -
rosin and turpentine (in ton)**



SUSTAINABILITY

“Balancing economical, social and environmental aspects, so as not to jeopardize the development of future generations, with transparency and involvement of all the stakeholders in the company”. This is the concept of Sustainability whereby the Company goalposts its activities and develops their projects.

Envisage contributing to building a more developed society, support the communities with which they relate directly, and establishing partnerships with solid entities that act on the development of infants and teenagers, in addition to seeking the sustainability of your business by investing heavily in technology and projects that benefit the environment.

Celulose Irani, committed to sustainable development, yearly issues a voluntary form of the **Sustainability Report**. This is a document through which the company measures, informs and reports to stakeholders about the organizational performance. Transparency on the economical, environmental and social impacts becomes a key component in the relations with stakeholders and the market in general. The methodology adopted follows the guidelines of GRI - *Global Reporting Initiative*. The 2009 Report, as of the previous ones, was submitted to external evaluation and BSD Consulting issued its Declaration of Warranty aiming to evaluate the equilibrium and materiality of the information.

Acknowledgments in 2009

The Company enjoyed several social and environmental acknowledgments from the market and human resources, reflecting the actions and projects developed throughout the year. Among the main ones, we could highlight:



- ✓ Fritz Müller Award – Honored by FATMA
- ✓ Brazilian Environmental Benchmarking Award 2009 – Realized Mais Projetos
- ✓ Citizen Company Award ADVB/SC 2009 – Categorias Preservação Ambiental
- ✓ 5th Award Brasil Environmental CDM Categories – Realized Amcham/Rio
- ✓ Ecology Expression Award - Categoria Controle de Poluição Setor Papel e Celulose
- ✓ Febramec Award 2009 - Categoria Emissão Atmosférica Gases de Efeito Estufa (GEE)
- ✓ Professional Rehabilitation Award 2009 - Case Panorama da Reabilitação Profissional na IRANI
- ✓ Social Responsibility 2009 Award - Realização Assembleia Legislativa do Estado do Rio Grande do Sul
- ✓ The Best of *Dinheiro* – Magazine *Isto É Dinheiro*
- ✓ Anuary Value 1000 (Biggest Companies) – Magazine Valor Econômico
- ✓ Anpei Award of Innovator Company - granted by Associação Nacional de Pesquisa e Desenvolvimento das Empresas Inovadoras (Anpei)

Environmental Performance Management

Preserving the environment is one Celulose Irani's responsibilities. For this reason, the Company identifies, analyzes, develops and invests in actions that allow minimizing the environmental impacts caused by its production activities, seeking always on the attending of environmental laws.



As highlights of the environmental area are the CDM (Clean Development Mechanism) Projects: Co-Generation Plant and Wastewater Treatment System, and the Greenhouse Effect Emissions Inventory. The Company was considered a case of national environmental benchmarking for three consecutive years (2007, 2008 and 2009) and also received several national and regional awards.

Besides investing in technologies to preserve the environment, IRANI, aiming at collaborators awareness and the residents of the cities nearby, support and encourages projects of environmental education. Through these projects, the Company spreads the culture of preservation and conservation of the environment and seeks to strength the concept and practice of sustainable development.

Indicators of Environmental Performance

The reductions of greenhouse effect emissions came true through the development of Clean Development Mechanism (CDM) projects of small scale. The Company installed, in 2006, the Co-generation energy plant and updated the Waste Water Treatment and in 2008 both projects allowed generation of carbon credits. The Company accounted in 2009 revenues with the sales of carbon credits the approximated amount of R\$ 3.2 million net of intermediation sales expenses.

CDM – Co-generation Energy Plant

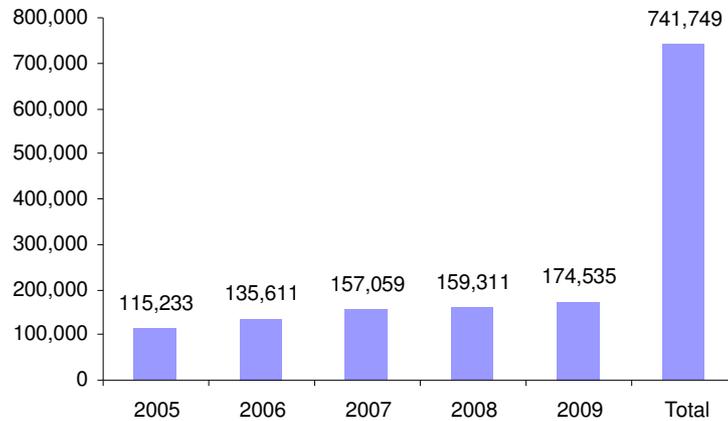
This project is registered at the United Nations Organization (UNO) as “Irani Biomass Electricity Generation Project”. It was approved on July 07th, 2006 and is available for consultation at: http://cdm.unfccc.int/Issuance/cers_iss.html, under number 0404. The methodologies used in the project are AMS 1.D, version 7, which consists in generating renewable electricity replacing energy provided by public state service and AMS III.E, version 7, which consists in avoiding methane production by using biomass burning.

Inputs used to generate energy come from forestry base waste and substitute non renewable natural resources. Therefore, it is possible to reduce gas emissions like carbon dioxide and methane generated in a higher volume when burning fossil fuels.

With the implementation of the Co-Generation Electricity Plant there was a certificate reduction in gas emissions. The certificate reductions (CER) from 2005 to 2009, totaled 741,749 tons of CO₂e. Considering the result achieved in 2009, is expected an amount of 3,665,235 tons of CO₂e reduction for the next 21 years.



Certified reduction emissions – Co-generation Plant (in tons CO₂e)



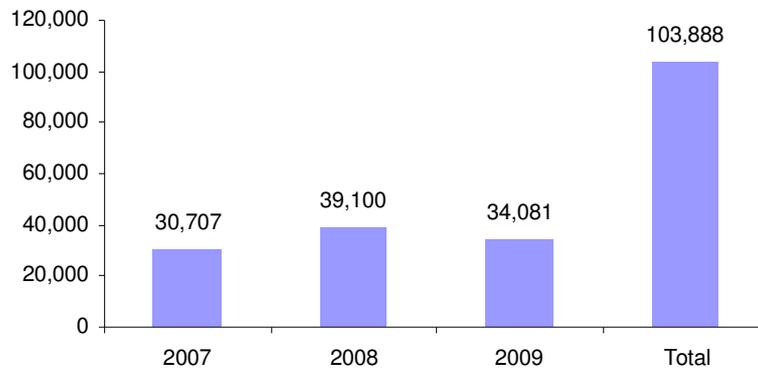
CDM – Improvement of waste water treatment

This project is registered at United Nations Organization (UNO) as “Irani Wastewater Methane Avoidance Project”. It was approved on January 19th, 2008 and it is available for consultation at: <<https://cdm.unfccc.int/Projects/registered.html>> under number 1410. The methodology adopt is AMS-III.I, version 6, dated as of August 10, 2007, which consists in avoiding methane production in water treatment by replacing anaerobic lagoons for aerobic systems.

The improvement was performed aiming at replacing anaerobic digestion (without oxygenation) by aerobic digestion (with oxygenation) of organic waste, avoiding methane emission, a greenhouse effect gas responsible for global warming. The new treatment system is referred as secondary or biologic treatment through the use of highly aerated activated sludge, one of the most efficient biologic methods that avoid the sludge keeping at the bottom of the lagoons generating methane.

With the improvement of the Waste Water Treatment there was a certificate reduction in gas emissions. The certificate reductions (CER) from 2007 to 2009, totaled 103,888 tons of CO₂e. Considering the result achieved in 2009 it is expect an amount of 715,701 ton of CO₂e reduction for the next 21 years.

Certified emission reduction – Wastewater Treatment (in tons CO₂e)



In clean technologies and projects that benefit the environment, the Company invested the amount of \$ 1.5 million in 2009.

Carbon Inventory

The greenhouse gas Emissions Inventory is carried out by Celulose Irani S.A. annually, through certified body. Auditing is made according to NBR ISO 14064:2006 standard. During 2006, 2007 and 2008 was certified as “Zero Carbon”, i.e. considering the Company neutral in the emission of carbon dioxide. In April/2010 the Company will go through a new process of certification related to 2009 activities.

With the certification of independent auditing, the Company aims at a statement of quality in the process, ensuring users of the document more reliability in the results of emissions.

Carbon reductions at IRANI happen due to the large amount of planted forests. Acting as a benefit to Company’s clients and the society in general, each ton of paper produced is equivalent to 3.90 ton of CO₂e. The Green House Effect Inventory seeks to identified opportunities for new Clean Development Mechanisms (CDM) projects, besides helping reducing environmental impacts, raise the transparency in sustainable development at IRANI; strengths investors trust in the Company; help identified risks and facilitates environmental management.

IRANI was the first company to certify its greenhouse gas inventory in accordance with the ISO 14.064 from 2006 standard.

SOCIAL PERFORMANCE INDICATORS

Human Resources

Year 2009 ended with an effective staff of 1,756 collaborators. Committed with the improvement of internal organizational climate, the Company invests in training of employees, benefits, health, safety and life quality, besides prioritizing direct communication between leaders and teams, always envisaging Participatory Management and valuation of diversity among its collaborators.

In 2009, R\$ 8,029 thousand were invested in benefits for food, transportation, insurance, life and health plan, R\$ 721 thousand in training and personal development and R\$ 40 thousand in the profit-sharing program - PPR.

Society

The Company is concerned about the welfare of the residents of communities where it operates, and contributes to the reduction of social inequalities. As part of its shares to the benefit of society, the company encourages and sponsors educational, cultural and sports projects, always seeking the continuity of actions and self-development of the target public.

Among the projects developed are the following: Junior Achievement, Investment and Revitalization of the Community around the Factory Facilities – Campina da Alegria in Vargem Bonita/ SC, project of income generation called Projeto Broto do Galho, Open Talk Journal - Company's Communications Channel with the Community (Campina da Alegria), Young Apprentice Program, Social Toast, donations and sponsorships and other projects support by Tax Incentive.

In 2009, the amount of R\$ 214 thousand was allocated for these projects and other social donations and sponsorships.

INVESTMENTS

The Company continues its strategy of investing in the modernization and automation of its production processes. Investments in 2009 totaled R\$ 20,297 thousand, thus distributed:

Buildings and Constructions	R\$ 1,704 thousand
Equipment and Facilities	R\$ 14,640 thousand
Commercial leasing	R\$ 366 thousand
Forestry and Re-forestry	R\$ 3,587 thousand
Total	R\$ 20,297 thousand

This year investments were made to keep and modernize the factories and industrial operations, aiming at improving process and products offered by Celulose Irani S.A. The biggest investments were made in 2007 and 2008, through 'Projeto Superação' that modernized the Paper and Packaging plants.



STOCK MARKET

IRANI's corporate capital is represented by 8,104,500 shares, being 7,463,987 common shares and 640,513 preferred shares.

Dividends and Interest over Own Capital

Company management is proposing the distribution of dividends related to year 2009 in the amount of R\$ 3,872 thousand, corresponding to R\$ 0.52 per preferred share and R\$ 0.47 per ordinary share. Over these figures there is no Income Tax.

AUDITING SERVICES

In 2009, there were services of consultancy for diagnosis of implantation of IFRS - *International Financial Reporting Standards*, performed by our Independent Auditors, that begun in 2008 and continue on 2009.

OUTLOOKS

Expectations for 2010 are significant improvement in Brazilian economy and the resumption of global worth. It is expected an improvement in EBITDA margins and in net profitability of the business, result of a more fortunate scenario and the new condition of competitiveness after the conclusion of Projeto Superação. The Company is in final process of debenture emission aimed at elongating short-term debt.

ACKNOWLEDGMENT

We would like to thank each one of our collaborators for the effort shown on this period, to our shareholders, for the trust and to our clients, suppliers and financial institutions, for their support, indispensable to the growth and development of Celulose Irani S.A during the year of 2009.

Porto Alegre, March, 2010.

MANAGEMENT