

COMPANY

DIRSSA began operations in 2003. DIRSSA produces high-grade charcoal using shrubs from nearby land, and exports the finished products to buyers in Germany. In 2008, DIRSSA sold 3,821 tons of finished charcoal products and purchased 4,045 tons of unprocessed shrubs from local suppliers of which 26% of the supply came from aboriginals. In 2008, DIRSSA helped approximately 700 families. The wood used in the production of the charcoal is brush and usually grows again within six years.

OPPORTUNITY

DIRSSA is looking for external investors and creditors to continue its growth plans. Interested parties should contact Serge LeVert-Chiasson or Gerhard Pries at 519-725-1633.

MEDA INVOLVEMENT

MEDA Paraguay has a small equity stake and plays an advisory role in DIRSSA. One MEDA NA member invested US\$30,000 in 2007. CODIPSA, an investment in the Saronna Risk Capital Fund, owns US\$50,000 in DIRSSA shares.



September 30, 2009 Report

- **Planned expansion:** Due to the growing market of DIRSSA products and increasing availability of raw materials, the Board is considering expanding the production plant in 2010. Feasibility studies are underway and more information will be made available in future quarterly reports.
- **Market in Germany:** German buyers have fully stocked up their inventories of bricks for the year which has resulted in the suspension of future sales for the time being. DIRSSA is now seeking new markets to sell its product to.
- **Growing inventory of raw materials:** Due to the growing stock of raw materials, DIRSSA has suspended any future purchase from suppliers other than aboriginal people. Many of the aboriginal suppliers are living off the business of supplying DIRSSA with raw materials so it made sense to continue to purchase from them.
- **Financial Performance to Date:** The annualized book value share price of DIRSSA has increased an impressive 183% in local currency. Compared to last year, the net profit margin has increased to 28.4% from 6.6%. This has resulted in a positive net income of US\$362,770 at the end of September 2009.
- **Social Performance to Date:** Most importantly, the number of producers has increased from 600 in 2008 to 900 in 2009 with twice as much supply being purchased by producers after only 9 months of operations in 2009 against the whole of 2008. Also, of notable importance is that the percentage of supply from aboriginals grew from 25.8% in 2008 to 74.6% in 2009.

Pros

Production has steadily increased over the past few years while the economic model of DIRSSA has improved. The storage facility has allowed management to weather peaks and lows in the supply of shrub from local inhabitants; recent negotiations with aboriginals have produced a new supply of workers.

Cons

Management has dealt with many of the problems identified in the last quarterly report -- size of location, regular supply from locals, and scale of operation. They are still tackling major risks by negotiating fair sales agreements with foreign buyers, as well as improving communication with local suppliers and continuing to ensure a steady supply for the plant's production.

You may, at any time, choose to donate your investment to MEDA in return for a tax receipt.

FY2009 - 3rd Quarter

FY2008

DIRSSA Income Statement	In PYG				FY2008
	July	August	September	YTD	12 months
Operating Revenues	1,808,037,773	781,161,547	923,259,000	6,555,401,509	2,880,170,800
COGS	685,543,506	606,357,638	473,233,446	3,407,098,551	1,898,736,374
Gross Profit	1,122,494,267	174,803,909	450,025,554	3,148,302,958	981,434,426
Operating Expenses	357,917,833	233,209,606	292,512,758	1,609,196,266	771,670,854
Financing Expenses	1,309,465	0	0	12,000,615	27,153,578
Other Expense (Income)	(29,386,721)	27,942,369	(325,770,144)	(332,626,860)	(6,853,722)
Net Income	792,653,690	(86,348,066)	483,282,940	1,859,732,937	189,463,716

DIRSSA Income Statement	in US\$				FY2008
	July	August	September	YTD	12 months
Average Exchange Rate (PYG/US\$)	5,120	5,060	5,031	5,126	4,436
Operating Revenues	\$ 353,124	\$ 154,372	\$ 183,503	\$ 1,278,733	\$ 649,286
COGS	\$ 133,892	\$ 119,827	\$ 94,058	\$ 664,607	\$ 428,038
Gross Profit	\$ 219,232	\$ 34,544	\$ 89,445	\$ 614,125	\$ 221,248
Operating Expenses	\$ 69,904	\$ 46,086	\$ 58,139	\$ 313,899	\$ 173,960
Financing Expenses	\$ 256	\$ -	\$ -	\$ 2,341	\$ 6,121
Other Expense (Income)	\$ (5,739)	\$ 5,522	\$ (64,749)	\$ (64,884)	\$ (1,545)
Net Income	\$ 154,811	\$ (17,064)	\$ 96,055	\$ 362,770	\$ 42,711

Gross Profit Margin (%)	62.1%	22.4%	48.7%	48.0%	34.1%
Net Profit Margin (%)	43.8%	-11.1%	52.3%	28.4%	6.6%
Return on Equity (%)	31.6%	-2.9%	15.2%	58.4%	21.6%
Return on Asset (%)	27.5%	-2.6%	13.5%	52.0%	

DIRSSA Balance Sheet (in PYG)	July	August	September	YTD	FY2008
End of Month Asset	2,883,680,006	3,368,551,063	3,574,888,176	3,574,888,176	
End of Month Equity Position	2,509,535,098	3,025,057,176	3,183,399,556	3,183,399,556	876,636,843
Fully Diluted Shares	1,849	2,420	2,420	2,420	1,580
Share Price	1,357,239	1,250,024	1,315,454	1,315,454	554,833
Current Ratio	4.8	6.4	6.0	6.0	
Debt / Equity Ratio	13%	10%	11%	11%	

DIRSSA Production Statistics	July	August	September	YTD	FY2008
Production (in tons)	886	404	398	5,267	3,821
Supply of unfinished carbon (in tons)	1,544	1,865	1,282	8,039	4,045
Of which locals	332	338	303	2,040	3,003
Of which aboriginals	1,212	1,526	978	6,000	1,042
% aboriginals	78.5%	81.9%	76.3%	74.6%	25.8%
Number of local small suppliers	900	900	900	900	