

# 1Q09 Conference Call

May 13, 2009



*This presentation includes forward-looking statements that are subject to risks and uncertainties based on the beliefs and assumptions of the management of Eucatex S.A. Indústria e Comércio, and on information currently available to the Company.*

*Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur.*

*Investors should understand that overall economic conditions, industry conditions and other operating factors may affect the company's future results and may lead to results that differ materially from those expressed in such forward-looking statements.*

## » Financial results

- **Gross revenue** came to R\$ 189.4 million in the 1Q09, versus R\$ 212.6 million in the 1Q08, representing a decrease of 10.9%
- **Gross margin** of R\$ 58.2 million, up 0.7% from 1Q08, even though the revenue came lower in the same period. In percentage the Gross margin of 1Q09 was 38.1% versus 33.1% in the 1Q08, representing an increase of 4.9p.p.;
- **EBITDA** was R\$ 30.9 in the 1Q09, a decrease of 14.2% compared to 1Q08;
- **EBITDA Margin** before non-recurring adjustments of tax provisions, was 0.5 p.p. lower at 1Q09; and
- **EBITDA Margin of 20.2% in the 1Q09**, versus 20.7% at 1Q08.

## » Sales growth

- Highlight to the performance of the Paint segment, which presented a growth of **12%**, in relation to 1Q08.

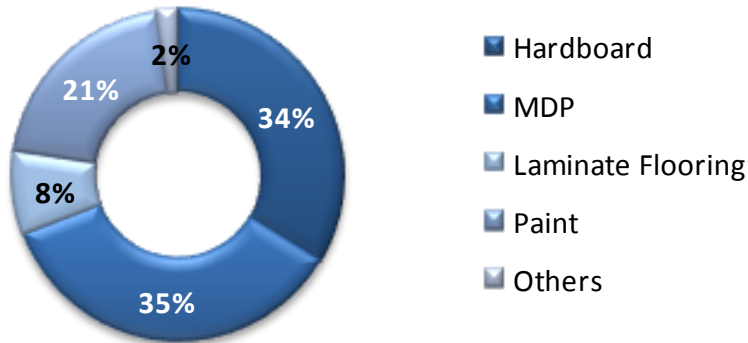
## » Construction of new T-HDF/MDF line

- The line should go operational at the end of 2009, increasing the Group's gross revenue by R\$ 250 million and cash flow by R\$ 90 million when it reaches its full annual capacity.

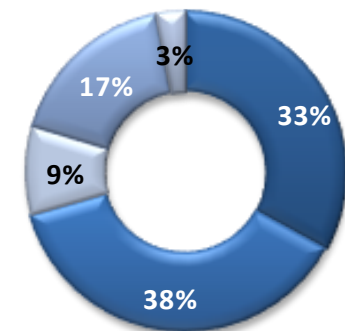
## » Highlights

- Eucatex's paints segment represented 21% of revenue in the 1Q09, compared with 17% in the 1Q08.

### Gross Revenue Breakdown - 1Q09



### Gross Revenue Breakdown - 1Q08



## » The first and largest unit of the Eucatex Group.

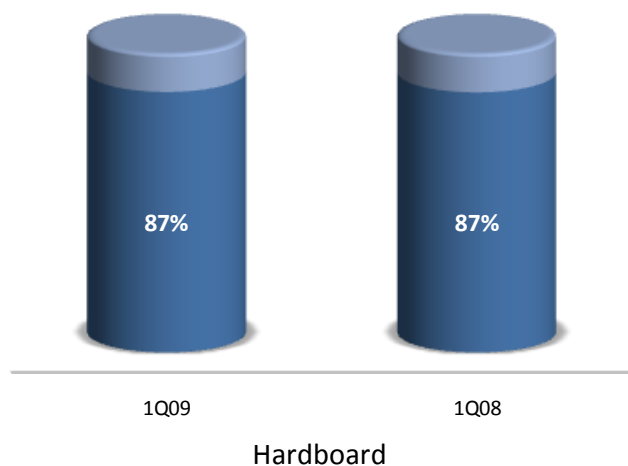
- Location: Salto-SP
- Area: Land – 540,000 m<sup>2</sup> / Built area – 153,000 m<sup>2</sup>
- Gross Revenue in 1Q09: R\$ 63.8 million (20 % from exports to over 25 countries)
- Number of employees: 754

## » Main products and installed capacity in the year:

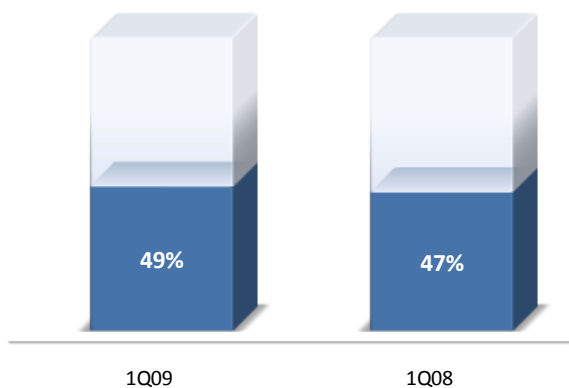
- |                    |                           |
|--------------------|---------------------------|
| ▪ Hardboard        | 240,000 m <sup>3</sup>    |
| ▪ Panels and Doors | 1,800,000 pc              |
| ▪ Paint Capacity   | 50,000,000 m <sup>2</sup> |



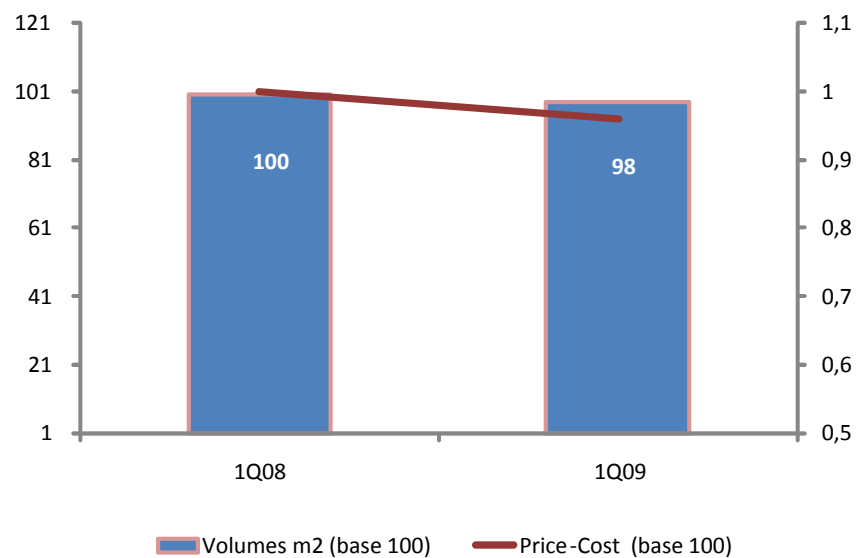
## Installed Capacity Used



## Market Share



## Price x Cost - Hardboard



	1Q09	1Q08	Variation
Market (base 100 - 2008)	82.3	100.0	-17.7%



**The only plant in Latin America capable of laminating paper during the production of MDP panels.**

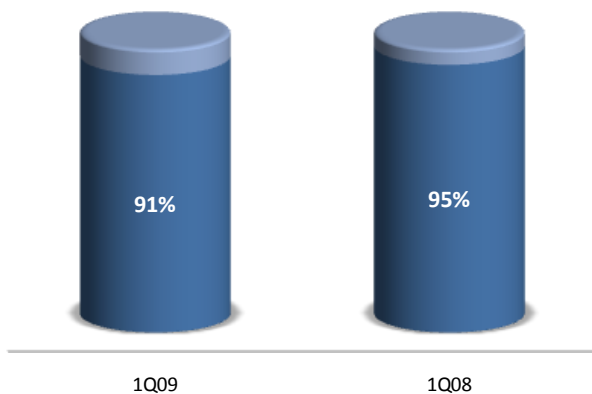
- Location: Botucatu-SP
- Area: Land 372,000 m<sup>2</sup>/ Built area: 62,000m<sup>2</sup>
- Gross Revenue in 1T09: R\$ 82.9 million
- Number of Employees: 373

**Main products and installed capacities in the year:**

- MDP 430,000 m<sup>3</sup>
- Flooring 7,200,000 m<sup>2</sup>
- Low pressure finishing (BP) and Lacca 20,000,000 m<sup>2</sup>

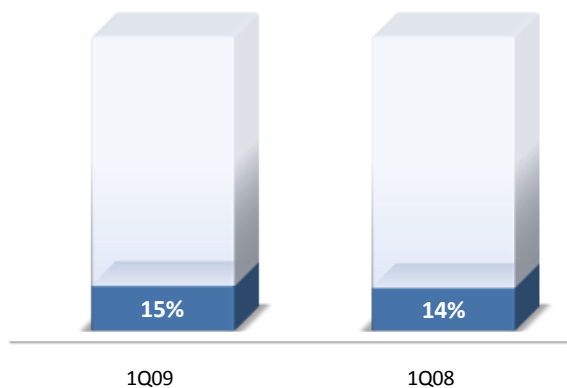


## Installed Capacity Used



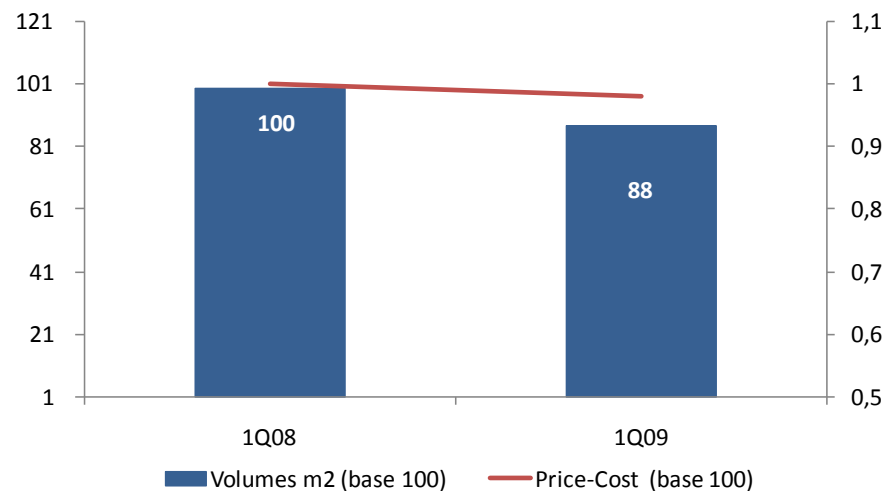
MDP Panels

## Market Share



MDP Panels

## Volume Analysis and Price x Cost - MDP

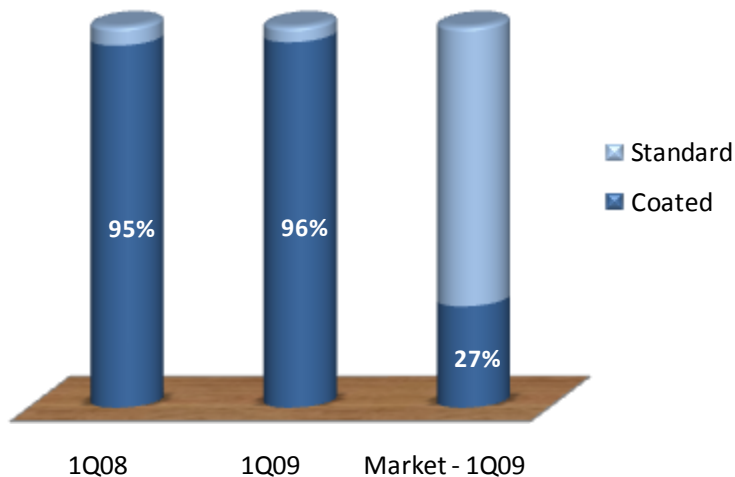


	1Q09	1Q08	Variation
Market (base 100 - 2008)	81.8	100.0	-18.2%

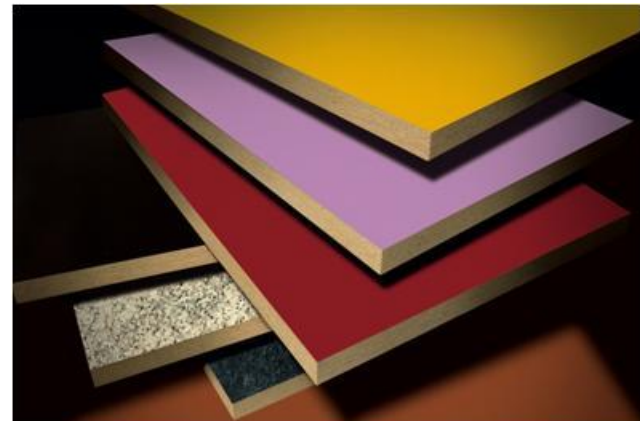


- » Eucatex's sales mix has larger market share of coated products in relation to market peers;
- » In the 1Q09, **coated products**, which have higher value added, represented **96%** of the MDP produced; and
- » Lacca accounted for 29% of MDP sales in 1Q09.

Share of Coated MDP  
EUCATEX



(\*) Source: ABIPA and Companies



- » The company offers differentiated products such as Eucatop and Lacca.

## Lacca Alta Definição™

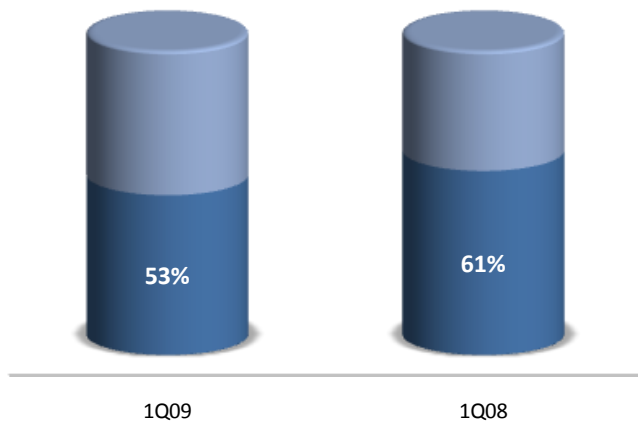


## Eucaprint Dekor™



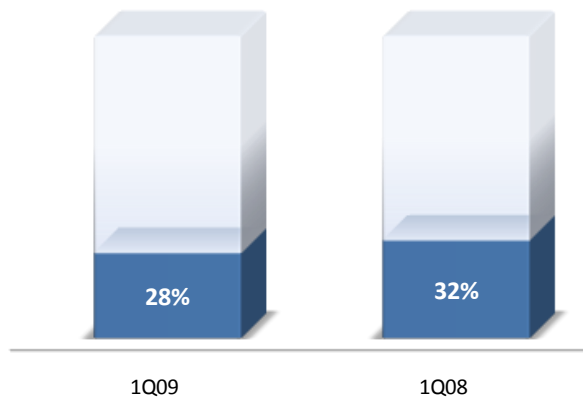
## Eucaprint EcoWood™

## Installed Capacity Used



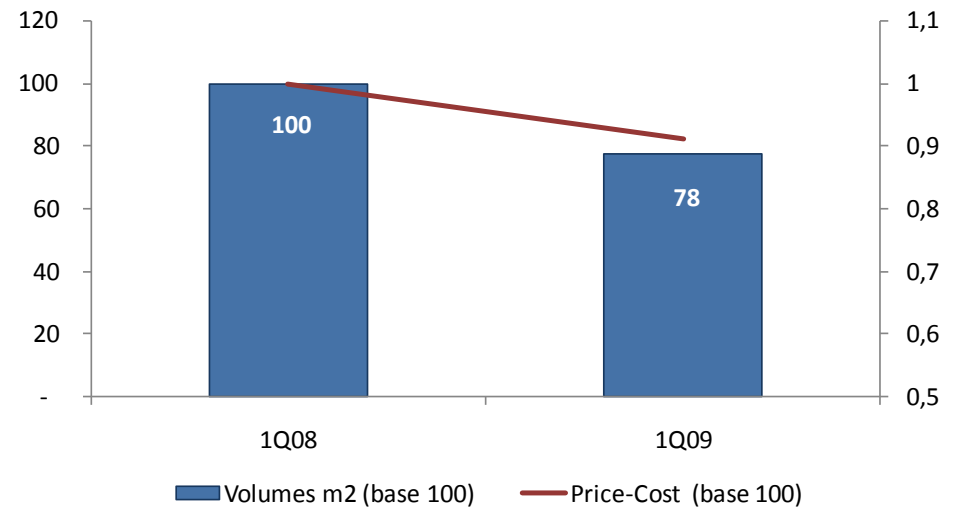
Laminated Flooring

## Market Share



Laminated Flooring

## Volume Analysis and Price x Cost - Flooring



	1Q09	1Q08	Variation
Market (base 100 - 2008)	88.2	100.0	-11.8%

**Inaugurated in 1994, this unit is one of the most modern in Latin America, thanks to its state-of-the art equipment and high-tech laboratory.**

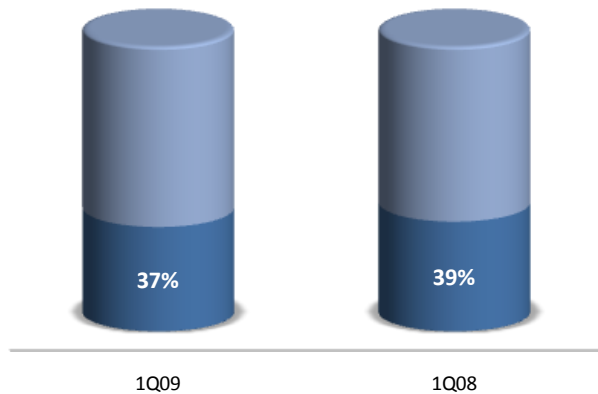
- Location: Salto-SP
- Area: Land: 960,000 m<sup>2</sup> / Built area: 36,000 m<sup>2</sup>
- Gross Revenue in 1Q09: R\$ 46.6 million
- Number of Employees: 200

## **Installed capacity in the year:**

- Capacity: 36 million gallons/year

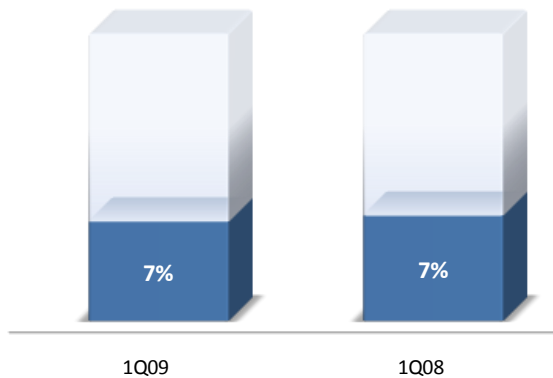


## Installed Capacity Used



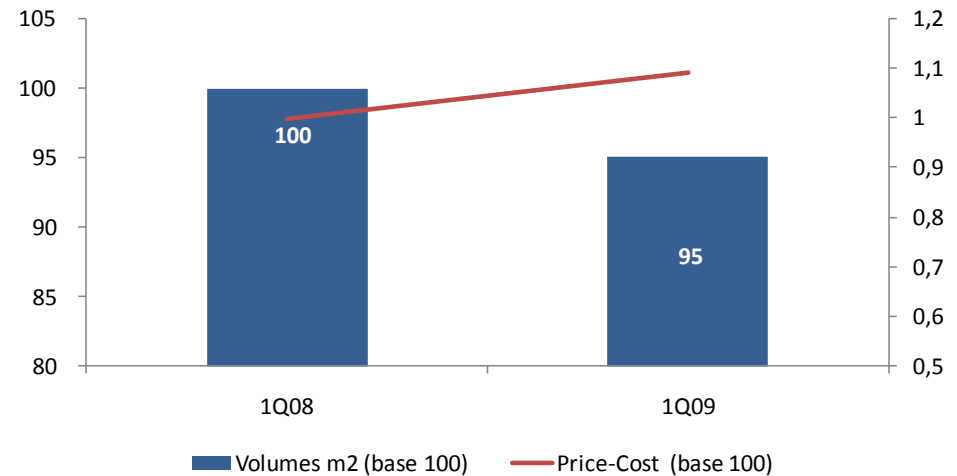
Paint and Vernish

## Market Share



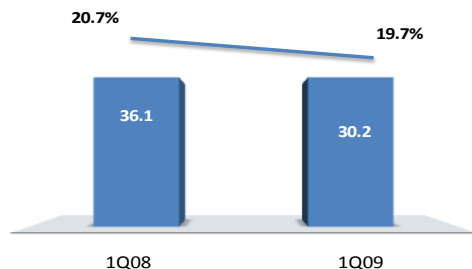
Paint and Vernish

## Volume Analysis and Price x Cost - Paints

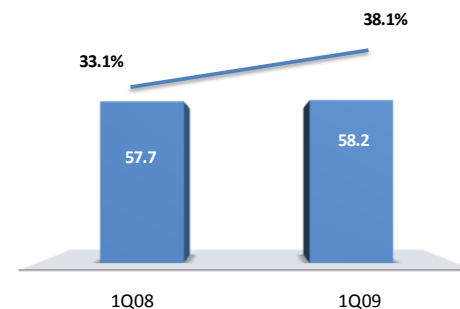


Highlights 1Q08 (R\$ MM)	1Q09	1Q08	Var. (%)
<b>Net Revenue</b>	<b>152.8</b>	<b>174.3</b>	<b>-12.3%</b>
<i>Cost of Good Sold</i>	<i>(94.7)</i>	<i>(116.5)</i>	<i>-18.8%</i>
<i>Gross Income</i>	<i>58.2</i>	<i>57.7</i>	<i>0.7%</i>
<b>Gross Margin (%)</b>	<b>38.1%</b>	<b>33.1%</b>	<b>+5,0 p.p.</b>
<i>Adm. And Comercial Expenses</i>	<i>(10.2)</i>	<i>(10.2)</i>	<i>-0.3%</i>
<i>Others Operational Costs</i>	<i>(5.4)</i>	<i>(0.5)</i>	<i>-891.5%</i>
<b>EBITDA</b>	<b>30.9</b>	<b>36.1</b>	<b>-14.2%</b>
<b>Margin EBITDA (%)</b>	<b>20.2%</b>	<b>20.7%</b>	<b>-0,5 p.p.</b>
<i>Net Financial Income</i>	<i>(10.0)</i>	<i>(7.4)</i>	<i>-34.6%</i>
<i>Non Operating Income</i>	<i>-</i>	<i>7.5</i>	<i>-60.2%</i>
<i>Taxes</i>	<i>0.1</i>	<i>(6.2)</i>	<i>101.3%</i>
<b>Net Income</b>	<b>10.1</b>	<b>18.9</b>	<b>-46.8%</b>

EBITDA(R\$ MM) and Margin EBITDA (%)



Gross Income (R\$ MM) and Gross Margin (%)





## » Forests

- The Company has 62 eucalyptus farms, totaling 44,000 hectares
- Average Radius Salto – 122 km
- Average Radius Botucatu – 50 km
- New Forests Planted in 2007 – 5.400 ha\*
- New Forests Planted in 2008 – 4.500 ha\*
- New Forests Planted in 1Q09 – 1.100 ha\*
- Forests with ISO 14001 certification and Green Seal granted by FSC

\* ha = hectare



**Guaranteed sustainability and possibility of new projects.**

## » Wood Recycling Project

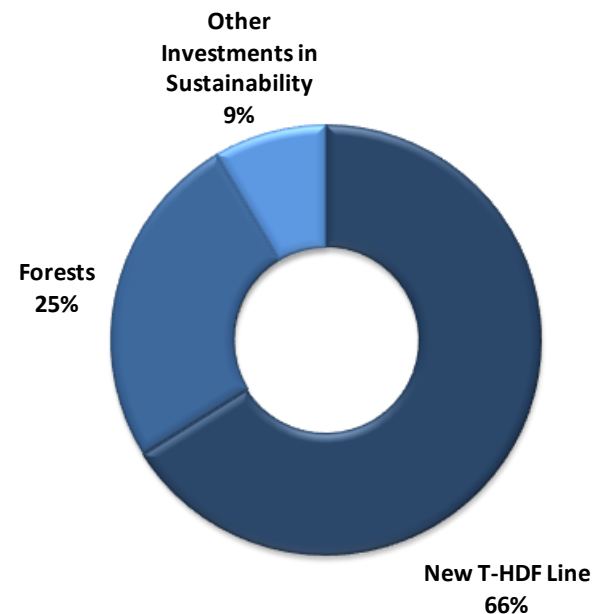
- Mean Radius of Residual Gathering– 150 km
- Processed Volume in 2008 – 88 mil ton
- Processed Volume in 1Q09 – 25.3 mil ton
- This annual volume would correspond of 800 ha s of forests, which would represent, only in land, R\$ 10 million/year.



**Guaranteed sustainability and possibility of new projects.**

Investments - R\$ Million	1Q09
New Line T-HDF	15.6
Forests	6.0
Other Investments in Sustainability	2.0
<b>Total</b>	<b>23.6</b>

New Line T-HDF in 2008	72.0
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» The line is scheduled to commence operations by the end of 2009.

**T-HDF:** Product similar to MDF, but with superior density and quality.

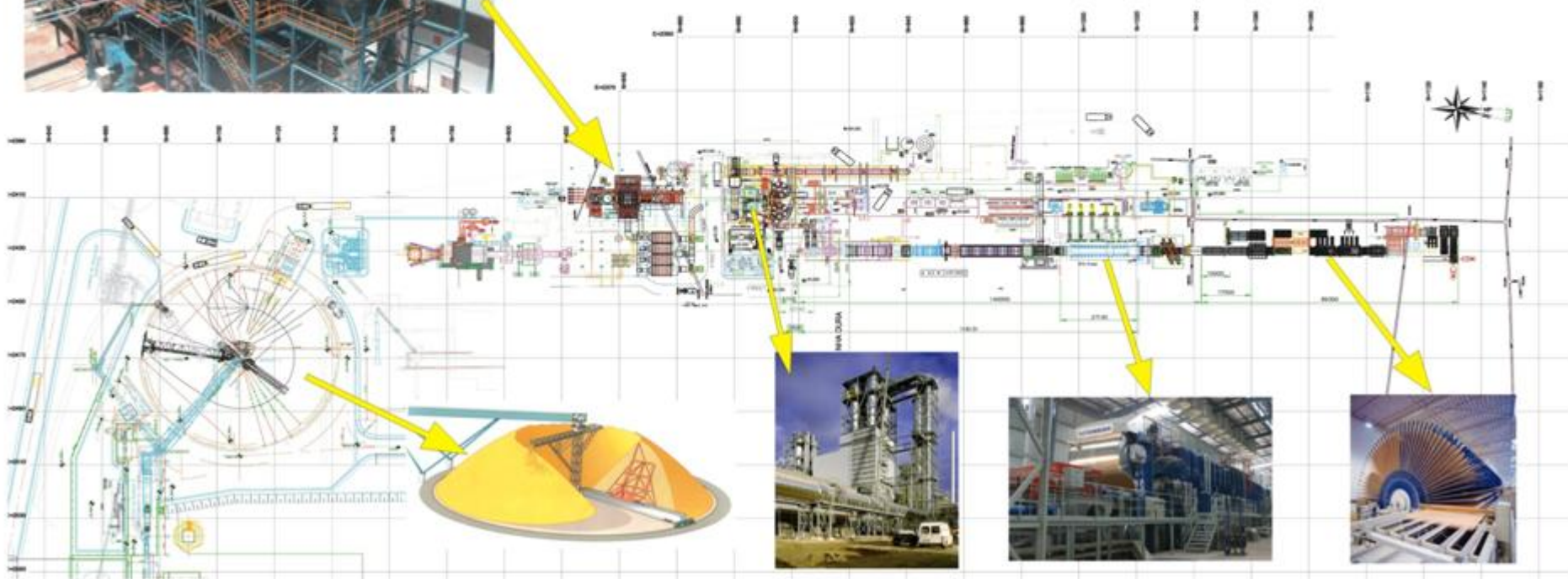
New T-HDF Line	
Installed Capacity Growth (in m <sup>2</sup> )	110 million m <sup>2</sup> / year
Installed Capacity Growth (in m <sup>3</sup> )	275 thousand m <sup>3</sup> / year
Additional Gross Revenue	R\$ 250 million
EBITDA	R\$ 90 million

**EBITDA  
Margin** **50 %**





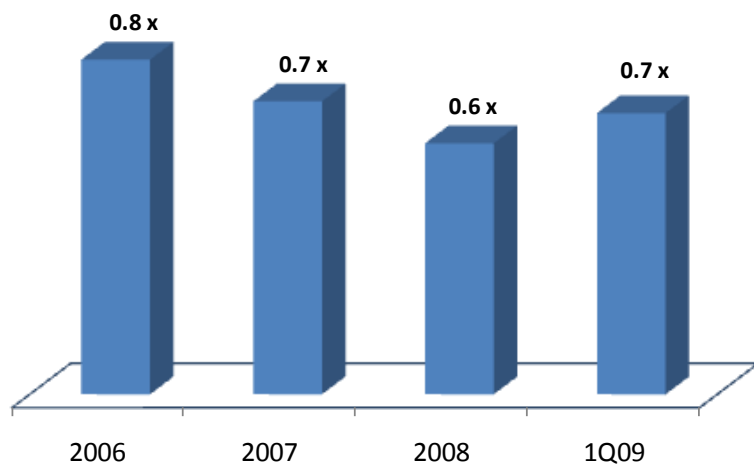
## Blueprint of the new T-HDF unit (Thin High Density Fiberboard) Salto - SP





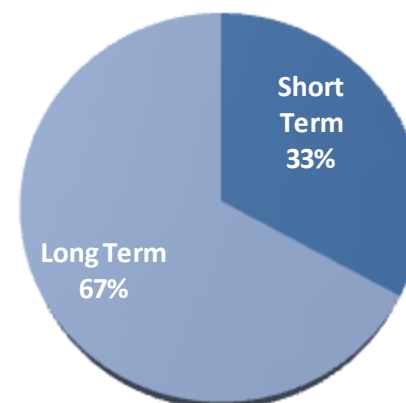
Debt (R\$ MM)	1Q09	1Q08	Var. (%)
<i>Short Term Debt</i>	28.9	14.5	99.3%
<i>Long Term Debt</i>	57.6	68.1	-15.4%
<b>Gross Debt</b>	<b>86.4</b>	<b>82.6</b>	<b>4.7%</b>
<i>Cash and Cash Equivalents</i>	5.3	1.6	224.8%
<b>Net Debt</b>	<b>81.1</b>	<b>80.9</b>	<b>0.3%</b>
<i>% Short Term Debt</i>	33%	18%	15,9 p.p.
<b>Net Debt/ EBITDA</b>	<b>0.7</b>	<b>0.6</b>	<b>19.8%</b>

Net Debt vs Ebtida



■ Net Debt / EBITDA

Debt Profile  
1Q09





## As Melhores Empresas em Cidadania Corporativa 2009

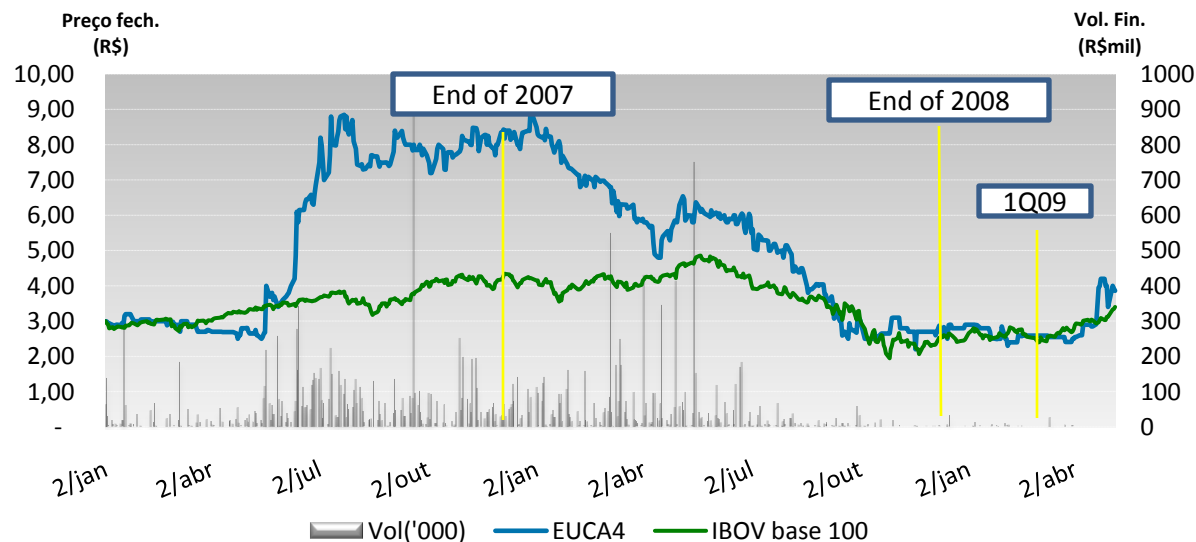


### As 10 Mais

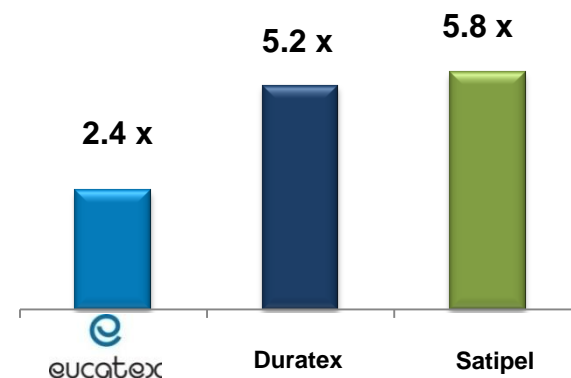
Alcoa  
Ampla  
Copagaz  
Cummins  
Eucatex  
Marcopolo  
Siemens  
Serasa  
Visteon

**CPFL**  
A Empresa do Ano

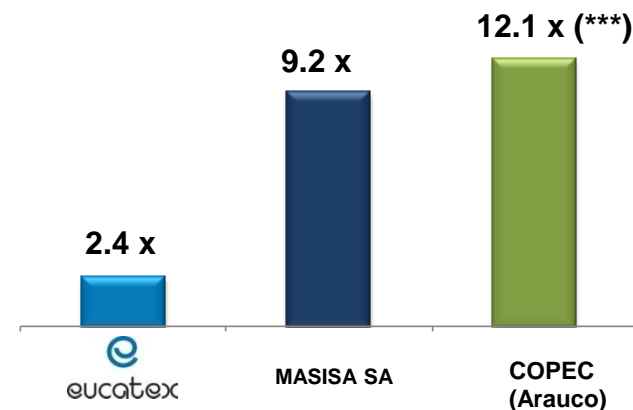
## EUCA4 x IBOV



## Comparative EV/EBITDA\* EUCATEX x National Peers



## Comparative EV/EBITDA\*\* EUCATEX x International Peers



» **EUCA4** on March 31, 2009: R\$ 2.50

» Increase from January 01, 2007 to May 06, 2009:  
**EUCA4: 28.7%    IBOV: 13.5%**

- » **New T-HDF/MDF line** – strategically differentiated from competition;
- » **Exports** – traditional exporter of thin boards, with own office in the USA;
- » **Differentiated electric and thermal power costs**: electric energy purchase agreement till 2012 (including for the new T-HDF line) and self-sufficiency in biomass for thermal power generation through its pioneer recycling project;
- » **Forest self-sustainability** guaranteed by 44,000 hectares of forest area with ISO 14001 certification and Green Seal granted by FSC;
- » Paint segment with **above-market growth rates** and installed capacity to sustain this growth;
- » Concluding phase of real estate properties launched between 2006 and 2008, provides excellent prospects for the markets where we operate; and
- » **Higher share appreciation potential** (EV/EBITDA) compared to peers.

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