

Eucatex Group

1Q12 Results

May 10, 2012



- Founded in 1951
- Segments – Furniture, Resale, Construction and Exports
- Subsidiary in Atlanta – USA
- 73 eucalyptus plantations – total of 45,800 hectares
- Number of employees – 2,379

Net Revenue		
1Q11	1Q12	% Var
R\$ 203.9 million	R\$ 218.9 million	7.4%

Production Unit	Fiberboard	T-HDF/MDF	MDP and Laminated Flooring	Paints
Location	Salto/SP	Salto/SP	Botucatu/SP	Salto/SP
Number of employees	784	173	417	233
Products and Annual Capacity	Fiberboards 240,000 m ³ Wall Partitions and Doors 4.8 million	T-HDF/MDF 275,000 m ³	MDP 430,000 m ³ Laminated Flooring 6 million m ²	Paint and Varnish 36 million
Coating Capacity	Paint 80 million m ² Paper Printing 45 million m ²		Finish Foil, BP and Lacca 40 million m ²	

Net revenue reached R\$ 218.9 million, up 7.4% on 1Q11

Gross margin stood at 33.2%, down 2.6 p.p. from 1Q11

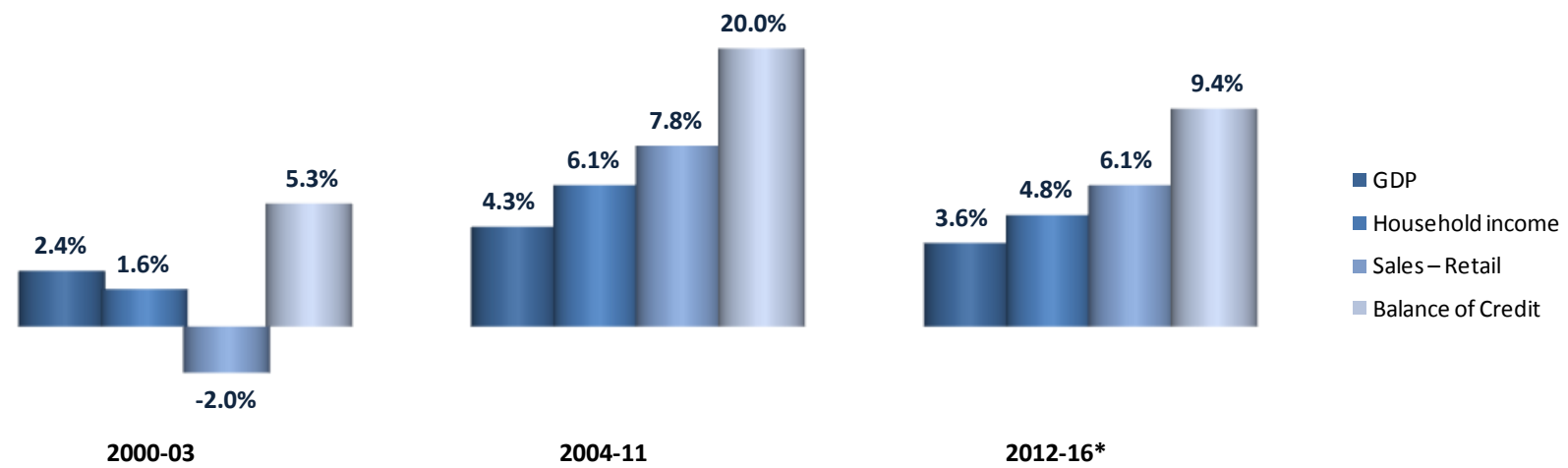
EBITDA of R\$ 42 million, remaining stable in 1Q12

Approval by ESM for issue of debentures amounting to R\$ 75 million , for term of 5 years



Indicators

Comparison of the Evolution of GDP x Household Income x Credit x Retail Sales¹



Household income: until 2003, considers only active workforce. Since 2004, includes bolsa-família (family grant) and pension.
Credit balance – Individuals: Data available since Jun/00. Source: IBGE. *Projection: Trends

Prospects for Consumption Growth

Domestic demand should continue to drive GDP growth, though not at the same proportion as in the past 8 years

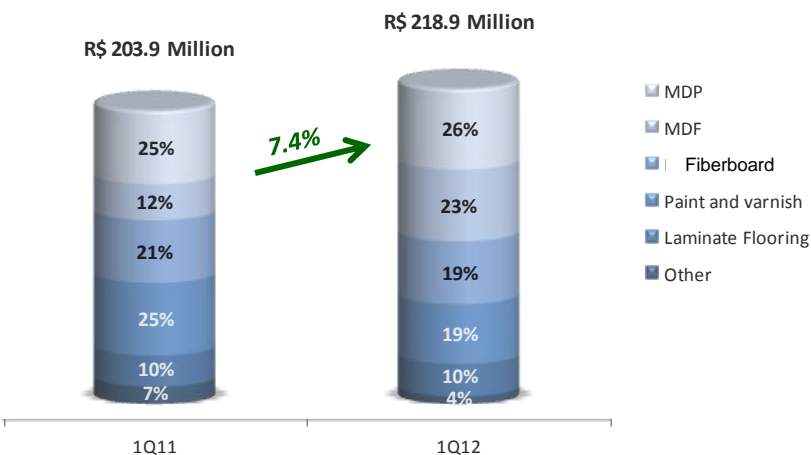
2004-2011 Standard: consumption 7.8% p.a. income 6.1% p.a. GDP 4.3%

2012-2016 Standard: consumption 6.1% p.a. income 4.8% p.a. GDP 3.6%

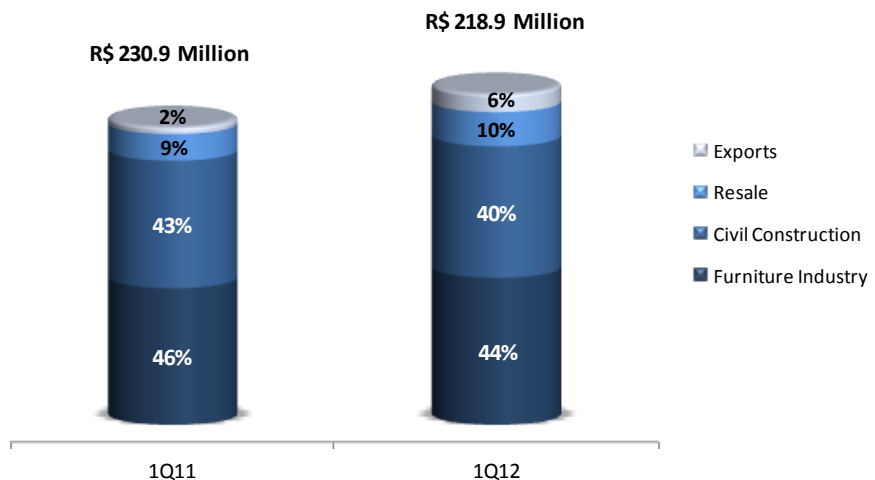
In a longer horizon, however, income and consumption tend to converge towards potential GDP growth (estimated by Trends at a little lower than 4.0%)



Breakdown by Product

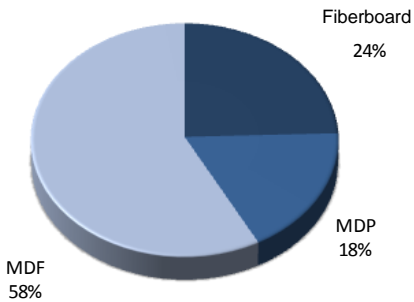


Breakdown by Segment

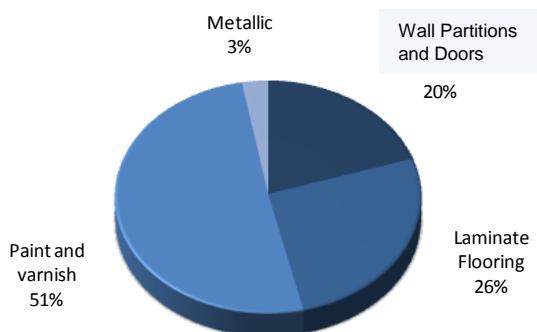


Breakdown by Segment/Product

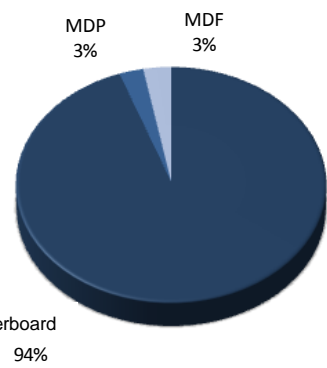
Furniture Industry



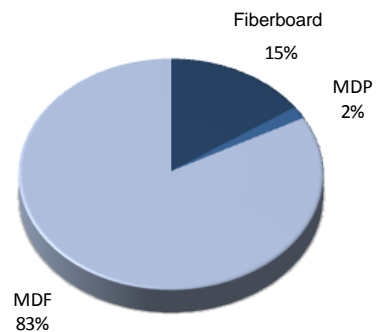
Civil Construction

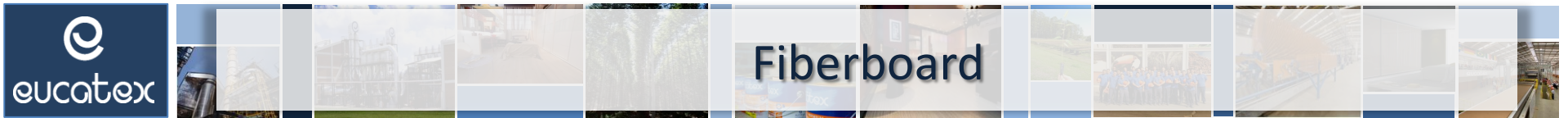


Exports



Resale





Net Revenue

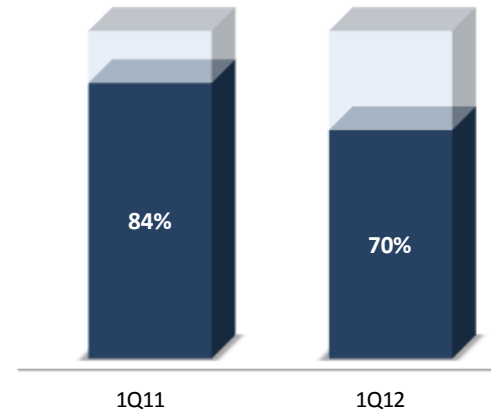
1Q11	1Q12	Var
R\$ 50.4 million	R\$ 41.5 million	-17.7%

Market Share MI

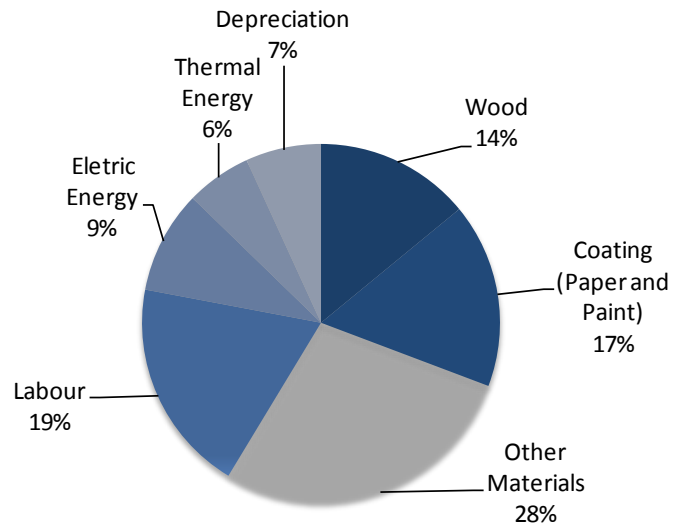
1Q11	1Q12	Var
53%	43%	-10p.p.

Installed Capacity Utilization

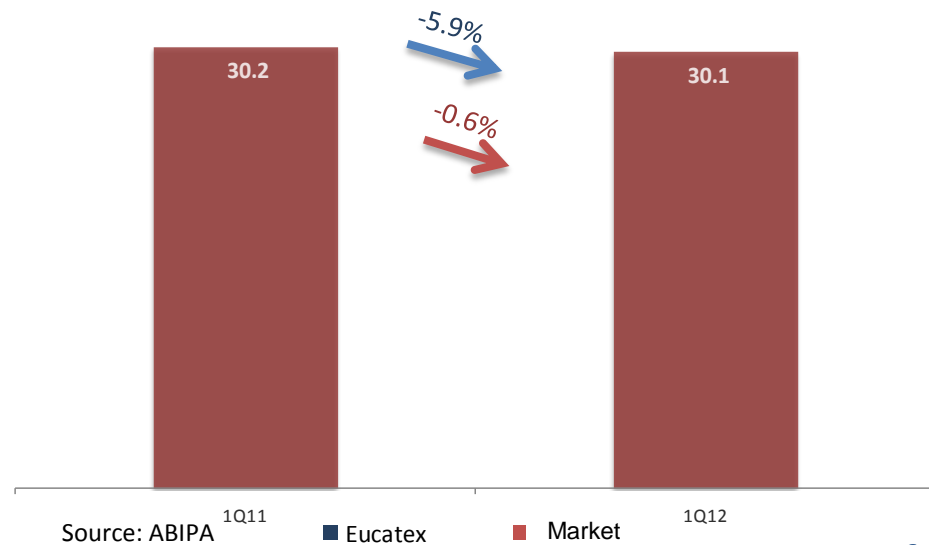
- Total Capacity – 240,000 m³ / year



Breakdown of Costs



Market (million m²)





Net Revenue

1Q11	1Q12	Var
R\$ 25.3 million	R\$ 49.8 million	97.3%

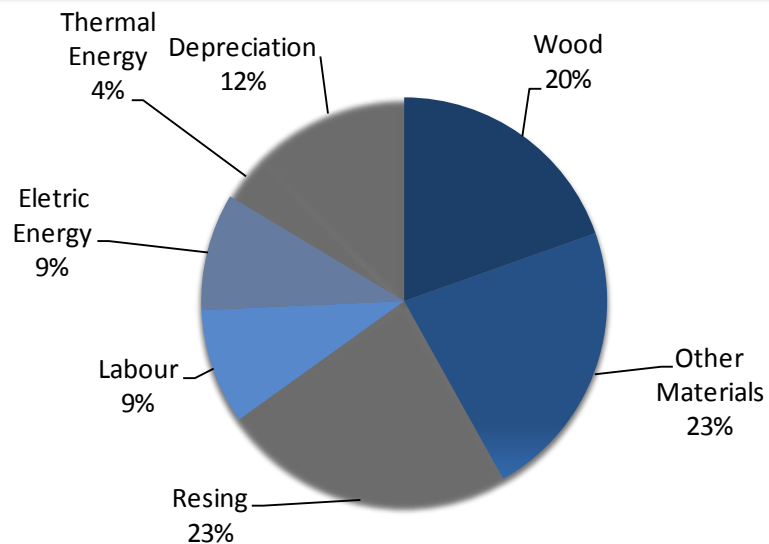
Market Share – MDF

1Q11	1Q12	Var
4%	4%	-

Market Share – T-HDF

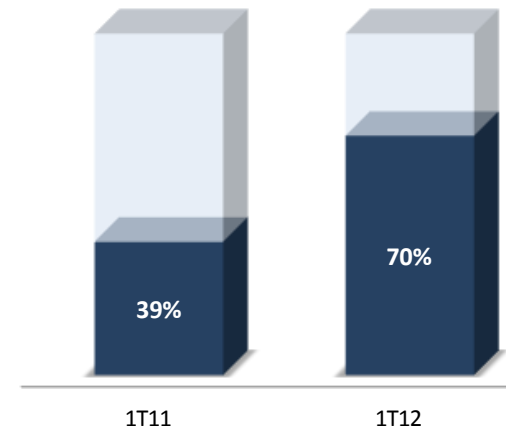
1Q11	1Q12	Var
5%	24%	19p.p.

Breakdown of Costs

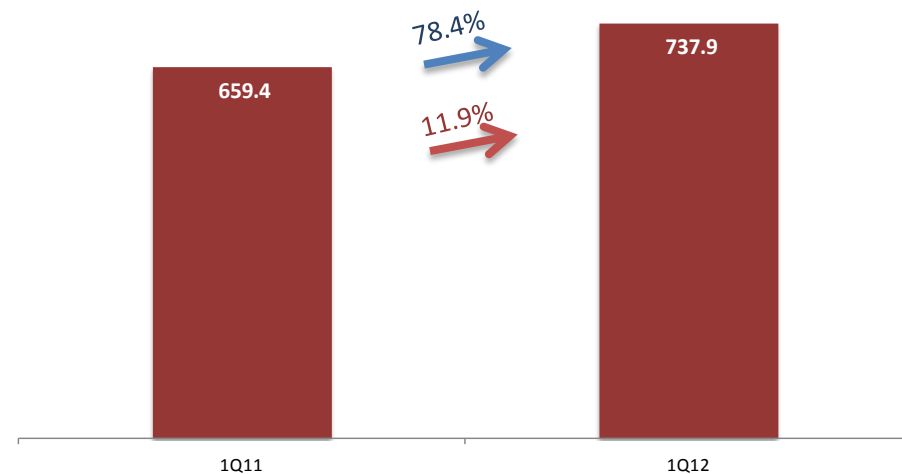


Installed Capacity Utilization

- Total Capacity – 275,000 m³ / year



Market T-HDF + MDF ('000 m³)





Net Revenue

1Q11	1Q12	Var
R\$ 51.3 million	R\$ 56.1 million	9.4%

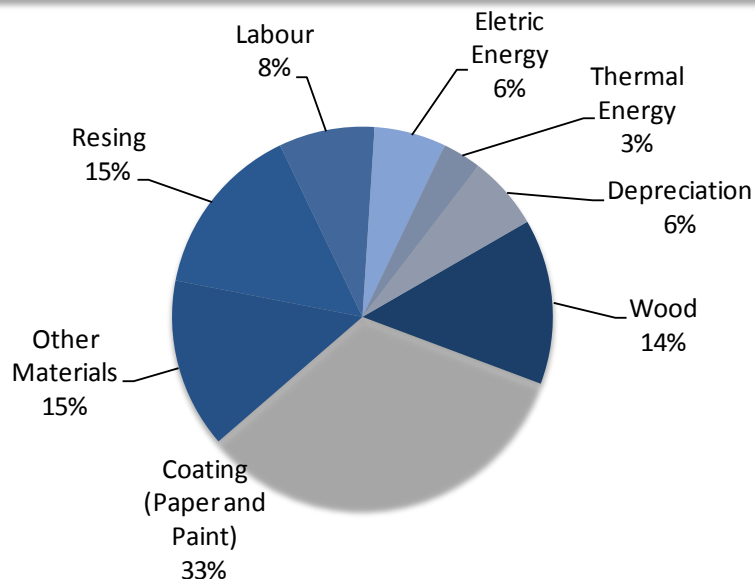
Market Share

1Q11	1Q12	Var
12%	10%	-2pp

% of Coated

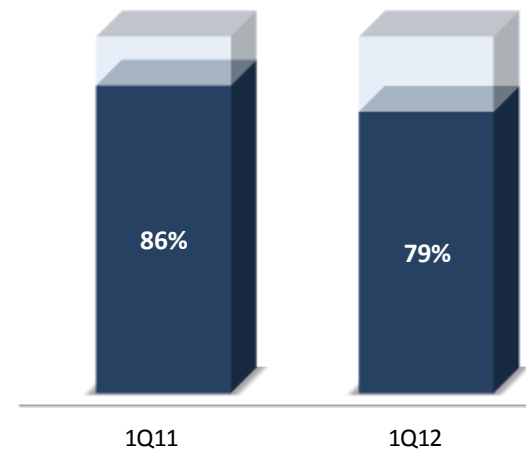
	1Q11	1Q12	Var
Eucatex	94%	100%	6pp
Market	21%	22%	1pp

Breakdown of Costs

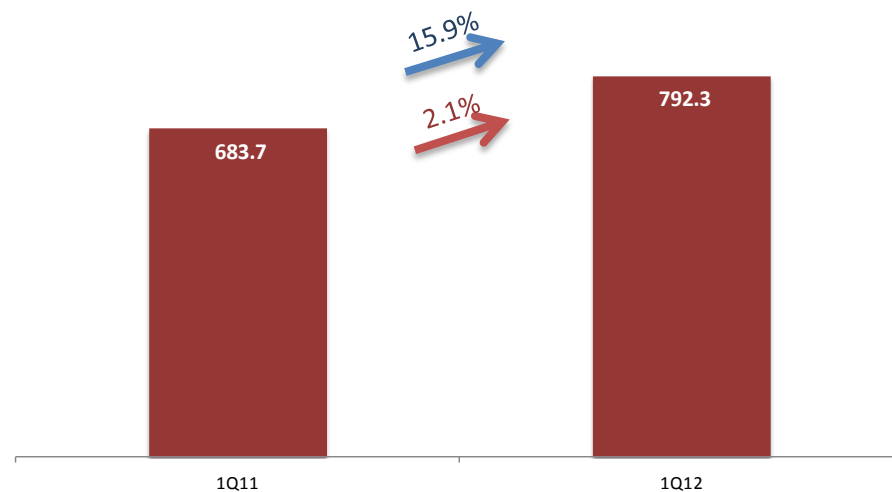


Installed Capacity Utilization

- Capacidade – 430,000 m³ / year



Market ('000 m³)



Source: ABIPA

■ Eucatex

■ Market



Laminated Flooring

Net Revenue

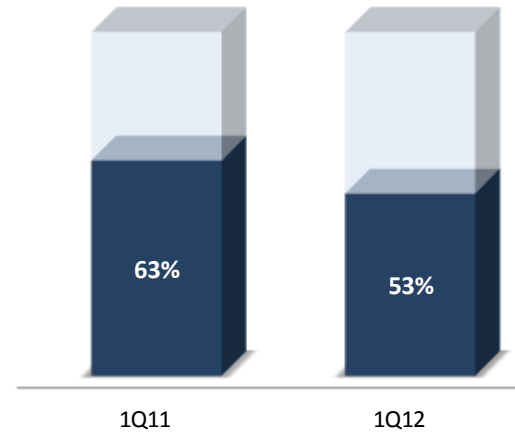
1Q11	1Q12	Var
R\$ 21.7 million	R\$ 22.6 million	4.0%

Market Share

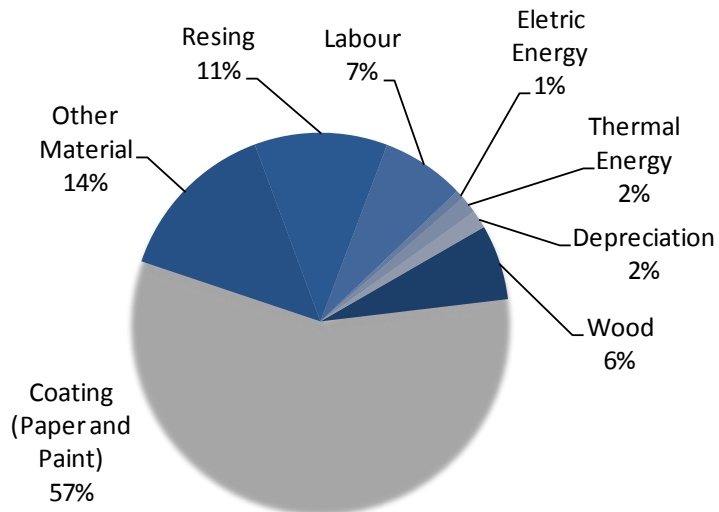
1Q11	1Q12	Var
37%	37%	-

Installed Capacity Utilization

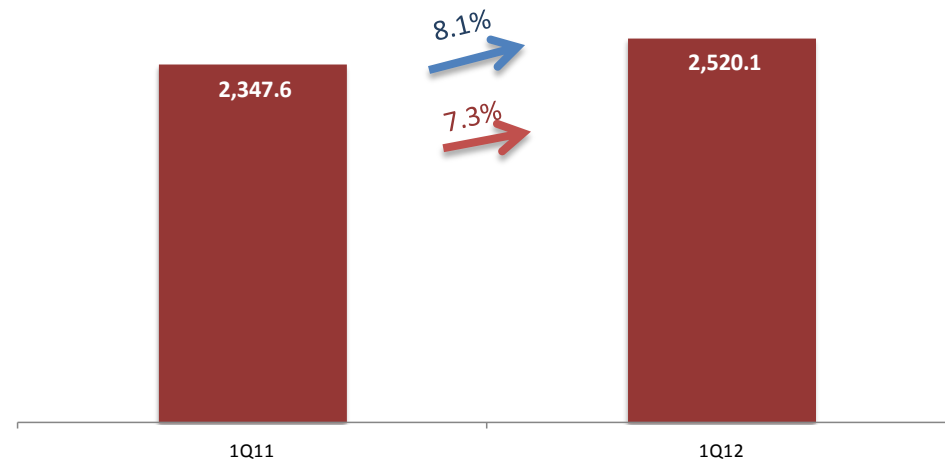
- Total Capacity – 6 million m² / year



Breakdown of Costs



Market ('000 m²)



Source: ABIPLAR

■ Eucatex

■ Market



Gross Revenue

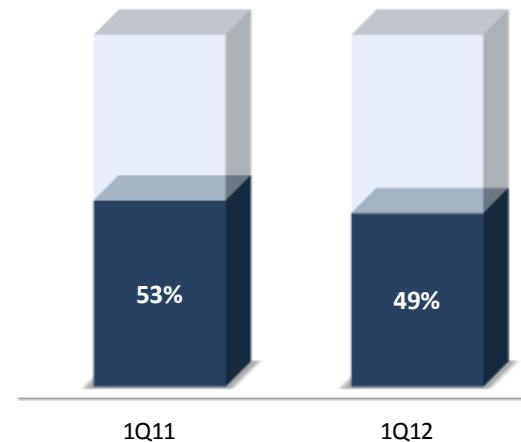
1Q11	1Q12	Var
R\$ 43.4 million	R\$ 43.6 million	0.3%

Market Share

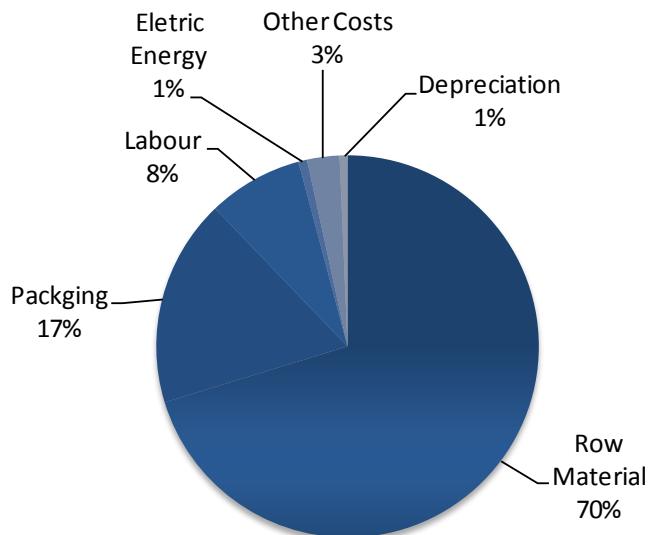
1Q11	1Q12	Var
10%	10%	-

Installed Capacity Utilization

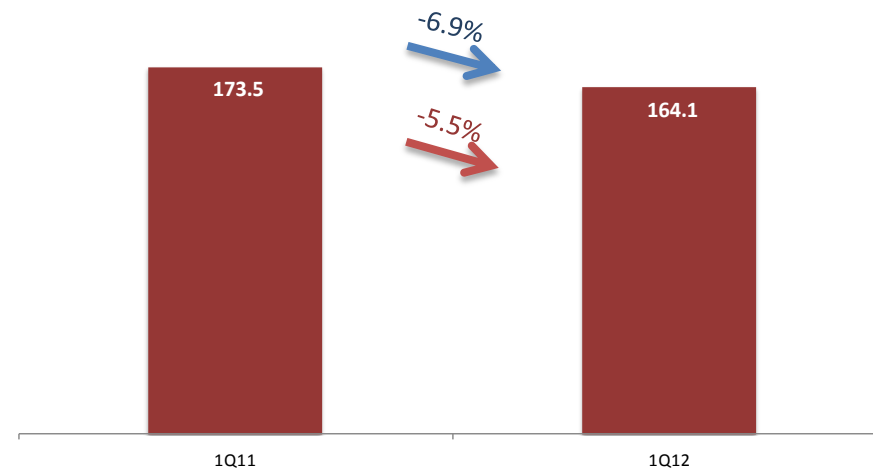
- Total Capacity – 36 million gallons / year



Breakdown of Costs



Market – million gallons



Financial Data

Highlights (R\$ MM)	1Q12	A.V. %	1Q11	A.V. %	Chg. (%)
Net Revenues	218.9	100.0%	203.9	100.0%	7.4%
Cost of Goods Sold	10.9	5.0%	11.2	5.5%	2.3%
Gross Profit	(157.1)	-71.8%	(141.9)	-69.6%	10.7%
Operating Expenses	72.8	33.2%	73.1	35.9%	-0.5%
Gross Margin (%)	33.2%		35.9%		-2.6 p.p.
Administrative Expenses	(11.9)	-5.4%	(10.9)	-5.3%	9.3%
Comercial Expenses	(31.8)	-14.5%	(30.7)	-15.1%	3.6%
Others Operational Costs	0.8	0.4%	(1.5)	-0.7%	-155.5%
EBITDA	42.0	19.2%	42.2	20.7%	-0.4%
EBITDA Margin (%)	19.2%		20.7%		-1.5 p.p.
Operational (loss) Income	(10.1)	-4.6%	(3.4)	-1.7%	194.7%
Net Financial Results	(4.3)	-2.0%	(2.3)	-1.1%	84.3%
Net Income	15.4	7.1%	24.3	11.9%	-36.5%

Highlights and Comments

- Net Revenue reached R\$ 218.9 million in 1Q12, up 7.4% on 1Q11;
- EBITDA of R\$ 42 million in 1Q12, remaining stable in relation to 1Q11. EBITDA Margin of 19.2% in 1Q12, as against 20.7% in 1Q11, down 1.5 p.p.; and
- Sum of Selling and Administrative Expenses corresponded to 20% of Net Revenue in 1Q12, as against 20.4% in 1Q11, down 0.4 p.p.



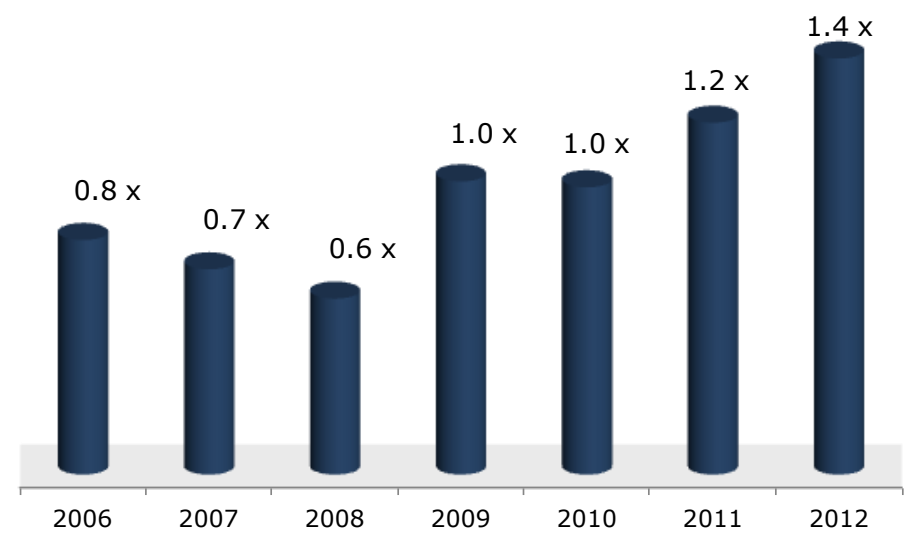
Debt

Debt (R\$ Million)	1Q12	1Q11	Chg. (%)
Short Term Debt	174.2	104.2	67.1%
Long Term Debt	82.0	68.5	19.8%
Gross Debt	256.2	172.7	48.3%
Cash and Cash Equivalents	17.5	34.4	-49.1%
Net Debt	238.7	138.3	72.6%
<i>% Short Term Debt</i>	<i>68%</i>	<i>60%</i>	<i>7.6 p.p.</i>
Net Cash (Debt)/EBITDA	1.4	0.8	73.2%

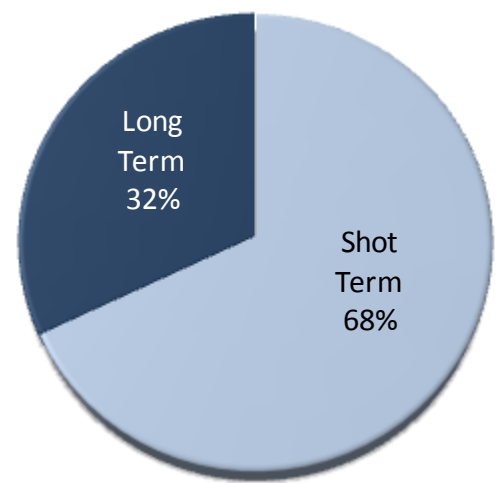
Issue of Debentures

- ✓ Approved by ESM on April 18, 2012
- ✓ Public issue of 7,500 simple debentures
- ✓ Not convertible into shares
- ✓ Maturing in 5 years from issue date
- ✓ Total: R\$ 75 million

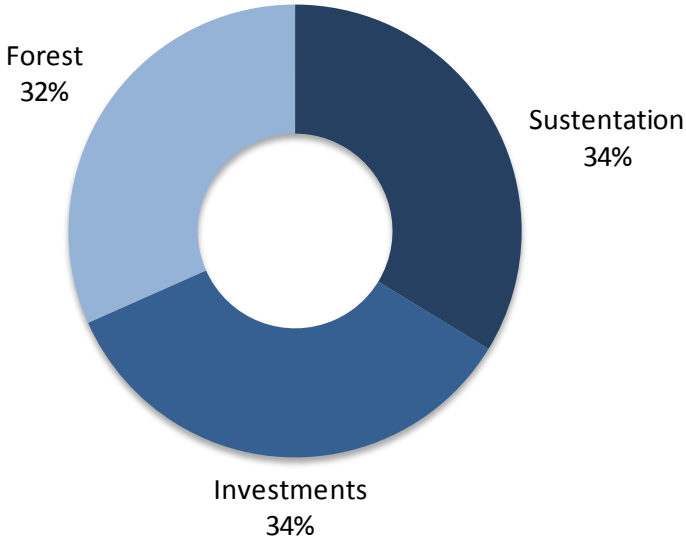
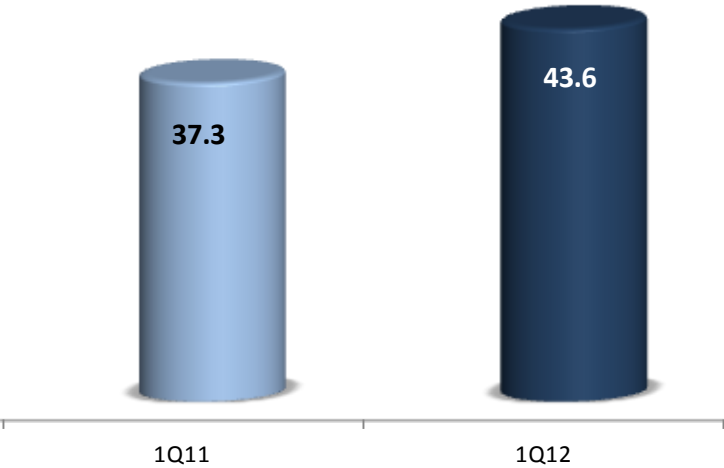
Net Debt x EBITDA



Debt Profile



Capex in 1Q12



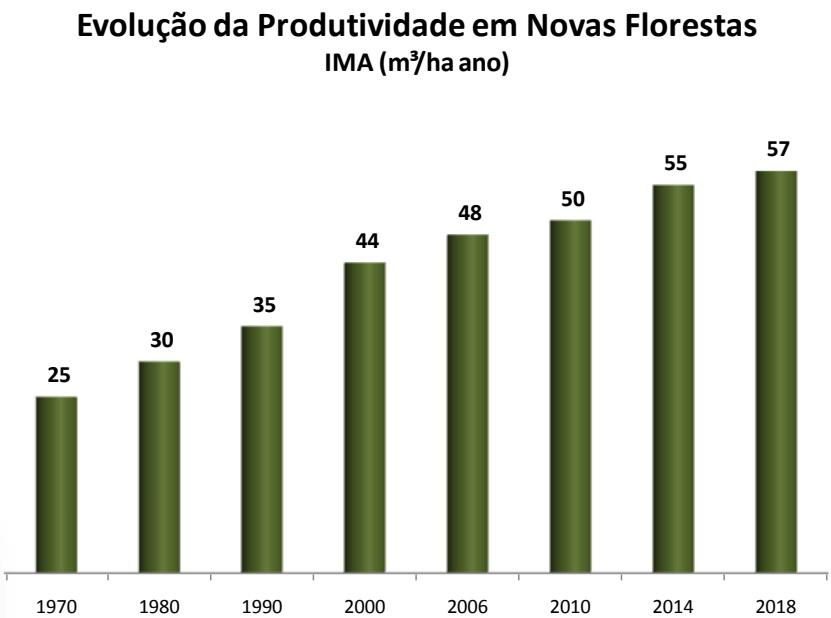
Capex for 2012
R\$ 90 million

73 eucalyptus plantations, totaling 45,800 hectares	Average Radius	
	Salto	Botucatu
	122 km	25 Km

Newly Planted Forests				
2008	2009	2010	2011	1Q12
4,500 ha	2,040 ha	4,080 ha	5,036 ha	1,095 ha

New Mechanized Harvesting System

- Substitution of chainsaws;
- Increased productivity;
- Decreased raw material costs; and
- Benefits for the environment and surrounding rural communities by decreasing impacts of activities.



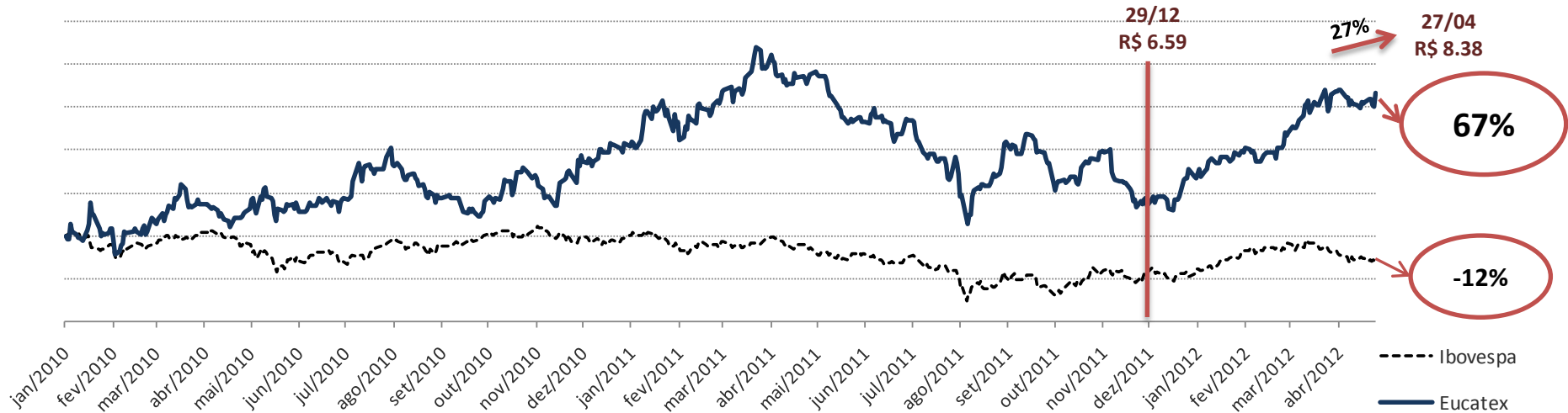
Eucatex reaffirms its Green Seal certification and celebrates its employees’ commitment to sustainability.



Recycling Unit – Guaranteed Sustainability and Possibility of Developing New Products

Total Processing Capacity			Volume Processed in Metric Tons			Gains in the Purchase of Wood				
Ton/Year	Equivalent to		2010	2011	1Q12	Market Wood*	Recycled	Variation	Consumpti on - dry metric tons	Gain
	Trees	Forests								
240,000 ton	2 million / year	1,500 ha	101,000 ton	894,000 ton	228,000 ton	R\$ 210.60 ton/dry	R\$ 135.58 ton/dry	R\$ 75.02 ton/dry	19,371	R\$ 14,531,000

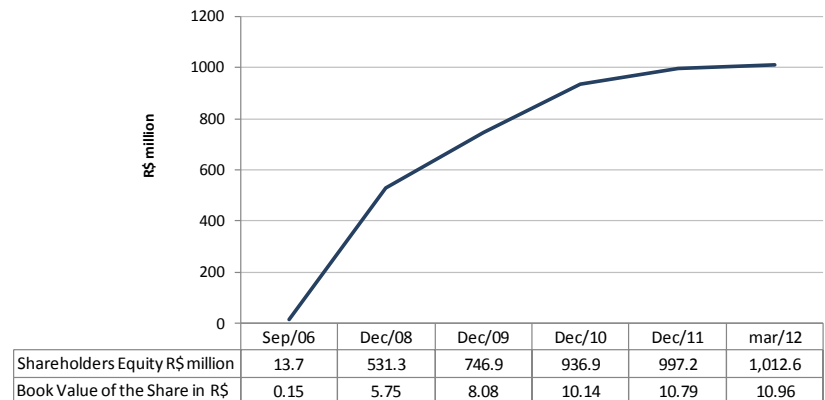
EUCA4 x IBOVESPA (Base 100)



Multiples

Market Value / Book Value per Share	0.8
Market Cap / EBITDA	4.8
EV / EBITDA	6.2
SE	12.6

Evolution of Shareholders' Equity



José Antonio G. de Carvalho
Vice-CEO and Investor Relations Officer

Sergio Henrique Ribeiro
Controller

Waneska Bandeira
Investor Relations

(11) 3049-2473

ri@eucatex.com.br

www.eucatex.com.br/ri

This presentation includes forward-looking statements concerning the business prospects, projections and operating and financial targets of Eucatex S.A. Indústria e Comércio, which are based on the beliefs and assumptions of management and on the information currently available to the Company.

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

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