



eucatex

May 16, 2008

1Q08 Results Conference Call



This presentation includes forward-looking statements that are subject to risks and uncertainties based on the beliefs and assumptions of the Company's management, 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.

- » 1Q08 Highlights
- » Revenue Breakdown
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- » Botucatu Unit
- » Installed Capacity X Internal Demand Analysis
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- » Projects
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- » Financial Highlights
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- » Capital Market

» Substantially improved financial results

- **Gross Revenue** reached R\$212.6 million in 1Q08, **17.6%** up on 1Q07;
- **EBITDA** of R\$36.1 million in 1Q08, **37.4%** up on 1Q07;
- **EBITDA** margin increased by 3.1 p.p. in 1Q08, to 20.7%;
- **Net Income** grew by **82.9%** in 1Q08, reaching R\$18.9 million.

» Sales growth in all lines of Eucatex's products

- Good sales performance in the paint and laminate flooring segments, **45% and 37%** growth, respectively, in 1Q08 versus 1Q07.

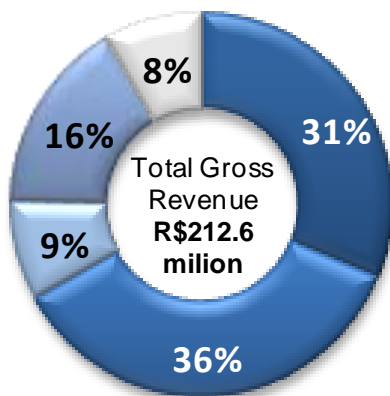
» Start of construction of the new T-HDF line

- The new line should start operating at the end of 1Q09 and, when reaching full capacity, it will add R\$250 million to gross revenues and R\$90 million to the Group's cash generation.

Revenue Breakdown

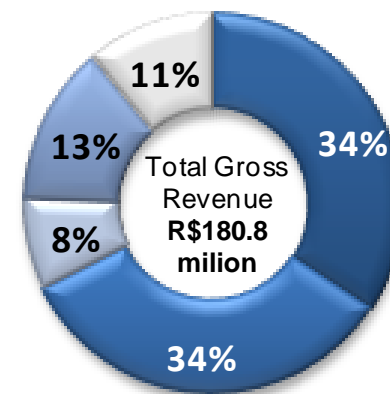
- Increase in MDP as a percentage of Revenue: **36%** in 1Q08 versus **34%** in 1Q07.
- Eucatex's paint segment represented 16% of revenues in 1Q08, versus 13% in 1Q07.

**Gross Revenue Breakdown -
1Q08**



- Hardboard
- MDP
- Laminate Flooring
- Paint
- Others

**Gross Revenue Breakdown -
1Q07**



1Q08



1Q07

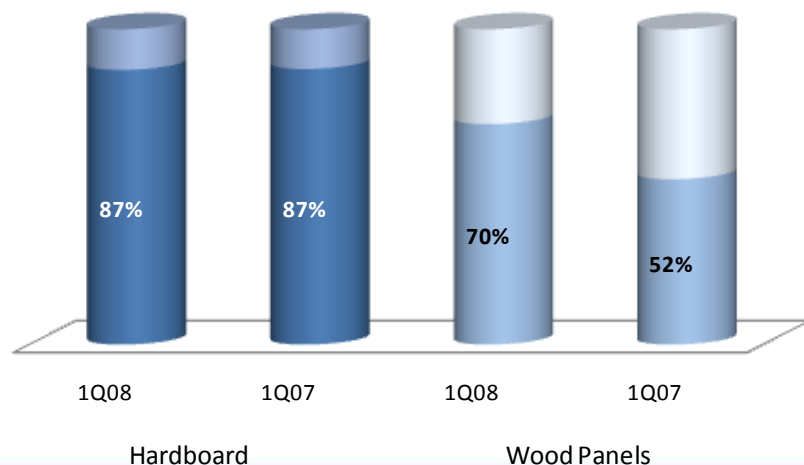


Salto Unit - Highlights

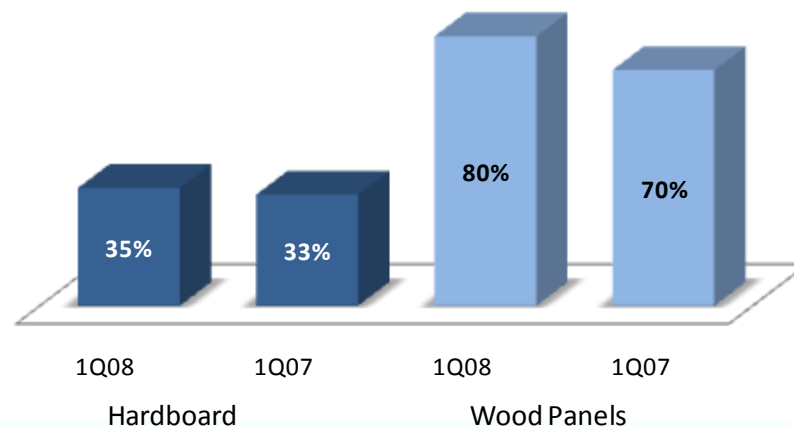
- » 7.2% increase in gross revenues;
- » Consolidation of growth in the unit's production capacity, which generated an expectation of additional volumes of nearly 10% compared to the previous year;
- » Conclusion of automation of outputs of fiberboard presses I and II, enabling the reduction of at least R\$5.0 million/year in the unit's production costs; and
- » Start of construction of the new T-HDF line and implementation of the new wood yard, which will generate annual savings of R\$6.5 million.



Installed Capacity Used

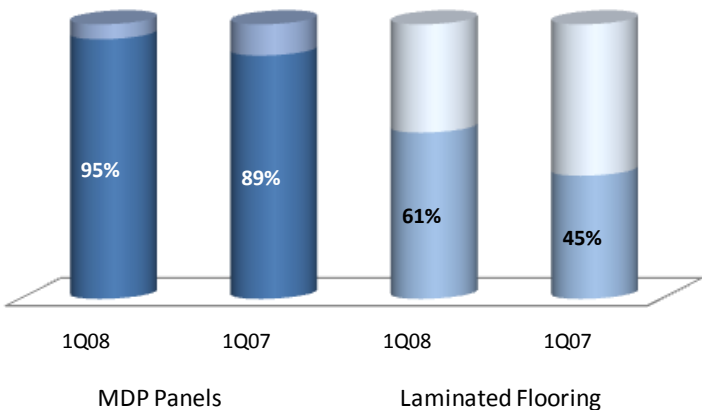


Market Share

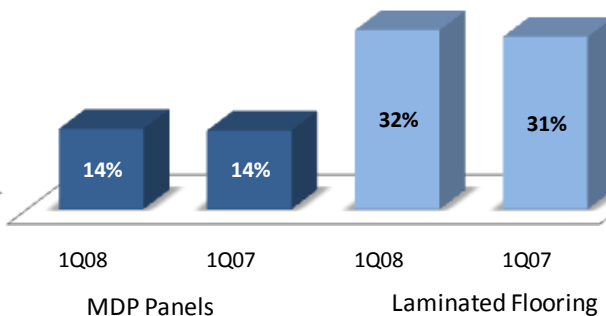


- » Permanent increase in the quality index of MDP production, reaching 98% of high-quality products in the quarter;
- » Gross Revenue from MDP panels amounted to R\$75.7 million in 1Q08, a 25.5% increase over 1Q07;
- » Gross Revenue from Laminated Flooring totaled R\$18.1 million, 25.1% up on 1Q07.
- » Confirmation of request for new equipment for launching in 2Q08. 2nd generation of Lacca, consolidating Eucatex's leading position in finished MDP panel supply (95% of expedition in 1Q08 resulted from finished products).

Installed Capacity Used

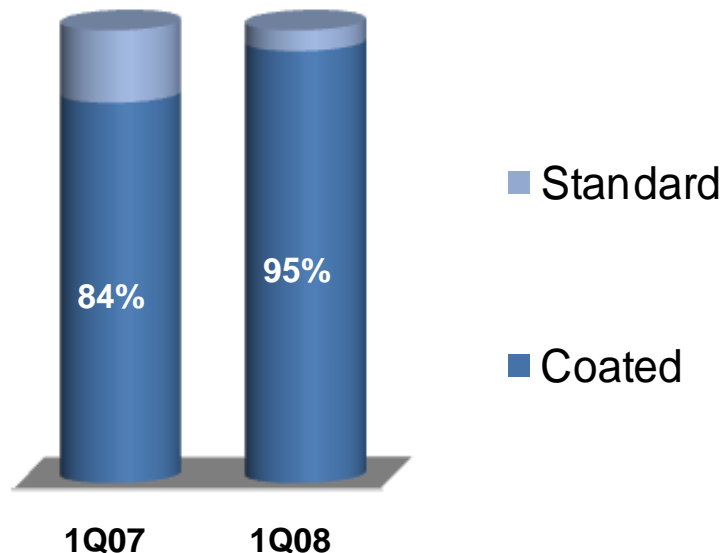


Market Share

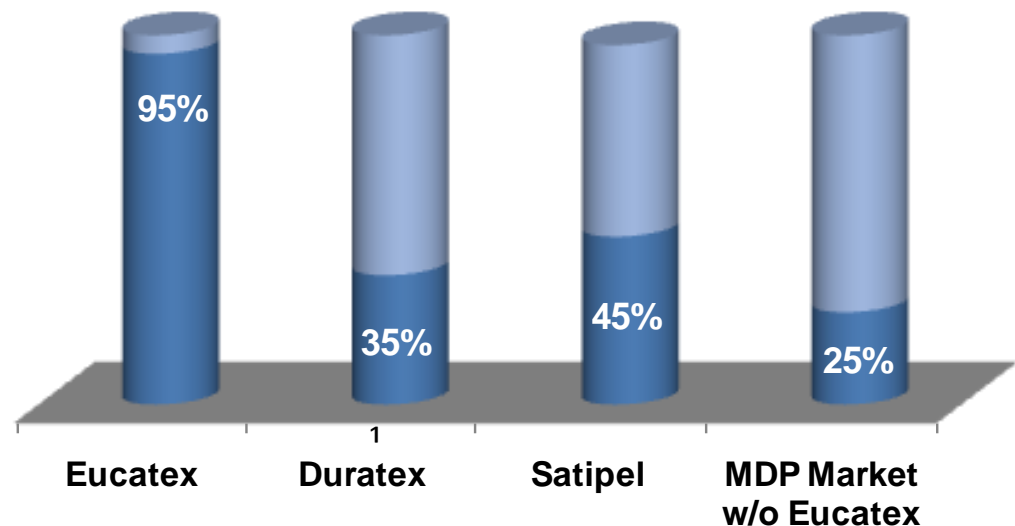


- » Eucatex's sales mix has a higher percentage of finished products compared to other peers.
- » In 1Q08, the percentage of finished products started representing 95% of MDP transported. Finished products have higher value added.

EUCATEX
Finished MDP proportion

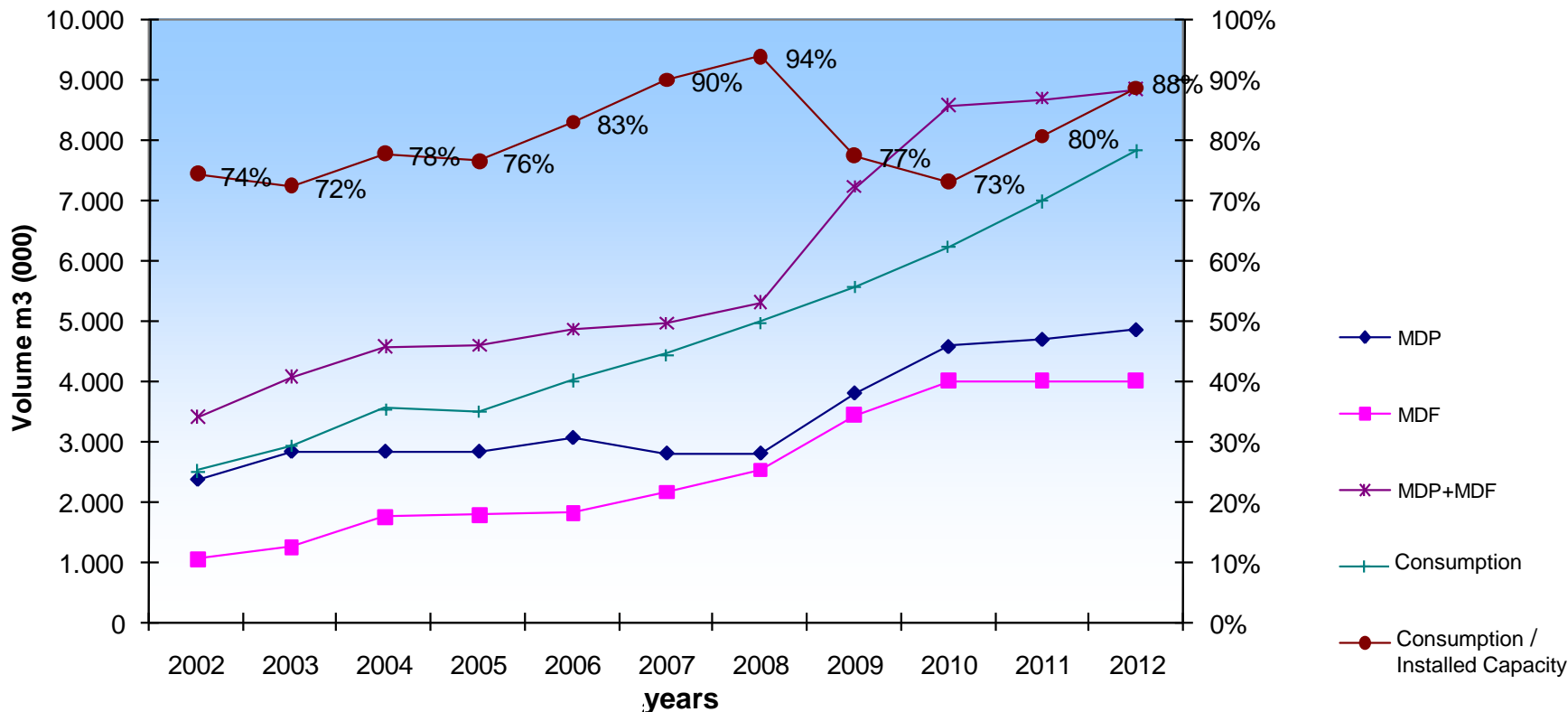


Finished products percentage in total MDP products Sales (1Q08)



Installed Capacity versus Internal Demand for MDP + MDF

Installed Capacity vs Internal Demand
For MDF + MDP



Takes into consideration 12% growth p.a. as of 2008.

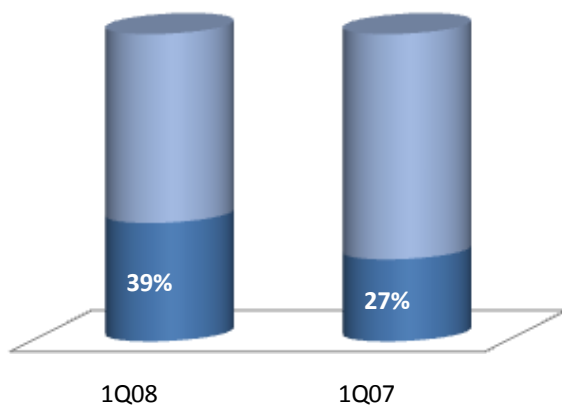
The difference between MI apparent consumption and nominal installed capacity (MDP+MDF+HB) does not take into account the difference for effective (real) production, resulting from interruptions for maintenance, production levels, etc. In addition to this, the non-absorbed volume in MI as to MDF and HB can be exported.

Paints - Highlights

- » 45% increase in revenues versus 1Q07;
- » Increase in operations with paint measuring;
- » Complete range of products meeting the needs of different social classes;
- » National distribution with activities in all Brazilian states; and
- » Short-term goal: To be among Brazil's largest four paint manufacturers.

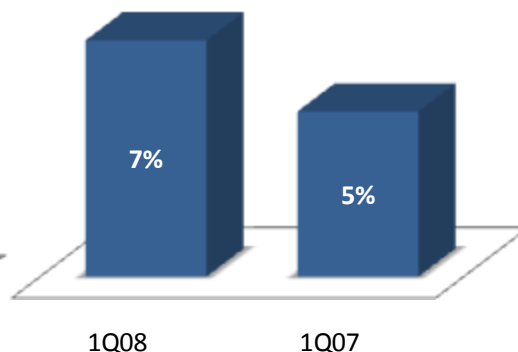


Installed Capacity Used



Paint and Vernish

Market Share (*)



Paint and Vernish

(*) Source: Eucatex Estimates

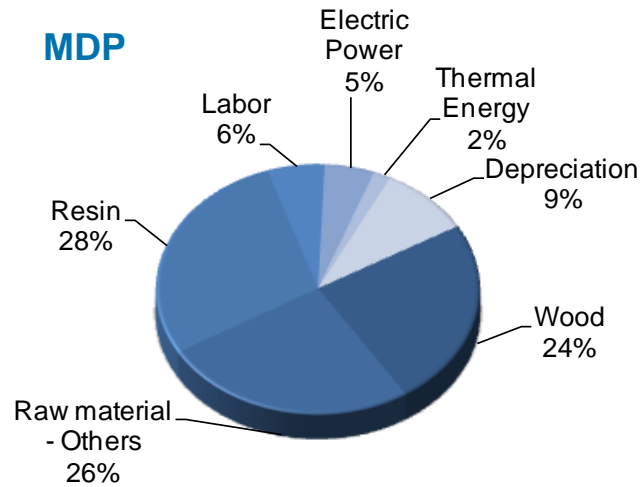
Results

Growth	2006	2007	1Q08
Eucatex	34%	52%	44%
Market (*)	3%	6%	8%

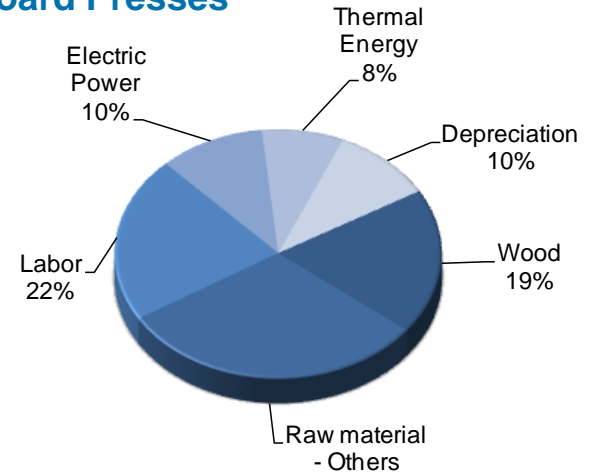
(*) Source: Sitivesp and 1Q08 Eucatex Projections

COGS Breakdown

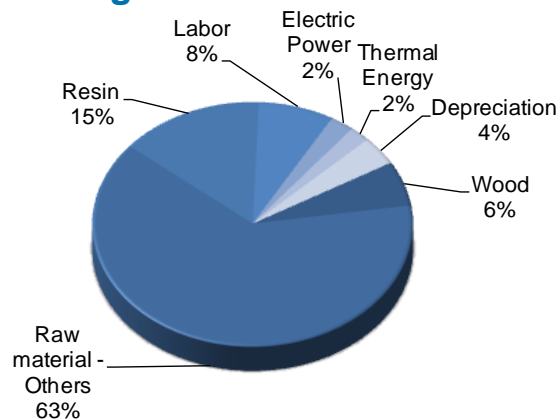
MDP



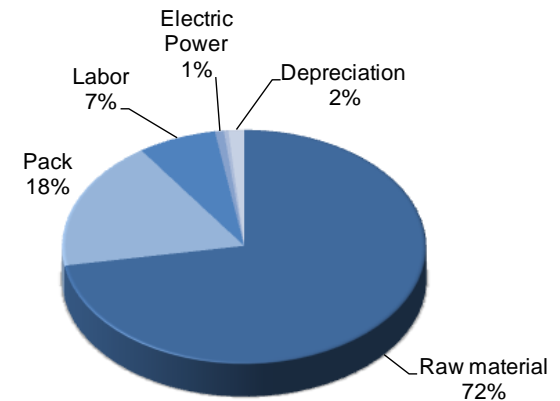
Fiberboard Presses



Flooring



Paints



- » Requests for all types of equipment of the new line have already been made, and most of them should be delivered by the end of this year; and
- » Project follows schedule; start of line operations is scheduled for the end of 1Q09.

New T-HDF Line

EBITDA Margin: 50 %

Nova linha de T - HDF	
Installed Capacity Increase	110 millions m ² / year
Additional Gross Revenue	R\$ 250 millions
EBITDA	R\$ 90 millions

First line in Brazil
specializing in
T-HDF production

T-HDF: Similar to MDF, with superior density and quality.

» Forests

- Annual consumption (with the new line) esteem in 1.4 million m³ / year, equivalents to 4.4 thousand hectares of forests.
- Current forests: 40,000 hectares with, approximately, 30,000 hectares of effective plantation.
- The company has been investing to expand its forest resources through acquisition of new areas and, mainly, through leasing.

**Planting of New
Forests in 2007**

5,400 ha*

**Planting of New
Forests in 1Q08**

1,000 ha*

Guarantee of sustainability and likely development of new projects

*** ha = hectare**

» Wood Recycling Project

First recycled wood line for industrial use in Brazil

Products:

- Thermal energy generation
- Reuse in the production process

Results

- Environmental benefits.
- Savings of an important share of the company's forests

- Waste handling – extending over 100 Km
- Processing of up to 20,000 tons of waste per month.

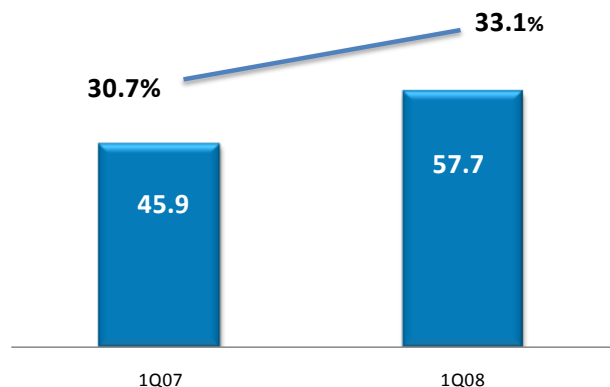
Recycling Results:

Volumes processed in the quarter = **27,500 tons.**

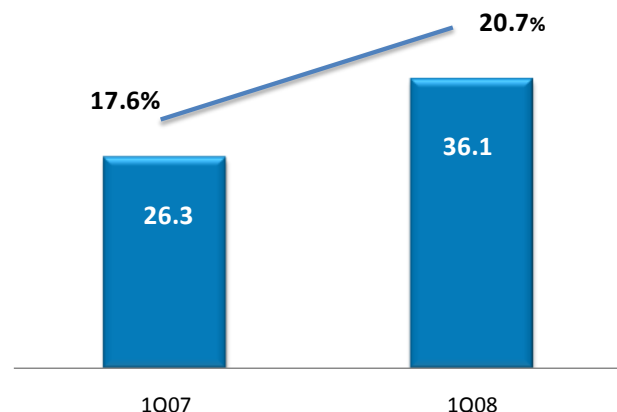
This annualized volume would correspond to 900 hectares of forests, representing a **R\$10 million/year** investment in land alone.

Highlights 1Q08 (R\$ MM)	1Q08	1Q07	Var. (%)
Net Revenue	174.3	149.6	16.5%
<i>Cost of Good Sold</i>	<i>(116.5)</i>	<i>(103.6)</i>	<i>12.5%</i>
<i>Gross Income</i>	<i>57.7</i>	<i>45.9</i>	<i>25.7%</i>
Gross Margin (%)	33.1%	30.7%	+2.4 p.p.
<i>Adm. And Comercial Expenses</i>	<i>(31.6)</i>	<i>(30.7)</i>	<i>3.0%</i>
<i>Others Operational Costs</i>	<i>(1.0)</i>	<i>0.8</i>	<i>n.m.</i>
EBITDA	36.1	26.3	37.5%
Margin EBITDA (%)	20.7%	17.6%	+3.1 p.p.
<i>Net Financial Income</i>	<i>(7.4)</i>	<i>(5.5)</i>	<i>-34.1%</i>
<i>Non Operating Income</i>	<i>7.5</i>	<i>(0.1)</i>	<i>n.m.</i>
<i>Taxes</i>	<i>(6.2)</i>	<i>-</i>	<i>n.m.</i>
Net Income	18.9	10.3	82.9%

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

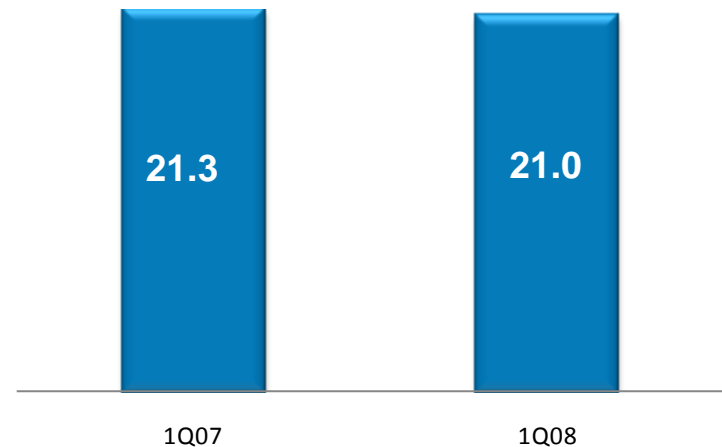


EBITDA (R\$ MM) and Margin EBITDA (%)



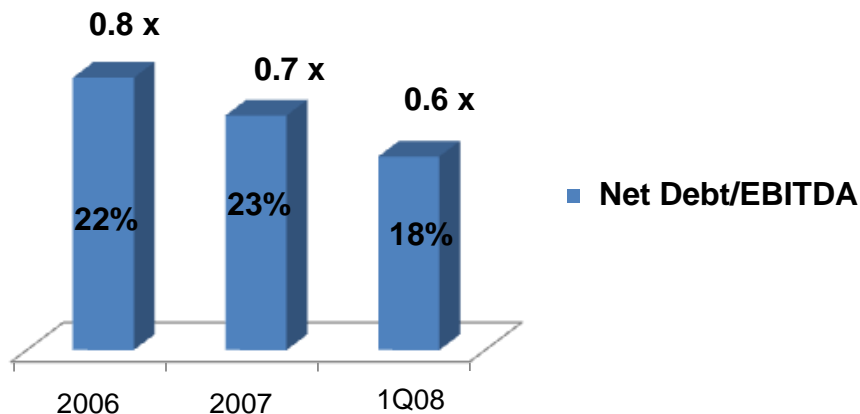
- » Start of investments in the new T-HDF line and new wood yard;
- » Capacity increase in Salto Unit;
- » Automated output of Fiberboard Presses I and II at the Salto unit; and
- » Planting of 1,000 hectares of new forests.

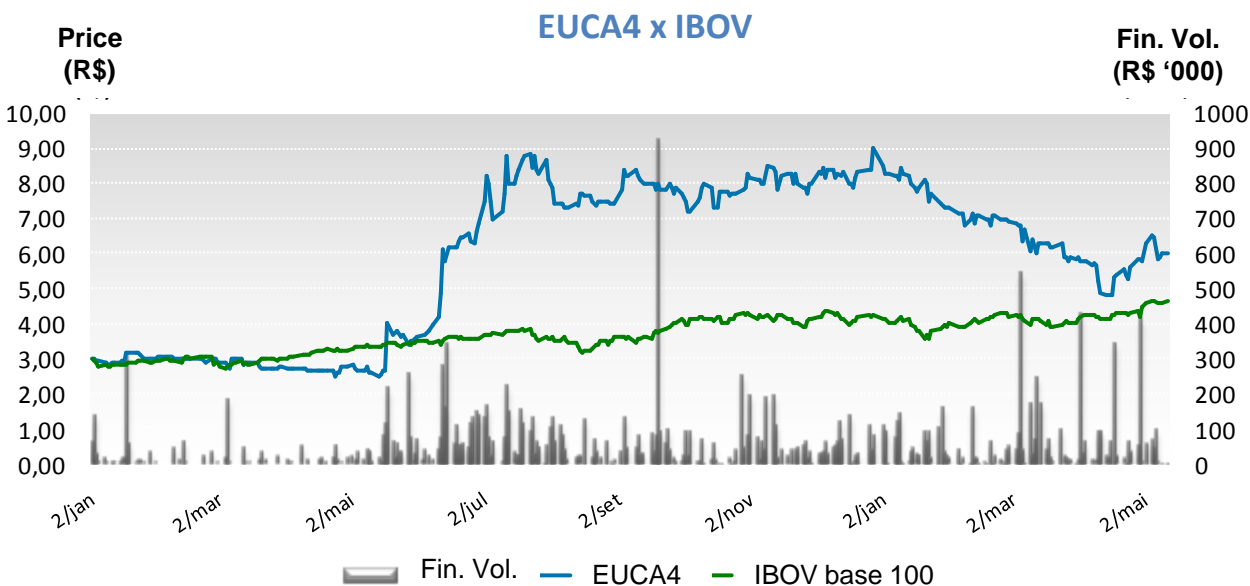
Investments – CAPEX (R\$ MM)



Debt (R\$ MM)	1Q08	1Q07	Var. (%)
<i>Short Term Debt</i>	14.5	26.2	-44.0%
<i>Long Term Debt</i>	68.1	78.8	-13.6%
Gross Debt	82.6	105.0	-21.3%
<i>Cash and Cash Equivalents</i>	1.6	7.5	-78.4%
Net Debt	81.0	97.5	-16.9%
<i>% Short Term Debt</i>	18%	25%	- 7 p.p.
Net Debt/ EBITDA	0.6	0.9	-39.5%

Net Debt/ EBITDA

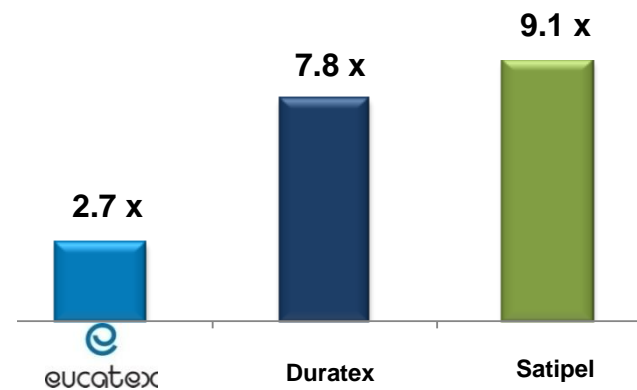




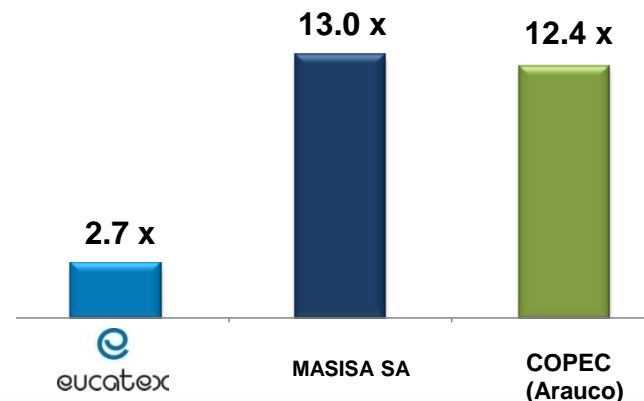
» **EUCA4** price on March 31, 2008: R\$5.84

» Appreciation from January 1, 2007 to May 12, 2008:
EUCA4: +99% **IBOV: +55%**

EV/EBITDA* ratio EUCATEX x Brazilian Peers



EV/EBITDA** ratio EUCATEX x International Peers



- » Cost of Goods Sold (COGS) varied 12.5% against 1Q07, **the lowest in the sector**. In the same period, Net Revenue grew by 16.5%;
- » **New T-HDF line** – Competitive advantage in comparison with other players;
- » **Energy cost under control**: Eucatex has electric energy purchase agreement up to 2012 (including new T-HDF line). The implementation of the recycling project will allow the company to obtain the biomass required for its boilers from the wood produced in its forests;
- » **Forestry self-sustainability** ensured by the 40,000-hectare area of current forests and by a production process certified by ISO 14001 and the Green Seal granted by FSC;
- » Paint segment with **growth rates higher than the market average** and installed capacity available to support such an expansion;
- » **Excellent perspectives** for its main markets: Construction and Furniture Industry;
- » **Higher appreciation** of shares (EV/EBITDA) compared to peers.

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