EUCATEX reports 3Q09 and 9M09 results: Gross Revenue of R$ 600.1 million, RECURRING EBITDA of R$ 79.0 million, EBITDA MARGIN of 16.4%

São Paulo, November 11, 2009. Eucatex (Bovespa: EUCA3 and EUCA4; Bloomberg: EUCA3 BZ and EUCA4 BZ), one of the largest manufacturers of hardboard and medium density particleboard (MDP) in Brazil, with operations also in the segments of paint and varnish, laminate flooring, partitions, profiles, doors and roofing, announces its results for the third quarter of 2009 (3Q09). Except where stated otherwise, the financial and operating information herein is audited and presented on a consolidated basis in Brazilian real (R$), in accordance with Brazilian Corporate Law, and all comparisons refer to the third quarter of 2008 (3Q08).

Highlights

Judicial Reorganization Concluded

- On November 6, 2009, Judge Renata Cristina Rosa da Costa e Silva of the 3rd Court of the Judicial District of Salto approved the conclusion of the JUDICIAL REORGANIZATION PROCESS OF EUCATEX S.A. IND. E COM., given the company's fulfillment of the obligations it assumed under the scope of the plan.
- Eucatex would like to thank all who directly or indirectly contributed to the company's recovery and believes it has repaid the trust placed in the company's management through the expansion of its operations, the results delivered in recent years and the plans to inaugurate a new production line, which is expected to come on line by mid-2010 and will certainly improve the company's competitive positioning.

Nonrecurring Results

- Payment of tax debits in monthly installments, in accordance with Law 11,941 and Executive Order 470. The company discontinued legal actions and instead opted for payment in installments, which decreased its federal tax liability by R$174 million, leaving an outstanding balance of R$125 million to be paid in up to 180 monthly installments.

New T-HDF/MDF Line

- All equipment, both local and imported, has already been cleared and delivered to the plants;
- Construction works are in the final phase, with conclusion expected in November 2009; and
- Formalization of the hiring of a company to assemble the equipment, whose work should begin in December and be concluded by mid-2010.

Operational Highlights

» Gross revenue came to R$ 600.1 million in 9M09, down 7.5% on the same period last year. In 3Q09, gross revenue was R$ 209.8 million, representing a decrease of 9.0% over 3Q08.

» Domestic wood panel sales in the quarter contracted by 8.2% over the same period last year, while Export Revenue increased by 49%. Meanwhile, the Paint segment registered growth of 16.0%.

» Gross Margin stood at 33.7% in 9M09, expanding by 1.7 p.p. on the same period last year.

» Official EBITDA in 9M09 was R$ 251.3 million, influenced primarily by the installment payment plan for tax liabilities.

» RECURRING EBITDA and EBITDA MARGIN in 9M09 were R$ 79.0 million and 16.4%, respectively, declining by 3.8% and increasing 0.8 p.p. year on year.

3Q09 Highlights (R$ MM)	*3Q09*	*3Q08*	Var. (%)	*9M09*	*9M08*	Var. (%)
Net Revenue	*168.3*	*187.1*	-10.1%	482.7	525.9	-8.2%
Gross Profit	*51.7*	*55.5*	-6.7%	162.7	168.4	-3.4%
Gross Margin (%)	*30.7%*	*29.6%*	1.1 p.p.	33.7%	32.0%	1.7 p.p.
EBITDA	*193.2*	*32.1*	500.9%	251.3	98.2	156.0%
EBITDA Margin (%)	*114.8%*	*17.2%*	97.6 p.p.	52.1%	18.7%	33.4 p.p.
Net Income	*185.0*	*0.9*	19911.1%	202.0	31.6	538.3%
Net Debt	*94.1*	*82.5*	14.1%	94.1	82.5	14.1%
Net Debt / EBITDA (LTM)	*0.9*	*0.8*	18.6%	0.9	0.8	18.6%
RECURRING EBITDA (UDM)	***20.9***	***16.1***	**29.7%**	***79.0***	***82.2***	**-3.8%**

Economic Scenario

Despite the improvement in economic indicators, especially at the end of 3Q09, during the period we continued to feel the impacts of the crisis that began in 2008. As of September this year, the recovery in demand in sectors where the company operates proved more robust, with certain segments surpassing the demand levels recorded in 2008.

The results of fiscal year 2009 were marked by measures to adjust to the impacts caused by the severe global economic and financial crisis. Following the slowdown in economic activity as of the last quarter of 2008, consumers and executives became more cautious. This led to lower aggregate demand and sharp adjustments in inventories, which in turn led to lower industrial production. Despite fiscal and monetary stimulus measures, consumption remained modest.

Industrial production figures in 2009, especially for capital goods, durable goods and semi-durable goods, were widely different from figures for retail sales, which declined only slightly, in stark contrast to the sharp slowdown suffered by the manufacturing industry, which was impacted significantly by lower credit, the strong reduction in inventories and lower demand in export markets.

The severe crisis that impacted the global economy also had serious impacts on Brazil. However, unlike similar events in the past, the country proved resilient, responding to the crisis with monetary and fiscal stimulus, which in the past would have been unthinkable. This response was made possible by the country's solid external and public-sector accounts, strong international reserves, the fiscal responsibility imposed by specific legislation, a solid financial system, transparent monetary policy and an expanding domestic market supported by credit growth and higher income levels.

The response of the domestic economy in 3Q09 and the release of indicators for industrial production, retail sales and agricultural output point to robust growth in the coming year. The key factors that drive the company's business, such as income and employment levels, credit volumes and consumer confidence, all enjoy optimistic forecasts for next year, reinforcing the growth prospects for our business. Eucatex believes it is ready, especially considering the new production line in 2010, to meet this growing demand with products and services that meet all the needs of our clients.

Operational Performance

Operating Performance
2005 - 100 base

Sales Volume (Domestic Market)	3Q09	3Q08	Var. (%)	9M09	9M08	Var. (%)
Hardboard (MI)	111	123	-9.6%	108	119	-8.6%
Hardboard (ME)	65	55	17.0%	61	42	46.2%
Laminate Flooring	174	148	17.8%	145	136	6.4%
Paint	296	255	16.2%	276	257	7.4%

Domestic wood panel shipments contracted by 8.6% in 9M09 in relation to 9M08.

MDP sales continued to present a favorable mix, with coated products accounting for 94% of sales in 3Q09. New product launches continue to be well received by the market, given their unique technological features and exceptional quality. Investments made in both the low pressure (LP) and the finish foil (FF) and high-gloss varnish finishing lines for coated board have helped the Company increase sales of these products. In the coming months, Eucatex plans to launch new and exclusive products in both the BP and FF lines, which should strengthen its leadership position in the coated products market.

Hardboard exports in 9M09 increased by 46% over 9M08.

The Laminate Flooring segment expanded by 17.8% in 3Q09 and by 6.4% in 9M09 over the same periods last year.

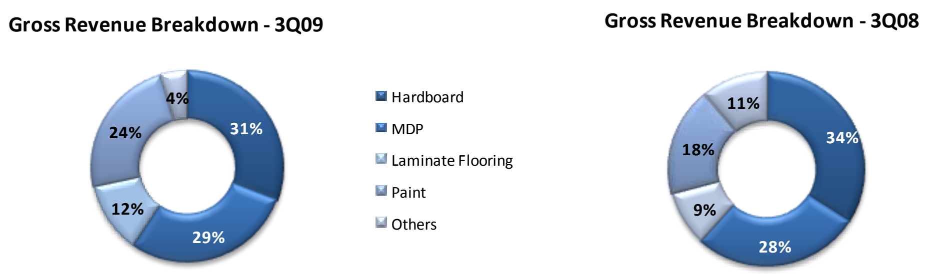
The Paint business continues to present better results, with growth of 16.2% in 3Q09 over 3Q08. In 9M09, the Paint business grew by 7.4% in relation to 9M08, which represents a very strong result considering the fact that in the same period Brazil's paint market contracted by 0.5%.

At the end of June, Eucatex ceased its operations in the Mineral segment, which represented less than 3% of the group's Gross Revenue. In October, we signed a sale agreement for this unit, which is currently in the due diligence process.

Financial Performance

Gross Revenue

Gross Revenue Breakdown (R$ MM)	3Q09	3Q08	Var. (%)	9M09	9M08	Var. (%)
Hardboard	64.6	78.5	-17.7%	189.8	214.9	-11.7%
MDP	60.4	63.9	-5.4%	191.8	212.5	-9.8%
Laminate Flooring	25.2	20.8	21.5%	60.9	54.7	11.3%
Wood Segment	150.3	163.1	-7.9%	442.5	482.1	-8.2%
Paint Segment	50.0	42.1	18.7%	127.7	110.2	15.8%
Others	9.5	25.2	-62.1%	30.0	56.8	-47.2%
Gross Revenue	**209.8**	**230.5**	**-9.0%**	**600.1**	**649.1**	**-7.5%**



Gross revenue fell by 9% in 3Q09 on the same period a year ago to R$ 209.7 million, while in 9M09, gross revenue was 7.5% lower year on year. Despite the lower sales volume in general, revenue from exports, laminate flooring and paints registered positive growth.

The 11.7% decrease in hardboard gross revenue in 9M09 compared with 9M08 is partly due to the change in the sales mix, with an increase in exports at the expense of domestic sales and the lower prices, since sales volume fell by only 3%.

MDP sales also recorded lower prices, since volume declined by 3% while revenue fell 10%.

Revenue in the Paint segment increased by 15.8% in 9M09 compared with 9M08, indicating an increase in average prices.

The decline in revenue in the “Other” segment was due to wood sales of R$11 million in 2008 and the termination of operations in Mineral unit in 3Q09.

Cost of Goods Sold (COGS)

In 9M09, COGS were 10.5% lower than in the same period last year, due to not only the lower sales volume, but also to the lower prices of some inputs and the significant reduction in fixed costs. Eucatex continued its cost-cutting program adopted at the start of the crisis, with all levels of the organization participating, and which generated positive results.

Gross Profit and Gross Margin

Net revenue declined by 10.1% in 3Q09 versus 3Q08, and by 8.2% in 9M09 on 9M08. Gross profit totaled R$ 51.7 million in 3Q09, down 6.7% in relation to 3Q08. In 9M09, gross profit was 3.4% lower than in the same period of 2008.

Gross margin increased by 1.1 p.p. to 30.7% in 3Q09, from 29.6% in 3Q08. In 9M09, gross margin increased by 1.7 p.p. to 33.7%, versus 32% in 9M08. Gross margin expansion was mainly due to the reduction in fixed costs and the lower costs of certain main inputs.

Operating Expenses

Operating Expenses Distribution	3Q09	3Q08	Var. (%)	9M09	9M08	Var. (%)
Sales	(28.1)	(24.9)	12.9%	(76.9)	(70.4)	9.2%
General and Administration	(10.9)	(12.3)	-10.9%	(32.4)	(33.7)	-4.0%
Total Operating Expenses	**(39.0)**	**(37.2)**	**5.0%**	**(109.2)**	**(104.1)**	**4.9%**
% Net Income	***-23.2%***	***-19.9%***	***-3.3 p.p.***	***-22.6%***	***-19.8%***	***-2.8 p.p.***
Others Operating Revenues and Expenses	169.9	2.6	6509.7%	166.1	7.7	2059.8%

Selling expenses increased by 12.9% in 3Q09 compared with 3Q08, basically due to the higher exports and paint sales, which, because they posted higher sales instead of the sales contractions in other segments, incurred higher variable expenses.

Administrative expenses decreased by 10.9% in 3Q09 versus 3Q08 and by 4.9% in 9M09 against 9M08, reflecting the rationalization measures.

Other Operating Revenue and Expenses were impacted by non-recurring revenue of R$ 12.5 million related to tax credits and the sale of a farm in 9M08, which did not occur in 9M09. However, R$ 172.3 million was recognized in 9M09, which mainly reflects the reduction in tax liabilities due to the installment plan to pay down liabilities.

EBITDA and EBITDA Margin

EBITDA Reconciliation (R$ MM)	3Q09	3Q08	Var. (%)	9M09	9M08	Var. (%)
Net income (Loss)	185.0	0.9	19911.1%	202.0	31.6	538.3%
Deferred Income and Social Distribution Taxes	(1.6)	(5.1)	-68.1%	1.9	3.9	-50.5%
Net Financial Income	(0.7)	25.0	-102.9%	15.6	36.5	-57.1%
Depreciation and Amortization	10.5	11.3	-6.6%	31.7	33.6	-5.6%
Non-recurring income	-	-	0.0%	-	-	0.0%
EBITDA	**193.2**	**32.1**	**500.9%**	**251.3**	**105.7**	**137.8%**
EBITDA Margin	**114.8%**	**17.2%**	**97.6 p.p.**	**52.1%**	**20.1%**	**33.4 p.p.**

RECURRING EBITDA was R$ 79.0 million year to date, 4% lower than in 9M08. The reduction in RECURRING EBITDA reflects the lower revenue in the first half and the increase in selling expenses.

RECURRING EBITDA MARGIN increased by 0.8 p.p. in relation to 9M08 to 16.4% in 9M09.

Net Income

Net income totaled R$202.0 million in 9M09, reflecting the substantial results from the plan to repay federal tax liabilities in installments. After other nonrecurring accounting adjustments and write-offs, net income year to date was R$175 million. Following adherence to the installment repayment plan, the Group's financial expenses should enjoy a positive impact, since the amount was reduced to one-third the original amount.

Debt

At the end of 3Q09, the Company's debt was equivalent to 0.9x RECURRING EBITDA in 9M09 and long-term debt was repayable within the next nine years.

Debt (R$ Million)	9M09	9M08	Var. (%)
Short Term Debt	53.3	38.7	37.7%
Long Term Debt	43.4	75.3	-42.4%
Gross Debt	**96.6**	**114.0**	**-15.3%**
Cash and Cash Equivalents	2.5	4.4	-43.5%
Net Debt	**94.1**	**109.6**	**-14.1%**
% Short Term Debt	*55%*	*34%*	*21.2 p.p.*
Net Casth (Debt)/EBITDA	0.9	1.0	-10.7%

Capex

The Company's investments in 2009 include:

- the new T-HDF/MDF line, with operational startup expected in late 1H10. When it reaches full capacity, the line could boost the company's operations by R$ 250 million in gross revenue and R$ 90 million in cash flow, based on current prices and costs;
- the new saturation machine, which will enable cost reductions in the entire flooring and accessories line, as well as in products for the furniture industry;
- the expansion in capacity and the debottlenecking of the MDP line; and
- the planting of 1,100 hectares of forests.

Sustainability

Eucatex's forest sustainability, including the operations of its new T-HDF line project, is assured by 44,000 hectares of forests, all located in São Paulo state.

Eucatex is recognized for its sustainable development initiatives, being the first company in the industry to obtain ISO 9001 certification, in 2000. The Company also holds ISO 14001 certification and the Green Seal awarded by the Forest Stewardship Council (FSC), which certifies that its forests are managed according to rigorous environmental, social and economic standards.

Eucatex also pioneered the implementation of the first wood recycling line on an industrial scale in South America. Its state-of-the-art equipment enables materials obtained within a 150 kilometer radius from the Salto unit in São Paulo to be used as the raw material for the production of boards and also as biomass for firing its boilers. When the line reaches its full processing capacity of 20,000 metric tons per month, using materials that otherwise would have ended up in city landfills, Eucatex will achieve annual savings equivalent to R$ 25 million from the acquisition of land properties alone.

Capital Markets

The price of Eucatex's preferred stock (EUCA4) listed on the São Paulo Stock Exchange (BOVESPA) closed 3Q09 at R$ 3.39. Based on the 3Q09 closing price, Eucatex's market capitalization was R$314.0 million, equivalent to 3.0 times annualized EBITDA.

Book value per share at the close of 3Q09 was R$ 7.92.

Human Resources

Personnel expenses in 3Q09 totaled R$ 26.7 million, of which R$ 12.9 million were wages, R$ 8.5 million were payroll charges and around R$ 5.3 million were spent on medical and dental plans, transport, meals, training, and occupational health and safety actions for the Company's 2,031 employees and their dependents.

Relationship with Independent Auditors

As approved by the Company's Board of Directors, since May 12, 2008, Terco Grant Thornton Auditores has been the firm responsible for auditing Eucatex's financial statements, substituting Boucinhas & Campos e Soteconti Auditores Independentes S/C, in accordance with Article 13 of CVM Instruction 308/99, which stipulates that an independent auditor cannot provide auditing services to the same client for more than five consecutive years.

The Eucatex Group's policy for the services of independent auditors that are not related to the external auditing of its financial statements is based on professional independence principles, which provide that an auditor should not examine its own work, perform managerial functions or practice law on behalf of clients.

In 3Q09, the Eucatex Group did not contract any other services other than the auditing services of Terco Grant Thornton Auditores Independentes.

About Eucatex

Eucatex S.A. Ind. e Com. (Bovespa: EUCA3 and EUCA4), which completes 58 years of operations in 2009, is one of Brazil's largest manufacturers of flooring, partitions, profiles, doors, roofing, MDP, hardboard and paints and varnishes. With 2,031 employees, Eucatex exports to more than 25 countries and has three modern plants located in the cities of Botucatu and Salto in São Paulo state. In September 2007, Eucatex concluded the remodeling of its capital structure and is now poised to begin a new cycle of growth. For more information, please visit the website www.eucatex.com.br/ir.

This release contains forward-looking statements relating to the business prospects, estimates of operating and financial results, and those related to the growth prospects of Eucatex. These are merely projections and as such are based exclusively on the expectations of Eucatex management concerning the future of the business. These forward-looking statements substantially depend on changes in market conditions, the performance of the Brazilian and international economies and the industry and therefore are subject to change without prior notice.

Income Statement

(R$ million)	3Q09	3Q08	Var. (%)	9M09	9M08	Var. (%)
Gross Revenue	**209.8**	**230.5**	**-9.0%**	**600.1**	**649.1**	**-7.5%**
Sales taxes and Deductions	(41.5)	(43.3)	-4.2%	(117.4)	(123.2)	-4.7%
Net Revenues	**168.3**	**187.1**	**-10.1%**	**482.7**	**525.9**	**-8.2%**
Cost of Goods Sold	(116.5)	(131.7)	-11.5%	(320.0)	(357.4)	-10.5%
Gross Profit	**51.7**	**55.5**	**-6.7%**	**162.7**	**168.4**	**-3.4%**
Operating Expenses						
Sales	(28.1)	(24.9)	12.9%	(76.9)	(70.4)	9.2%
General and Administration	(10.9)	(12.3)	-10.9%	(32.4)	(33.7)	-4.0%
Other Operational Costs	169.9	2.6	6509.7%	166.1	7.7	2059.8%
Operational (loss) Income	**130.9**	**(34.6)**	**-478.6%**	**56.9**	**(96.4)**	**-159.0%**
Operational Result	**182.7**	**20.9**	**774.6%**	**219.6**	**72.1**	**204.7%**
Financial (Expense) Income	0.7	(25.0)	102.9%	(15.6)	(36.5)	57.1%
Financial (Expense) Income	-	-	0.0%	-	-	0.0%
Operational Result	**183.4**	**(4.1)**	**4526.0%**	**203.9**	**35.6**	**473.4%**
Taxes	1.6	5.1	-68.1%	(1.9)	(3.9)	50.5%
Net (Loss) Income	185.0	0.9	19911.1%	202.0	31.6	538.3%
Net Margin	**109.9%**	**0.5%**	***109.4 p.p.***	**41.8%**	**6.0%**	***35.8 p.p.***

Balance Sheet (R$ million)	9M09	9M08	Var. (%)
ASSETS			
Non- Current Assets			
Cash and Cash Equivalents	2,5	1,8	37,4%
Clients	143,9	129,1	11,5%
Inventories	76,7	81,9	-6,4%
Taxes Recoverable	17,9	18,4	-2,6%
Other Credits	2,9	3,4	-15,2%
Deferred Expenses	1,2	1,5	-19,8%
Total Current Assets	**245,1**	**236,2**	**3,8%**
Non- Current Assets			
Long- Term Assets			
Clients	1,7	1,5	7,2%
Assets for Sale	4,8	10,7	-54,9%
Taxes Recoverable	9,1	8,2	11,2%
Judicial Deposits	3,3	5,9	-44,3%
Other Credits	16,5	16,7	-1,3%
	35,4	**43,1**	**-17,8%**
Investments			
Investments in Subsidiaries	0,0	(0,0)	-814,8%
Other Investments	0,9	0,9	0,0%
Fixed Assets	931,5	892,0	4,4%
Intangible	1,2	1,0	17,4%
	933,6	**893,9**	**4,4%**
Permanent Assets	**969,0**	**937,0**	**3,4%**
Total Assets	**1.214,1**	**1.173,2**	**3,5%**
LIABILITIES			
Current Liabilities			
Loans and Financing	53,3	33,5	59,2%
Accounts Payable to Suppliers	71,0	45,0	57,6%
Salaries	17,2	14,8	16,3%
Tax, Accrued Expenses and Payroll	12,3	18,9	-34,9%
Tax Installments	9,9	11,3	-12,9%
Deferred Taxes	1,0	1,0	3,5%
Advances from Clients	2,6	2,9	-9,5%
Accounts Payable	14,6	11,4	27,5%
Current Liabilities	**181,9**	**138,9**	**31,0%**
Non- Current Liabilities			
Non- Current Liabilities			
Loans and Financings	43,4	50,8	-14,7%
Tax Installments	118,0	77,6	52,0%
Deferred Taxes	20,2	20,8	-3,0%
Accounts Payable	29,0	28,6	1,2%
Provisions for Contingencies	88,5	308,3	-71,3%
Non- Current Liabilities	**299,1**	**486,1**	**-38,5%**
Non Controling Stockholders	**-**	**-**	**0,0%**
Shareholder's Equity			
Capital	488,2	488,2	0,0%
Treasury Stock	(0,8)	(0,8)	0,0%
Capital Reserve	262,8	270,1	-2,7%
Accumulated Losses	(17,0)	(209,3)	-91,9%
	733,2	**548,2**	**33,8%**
Total Liabilities	**1.214,2**	**1.173,2**	**3,5%**

Cash Flow (R$ million)	9M09	9M08
Net Income before Income Tax and Social Contribution Tax	**203.9**	**35.6**
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	32.4	33.6
Residual Value of Fixed Assets Sold	10.7	23.1
Provisions for / reversals of PDA	0.3	-
Interest, Monetary and Exchange Variations on Loans	(16.4)	13.7
Foreign Exchange Variation – Clients	5.5	(1.5)
Foreign Exchange Variation – Imports	6.1	3.7
Monetary Restatement of Taxes	23.0	22.1
Provision for Inventory Losses	1.1	(0.4)
Provision for Profit Share Program	3.0	2.8
Income and Social Contribution Taxes	(1.9)	(3.9)
Provisions/(reversal) for Tax Contingencies	-	(2.2)
Provisions/(Reversals) of Shareholder Contingencies	0.9	-
Adjustment to present value – tax recoverable	0.9	-
Other Provisions/ (Reversals) with no impact on Cash	0.6	(0.5)
Decrease (Increase) in Current and Non-Current Assets		
Accounts Receivable from Clients	(27.9)	(18.4)
Inventories	4.0	(9.1)
Taxes Recoverable	(0.6)	6.3
Following year's expenses	(0.7)	1.1
Judicial Deposits	2.1	5.0
Other Credits	18.6	(25.7)
(Decrease) Increase in Liabilities and Non-Current Assets		
Suppliers	10.3	19.3
Labor and Tax Liabilities	(1.1)	4.9
Tax Installments	40.4	(3.2)
Advances from Clients	(0.9)	-
Provision for Contingencies	(220.9)	19.0
Other Liabilities	1.5	(6.2)
Net Cash Flow from Operating Activities	**94.8**	**119.2**
Income Tax and Social Contribution Tax Paid	(6.3)	(11.3)
Net Cash Flow from (Used in) Operations	**88.5**	**107.9**
Cash Flow from Investing Activities		
Increase in Fixed Assets	(116.6)	(126.5)
Net Cash Flow from Investing Activities	**(116.6)**	**(126.5)**
Cash Flow from Financing Activities		
Amortization of Loans	(34.0)	(37.3)
Inflow of Loans	53.5	49.3
Subsidiaries	-	-
Net Cash Flow from Financing Activities	**19.5**	**12.0**
Increase (Reduction) in Net Cash and Cash Equivalents	**(8.5)**	**(6.6)**
Cash and Cash Equivalents		
Beginning of period	11.0	11.0
End of period	2.5	4.4
	(8.5)	**(6.6)**