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3Q11 CONFERENCE CALLS

Portuguese

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8:00 a.m. (New York)

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English

November 10, 2011

12:30 p.m. (Brasília)

9:30 a.m. (New York)

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EUCATEX announces 3Q11 results

Net Revenue Growth of 18.6%. Recurring EBITDA grew 25.3% to R\$49.5 million, for EBITDA Margin of 21%.

São Paulo, November 8, 2011. Eucatex (BM&FBovespa: EUCA3 and EUCA4; Bloomberg: EUCA3 BZ and EUCA4 BZ), one of Brazil's largest fiberboard manufacturers, with operations also in the segments of paint and varnish, laminate flooring, partitions and doors, announces its results for the third quarter of 2011 (3Q11). Unless stated otherwise, all financial and operating information herein is audited and presented on a consolidated basis in thousands of Brazilian real (R\$ '000), in accordance with Brazilian Corporation Law, and all comparisons refer to the third quarter of 2010 (3Q10).

The Company's consolidated financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS) and based on the pronouncements fully converged to the international accounting standards issued by the Accounting Pronouncement Committee (CPC) and approved by the Securities and Exchange Commission of Brazil (CVM).

We recommend that this material be considered together with the Notes to the Financial Statements.

Highlights

- » **Net Revenue** of R\$235.8 million in 3Q11, up **18.6%** from 3Q10;
- » **Gross Margin** of 30.7% in **3Q11 (33.2% excluding the T-HDF/MDF line)**, down 3.3% from 3Q10, basically due to the impact of the new T-HDF/MDF line, which is currently in the ramp-up phase, as well as increased costs with certain raw materials, particularly chemicals; and
- » **EBITDA** of R\$49.5 million in 3Q11, for growth of **25.3%** on the R\$39.5 million in 3Q10. **EBITDA margin** of 21.0% in 3Q11, up 1.1 p.p. from 19.9% in 3Q10.

Highlights (R\$ MM)	3Q11	3Q10	Chg. (%)	9M11	9M10	Chg. (%)
Net Revenue	235.8	198.9	18.6%	666.6	579.7	15.0%
Gross Profit	72.4	67.7	6.9%	203.3	188.4	7.9%
Gross Margin (%)	30.7%	34.0%	-3.3 p.p.	30.5%	32.5%	-2 p.p.
EBITDA	64.8	95.9	-32.4%	154.5	173.0	-10.7%
EBITDA Margin (%)	27.5%	48.2%	-20.7 p.p.	23.2%	29.9%	-6.7 p.p.
Net Income	10.7	66.8	-84.0%	50.9	100.1	-49.1%
Net Debt	190.9	163.6	16.7%	190.9	163.6	16.7%
Net Debt / EBITDA (LTM)	0.7	0.4	72.7%	0.9	0.7	30.7%
CURRENT EBITDA	49.5	39.5	25.3%	140.1	115.5	21.3%
EBITDA Margin (%)	21.0%	19.9%	1.1 p.p.	21.0%	19.9%	1.1 p.p.

Economic Scenario and Operating Performance

The recent performance of key economic indicators, which may be considered the “drivers” of the Company's business, slowed down slightly though they still remain positive. Unemployment fell, consumer confidence index is high and projections indicate that income levels should increase 5.6% in 2011 and continue to grow at the same pace in 2012.

For the construction industry, the reduction in the basic interest rate should help maintain the growth pace. The ICC, an indicator published by the Brazilian Institute of Geography and Statistics (IBGE) that measures the physical production of typical inputs, projects growth of 4.3% in 2011, versus 10.9% in 2010.

In comparison with 3Q10, the Company registered important growth in sales this quarter, of products used in both the construction and furniture industries. In 3Q11, flooring sales volume was up 14.6%, while paint sales volume grew 11.1%. Sales of laminate flooring were also quite impressive in the year, growing 12%, well above the market average.

Fiberboard sales in the quarter, all types considered, grew 13.2% over 3Q10. The growth of the fiberboard market as a whole was also positive in the quarter, up 11.7% from 3Q10, while growth in the year was a more modest 2%. Eucatex's sales volume in the year grew 15.9%.

Operating Performance

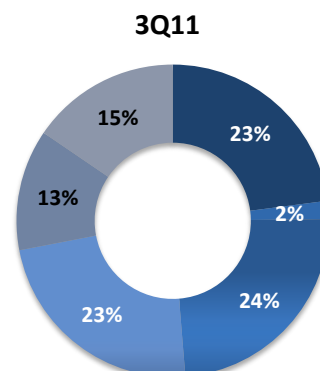
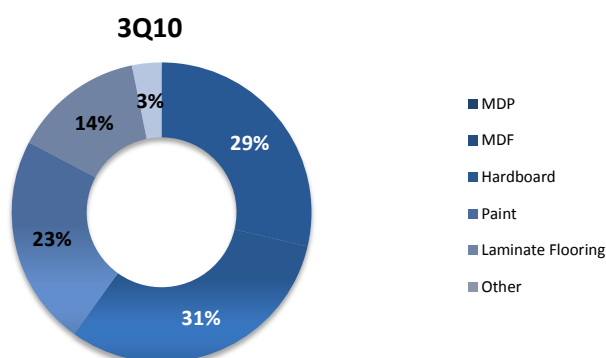
2005 - 100 base

Sales Volume (Domestic Market)	3Q11	3Q10	Var. (%)	9M11	9M10	Var. (%)
Hardboard (DM)	76	128	-40.7%	115	117	-2.2%
Hardboard (FM)	-	44	-100.0%	26	38	-30.9%
Laminate Flooring	258	225	14.6%	230	205	12.0%
Paint	371	334	11.1%	356	349	2.1%

DM - Domestic Market / FM - Foreign Market

Financial Performance

Gross Revenue Breakdown (R\$ MM)	3Q11	3Q10	Var. (%)	9M11	9M10	Var. (%)
Hardboard	69.3	77.6	-10.7%	203.5	216.9	-6.2%
MDP	66.6	71.1	-6.3%	204.8	215.3	-4.9%
MDF	5.5	-	0.0%	73.3	-	0.0%
Laminate Flooring	36.4	35.0	4.2%	94.2	87.6	7.5%
<i>Wood Segment</i>	<i>177.9</i>	<i>183.7</i>	<i>-3.2%</i>	<i>575.7</i>	<i>519.8</i>	<i>10.8%</i>
<i>Paint Segment</i>	<i>67.6</i>	<i>56.6</i>	<i>19.4%</i>	<i>172.6</i>	<i>156.1</i>	<i>10.6%</i>
Others	44.9	7.9	468.3%	73.8	44.9	64.5%
Gross Revenue	290.4	248.2	17.0%	822.2	720.8	14.1%



Gross revenue in the quarter increased 17% from 3Q10, for a total of R\$290.4 million. The wood segment grew 16.4% in 3Q11 over 3Q10 and 17.7% in 9M11 over 9M10, partly due to revenues from the new T-HDF/MDF line. Gross revenue from fiberboard was also affected by the 5 p.p. reduction in the ICMS (VAT) tax for the furniture industry in São Paulo state compared to the rate in 2010.

Prices in the fiberboard industry remained stable between the quarters. We believe prices could increase in 4Q11 due to the increase in costs. However, such increases should be modest.

In the Paints segment, the Company revised its sales policy, particularly for complementary products, which brought positive results in 3Q11, with gross revenue from the segment increasing 19.4%.

Prices of products have been increasing throughout the year but not always at the same rate as the increases in costs. At the end of the third quarter, the depreciation of the Real had a negative impact on dollar-indexed inputs. However, in most cases, the Company was able to negotiate with suppliers in order to mitigate the impact on its margins. The Company has been taking efforts to maintain margins by increasing both Fiberboard and Paint prices.

Cost of Goods Sold (COGS)

COGS increased 24.6% in 3Q11 from 3Q10.

The increase in COGS reflects the increase in costs and the impact of the new T-HDF/MDF line, whose fixed costs have not all been fully diluted in the total production volume envisaged.

Gross Income and Gross Margin

Gross margin in 3Q11 reached 30.7%, stable in comparison with previous quarters. At the end of 3Q11, the weakening of the Real led to increased cost pressures, which could be passed on to product prices. Furthermore, in July 2011 the Company granted real wage increases of 2% on average to workers at its two main production units.

Operating Expenses

Operating Expenses Distribution	3Q11	3Q10	Chg. (%)	9M11	9M10	Chg. (%)
Sales	(33.8)	(29.9)	12.9%	(95.4)	(85.0)	12.3%
General and Administration	(12.6)	(10.7)	17.7%	(35.4)	(31.7)	11.6%
Total Operating Expenses	(46.4)	(40.6)	14.2%	(130.8)	(116.7)	12.1%
% Net Income	-19.7%	-20.4%	-0.8 p.p.	-19.6%	-20.1%	-0.5 p.p.
Others Operating Revenues and Expenses	9.1	0.8	1023.9%	25.7	14.0	84.3%

Though selling and administrative expenses registered nominal increases over the same period last year, as a percentage of net revenue they declined 0.8 p.p. in 3Q11.

EBITDA and EBITDA Margin

EBITDA Reconciliation (R\$ MM)	3Q11	3Q10	Chg. (%)	9M11	9M10	Chg. (%)
Net income (Loss)	10.7	66.8	-84%	50.9	100.1	-49%
Deferred Income and Social Distribution Taxes	5.8	15.2	-62%	12.2	21.8	-44%
Net Financial Income	33.0	3.4	861%	49.4	21.3	132%
Depreciation and Amortization	24.8	17.9	-38%	73.9	56.1	-32%
Fair Value Variation Related to Biologic Assets	(10.3)	(6.2)	66%	(32.0)	(26.2)	22%
EBITDA	63.9	97.1	-34%	154.5	173.0	-11%
EBITDA Margin	27.1%	48.8%	-21.7 p.p.	23.2%	29.9%	-6.7 p.p.
Current EBITDA	49.5	39.5	25%	140.1	115.5	21%
Current EBITDA Margin	21.0%	19.9%	1.1 p.p.	21.0%	19.9%	1.1 p.p.

In 3Q11, Eucatex posted Recurring EBITDA of R\$49.5 million, **up 25%** from 3Q10. The improved Operating Result in the same comparison basis is largely due to the contribution made by the new T-HDF/MDF line.

In 9M11, Recurring EBITDA was R\$140.1 million, versus R\$115.5 million in 9M10. EBITDA margin was 21% in 9M11, 1.1 p.p. higher than the 19.9% in 9M10.

Net Income

Net income in 3Q11 was R\$10.6 million and was affected by the depreciation of the Real, which led to a negative financial result of R\$20 million. Note that this is not a cash result as the loans settled during the period were already covered at a rate of around R\$1.60 / US\$. Eucatex has a practice of covering its foreign currency operations over a 4 to 5 month horizon. The Company also wrote off tax provisions of R\$14.4 million. In 3Q10, the Company also posted non-recurring revenue of R\$57.5 million from the sale of the Santa Luzia farm. Year-to-date net income stood at R\$50.9 million.

Debt

Eucatex's net debt at the end of 3Q11 represented 0.9 times its annualized EBITDA.

Debt (R\$ Million)	9M11	9M10	Var. (%)
Short Term Debt	141.1	89.8	57.1%
Long Term Debt	91.0	77.3	17.7%
Gross Debt	232.1	167.1	38.9%
Cash and Cash Equivalents	41.2	3.5	1086.8%
Net Debt	190.9	163.6	16.7%
<i>% Short Term Debt</i>	<i>61%</i>	<i>54%</i>	<i>7 p.p.</i>
Net Cash (Debt)/EBITDA	0.9	0.7	30.7%

CAPEX

Notable among the Company's current and planned investments in 2011 are:

- New laminated flooring line in Botucatu, SP;
- Installation of a low pressure (LP) finishing line that will expand annual finishing capacity for this product to 7.2 million m²;

- Start of construction on stocking areas and new warehouses that will be used for the new finishing lines;
- New door and board line at the Salto, SP unit;
- New paint line with annual capacity of 36 million m²;
- Expansion of recycled material cleaning capacity;
- Investments in the planting of forests, with a goal of 4,500 hectares for 2011; and
- Ancillary equipment to increase capacity and lower costs at the T-HDF/MDF line.

Sustainability

Eucatex's forest sustainability, including the operations of its new T-HDF/MDF line, is assured by 46,400 hectares of forests, all of which in São Paulo state.

Eucatex is widely 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 woodchip recycling line on an industrial scale in South America. Its state-of-the-art equipment enables materials obtained within a 120-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. Total processing capacity is 240,000 metric tons/year, equivalent to approximately 2 million trees, 470,000 cubic meters of standing timber or 1,500 hectares of forest. Investments in land and planting in order to maintain this volume of wood, considering a 7-year cycle, would amount to around R\$200 million. This wood recycling process, in addition to aiding with costs, prevents all the materials from being deposited in local landfills.

Capital Markets

Eucatex PN stock (EUCA4) listed on the São Paulo Stock Exchange (BM&FBOVESPA) ended 3Q11 quoted at R\$6.73. Based on the 3Q11 closing price, Eucatex's market capitalization stood at R\$623.3 million, equivalent to 2.4 times annualized EBITDA and approximately 63% of book value.

On July 1, 2010, Eucatex adhered to the corporate governance standards of the BM&FBovespa's Level 1 listing segment.

In April 2011, the Company announced a stock buyback program authorized to acquire 10% of all outstanding preferred shares.

Human Resources

Personnel expenses in 3Q11 totaled R\$36.1 million, of which R\$16.5 million were wages, R\$12.6 million were payroll charges and around R\$7.0 million were spent on medical and dental plans, transport, meals, training, and occupational health and safety actions for the Company's 2,445 employees and their dependents.

Relationship with Independent Auditors

As approved by the Company's Board of Directors meeting held on April 26, 2011, Grant Thornton Auditores Independentes is responsible for providing audit services to Eucatex.

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 the principles of professional independence, which state that an auditor should not examine its own work, perform managerial functions or practice law on behalf of clients.

In 3Q11, the Eucatex Group did not contract any services from Grant Thornton Auditores Independentes other than the auditing services.

Eucatex Group - 60 years combining solidity, technology and innovation

Eucatex celebrates its 60th anniversary in 2011. The Company's long history has been built upon the solid pillars that have made it one of the largest companies in Brazil.

The Eucatex Group is a complex of four plants that offer a wide range of products for the furniture (T-HDF board, fiberboard, MDP, MDF and Tamburato) and construction industries (laminated flooring, doors, wall partitions, paint and varnish).

The Board and Paint and Varnish units are located in Salto, São Paulo and the Fiberboard and Flooring units are located in Botucatu, São Paulo. The company also has a Forestry Unit with a tree seedling nursery in Bofete, São Paulo.



Since it was founded, the Eucatex Group has been recognized for its quality, cutting-edge technology and concern with the environment. Its plants use 100% reforested eucalyptus wood and its forests cover more than 46,000 hectares, of which one-third is allocated to natural reserve areas.

As a result, today Eucatex is a solidly recognized brand, supported by its seriousness, its growing investments in sustainability and technology and its offering of high-quality products.

Eucatex, a brand that has been part of the lives of thousands of Brazilians for 60 years.

About Eucatex

Eucatex S.A. Ind. e Com. (BM&FBovespa: EUCA3 and EUCA4), which completes 60 years of operations this year, is one of Brazil's largest manufacturers of flooring, partitions, doors, MDP/MDF/T-HDF boards, fiberboard and paints and varnishes. With 2,445 employees, Eucatex exports to more than 37 countries and has four modern plants located in the cities of Botucatu and Salto in the inland region of São Paulo state. For more information, visit www.eucatex.com.br/ri.

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.

Statement of Income

(R\$ '000)	3Q11	3Q10	Var. (%)	9M11	9M10	Var. (%)
Gross Revenue	290.4	248.2	17.0%	822.2	720.8	14.1%
Sales taxes and Deductions	(54.5)	(49.3)	10.6%	(155.5)	(141.1)	10.2%
Net Revenues	235.83	198.89	18.6%	666.64	579.68	15.0%
Cost of Goods Sold	(163.5)	(131.2)	24.6%	(463.4)	(391.3)	18.4%
Gross Profit	72.4	67.7	6.9%	203.3	188.4	7.9%
Operating Expenses	30.7%	34.0%	-3.3 p.p.	30.5%	32.5%	-2 p.p.
Sales	(33.8)	(29.9)	12.9%	(95.4)	(85.0)	12.3%
General and Administration	(11.0)	(9.2)	19.6%	(30.6)	(27.6)	10.8%
Management Remuneration	(1.6)	(1.5)	6.4%	(4.8)	(4.1)	16.6%
Other Operational Costs	9.1	0.8	1023.9%	25.7	14.0	84.3%
Operational (loss) Income	(37.3)	(39.8)	-6.4%	(105.1)	(102.7)	2.3%
Income before Financial Results	35.1	27.8	26.0%	98.2	85.6	14.7%
Net Financial Results	(33.0)	(3.4)	860.7%	(49.4)	(21.3)	-131.8%
Non-Recurring Results	14.4	57.5	-75.0%	14.4	57.5	-75.0%
Net Income after Financial Results	16.4	81.9	-79.9%	63.2	121.8	-48.2%
Provisions for taxes	(5.8)	(15.2)	-62.0%	(12.2)	(21.8)	43.9%
Net (Loss) Income	10.7	66.8	-84.0%	50.9	100.1	-49.1%
Net Margin	4.5%	33.6%	-29 p.p.	7.6%	17.3%	-9.6 p.p.

Balance Sheet (R\$ '000)	9M11	9M10	Chg. (%)
ASSETS			
Current Assets			
Cash and Equivalents	3.5	2.6	38.4%
Securities	37.6	0.9	4034.6%
Clients	181.3	163.5	10.9%
Inventories	94.9	79.7	19.1%
Taxes Recoverable	32.6	29.3	11.2%
Other Credits	2.4	50.7	-95.3%
Anticipated expenses	0.9	1.4	-33.9%
Total Current Assets	353.3	328.1	7.7%
Non-Current Assets			
Long- Term Assets			
Clients	8.6	0.4	2273.4%
Available-for-sale	0.9	2.3	-62.8%
Investment properties	28.3	-	0.0%
Taxes Recoverable	10.1	8.6	18.0%
Deferred income tax and social contribution	4.8	4.5	8.5%
Judicial Deposits	7.9	7.7	2.1%
Other Credits	20.8	52.2	-60.2%
Total Long- Term Assets	81.3	75.7	7.5%
Permanent Assets			
Investments	-	0.9	-100.0%
Fixed Assets	1,037.5	991.4	4.6%
Biologic assets	246.2	214.6	14.7%
Intangible	0.6	0.8	-24.7%
Total Permanent Assets	1,284.3	1,207.8	-105.4%
Total Non-Current Assets	1,365.6	1,283.5	6.4%
Total Assets	1,718.9	1,611.5	6.7%

LIABILITIES

Loans and Financing	141.1	89.8	57.1%
Suppliers	112.0	111.4	0.6%
Salaries	24.8	21.8	13.7%
Tax, Accrued Expenses and Payroll	18.5	22.1	-16.4%
Tax Installments	27.9	9.6	190.5%
Advances from Clients	6.5	4.1	58.6%
Dividends payable	11.3	-	0.0%
Accounts Payable	32.9	37.2	-11.6%
Total Current Liabilities	375.0	296.0	26.7%
Non- Current Liabilities			
Loans and Financings	91.0	77.3	17.7%
Tax Installments	100.7	121.7	-17.2%
Income tax and social contribution	76.0	76.3	-0.4%
Provision for judicial demands	90.3	98.2	-8.0%
Total Long-Term Liabilities	358.0	373.5	-4.1%
Shareholder's Equity			
Capital	488.2	488.2	0.0%
Treasury Stocks	(2.8)	(0.8)	238.7%
Revaluation Reserves	235.9	239.7	-1.6%
Adjustment of asset evaluation	103.8	106.6	-2.6%
Profit Reserve	84.3	-	0.0%
Other Results	(0.0)	-	0.0%
Retained Earnings	76.6	82.3	-7.0%
Total Shareholder's Equity	985.9	915.9	7.6%
Total Liabilities and Shareholder's Equity	1,718.9	1,585.4	8.4%

Cash Flow (R\$ 000)	9M11	9M10
Net Income before Income Tax and Social Contribution Tax	63.2	121.8
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	33.0	25.1
Exhaustion of biologic assets	38.5	31.0
Residual Value of Fixed Assets Sold	1.0	22.9
Fair value variation related to biologic assets	(32.0)	(26.2)
Interest, Monetary and Exchange Variations on Loans	38.0	13.7
Provision for Inventory Losses	-	(0.2)
Income and Social Contribution Taxes	(12.2)	(13.7)
Deferred income tax and social contribution	-	(8.1)
Provision for obligations and others	1.5	3.3
Provison for obligations with shareholders	-	(22.3)
Changes in operating assets and liabilities		
Securities	(35.3)	1.9
Clients	(36.9)	(30.5)
Inventories	(13.9)	(13.2)
Recoverable taxes	3.7	(4.1)
Deferred income tax and social contribution	2.4	0.6
Next period expenses	(0.3)	(0.9)
Judicial deposits	(0.3)	(0.4)
Other Credits	58.2	(77.4)
Suppliers	(0.6)	53.2
Labor and Tax Liabilities	7.4	15.5
Tax Installments	(3.4)	1.7
Advances from Clients	2.1	(1.4)
Other Liabilities	(45.7)	16.1
Net Cash Flow from Operating Activities	68.4	108.5
Cash Flow from Investing Activities		
Addition to fixed assets	(90.0)	(133.0)
Addition to biological assets	(29.0)	(22.0)
Net Cash Flow from Investing Activities	(119.0)	(155.0)
Cash Flow from Financing Activities		
Amortization of Loans	(103.5)	(56.7)
Inflow of Loans	154.1	101.5
Treasury Stocks	(2.0)	-
Net Cash Flow from Financing Activities	48.7	44.8
Increase (Reduction) in Net Cash and Cash Equivalents	(1.9)	(1.7)
Cash and Cash Equivalents		
Beginning of period	5.5	4.2
End of period	3.5	2.6
Supplemental Information:		
Income Tax and Social Contribution Paid	(7.9)	(8.0)