



eucatec

March 14, 2008

4Q07 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.

- » **2007 Highlights**
- » **Projects**
- » **Sustainability**
- » **Revenues Breakdown**
- » **MDP Panels**
- » **Hardboard Market**
- » **Laminate Flooring Market**
- » **Paints**
- » **Sales Breakdown**
- » **Financial Performance**
- » **CAPEX**
- » **Financial Restructuring**
- » **Capital Market**
- » **Why Eucatex?**

» Substantially improved financial results

- **Gross Revenue** reached R\$ 765 million in the 4Q07, **10.8%** up on the 4Q06;
- **EBITDA** of R\$ 113.8 million in 2007, **75%** up on 2006. In the **4Q07**, **EBITDA** reached R\$ 38 million, a **113%** growth compared to the 4Q06;
- **EBITDA** margin increased by 7 p.p. in 2007, to 18.2%. In the 4Q07, **EBITDA Margin** was **23.1%**, a 11.4 p.p. growth compared to the same period in 2006;
- **Net Income** grew by **146 %** in 2007, reaching R\$ 69 million;

» Sales growth in all lines of Eucatex's products

- Good sales performance in the paint segment, **52%** growth in 2007.

» Significant drop in the Company's indebtedness

- Approval of the Company's Judicial Recovery Plan with a **Drop** in net indebtedness, to approximately 0.7x EBITDA in 2007.

» Expansion in Production Capacity and New Projects

New T-HDF Line

EBITDA Margin: 45 %

New T – HDF Line	
Increase of Production Capacity	110 million m ² / year
Additional Revenues	R\$ 250 million
EBITDA	R\$ 90 million



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

- Forecasted capacity in the 1st Half of 2009: 180 million m² / year

➔ +157 %

New Finished Products Lines

BP* ➔ + 9 million m² /year

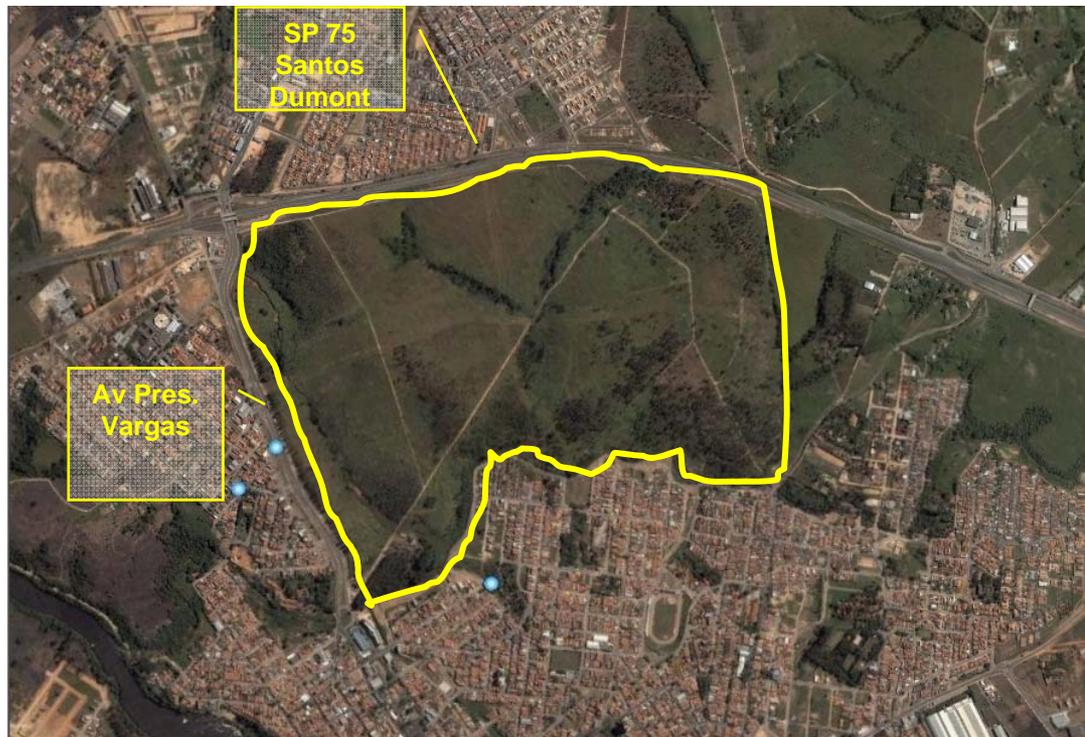
Lacca (FF) High-Gloss Finish Foil

Allotment in Salto

PSV of R\$ 200 million

- Partnership with CIPASA, Scopel and Prata Empreendimentos for the development of Residential and commercial allotments

Area	2 million m²
Development period	8 years



» Forests

- Annual consumption (with the new line) esteem in 1,4 million m³ / year, equivalent to 4,4 thousand hectares of forests.
- Current forests: 40 thousand hectares with, approximately, 30 thousand 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

5,400 hectares

Guarantee of sustainability and likely development of new projects

» Wood Recycling Project

First recycled wood line for industrial use in Brazil

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

Products:

- Thermal energy generation
- Reuse in the production process

Results

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



» Highlights

- Increase in MDP as a percentage of Revenue: **34%** in 2007 versus 31% in 2006.
- Eucatex's paint segment represented 15% of revenues in 2007, versus 12% in 2006.

Revenue Breakdown 2007



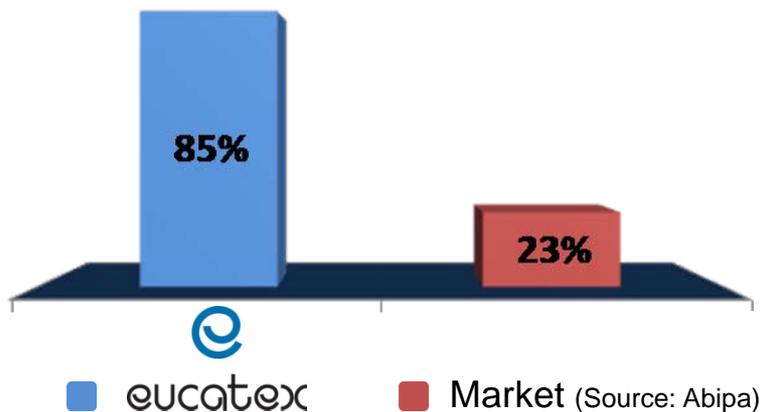
Revenue Breakdown 2006



» MDP

- Continuous quality growth, reaching 98% of first-line products
- **Gross Revenue** of MDP reached R\$258.5 million in 2007, a **19.1% growth** compared to 2006.
- New line of finished products BP with a 9 million m² / year production capacity and launching of new Finish Foil line, a high-gloss product **exclusively** manufactured by Eucatex.

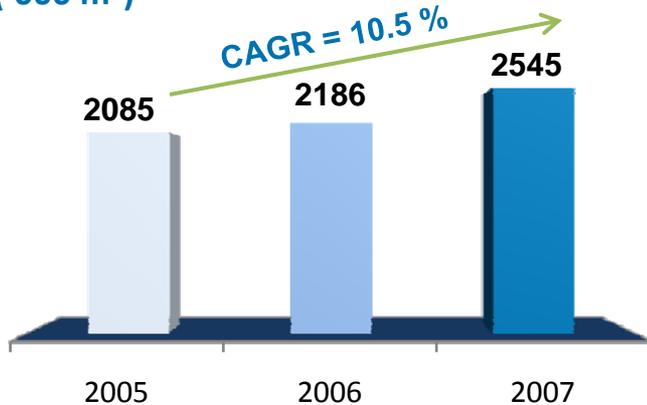
Share of finished products in Sales Volume *



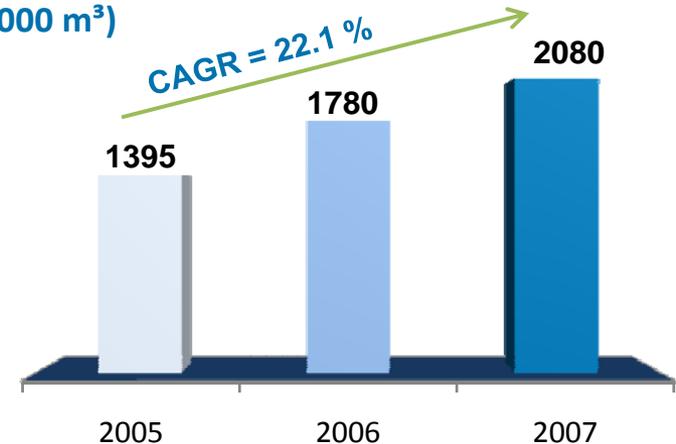
* Low-pressure finishing – BP; Finish Foil – FF; and Lacca



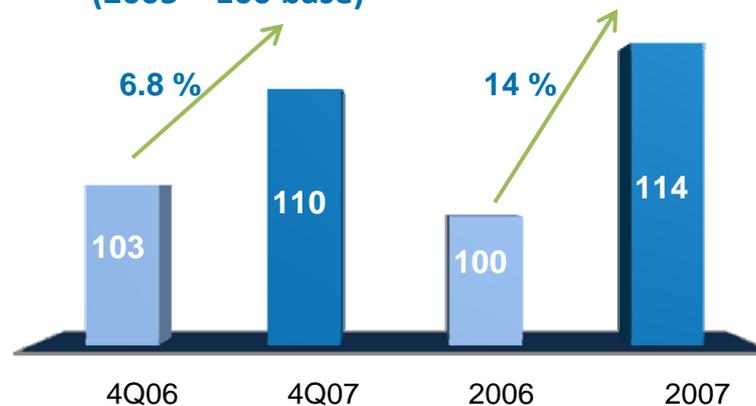
MDP Consumption 2007
(growth 2007 x 2005 = 22%)
(‘000 m³)



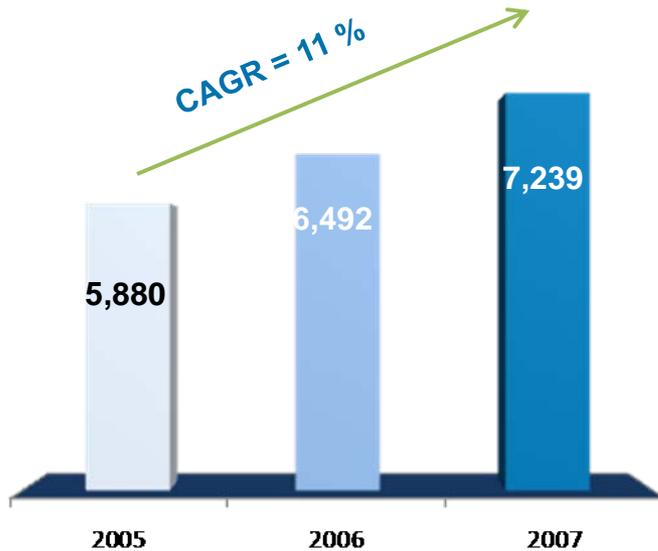
MDF Consumption 2007
(growth 2007 x 2005 = 49%)
(‘000 m³)



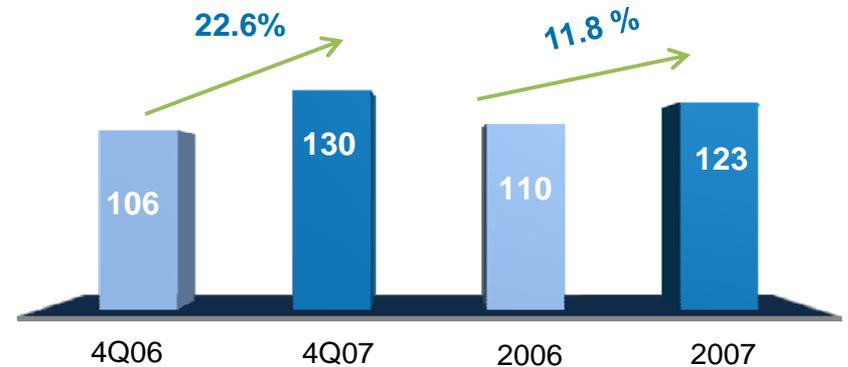
Eucatex Hardboard Sales Volume
(2005 – 100 base)



Laminate Flooring Consumption (m²)



Eucatex Laminate Flooring Sales Market (2005 – 100 base)



» Paints

- Complete product line serving all income segments
- National distribution with a presence in all Brazilian States
- Short term goal: to be one of the largest paint manufacturers in Brazil
- **Strategic Changes:**

Hiring of a proprietary sales team to focus the State of São Paulo

+

Brands' repositioning

+

Packing Changes

+

Development of new products

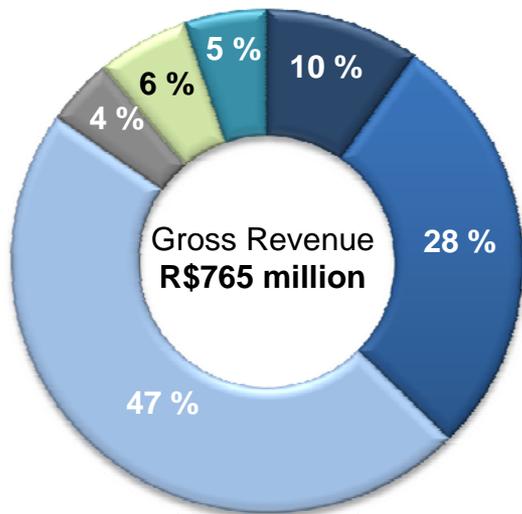


Results

Paints	2006	2007
Sales Volume growth	30 %	52 %
Market (*)	3 %	6 %

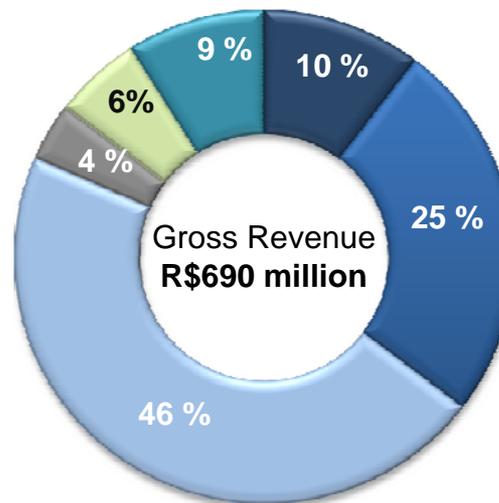
(*) Source: SITIVESP – Sao Paulo Paint and Varnish Industry Association

Segments Attended 2007



- Hardboard Sales
- Civil Construction
- Manufacturing
- Other Industries
- Others Domestic Market
- Foreign Market

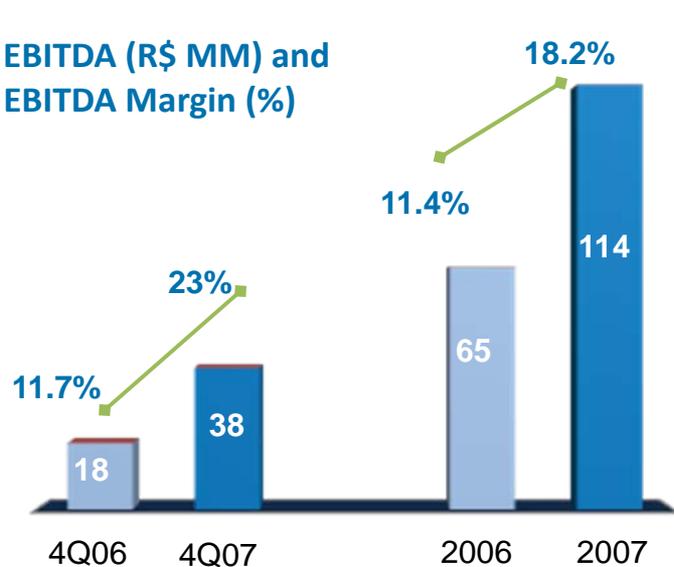
Segments Attended 2006



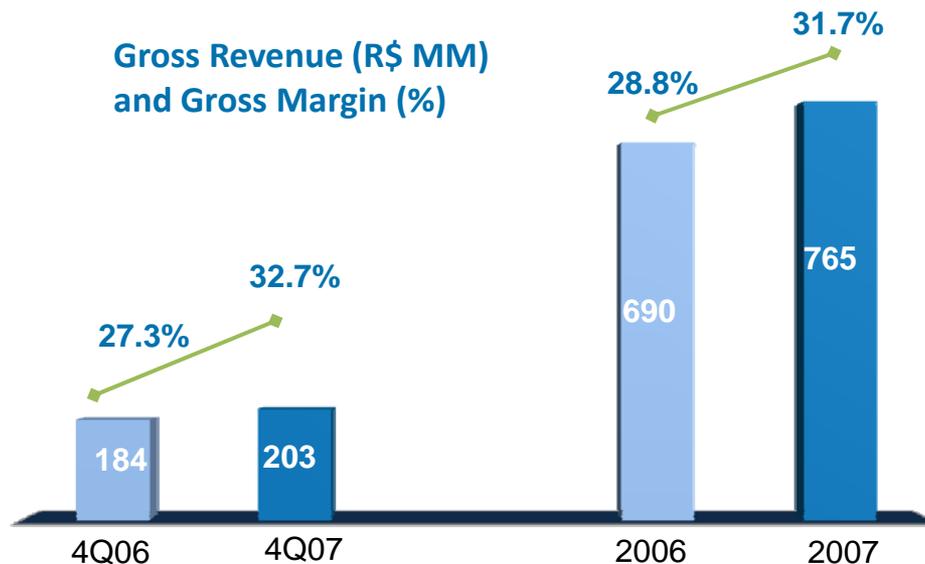
- Hardboard Sales
- Civil Construction
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- Other Industries
- Others Domestic Market
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2007 Highlights (R\$ MM)	4Q07	4Q06	Var. (%)	2007	2006	Var. (%)
Net Revenue	164.4	151.8	8.3%	623.5	570.1	9.4%
Cost of Goods Sold	-110.6	-110.3	0.2%	-425.9	-405.7	5.0%
Gross Profit	53.8	41.5	29.9%	197.6	164.3	20.2%
Gross Margin (%)	32.7%	27.3%	+5.4 b.p.	31.7%	28.8%	+2,9 p.p.
<i>Operating Expenses / Revenues and Non Recurring Expenses</i>	-27.6	-38.4	-28.1%	-126.9	-154.9	-18.1%
EBITDA	38.0	17.8	113.2%	113.8	64.9	75.3%
EBITDA Margin (%)	23.1%	11.7%	+11.4 p.p.	18.2%	11.4%	+6,8 p.p.
Net financial result	0.6	(13.3)	n.a.	(1.6)	(78.8)	-98.0%
Net Income	26.7	87.2	-69.4%	68.8	28.0	145.8%

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

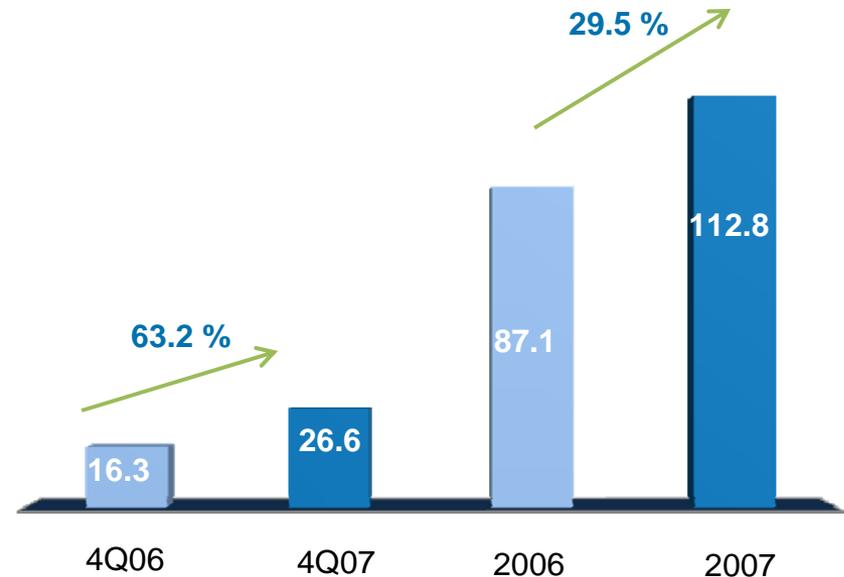


Gross Revenue (R\$ MM) and Gross Margin (%)



- » **2 new finishing lines** for Low-Pressure Finishing (BP) and Finish Foil (FF);
- » Automated output of Fiberboard Presses I and II at the Salto unit with staff downsizing;
- » Conclusion of the **recycled wood project** (Recycled Project);
- » Planting of **5,400 hectares of new forests**.
- » Expansion of the warehousing and storage area of the Paint Unit

Investments - Capex (R\$ MM)

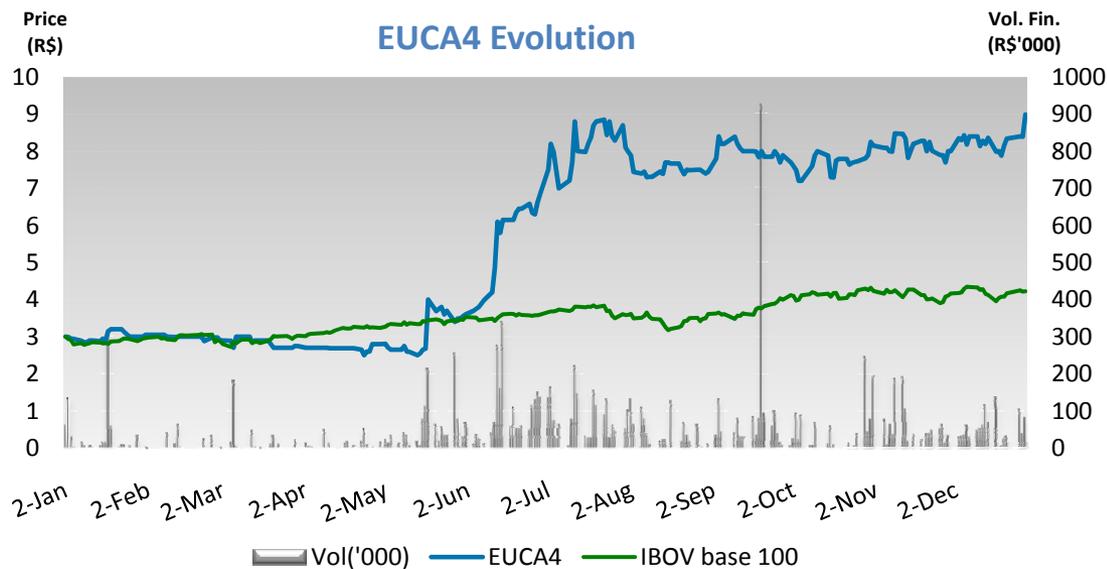


On September, 2007, Eucatex successfully **ratified the result of its judicial recovery plan that consisted of:**

- a) payment in kind of land and forests without impacting the sustainability of the forestry business;
- b) debentures convertible into capital;
- c) payment in cash, and
- d) lengthening of the remaining debt to up to 10 years.

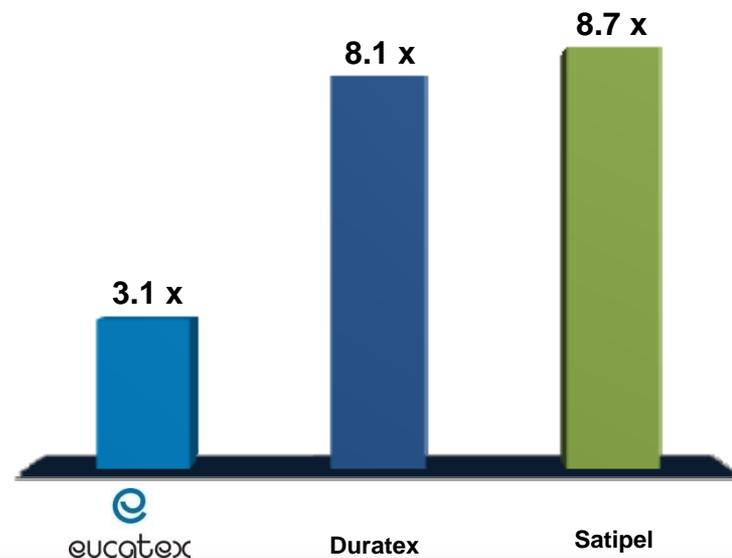
Debt (R\$ Million)	2007	2006	Var. (%)
Short Term Debt	20.1	32.7	-38.6 %
Long Term Debt	68.3	82.0	-16.7 %
Gross Debt	88.4	114.7	-23.0 %
Cash and Cash Equivalents	11.0	15.3	-28.4 %
Net Debt	77.4	99.4	-22.1 %
<i>% Short Term Debt</i>	<i>23 %</i>	<i>29 %</i>	<i>- 6 p.p.</i>
Net Cash (Debt)/EBITDA	0.7	1.5	-55.6 %

- Approval by 100 % of the creditors attending the General Meeting held on 10/16/07
- Net Debt / EBITDA = 0.7x

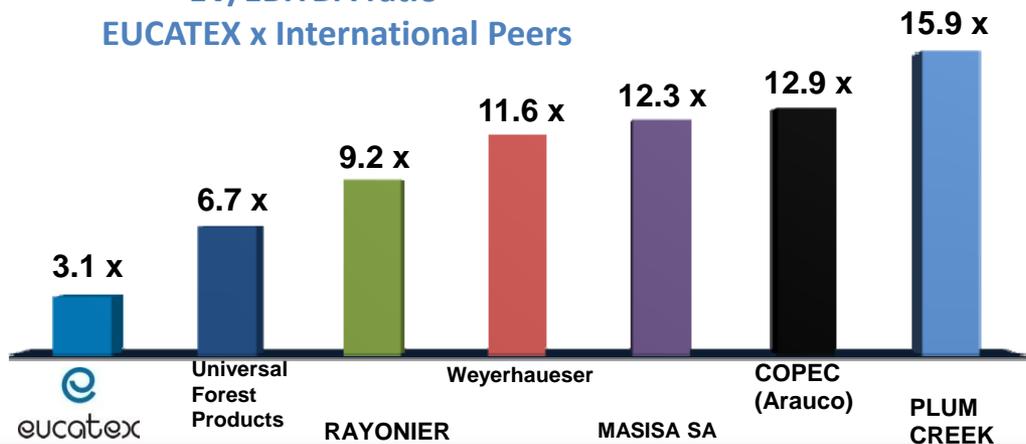


- » **Appreciation in 2007: 199.7%**
- » **Market Maker: Ágora Senior**
Since December 21, 2007

EV/EBITDA ratio* EUCATEX x Brazilian Peers



EV/EBITDA ratio ** EUCATEX x International Peers



- » Boom in real estate and construction markets in Brazil;
- » Furniture sales in 2007 moved up by 8.3 % in São Paulo (Source: Fecomercio);
- » Company completed its capital restructuring;
- » Upside potential;
- » Company prepared to focus on its operational growth, with investments in production increase and new product lines, and
- » Raw material sustainability guaranteed by the Company's large forest areas.

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