EUCATEX reports 4Q09 and 2009 results, with EBITDA in 4Q09 of R$ 39 million, up 77% on 3Q09, and EBITDA margin of 20.9%

São Paulo, March 8, 2010. 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 fourth quarter of 2009 (4Q09). 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 fourth quarter of 2008 (4Q08).

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, and according to the final and un-appealable decision rendered on November 30, 2009.
- 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 in the third quarter of 2010 and will certainly improve the company’s competitive positioning.

Nonrecurring Results

- Eucatex opted to participate in the federal tax renegotiation plan provided for by Federal Law 11,941/09 and Executive Order 470, which led to a reduction in its federal tax liabilities of approximately R$ 175 million, with the remaining 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; and
- Formalization of the hiring of a company to assemble the equipment, whose work should be concluded by the end of the third quarter of 2010.

Operational Highlights

- Gross revenue came to R$ 229.0 million in 4Q09, up 5.8% and 9.1% from 4Q08 and 3Q09, respectively, with strong recovery in virtually all sectors in which the company operates. In 2009, gross revenue was R$ 829.2 million, down 4.2% from the previous year.

- Gross revenue from the flooring and paint businesses grew 20.7% and 23.2% in 4Q09, respectively. Sectors related to the construction industry recorded significant growth, basically due to the various government incentives and programs.
- Gross Margin stood at 34.2% in 4Q09, expanding by 3.5 p.p. from 3Q09 and by 1.1 p.p. from 4Q08. EBITDA was R$ 38.5 million in 4Q09, for EBITDA margin of 20.9%.
- Official EBITDA in 2009 was R$ 290.5 million, impacted primarily by the participation in the tax renegotiation program. RECURRING EBITDA in 2009 was R$ 118.2 million, down 14.7% from the previous year.

Economic Scenario

Although Brazil was better prepared than other countries to weather the international crisis, given its solid financial system and more conservative leverage levels, the ensuing impacts had significant effects over the course of 2009.

Sectors related to capital and durable goods recorded sharp decreases in sales from the same period a year earlier.

Once the various fiscal stimuli and monetary packages were implemented, the international scenario began to ease, leading capital and credit flows to normalize to some degree.

In Brazil, the government responded to the situation by promoting aggressive credit policies at state-run banks and by creating a series of tax relief measures for various sectors, which included the automotive, home appliance, construction and furniture industries.

With the international scenario normalizing somewhat, the government measures taking effect and Brazil’s employment rate and income levels barely affected by the external crisis, the country’s economy began to show clear signs of recovery in the third quarter, with certain sectors returning to pre-crisis levels.

The company operates primarily in the construction and furniture industries, both of which enjoy a positive outlook. The construction sector was benefited by government incentives and subsidies, such as the “My Home, My Life” program to support the construction of one million new homes, by a financial system willing to grant mortgage loans and by the recent capitalization of homebuilders.

Meanwhile, the main growth drivers in the furniture sector were increases in credit, income, employment and consumer confidence, all of which bode well for future growth.

Operating Performance
2005 - 100 base

Sales Volume (Domestic Market)	*4Q09*	*4Q08*	Var. (%)	*12M09*	*12M08*	Var. (%)
Hardboard (MI)	122	106	15.2%	115	115	-0.4%
Hardboard (ME)	65	55	17.0%	61	42	46.2%
Laminate Flooring	173	146	18.3%	153	139	9.8%
Paint	278	222	24.8%	276	247	12.0%

MDP sales continued to present a favorable mix, with coated products accounting for 99% of sales in 4Q09. Eucatex recorded growth in sales volume of 1% in 2009 in relation to 2008, while the market contracted 5%.

Eucatex seeks to offer differentiated products and services to the market, especially in the furniture industry, as demonstrated by its new product launches in 2009, which were well accepted. Thanks to this strategy and its excellent commercial penetration in all distribution channels, the impacts of the crisis on the company were lower than originally expected in early 2009. Hardboard exports in 2009 increased by 46% over the previous year.

The laminate flooring segment expanded by 18.3% in 4Q09 in relation to the same period last year. In 2009, Eucatex's sales rose 9.8% over 2008, while the market expanded 6.5%. The laminate flooring segment should benefit from the growth in the construction sector, which led the company to implement a series of initiatives to promote the brand Eucafloor and launch new products. In the first quarter of 2010, the Company launched Eucafloor Evidence with 25-cm wide planks for the residential and commercial segments, which is an exclusive product targeting architects and interior designers.

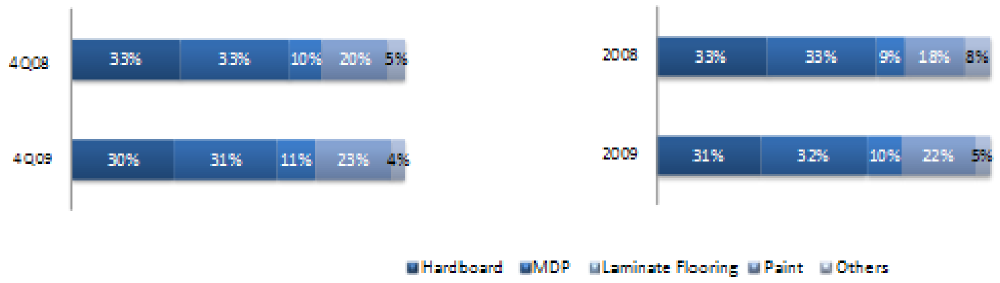
The Paint business continues to deliver better results, with growth of 24.8% in 4Q09 over 4Q08. In 2009, the Paint business grew by 12% in relation to the previous year, which represents a very strong result considering the fact that in the same period Brazil's paint market expanded by only 4.6%.

At the end of the first half of 2009, Eucatex disposed of its operations in the Mineral segment, which represented less than 3% of the group's Gross Revenue.

Financial Performance

Gross Revenue

Gross Revenue Breakdown (R$ MM)	4Q09	4Q08	Var. (%)	12M09	12M08	Var. (%)
Hardboard*	69.6	70.4	-1%	259.4	285.3	-9.1%
MDP	71.1	70.4	1%	262.9	282.9	-7.1%
Laminate Flooring	26.0	21.6	21%	86.9	76.3	13.9%
Wood Segment	166.7	162.3	3%	609.2	644.4	-5.5%
Paint Segment	52.6	42.7	23%	180.3	152.9	17.9%
Others	9.6	11.4	-16%	39.6	68.2	-41.9%
Gross Revenue	**229.0**	**216.4**	**6%**	**829.1**	**865.5**	**-4.2%**



Gross revenue increased by 5.8% in 4Q09 on the same period a year ago to R$ 229.0 million, while in 2009 gross revenue was 4.2% lower than in 2008.

The 9.1% decrease in hardboard gross revenue in 2009 compared with 2008 is partly due to the change in the sales mix, with an increase in exports at the expense of domestic sales, and to the lower prices, since sales volume remained unchanged.

The MDP segment also recorded a decrease in prices, with volumes increasing 1% over the previous year, while revenue fell 7.1%.

The higher demand for MDP and hardboard in the fourth quarter supported price increases in relation to 3Q09.

Revenue in the Paint segment increased by 17.9% in 2009 compared with 2008, 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 at the Mineral Unit in 4Q09.

Cost of Goods Sold (COGS)

In 2009, COGS were 7% lower than in the prior year, due to the declines in both sales volume and in the prices of some inputs, as well as 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 increased by 5.1% in 4Q09 from 4Q08, and contracted by 4.9% in 2009 from 2008. Gross profit totaled R$ 62.8 million in 4Q09, up 8.5% from 4Q08. In the year, gross profit fell by only 0.4% in relation to 2008.

Gross margin increased by 1.1 p.p. to 34.2% in 4Q09, from 33.1% in 4Q08. In 2009, gross margin increased by 1.5 p.p. to 33.8%, versus 32.3% in 2008. Gross margin expansion was mainly due to the reduction in fixed costs and the lower costs of certain main inputs, which exceeded the reduction in prices.

Operating Expenses

Operating Expenses Distribution	4Q09	4Q08	Var. (%)	12M09	12M08	Var. (%)
Sales	(28.1)	(23.5)	19.5%	(104.9)	(93.9)	11.8%
General and Administration	(12.1)	(11.4)	6.4%	(44.4)	(45.1)	-1.4%
Total Operating Expenses	**(40.2)**	**(34.9)**	**15.2%**	**(149.4)**	**(138.9)**	**7.5%**
% Net Income	***-21.8%***	***-19.9%***	***-1.9 p.p.***	***-22.4%***	***-19.8%***	***-2.6 p.p.***
Others Operating Revenues and Expenses	3.4	49.3	-93.2%	169.5	49.5	242.6%

Selling expenses increased by 19.5% in 4Q09 from 4Q08, basically due to the higher exports and paint sales, which incurred higher variable expenses since they posted higher sales instead of the sales contractions registered in other segments.

Administrative expenses increased by 6.4% in 4Q09 versus 4Q08, while contracting by 1.4% in 2009 from 2008, reflecting the cost-cutting measures.

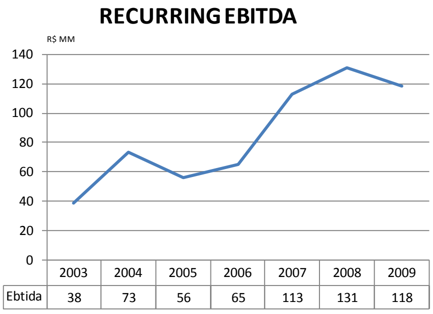
Other Operating Revenue and Expenses were impacted by non-recurring revenue of R$ 50.0 million related to tax credits and the sale of a farm in 2008, which did not occur in 2009. However, R$ 172.3 million was recognized in 2009, which mainly reflects the reduction in tax liabilities due to the installment plan to pay down liabilities.

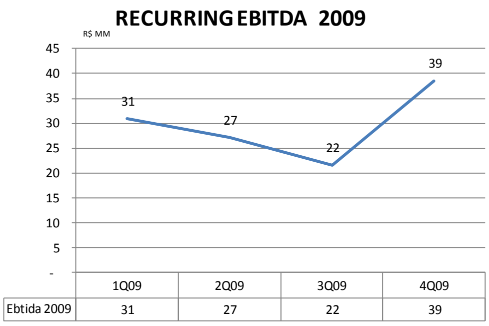
EBITDA and EBITDA Margin

EBITDA Reconciliation (R$ MM)	4Q09	4Q08	Var. (%)	12M09	12M08	Var. (%)
Net income (Loss)	13.8	35.2	-60.9%	215.8	66.8	223.0%
Deferred Income and Social Distribution	0.8	9.7	-92.0%	2.7	13.6	-80.0%
Net Financial Income	11.5	27.5	-58.2%	27.1	64.0	-58%
Depreciation and Amortization	12.5	10.6	17.7%	44.9	44.2	1.5%
EBITDA	**38.52**	**82.93**	**-53.5%**	**290.50**	**188.58**	**54.1%**
EBITDA Margin	**20.9%**	**47.4%**	**-26.4 p.p.**	**43.6%**	**26.9%**	**17.7 p.p.**

RECURRING EBITDA was R$ 118.0 million in 2009, 14.7% lower than in 2008.

RECURRING EBITDA margin was 20.9% in 4Q09, increasing by 2.1 p.p. on 4Q08, and 17.7% in 2009, down 2.2 p.p. from 2008, due to the lower prices.





The Company has registered strong improvement in its EBITDA over the past few years. The market's reaction as of 4Q09 contributed significantly to the improvement in the Company's operating results, leading to an increase of 77% in EBITDA from 3Q09, driven by the recovery in prices and the increase in domestic sales volume at the expense of export sales.

Net Income

Net income totaled R$215.8 million in 2009, reflecting the substantial result from the plan to renegotiate federal tax liabilities and repay them in installments, which after other nonrecurring adjustments and write-offs generated a gain of R$175 million. Following the participation in the tax renegotiation program, the Group's financial expenses should enjoy a positive and continuous impact, since the amount was reduced to one-third the original amount.

Debt

At the end of 4Q09, the Company's debt was equivalent to 1.0x RECURRING EBITDA in 2009 and long-term debt was repayable within the next nine years.

Debt (R$ Million)	12M09	12M08	Var. (%)
Short Term Debt	42.7	35.7	19.8%
Long Term Debt	82.9	57.8	43.4%
Gross Debt	**125.7**	**93.5**	**34.4%**
Cash and Cash Equivalents	7.0	11.0	-36.0%
Net Debt	**118.6**	**82.5**	**43.8%**
% Short Term Debt	*34%*	*38%*	*-4,1 p.p.*
Net Casth (Debt)/EBITDA	1.0	0.6	68.5%

Capex

The Company's investments in 2009 include:

- the new T-HDF/MDF line, with operational startup expected in late 3Q10. When it reaches full capacity, the line could boost the company's operations by R$ 250 million in gross revenue and R$ 80 million in cash flow, based on current prices and costs;
- the acquisition of a 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 2,000 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.

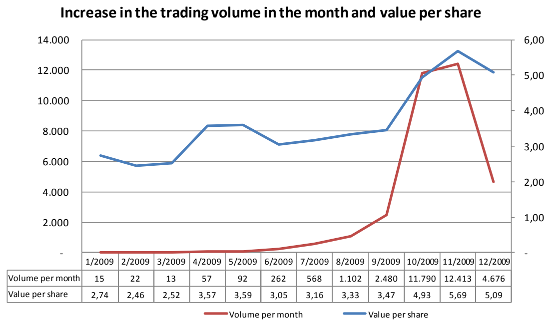
Eucatex is recognized for its sustainable development initiatives, being the first company in the industry to obtain ISO 9001 certification. The Company also holds ISO 14001 certification and the Green Seal awarded by the Forest Stewardship Council (FSC), which certifies that its forests are managed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

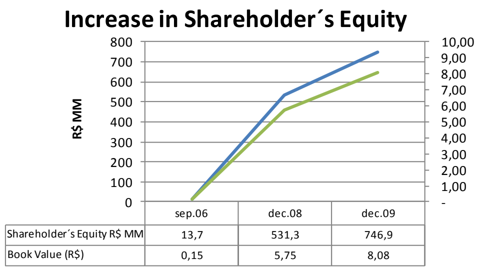
Eucatex also pioneered the implementation of the first wood recycling line on an industrial scale in South America. Its state-of-the-art equipment enables materials obtained within a 150-kilometer radius from the Salto unit in São Paulo to be used as the raw material for the production of boards and 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. Recycled volume in 2009 was 109,000 metric tons.

Capital Markets

The price of Eucatex's preferred stock (EUCA4) listed on the São Paulo Stock Exchange (BOVESPA) closed 4Q09 at R$ 5.03. Based on the 4Q09 closing price, Eucatex's market capitalization was R$ 464 million, equivalent to 3.0 times annualized 4Q09 EBITDA.

Book value per share at the close of 4Q09 was R$ 8.08.





The chart above shows the increase in the number of trades in EUCA4 and the gain in the stock price.

The Company's shareholder base increased from 248 in 2005 to 2,065 in 2009. It also made efforts to boost stock liquidity and ensure the market perceives the potential for price appreciation.

In 2010, Eucatex hired Bradesco Corretora to act as market maker, and it plans to announce new initiatives soon to assure best practices in corporate governance.

Human Resources

Personnel expenses in 2009 totaled R$ 106.4 million, of which R$ 51.0 million were wages, R$ 34.5 million were payroll charges and around R$ 20.9 million were spent on medical and dental plans, transport, meals, training, safety and occupational health for the Company's 2,061 employees and their dependents.

Relationship with Independent Auditors

As approved by the Company's Board of Directors, Terco Grant Thornton Auditores Independentes has been providing auditing services to Eucatex since May 12, 2008.

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 2009, 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 59 years of operations in 2010, is one of Brazil's largest manufacturers of flooring, partitions, profiles, doors, roofing, MDP, hardboard and paints and varnishes. With 2,061 employees, Eucatex exports to more than 37 countries and has three modern plants located in the cities of Botucatu and Salto in the interior of São Paulo state. 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$ '000)	4Q09	4Q08	Var. (%)	12M09	12M08	Var. (%)
Gross Revenue	**229.0**	**216.4**	**5.8%**	**829.1**	**865.5**	**-4.2%**
Sales taxes and Deductions	(45.1)	(41.4)	8.9%	(162.5)	(164.6)	-1.3%
Net Revenues	**183.94**	**175.04**	**5.1%**	**666.68**	**700.94**	**-4.9%**
Cost of Goods Sold	(121.1)	(117.1)	3.4%	(441.1)	(474.6)	-7.0%
Gross Profit	**62.8**	**57.9**	**8.5%**	**225.5**	**226.4**	**-0.4%**
Operating Expenses	34.2%	33.1%	0.0%	33.8%	32.3%	0.0%
Sales	(28.1)	(23.5)	19.5%	(104.9)	(93.9)	11.8%
General and Administration	(12.1)	(11.4)	6.4%	(44.4)	(45.1)	-1.4%
Other Operational Costs	3.4	49.3	-93.2%	169.5	49.5	242.6%
Operational (loss) Income	**(36.8)**	**14.4**	**355.5%**	**20.1**	**(89.5)**	**-122.4%**
Operational Result	**26.0**	**72.3**	**-64.0%**	**245.6**	**136.9**	**79.4%**
Financial (Expense) Income	(11.5)	(27.5)	58.2%	(27.1)	(64.0)	57.6%
Financial (Expense) Income	-	-	0.0%	-	-	0.0%
Operational Result	**14.5**	**44.9**	**-67.6%**	**218.5**	**72.9**	**199.6%**
Taxes	(0.8)	(9.7)	92.0%	(2.7)	(13.6)	80.0%
Net (Loss) Income	13.8	35.2	-60.9%	215.8	59.3	263.7%
Net Margin	**7.5%**	**20.1%**	***-12.6 p.p.***	**32.4%**	**8.5%**	***23.9 p.p.***

Balance Sheet (R$ '000)	12M09	12M08	Var. (%)
ASSETS			
Current Assets			
Cash and Cash Equivalents	7.0	11.0	-36.0%
Clients	133.9	123.7	8.3%
Inventories	72.6	81.8	-11.2%
Taxes Recoverable	15.6	15.5	0.4%
Other Credits	4.8	16.5	-70.8%
Deferred Expenses	0.6	0.5	10.7%
Total Current Assets	**234.4**	**248.9**	**-5.8%**
Non- Current Assets			
Clients	2.0	1.0	94.6%
Available-for-sale	5.2	9.5	-45.3%
Taxes Recoverable	11.0	7.4	48.7%
Judicial Deposits	7.3	5.4	35.9%
Other Credits	17.8	15.5	14.7%
	43.3	**38.9**	**11.5%**
Investments			
Investments in Subsidiaries			
Other Investments	0.9	0.9	0.0%
Fixed Assets	958.5	856.8	11.9%
Intangible	1.0	1.2	-13.1%
	960.4	**858.9**	**11.8%**
Permanent Assets	**1,003.8**	**897.8**	**11.8%**
Total Assets	**1,238.2**	**1,146.7**	**8.0%**
LIABILITIES			
Current Liabilities			
Loans and Financing	42.7	35.7	19.8%
Accounts Payable to Suppliers	58.2	54.6	6.5%
Salaries	17.3	14.7	17.3%
Tax, Accrued Expenses and Payroll	8.1	15.9	-49.2%
Tax Installments	9.5	11.0	-13.5%
Deferred Taxes	1.2	0.8	54.9%
Advances from Clients	5.4	3.5	56.5%
Accounts Payable	12.1	10.1	20.0%
Current Liabilities	**154.5**	**146.2**	**5.6%**
Non- Current Liabilities			
Non- Current Liabilities			
Loans and Financings	82.9	57.8	43.4%
Tax Installments	120.1	81.3	47.7%
Deferred Taxes	19.6	21.2	-7.2%
Accounts Payable	22.3	28.1	-20.6%
Provisions for Contingencies	91.9	280.8	-67.3%
Non- Current Liabilities	**336.8**	**469.2**	**-28.2%**
Non Controling Stockholders	**-**	**-**	**0.0%**
Shareholder's Equity			
Capital	488.2	488.2	0.0%
Capital	(0.8)	(0.8)	0.0%
Capital Reserve	262.1	270.4	-3.1%
Accumulated Losses	(2.5)	(226.5)	-98.9%
	746.9	**531.3**	**40.6%**
Total Liabilities	**1,238.2**	**1,146.7**	**8.0%**

Cash Flow (R$ 000)	12M09	12M08
Net Income before Income Tax and Social Contribution Tax	**218.5**	**72.9**
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	44.9	44.2
Residual Value of Fixed Assets Sold	13.2	41.5
Provisions for / reversals of PDA	0.4	-
Adjustments to previous years	(0.1)	2.3
Non Controling Stockholders	-	(0.3)
Interest, Monetary and Exchange Variations on Loans	(16.8)	44.1
Foreign Exchange Variation – Clients	6.1	-
Foreign Exchange Variation – Imports	5.5	-
Monetary Restatement of Taxes	28.9	30.5
Provision for Inventory Losses	1.7	2.8
Provision for Profit Share Program	5.0	-
Income and Social Contribution Taxes	(2.7)	(13.6)
Provisions/(reversal) for Tax Contingencies	(154.8)	(76.5)
Provision/(Reversal) of Labor Contingencies	2.3	0.9
Provisions/(Reversals) of Shareholder Contingencies	(5.8)	28.1
Adjustment to present value – tax recoverable	1.5	(0.4)
Adjustment to present value - Customers	(0.2)	(0.3)
Deustch Financing write-off	-	(34.5)
Other Provisions/ (Reversals) with no impact on Cash	0.0	(7.3)
Decrease (Increase) in Current and Non-Current Assets		
Accounts Receivable from Clients	(17.6)	(10.0)
Inventories	7.5	(15.5)
Taxes Recoverable	1.9	5.0
Following year's expenses	(0.1)	1.4
Judicial Deposits	(1.9)	5.1
Other Credits	13.7	(23.8)
(Decrease) Increase in Liabilities and Non-Current Assets		
Suppliers	(2.0)	18.2
Labor and Tax Liabilities	(7.5)	9.1
Tax Installments	37.3	(4.6)
Advances from Clients	2.0	3.5
Provision for Contingencies	(64.2)	53.3
Other Liabilities	(3.0)	(3.8)
Net Cash Flow from Operating Activities	**113.7**	**172.6**
Interest paid	(1.6)	(1.7)
Income Tax and Social Contribution Tax Paid	(7.1)	(7.9)
Net Cash Flow from (Used in) Operations	**105.0**	**163.0**
Cash Flow from Investing Activities		
Increase in Fixed Assets	(159.5)	(160.2)
Net Cash Flow from Investing Activities	**(159.5)**	**(160.2)**
Cash Flow from Financing Activities		
Amortization of Loans	(51.7)	(49.9)
Inflow of Loans	102.2	47.2
Subsidiaries	0.0	-
Net Cash Flow from Financing Activities	**50.5**	**(2.7)**
Increase (Reduction) in Net Cash and Cash Equivalents	**(4.0)**	**0.0**
Cash and Cash Equivalents		
Beginning of period	11.0	11.0
End of period	7.0	11.0
	(4.0)	**0.0**