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## Conference Call

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### Portuguese

12:00 p.m. (Brasília)

11:00 a.m. (US ET)

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### English

1:00 p.m. (Brasília)

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## EUCATEX announces 2Q12 results

*Net Revenue growth of 1.6%. EBITDA of R\$43  
million, for EBITDA Margin of 18.8%*

**São Paulo, August 8, 2012.** 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 second quarter of 2012 (2Q12). 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 second quarter of 2011 (2Q11). 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 Pronouncements 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** reached **R\$230.5 million** in 2Q12, up **1.6%** from 2Q11;
- » **Approval** by the Extraordinary Shareholders' Meeting for the **issue of debentures** amounting to **R\$75 million** for a five-year term.

Highlights (R\$ MM)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Net Revenue	230.5	227.0	1.6%	449.4	430.8	4.3%
Gross Profit	76.4	79.4	-3.8%	149.1	152.5	-2.2%
Gross Margin (%)	33.1%	35.0%	-1.8 p.p.	33.2%	35.4%	-2.2 p.p.
EBITDA	55.3	48.4	14.3%	97.3	90.6	7.5%
EBITDA Margin (%)	24.0%	21.3%	2.7 p.p.	21.7%	21.0%	0.6 p.p.
Net Income	14.3	15.9	-10.5%	29.7	40.3	-26.2%
Net Debt	265.8	146.2	81.8%	265.8	146.2	81.8%
Net Debt / EBITDA (LTM)	1.6	0.8	96.4%	1.6	0.8	96.4%
<b>Recurring EBITDA</b>	<b>43.2</b>	<b>48.4</b>	<b>-10.6%</b>	<b>83.9</b>	<b>90.6</b>	<b>-7.4%</b>
<b>EBITDA Margin (%)</b>	<b>18.8%</b>	<b>21.3%</b>	<b>-2.6 p.p.</b>	<b>18.7%</b>	<b>21.0%</b>	<b>-2.4 p.p.</b>

## Management Comments

According to the figures released by the Brazilian Central Bank's 'Focus' newsletter, the nation's economic growth projections for the year 2012 have been reduced week after week, having already gone below 2%. The projections of a few key indicators for the sectors in which the Company operates, such as the Brazilian Association of Building Materials (ABRAMAT) and the Monthly Survey of Trade (PMC), disclosed by the Brazilian Institute of Geography and Statistics (IBGE), also present lower growth figures for 2012 than the projections made at the end of 2011.

Nevertheless, the growth in the company's business segments until June 2012 has been positive: Fiberboard up 9.8%, Paints by 3.3% and Floors by 9.5%. These markets continue to positively influence retail sales growth, which is pulled by the growth in income and credit.

Another aspect that allows us to envision stronger demand in the second half is the important cuts in the interest rates, which, in the medium term, should normalize household debt levels.

The weaker Real pressured costs in 2Q12. With the Dollar at close to R\$ 2.00, cost pressures are expected to diminish. Nonetheless, costs incurred, especially in 2Q12, need to be passed on to product prices in order to recover profitability.

In this regard, prices have been increased across practically all the product lines, with the exception of laminated flooring, where the Company has been accompanying competitors' behavior and no price hike is expected.

### **Market**

Domestic fiberboard sales grew 3.6% in 2Q12 and 7.6% in 1H12 over the same periods in 2Q11, while the market grew 7.3% and 9.8%, respectively.

As reported in 1Q12, sales were affected by maintenance stoppages, coincidentally carried out in all the lines, while in 2Q12, only the T-HDF/MDF line underwent stoppage of about seven days to install new equipment.

MDP sales in 2012 were lower than in 2011, due to: 1) the greater use of the assembly line for Laminate Flooring production, and; 2) the general maintenance stoppage in 1Q12.

T-HDF/MDF sales grew 32.6% in 2Q12 and 46% in 1H12 over the same periods the previous year.

Domestic Fiberboard sales remained stable in 2Q12 and dropped 9% in 1H12, compared to the same periods in 2011, while fiberboard exports grew 26.3% in 2Q12 and 66% in 1H12 over 2Q11 and 1H11, respectively.

Laminated Flooring sales grew 2.7% in 2Q2 and 5.2% in 1H12, compared to the Market growth of 9.5% in 1H12, the share of imported products fell during the period, though competition in the domestic front was fiercer with the recent alliance between Arauco and Unilin, an important laminated flooring manufacturer in Europe.

Paint sales grew 17.1% in 2Q12 and 4.3% in 1H12, as against the market's 3.3% growth, compared to the same period in 2011.

### Operating Performance

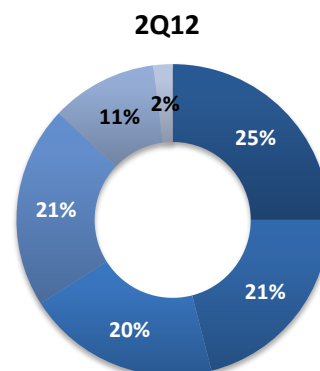
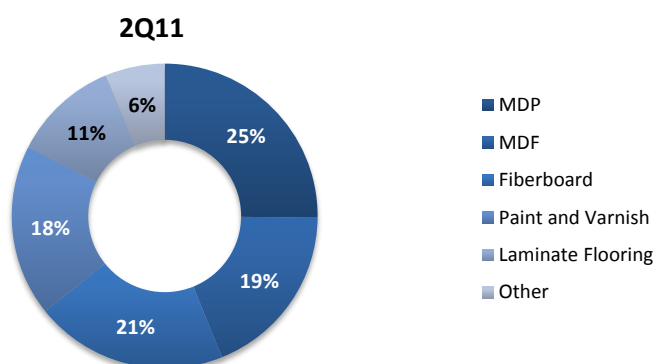
2005 - 100 base

Sales Volume (Domestic Market)	2Q12	2Q11	Var. (%)	1H11	1H12	Var. (%)
Hardboard (DM)	147	133	9.9%	147	135	8.8%
Hardboard (FM)	-	48	-100.0%	31	37	-15.7%
Laminate Flooring	238	232	2.7%	231	220	5.2%
Paint	353	301	17.1%	362	347	4.3%

DM - Domestic Market / FM - Foreign Market

### Operational Performance

Net Revenue Breakdown (R\$ MM)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Fiberboard	47.0	46.2	1.7%	88.6	96.9	-8.6%
MDP	57.6	57.1	0.9%	113.8	108.4	4.9%
T-HDF/MDF	48.1	42.4	13.3%	98.4	67.9	44.9%
Laminate Flooring	25.1	25.5	-1.6%	48.6	47.9	1.5%
<i>Wood Segment</i>	<b>177.8</b>	<b>171.3</b>	<b>3.8%</b>	<b>349.3</b>	<b>321.1</b>	<b>8.8%</b>
<i>Paint Segment</i>	<b>48.4</b>	<b>41.3</b>	<b>17.0%</b>	<b>94.2</b>	<b>87.2</b>	<b>8.0%</b>
Other	4.3	14.3	-69.7%	6.0	22.5	-73.5%
<b>Gross Revenue</b>	<b>230.5</b>	<b>227.0</b>	<b>1.6%</b>	<b>449.4</b>	<b>430.8</b>	<b>4.3%</b>



Net revenue increased by 1.6% in 2Q12 over 2Q11, reaching R\$230.5 million.

Revenue from the wood segment grew 3.8% in 2Q12 over 2Q11, chiefly driven by the 13.3% increase in sales of the new T-HDF/MDF Line.

Revenue from the Fiberboard segment did not accompany the volume growth due to the higher share of exports.

Net revenue from the MDP Line increased despite the decline in sales volume, reflecting the recovery in MDP prices. We are planning a fresh hike in MDP prices in August and September.

Net revenue growth in the Laminated Flooring line was lower than the increase in sales volume, basically due to the higher growth in the entry-level lines and also due to tougher competition.

In the Paint Line, revenue growth kept pace with volume growth and a price increase of around 6% was announced, whose effect should be felt in August and September.

Construction of the new Paint production unit in northeast Brazil is in progress and operational start-up is expected early next year. With this, we expect to significantly increase our market share and the profitability of the northeast region.

### **Cost of Goods Sold (COGS)**

COGS in the quarter grew 4.7% compared with 2Q11. The exchange rate fluctuation had a direct impact on the costs of imported raw materials. Also, the price of urea formaldehyde resin increased significantly in 2Q12 due to higher international prices. In 1H12, besides the higher costs of inputs, the maintenance stoppages in 1Q12 negatively impacted costs, since fixed costs were diluted over a smaller volume of production.

Most projections place the Brazilian Real at around R\$ 2.00 to the Dollar, which could signify lower pressure on, or even a decline in, the prices of a few raw materials, in relation to 2Q12. Resin prices declined by 9% in August, also influenced by other factors.



### Financial Performance

#### Gross Income and Gross Margin

Gross income decreased by 3.8%, from R\$79.4 million in 2Q11 to R\$76.4 million in 2Q12. Gross margin in 2Q12 stood at 33.1%, down 1.8 p.p. from the same period last year, reflecting the tougher market competition on the one hand and cost pressures on the other. Gross margin decline in 1H12 was, apart from the above-mentioned factors, due to the maintenance stoppages, which resulted in lower dilution of fixed costs and which adversely affected COGS.

#### Operating Expenses

Operating Expenses Distribution	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Sales	(36.0)	(30.9)	16.5%	(67.8)	(61.6)	10.1%
General and Administration	(11.8)	(11.9)	-0.5%	(23.7)	(22.8)	4.2%
<b>Total Operating Expenses</b>	<b>(47.8)</b>	<b>(42.8)</b>	<b>11.8%</b>	<b>(91.5)</b>	<b>(84.4)</b>	<b>8.5%</b>
<b>% Net Income</b>	<b>-20.7%</b>	<b>-18.8%</b>	<b>1.9 p.p.</b>	<b>-20.4%</b>	<b>-19.6%</b>	<b>0.8 p.p.</b>
Others Operating Revenues and Expenses	2.0	(3.6)	-155.7%	1.4	(5.0)	-127.4%

Selling expenses increased by 16.5% in 2Q12 and by 8.5% in 1H12, over the respective periods in 2011. The increase in selling expenses reflects a few one-off aspects relating to the concentration of expenses in marketing and sales promotions, as well as the growth in T-HDF/MDF sales, most of which are carried out on the CIF basis. Administrative expenses remained stable in 2Q12 and increased by 4.2% in 1H12, compared to the same periods in 2011.

### EBITDA and EBITDA Margin

EBITDA Reconciliation (R\$ MM)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Net income (Loss)	14.3	15.9	-10%	29.7	40.3	-26%
Deferred Income and Social Distribution Taxes	4.4	4.1	6%	8.6	6.4	34%
Net Financial Income	24.0	13.0	85%	34.1	16.4	108%
Depreciation and Amortization	24.0	25.8	7%	47.1	49.1	4%
Fair Value Variation Related to Biologic Assets	(11.3)	(10.4)	8%	(22.2)	(21.6)	3%
<b>EBITDA</b>	<b>55.3</b>	<b>48.4</b>	<b>14%</b>	<b>97.3</b>	<b>90.6</b>	<b>7%</b>
<b>EBITDA Margin</b>	<b>24.0%</b>	<b>21.3%</b>	<b>2.7 p.p.</b>	<b>21.7%</b>	<b>21.0%</b>	<b>0.6 p.p.</b>
<b>Recurring EBITDA</b>	<b>43.2</b>	<b>48.4</b>	<b>-11%</b>	<b>83.9</b>	<b>90.6</b>	<b>-7%</b>
<b>Recurring EBITDA Margin</b>	<b>18.8%</b>	<b>21.3%</b>	<b>-2.6 p.p.</b>	<b>18.7%</b>	<b>21.0%</b>	<b>-2.4 p.p.</b>

As a result of the above-mentioned factors, Eucatex posted Recurring EBITDA of R\$ 43.2 million in 2Q12, down 11% from 2Q11. Recurring EBITDA margin stood at 18.8% in 2Q12, down 2.6 p.p. from 21.3% in 2Q11.

### Net Income

Net income in 2H12 was R\$14.3 million, down 10% from 2H11. The main variations in relation to the previous year were in the financial result and the non-recurring results, mainly relating to tax-related gains and reversal of contingencies.

### Debt

Eucatex's net debt totaled R\$265.8 million at the end of 2Q12, representing 1.6 times its annualized EBITDA and a significant increase over the same period last year. Note that around R\$ 150 million were invested in the past 12 months in new finishing lines, expansion of the cleaning capacity of recycled material, and reforestation. Another factor behind the increased debt is the foreign exchange fluctuation in 2Q12.

Starting from the second half of 2012, the Company should reduce the pace of investments while reaping the fruits of the investments already made, thus reducing the current debt level.

Debt (R\$ Million)	1H12	1H11	Var. (%)
Short Term Debt	135.9	87.0	56.1%
Long Term Debt	151.5	62.8	141.2%
<b>Gross Debt</b>	<b>287.4</b>	<b>149.9</b>	<b>91.8%</b>
Cash and Cash Equivalents	21.6	3.7	488.6%
<b>Net Debt</b>	<b>265.8</b>	<b>146.2</b>	<b>81.8%</b>
% Short Term Debt	47%	58%	-10.8 p.p.
<b>Net Cash (Debt)/EBITDA</b>	<b>1.6</b>	<b>0.8</b>	<b>96.4%</b>

The issue of non-convertible debentures was carried out, which increased the Company's cash position by R\$ 75 million. The debentures have the amortization profile: waiting period of 2 years and payments over 3 years.

## Investments

Investments in 2Q12 include the following:

- Expansion of recycling capacity;
- New laminated flooring line in Botucatu, SP;
- Conclusion of the installation of the new Doors and Boards line in Salto, SP;
- Investments in the planting of forests, totaling 2,100 hectares in 1H12; and
- Ancillary equipment for the T-HDF/MDF line to increase capacity and reduce costs.



## Sustainability

Eucatex's forest sustainability, including the operations of its new T-HDF/MDF line, is assured by 45,800 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 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's preferred shares (EUCA4) listed on the São Paulo Stock Exchange (BM&FBOVESPA) closed 2Q12 quoted at R\$7.15. Based on the 2Q12 closing price, Eucatex's market capitalization stood at R\$662.2 million, equivalent to 3.9 times its recurring annualized EBITDA and approximately 66% of its book value.

Currently, Eucatex is listed in Level 1 of BM&FBovespa's Special Corporate Governance segment. On May 10, 2012, the Company announced its intention to migrate to the *Novo Mercado*, launching studies for both corporate restructuring and the adoption of relevant corporate governance practices.

### About Eucatex

Eucatex S.A. Ind. e Com. (BM&FBovespa: (BM&FBovespa: EUCA3 and EUCA4), which completed 60 years of operations in 2011, is one of Brazil's largest manufacturers of flooring, wall partitions, doors, MDP/MDF/T-HDF boards, fiberboard and paints and varnishes. With 2,354 employees, Eucatex exports to more than 37 countries and has four modern plants located in the cities of Botucatu and Salto in upcountry São Paulo. For more information, visit [www.eucatex.com.br/ri](http://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.*

*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 his own work, perform managerial functions or practice law on behalf of clients. In 2Q12 the Eucatex Group did not contract any services from Grant Thornton Auditores Independentes other than auditing services.*

### Income Statement

(R\$ '000)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
<b>Gross Revenue</b>	<b>284.7</b>	<b>277.8</b>	<b>2.5%</b>	<b>555.1</b>	<b>531.8</b>	<b>4.4%</b>
Sales taxes and Deductions	(54.2)	(50.8)	6.7%	(105.7)	(101.0)	4.6%
<b>Net Revenues</b>	<b>230.5</b>	<b>227.0</b>	<b>1.6%</b>	<b>449.4</b>	<b>430.8</b>	<b>4.3%</b>
Fair value variation related to biologic assets	11.3	10.4	-8.4%	22.2	21.6	-2.9%
Cost of Goods Sold	(165.5)	(158.0)	4.7%	(322.5)	(299.9)	7.5%
<b>Gross Profit</b>	<b>76.4</b>	<b>79.4</b>	<b>-3.8%</b>	<b>149.1</b>	<b>152.5</b>	<b>-2.2%</b>
<b>Operating Expenses</b>	<b>33.1%</b>	<b>35.0%</b>	<b>-1.8 p.p.</b>	<b>33.2%</b>	<b>35.4%</b>	<b>-2.2 p.p.</b>
Sales	(36.0)	(30.9)	16.5%	(67.8)	(61.6)	10.1%
General and Administration	(10.0)	(10.2)	-2.2%	(20.3)	(19.6)	3.4%
Management Remuneration	(1.9)	(1.7)	9.9%	(3.5)	(3.2)	9.3%
Other Operational Costs	2.0	(3.6)	155.7%	1.4	(5.0)	127.4%
<b>Operational (loss) Income</b>	<b>(45.8)</b>	<b>(46.3)</b>	<b>-1.1%</b>	<b>(90.2)</b>	<b>(89.4)</b>	<b>0.9%</b>
<b>Operational Result</b>	<b>30.5</b>	<b>33.0</b>	<b>-7.5%</b>	<b>59.0</b>	<b>63.1</b>	<b>-6.6%</b>
Financial (Expense) Income	(24.0)	(13.0)	85.0%	(34.1)	(16.4)	108.0%
Non-recurring Result	12.1	-	0.0%	13.5	-	0.0%
<b>Operational Result</b>	<b>18.6</b>	<b>20.1</b>	<b>-7.2%</b>	<b>38.3</b>	<b>46.7</b>	<b>-17.9%</b>
Taxes	(4.4)	(4.1)	5.6%	(8.6)	(6.4)	33.9%
<b>Net (Loss) Income</b>	<b>14.3</b>	<b>15.9</b>	<b>-10.5%</b>	<b>29.7</b>	<b>40.3</b>	<b>-26.2%</b>
<b>Net Margin</b>	<b>6.2%</b>	<b>7.0%</b>	<b>-0.8 p.p.</b>	<b>6.6%</b>	<b>9.3%</b>	<b>-2.7 p.p.</b>

### Balance Sheet

Balance Sheet (R\$ '000)	1H12	1H11	Var. (%)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Equivalents	9.5	1.3	634.9%
Securities	12.1	2.4	409.7%
Clients	179.1	164.3	9.0%
Inventories	103.8	83.1	24.8%
Taxes Recoverable	28.7	27.9	2.9%
Other Credits	2.2	3.3	-32.4%
Anticipated expenses	2.2	1.4	58.1%
<b>Total Current Assets</b>	<b>337.5</b>	<b>283.6</b>	<b>19.0%</b>
<b>Non-Current Assets</b>			
<b>Long- Term Assets</b>			
Clients	6.9	8.6	-19.3%
Available-for-sale	0.7	0.8	-19.3%
Investment properties	28.1	28.3	-0.7%
Taxes Recoverable	8.5	10.4	-18.1%
Deferred income tax and social contribution	4.6	4.8	-4.7%
Judicial Deposits	8.9	7.6	17.0%
Other Credits	17.2	20.8	-17.1%
<b>Total Long- Term Assets</b>	<b>74.9</b>	<b>81.3</b>	<b>-7.9%</b>
<b>Permanent Assets</b>			
Investments	-	-	0.0%
Fixed Assets	1,068.4	1,015.3	5.2%
Biologic assets	280.1	238.1	17.7%
Intangible	0.5	0.6	-26.1%
<b>Total Permanent Assets</b>	<b>1,349.0</b>	<b>1,254.1</b>	<b>-3.3%</b>
<b>Total Non-Current Assets</b>	<b>1,423.9</b>	<b>1,335.4</b>	<b>6.6%</b>
<b>Total Assets</b>	<b>1,761.4</b>	<b>1,619.0</b>	<b>8.8%</b>
<b>LIABILITIES</b>			
Loans and Financing	135.9	87.0	56.1%
Suppliers	85.6	95.2	-10.1%
Salaries	24.0	19.9	20.5%
Tax, Accrued Expenses and Payroll	14.7	13.2	11.4%
Tax Installments	30.6	18.9	62.2%
Advances from Clients	5.2	12.9	-60.0%
Dividends payable	33.5	11.8	184.9%
Accounts Payable	28.6	31.0	-7.8%
<b>Total Current Liabilities</b>	<b>358.1</b>	<b>289.9</b>	<b>23.5%</b>
<b>Non- Current Liabilities</b>			
Loans and Financings	76.5	62.8	21.8%
Tax Installments	2.9	-	0.0%
Income tax and social contribution	85.2	114.5	-25.6%
Provision for judicial demands	70.6	74.4	-5.2%
Accounts Payable	66.1	101.5	-34.9%
Treasury Debentures	75.0	-	0.0%
<b>Total Long-Term Liabilities</b>	<b>376.3</b>	<b>353.3</b>	<b>6.5%</b>
<b>Shareholder's Equity</b>			
Capital	488.2	488.2	0.0%
Treasury Stocks	(2.9)	(2.0)	44.1%
Revaluation Reserves	215.7	236.6	-8.8%
Adjustment of asset evaluation	101.7	104.5	-2.7%
Profit Reserve	194.5	108.5	79.3%
Other Results	0.0	(0.2)	-112.1%
Retained Earnings	29.7	40.3	-26.2%
<b>Total Shareholder's Equity</b>	<b>1,027.0</b>	<b>975.9</b>	<b>5.2%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,761.4</b>	<b>1,619.0</b>	<b>8.8%</b>

### Cash Flow

<b>Cash Flow (R\$ 000)</b>	<b>1H12</b>	<b>1H11</b>
<b>Net Income before Income Tax and Social Contribution Tax</b>	<b>38.3</b>	<b>46.7</b>
<b>Adjustments to Reconcile Net Income and Operating Cash Flow</b>		
Depreciation and Amortizations	22.3	22.3
Exhaustion of biologic assets	24.8	24.9
Residual Value of Fixed Assets Sold	0.2	0.4
Fair value variation related to biologic assets	(22.2)	(21.6)
Previous period adjustments	0.3	2.0
Provision for Inventory Losses	24.9	8.7
Income and Social Contribution Taxes	-	-
Deferred income tax and social contribution	(6.9)	(5.2)
Provision for obligations and others	(1.8)	(1.3)
Provision for obligations with shareholders	4.2	(0.4)
	-	-
<b>Changes in operating assets and liabilities</b>		
Securities	(3.3)	(0.0)
Clients	3.3	(20.7)
Related Parties	-	-
Inventories	0.0	(2.1)
Recoverable taxes	2.9	4.8
Deferred income tax and social contribution	-	2.4
Next period expenses	0.4	(0.7)
Judicial deposits	(1.0)	0.0
Other Credits	3.5	55.4
Suppliers	(13.5)	(17.5)
Labor and Tax Liabilities	(6.1)	(2.2)
Tax Installments	(9.0)	1.4
Advances from Clients	0.8	8.5
Other Liabilities	(25.9)	(18.9)
<b>Net Cash Flow from Operating Activities</b>	<b>36.4</b>	<b>87.0</b>
<b>Cash Flow from Investing Activities</b>		
Addition to fixed assets	(49.7)	(56.7)
Addition to biological assets	(24.4)	(18.1)
<b>Net Cash Flow from Investing Activities</b>	<b>(74.1)</b>	<b>(74.8)</b>
<b>Cash Flow from Financing Activities</b>		
Amortization of Loans	(128.0)	(69.9)
Inflow of Loans	92.1	63.0
Treasury Shares	(0.2)	(9.5)
Inflow of debentures	75.0	-
<b>Net Cash Flow from Financing Activities</b>	<b>39.0</b>	<b>(16.4)</b>
<b>Increase (Reduction) in Net Cash and Cash Equivalents</b>	<b>1.3</b>	<b>(4.2)</b>
<b>Cash and Cash Equivalents</b>		
Beginning of period	8.1	5.5
End of period	9.5	1.3
<b>Supplemental Information:</b>		
Income Tax and Social Contribution Paid	(4.2)	(4.1)