



EUCATEX reports 1Q13 results

Growth of 15.4% in Net Revenue, 29.1% in Recurring EBITDA, amounting to R\$ 52.4 million, and of 30.3% in Net Income, with Recurring EBITDA Margin of 20.8%

São Paulo, April 29, 2013. Eucatex (BM&FBovespa: EUCA3 and EUCA4; Bloomberg: EUCA3 BZ and EUCA4 BZ), one of the largest manufacturers of fiberboard in Brazil, with operations also in the segments of paint and varnish, laminated flooring, wall partitions and doors, announces its results for the first quarter of 2013 (1Q13). Except where stated otherwise, the financial and operating information herein is audited and presented on a consolidated basis in thousands of Brazilian real (R\$), in accordance with the Brazilian Law of Corporations, and all comparisons refer to the first quarter of 2012 (1Q12). The Company's consolidated financial statements were prepared and are being presented in accordance with the International Financial Reporting Standards (IFRS) and were prepared 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 of R\$ 252.7 million** in 1Q13, **15.4%** higher than in 1Q12.
- » **Recurring EBITDA of R\$ 52.4 million** in 1Q13, for **EBITDA margin of 20.8%**; and
- » **Net Income of R\$ 20.1 million**, up **30.3%** from **R\$ 15.4 million** in **1Q12**.

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Highlights (R\$ MM)	1Q13	1Q12	Var. (%)
Net Revenue	252.7	218.9	15.4%
Gross Income	82.6	72.8	13.6%
Gross Margin (%)	32.7%	33.2%	-0.5 p.p.
EBITDA Adjusted by Non-Cash Events	50.2	42.0	19.4%
EBITDA Margin (%)	19.9%	19.2%	0.7 p.p.
Net Income	20.1	15.4	30.3%
Net Debt	255.7	238.7	7.1%
Net Debt / EBITDA (LTM)	1.2	1.5	-17.0%
Adjusted Recurring EBITDA	52.4	40.6	29.1%
Adjusted Recurring EBITDA Margin (%)	20.8%	18.6%	2.2 p.p.

Management Comments

The opening months of 2013 have not shown any clear sign of more robust economic growth during the year as a whole. Added to this, the growth projections have already been revised downward to around 3%, according to the Focus bulletin disclosed by the Central Bank of Brazil.

Concerns about the generalized advance of inflation forced the Central Bank to raise the basic interest rate and this should result in lower growth.

However, sectors such as retail and construction show a positive outlook, especially due to the favorable situation regarding employment and income levels. In the real estate sector, the increase in the pace of launches and deliveries of finished units should positively impact the sector as a whole. Another factor that should help drive the growth of the construction industry is the conclusion of works related to major events, the soccer world cup and the Olympic Games.

Market

The 15% growth in the Company's revenues reflects the sales growth in practically all product lines. The wood segment posted a remarkable 16.8% increase in net revenue and 4.5% growth in volume in relation to 1Q12. Prices recovered in basically all the product lines.

According to the Brazilian Panel Industry Association (ABIPA), the panels market grew 6.3%, with the T-HDF/MDF panels segment growing by almost 16.7%. The pace of business activity in the sector enabled prices to be better aligned with the wages paid in the sector

Sales of MDP and fiberboards registered moderate growth, whereas T-HDF/MDF sales increased by 15.4%, with the line working close to nominal capacity announced by the Company. A few more improvements in this line are pending implementation, which should result in even higher production than in 1Q13.

Also in the wood segment, laminated flooring sales increased by 13.4%, which shows that sales in this segment started off at a brisk pace. The Company's market share in this market reached a record 42%.

Paint sales volume increased by 3.2% in relation to 1Q12, while the market registered a 3.9% decline in the period, according to the Brazilian Paint Manufacturers Association (ABRAFATI).

Various initiatives have been planned for the Paints segment, including the setting up of new distribution centers and new product launches in order to increase market share.

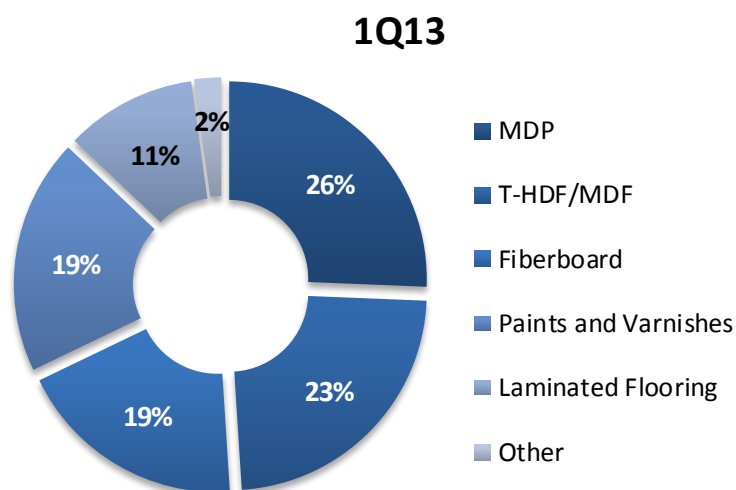
Operating Performance
2005 - 100 base

Sales Volume	1Q13	1Q12	Var. (%)
Panels (DM)	155	148	4.7%
Panels (EM)	60	63	-3.3%
Laminated Flooring	253	224	13.4%
Paint	384	372	3.2%

DM - Domestic Market / EM - Export Market

Operating Performance

Net Revenue Breakdown (R\$ million)	1Q13	1Q12	Var. (%)
Fiberboard	47.7	41.5	14.8%
MDP	64.8	56.1	15.5%
T-HDF/MDF	59.0	49.0	20.3%
Laminated Flooring	27.1	23.3	16.5%
<i>Wood Segment</i>	<i>198.6</i>	<i>170.0</i>	<i>16.8%</i>
<i>Paint Segment</i>	<i>48.5</i>	<i>45.8</i>	<i>5.9%</i>
Other	5.5	3.1	77.9%
Net Revenue	252.7	218.9	15.4%



Net revenue in 1Q13 was R\$252.7 million, up 15.4% from 1Q12.

Net revenue from the wood segment increased by 16.8% in 1Q13 compared to 1Q12. The key driver of sales growth was the T-HDF/MDF line, followed closely by fiberboards, laminated flooring and MDP.

In the case of fiberboard, the 14.8% increase in 1Q13 compared to the same period the previous year reflects the increase in prices, improved sales mix and the weaker Real.

In the MDP line, despite the stable volumes, NOR in 1Q13 grew 15.5% year-on-year, reflecting the rebuilding of prices.

In 4Q12 and in January 2013, the cost increases in the main product lines were passed through to prices in order to recover margins.

The T-HDF/MDF line registered 20.3% growth in 1Q13 in relation to 1Q12, also reflecting the rebuilding of prices.

The laminated flooring line posted a 16.5% growth in net revenue between 1Q12 and 1Q13, mainly reflecting the volume growth since the average price increase was only 2.8% and reflects the better sales mix.

Revenues from pains increased by 5.9% compared to 1Q12.

Cost of Goods Sold (COGS)

COGS in 1Q13 increased by 15.4% in relation to 1Q12. Although the increases in production input prices have slowed, the increase in COGS continues to reflect exchange variation, which directly impacted the prices of imported inputs, as well as the higher prices for urea-formaldehyde resins and depreciation.

Financial Performance

Gross Income and Gross Margin

Gross Income in 1Q13 was R\$ 82.6 million, an increase of 13.6% over the R\$ 72.8 million in 1Q12. Gross margin in 1Q13 stood at 32.7%, remaining practically stable in relation to the same period the previous year

Operating Expenses

Breakdown of Operating Expenses	1Q13	1Q12	Var. (%)
Selling	(34.0)	(31.8)	6.9%
General and Administrative	(12.8)	(12.4)	3.2%
Total Operating Expenses	(46.8)	(44.2)	5.9%
% Net Revenue	-18.5%	-20.2%	-1.7 p.p.
Other Operating Income and Expenses	(0.3)	(0.2)	-72.2%

Selling and Administrative Expenses corresponded to 18.5% of Net Revenue in 1Q13, compared to 20.2% in 1Q12, down 1.7 p.p.

EBITDA and EBITDA Margin

EBITDA Reconciliation (R\$ million)	1Q13	1Q12	Var. (%)
Net Income	20.1	15.4	30.3%
Deferred Income and Social Contribution Taxes	5.0	4.3	16.6%
Net Financial Income (Loss)	8.2	10.1	-19.0%
EBIT	33.3	29.8	11.6%
Depreciation and Amortization	28.2	23.1	21.7%
EBITDA CVM inst. 527/12	61.5	53.0	16.0%
EBITDA Margin	24.3%	24.2%	0.1 p.p.
<i>Non-cash adjustments</i>			
Fair Value Variation in Biologic Assets	(11.3)	(10.9)	3.2%
EBITDA Adjusted by Non-Cash Events	50.2	42.0	19.4%
Non-recurring events ⁽¹⁾	2.2	(1.4)	-258.8%
Adjusted recurring EBITDA	52.4	40.6	29.1%
Adjusted Recurring EBITDA Margin	20.8%	18.6%	2.2 p.p.

(1) Non-recurring events: 1Q13 - primarily labor damages paid due to the restructuring

1Q12 - due mainly to reversal of tax contingencies
net of new contingencies.

As a result of the aforementioned factors, the Company posted Recurring EBITDA of R\$ 52.4 million in 1Q13, 29.1% higher than in 1Q12. Recurring EBITDA Margin stood at 18.6% and 20.8% in 1Q12 and 1Q13, respectively, increasing by 2.2 p.p.

Net Income

Net Income in 1Q13 was R\$ 20.1 million, 30.3% higher than in the same period the previous year.

Debt

The Company's net debt at the end of 1Q13 was R\$ 255.7 million and was equivalent to 1.2 times its EBITDA. During the course of 2013 the Company should negotiate rolling over its short-term debt and limit its investments to the operational maintenance of activities, which should enable it to reduce its debt level.

Debt (R\$ Million)	1Q13	1Q12	Var. (%)
Short Term Debt	131.0	174.2	-24.8%
Long Term Debt	135.4	82.0	65.0%
Gross Debt	266.4	256.2	4.0%
Cash and Cash Equivalents	10.7	17.5	-38.9%
Net Debt	255.7	238.7	7.1%
% Short Term Debt	49%	68%	-18.8 p.p.
Net Debt/EBITDA	1.2	1.5	-17.0%

Capex

The Company's investments in 1Q13 included:

- plantation of forests,
- ancillary equipment for the T-HDF/MDF line to increase capacity and reduce costs,
- other maintenance investments.

Sustainability

Eucatex's forest sustainability, including for its new T-HDF/MDF line, is assured by 45,800 hectares of forests, all located in the state of São Paulo.

Eucatex is widely recognized for its sustainable development practices and was 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 in accordance with rigorous environmental, social and economic standards.

In another pioneering initiative, Eucatex became the first in the industry in South America to build a woodchip recycling line on an industrial scale. Its state-of-the-art equipment enables materials obtained within a 120-kilometer radius from the Salto, São Paulo unit to be used as raw material for producing panels and as biomass for firing its boilers. Total processing capacity is 240,000 metric tons/year, which is equivalent to approximately 2 million trees, 470,000 cubic meters of standing timber or 1,500 hectares of forests. The investment in land and planting to maintain this volume of wood, considering a 7-year cycle, would amount to around R\$200 million. Not only does it generate cost benefits, but recycling woodchips also prevents this material from being deposited in local landfills.

Capital Markets

Eucatex's preferred stock (EUCA4) listed on the BM&FBovespa S.A. - Securities, Commodities and Futures Exchange (BM&FBovespa) ended 1Q13 at R\$ 9.10. Based on the 1Q13 closing price, Eucatex's market capitalization stood at R\$ 842.8 million, equivalent to 4.0 times its annualized Recurring EBITDA and approximately 85% of its book value.

Eucatex is currently listed on the Level 1 corporate governance segment of the BM&FBovespa. On May 10, 2012, the Company announced its plans to migrate to the Novo Mercado segment, for which it began studies for conducting an ownership restructuring.

On October 15, 2012, complementing the notice to the market of May 2012, Eucatex disclosed a Material Fact notice in which it announced the conclusion of the studies and the start of its ownership reorganization.

Due to repercussions of a political nature and the complete distortion of the true purpose that drove the process to restructure the Eucatex Group, the Extraordinary Shareholders' Meeting held on April 16, 2013, decided to effectively suspend this process.

About Eucatex

Eucatex S.A. Ind. e Com. (BM&FBovespa: EUCA3 and EUCA4), which completes 62 years of operations in 2013, is one of Brazil's largest manufacturers of laminated flooring, wall partitions, doors, MDP/MDF/T-HDF panels, fiberboard and paints and varnishes. With 2,357 employees, the Company exports to more than 37 countries and has four modern plants located in the cities of Botucatu and Salto, located 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.

Audit

The policy of the Eucatex Group regarding services provided by its independent auditors that are not related to the external audit of its financial statements is based on the principles of professional independence. These principles are based on the premise that the auditor must not examine his own work, perform managerial functions or practice law on behalf of clients. In 1Q13, the Eucatex Group did not contract any services from Grant Thornton Auditores Independentes other than audit services.

Income Statement

Income Statement (R\$ million)	1Q13	1Q12	Var. (%)
Gross Revenue	311.3	270.4	15.1%
Sales taxes and Deductions	(58.6)	(51.5)	13.8%
Net Revenue	252.7	218.9	15.4%
Fair value variation in biological assets	11.3	10.9	-3.2%
Cost of Goods Sold	(181.4)	(157.1)	15.4%
Gross Income	82.6	72.8	13.6%
% Gross Margin	32.7%	33.2%	-0.5 p.p.
Selling Expenses	(34.0)	(31.8)	6.9%
General and Administrative Expenses	(10.7)	(10.8)	-0.6%
Management Compensation	(2.1)	(1.6)	29.0%
Other Operating Income / Expenses	(0.3)	(0.2)	-72.2%
Operating Income (Expenses)	(47.1)	(44.3)	6.1%
Net Income before Financial Result	35.6	28.4	25.2%
Financial Income (Expense)	(8.2)	(10.1)	19.0%
Non-recurring Income (Expense)	(2.2)	1.4	-258.8%
Net Income after Financial Result	25.1	19.7	27.4%
Provision for Income and Soc. Contr. Taxes	(5.0)	(4.3)	16.6%
Net Income (Loss) before Non-Controlling Interest	20.1	15.4	30.4%
Non-controlling interest	(0.0)	-	0.0%
Net Income (Loss) for the Year	20.1	15.4	30.3%
Net Margin	8.0%	7.1%	0.9 p.p.

Balance Sheet

Balance Sheet (R\$ '000)	1Q13	1Q12	Var. (%)
ASSETS			
Current Assets			
Cash and Cash Equivalents	9.3	11.5	-19.8%
Marketable Securities	1.5	6.0	-75.7%
Trade Accounts Receivable	208.7	186.5	11.9%
Inventories	116.7	99.8	16.9%
Taxes Recoverable	18.7	28.6	-34.7%
Prepaid Expenses	2.2	1.6	36.6%
Other receivables	5.1	1.2	312.8%
Total Current Assets	362.2	335.3	8.0%
Non-Current Assets			
Long-Term Assets			
Trade Accounts Receivable	5.6	4.6	23.0%
Taxes Recoverable	5.2	9.2	-43.4%
Goods held for sale	0.7	0.8	-18.4%
Investment properties	28.1	28.2	-0.5%
Judicial Deposits	9.7	7.9	22.4%
Other receivables	17.2	17.2	0.0%
Total Long-Term Assets	66.5	72.6	-8.4%
Permanent Assets			
Investments	-	-	0.0%
Biological Assets	304.3	271.1	12.2%
Fixed Assets	1,064.0	1,059.7	0.4%
Intangible Assets	0.4	0.5	-24.0%
Total Permanent Assets	1,368.7	1,331.4	-11.3%
Total Non-Current Assets	1,435.2	1,404.0	2.2%
Total Assets	1,797.4	1,739.3	3.3%
LIABILITIES			
Current liabilities			
Trade Accounts Payable	95.1	93.7	1.5%
Loans and Financing	128.9	174.2	-26.0%
Labor Liabilities	21.6	20.2	6.5%
Tax Liabilities	13.3	15.6	-14.6%
Related Parties	0.0	-	0.0%
Tax Installments	36.3	30.1	20.8%
Advances from Clients	31.9	12.5	154.6%
Dividends and interest on equity payable	47.9	33.5	43.0%
Debentures payable	2.1	-	0.0%
Accounts Payable	24.6	27.0	-8.6%
Total Current Liabilities	401.9	406.8	-1.2%
Non-Current Liabilities			
Loans and Financing	61.5	82.0	-25.0%
Trade Accounts Payable	2.5	-	0.0%
Tax Installments	67.2	91.5	-26.5%
Deferred Income and Soc. Contr. Taxes	72.8	68.9	5.6%
Provision for Contingencies	28.9	77.4	-62.7%
Debentures payable	73.9	-	0.0%
Total Long-Term Liabilities	306.8	319.8	-4.1%
Shareholder's Equity			
Capital	488.2	488.2	0.0%
Revaluation Reserves	210.3	215.9	-2.6%
Profit Reserve	293.8	209.1	40.5%
Asset Valuation Adjustment	99.5	102.4	-2.9%
Other comprehensive income	0.0	(0.1)	-132.5%
Treasury Stock	(2.9)	(2.9)	0.0%
Total Shareholder's Equity	1,088.8	1,012.6	7.5%
Non-controlling interest	-	-	0.0%
Total Shareholder's Equity & Non-controlling Interest	1,088.8	1,012.6	7.5%
Total Liabilities and Shareholder's Equity	1,797.4	1,739.3	3.3%

Cash Flow

Cash Flow (R\$ 000)	1Q13	1Q12
Net Income before Income and Social Contribution Taxes	25.1	19.7
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	14.5	11.2
Exhaustion of biological assets	13.6	11.9
Residual Value of Fixed Assets Sold	-	0.0
Fair value variation in biological assets	(11.3)	(10.9)
Write-off of investments	(0.1)	-
Interest, Monetary and Exchange Variations, net	6.2	4.8
Provision for inventory losses	0.0	-
Income and social contribution taxes in the period	(4.4)	(6.7)
Deferred income and social contribution taxes	(0.6)	2.4
Provision (reversal) for liabilities and others	3.0	1.4
Changes in operating assets and liabilities		
Marketable Securities	(4.3)	(0.7)
Trade accounts receivable	-	-
Inventories	6.7	1.0
Recoverable taxes	0.6	0.0
Deferred income and soc. Contr. Taxes - 11,638/07	0.5	0.9
Deferred expenses	(0.2)	(0.0)
Judicial deposits	(2.2)	4.5
Other receivables	1.8	(8.2)
Trade accounts payable	(6.3)	(7.7)
Labor and Tax Liabilities	(7.5)	(3.3)
Tax Installments	14.2	8.2
Advances from Clients	-	-
Provision for contingencies	(3.3)	(12.1)
Accounts payable	-	-
Net Cash Flow from Operating Activities	40.8	20.5
Cash Flow from Investing Activities		
Addition to fixed assets	(15.0)	(29.8)
Addition to biological assets	(10.7)	(13.8)
Net Cash Flow from Investing Activities	(25.5)	(40.7)
Cash Flow from Financing Activities		
Amortization of Loans	(38.4)	(42.3)
Loans	27.2	66.0
Intercompany loans	(0.1)	-
Debentures	-	-
Net Cash Flow from Financing Activities	(11.3)	23.7
Increase (Reduction) in Net Cash and Cash Equivalents	4.0	3.4
Cash and Cash Equivalents		
Beginning of period	5.3	8.1
End of period	9.3	11.5