



eucatex

1Q10 Results

May 5, 2010



*This presentation includes forward-looking statements that are subject to risks and uncertainties and based on the beliefs and assumptions of the management of Eucatex S.A. Indústria e Comércio and on the information currently available to the Company.*

*Forward-looking statements are not guarantees of performance and involve risks, uncertainties and assumptions, since they refer to future events and therefore depend on circumstances that may or may not occur.*

*Investors should understand that overall economic and industry conditions and other operating factors may affect the company's future results and lead to results that differ materially from those expressed in these forward-looking statements.*



Gross Revenue of R\$ 228.2 million, 20.4% higher than in 1Q09.



Gross Margin of 36.4%, down 1.7 p.p. from the same period in 2009.



EBITDA of R\$ 43.3 million, up 39.9% from R\$ 30.9 million in 1Q09.



EBITDA Margin of 23.7%, improving 3.4 p.p. from 20.2% in 1Q09.



Net Income of R\$ 14 million, up 70% from a year earlier.



Growth in the domestic Timber segment of 11.6%.



Billed volume growth of 64.6% and 41.5%, in the Laminate Flooring and Paint segments, respectively.

## Board Unit



- Location: Salto, São Paulo
- Area: Land – 540,000 m<sup>2</sup>  
Installations – 153,000 m<sup>2</sup>
- Number of employees: 777
- Hardboard – 240,000 m<sup>3</sup>
- Panels and Doors – 1.8 million units
- Paint Capacity – 50 million m<sup>2</sup>

## MDP and Laminated Flooring Unit



- Location : Botucatu, São Paulo
- Area: Land 372,000 m<sup>2</sup>  
Installations 62,000 m<sup>2</sup>
- Number of employees: 456
- MDP – 430,000 m<sup>3</sup>
- Flooring – 6 million m<sup>2</sup>
- LP and Lacquered finishing – 20 million m<sup>2</sup>

## Paint and Varnish Unit



- Location: Salto, São Paulo
- Area: Land 960,000 m<sup>2</sup>  
Installations 36,000 m<sup>2</sup>
- Number of employees: 209
- Paint → 36 million gallons/year
- Varnish

62 eucalyptus farms,  
totaling 44,500 hectares

Salto Average Radius – 148 km

Botucatu Average Radius – 35 km

## New Planted Forests

2007	2008	2009	1T10
5,400 ha	4,500 ha	2,040 ha	1,100 ha



Forests with ISO 14001 certification and Green Seal from Forest Stewardship Council (FSC)

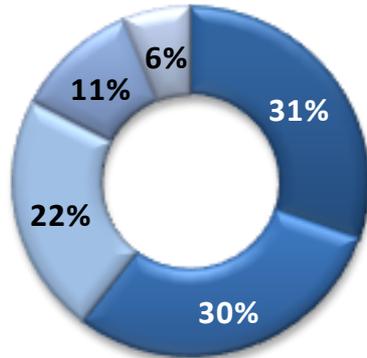
Guaranteed sustainability and possibility of developing new projects

- Low-cost thermal power generation, preserving forests planted by the company.
- Total processing capacity – 240,000 metric tons/year.
- 240,000 metric tons/year corresponds to approximately 470,000 m<sup>3</sup> of standing timber or 1,500 hectares of forests.
- Volume processed in 2009 – 109,000 metric tons.
- Volume processed in 1Q10 – 26,000 metric tons.
- New Yard → Consumption of up to 16% recycled wood in the production process forecast for April 2010.



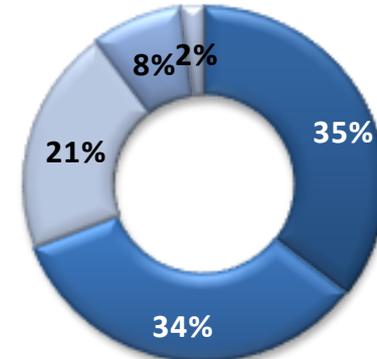
## Revenue Breakdown by Product

### Gross Revenue Breakdown - 1Q10



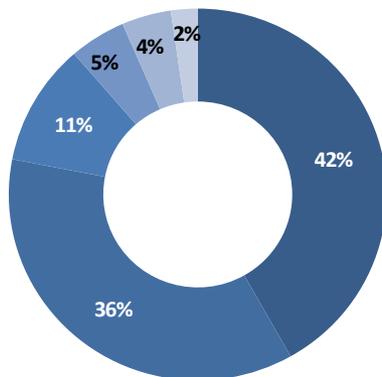
- MDP
- Hardboard
- Paint
- Laminate Flooring
- Others

### Gross Revenue Breakdown - 1Q09



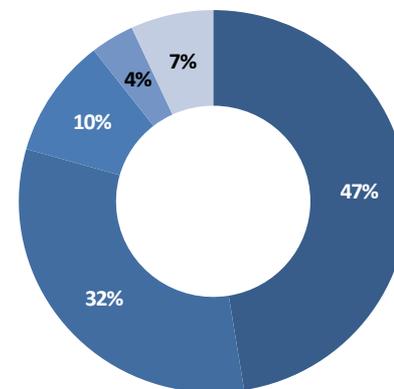
## Sales Breakdown by Segment

### Sales Breakdown - 1Q10

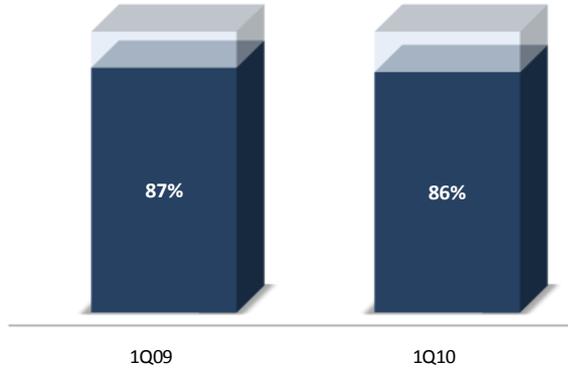


- Industry
- Building
- Resale of Panels
- Others industry
- Others External Market
- Internal Market

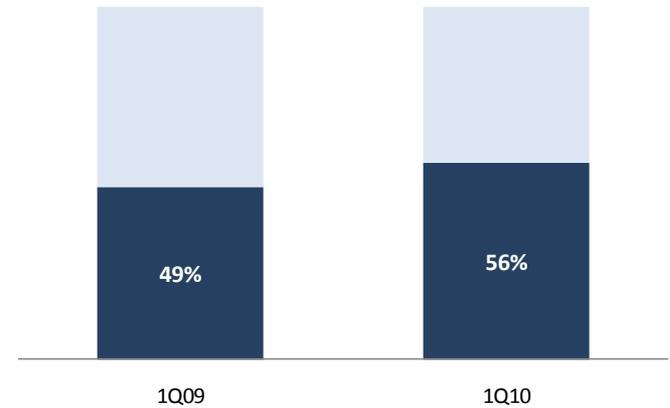
### Sales Breakdown - 1Q09



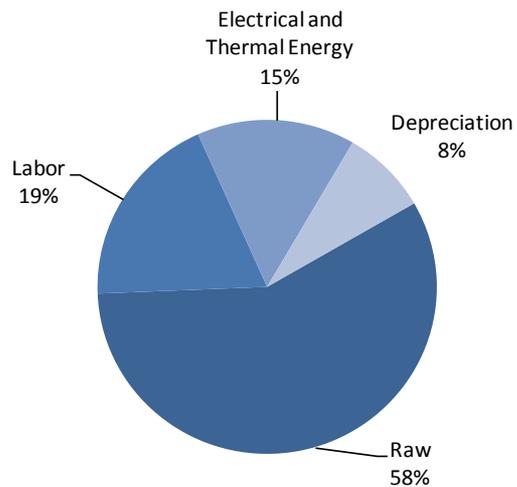
## Installed Capacity Utilization



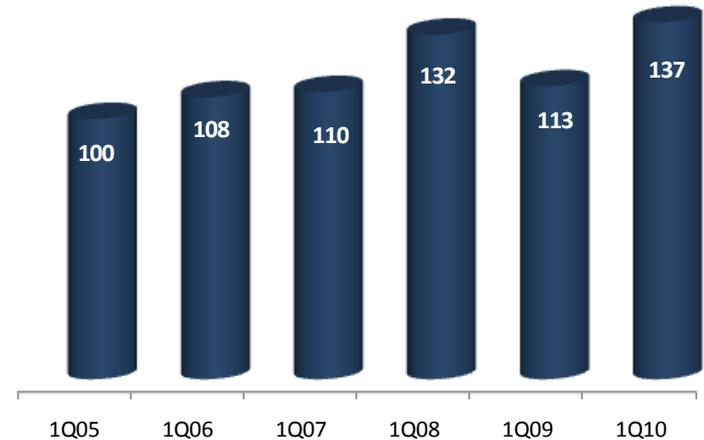
## Market Share



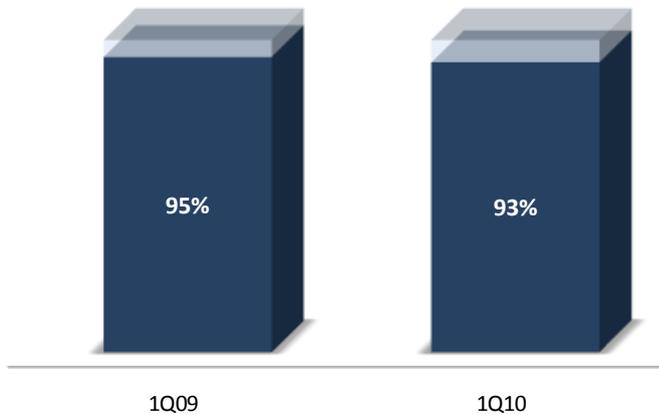
## Cost Breakdown



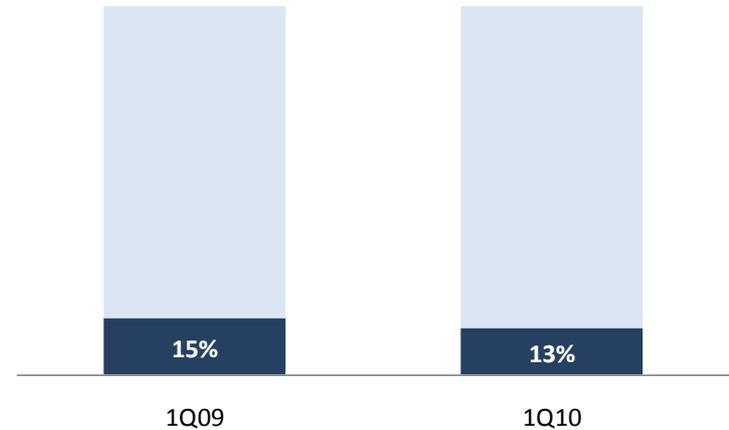
## Domestic Sales – Base 2005=100



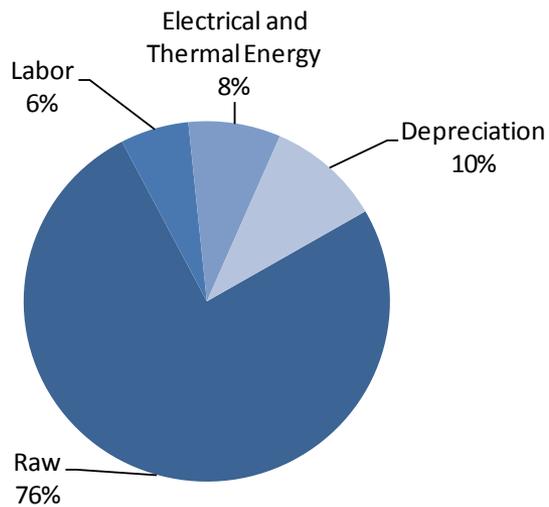
## Installed Capacity Utilization



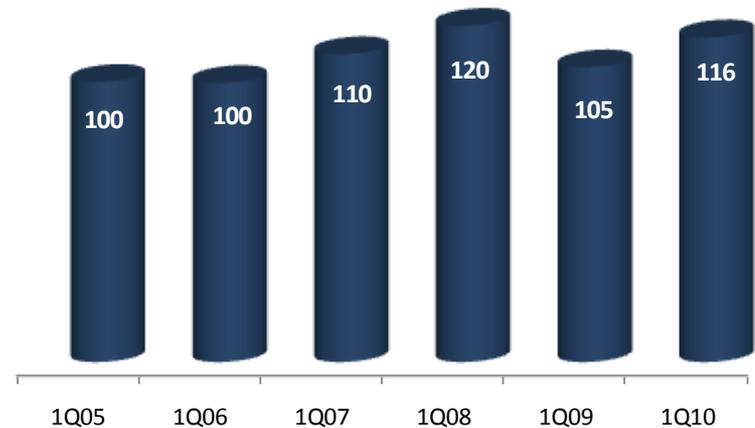
## Market Share



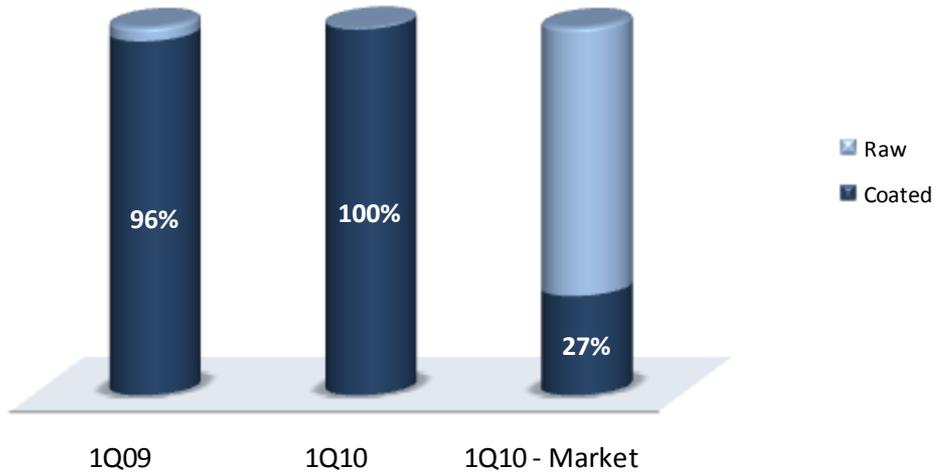
## Cost Breakdown



## Sales Volume – Base 2005=100



## Proportion of Eucatex coated MDP



» Eucatex’s sales mix has a higher share of coated products than other manufacturers, with the percentage of **coated products** (higher value added) accounting for **100%** of MDP shipments in 1Q10.

Source: ABIPA

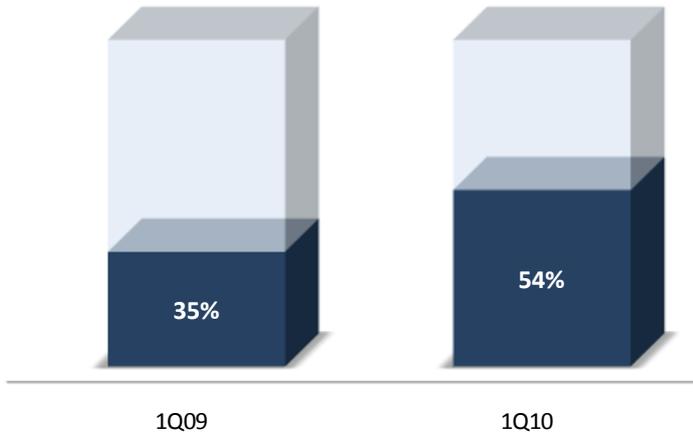


# Launch of MDF with HD Lacquered Finish

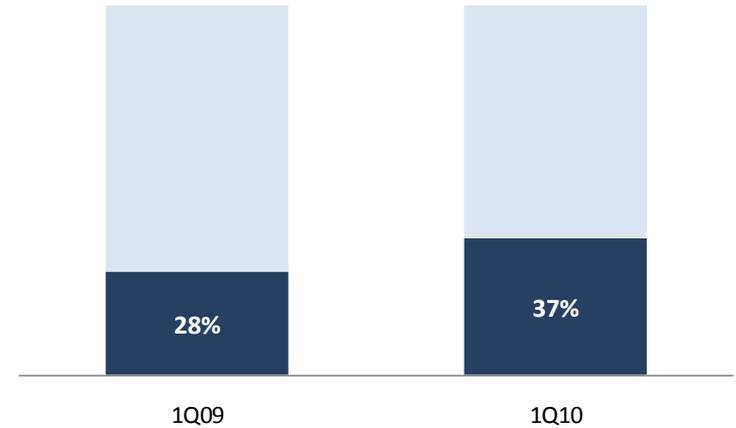
- » Launch of high-definition lacquered finish applied to an MDF base for Wood Reseller segment.



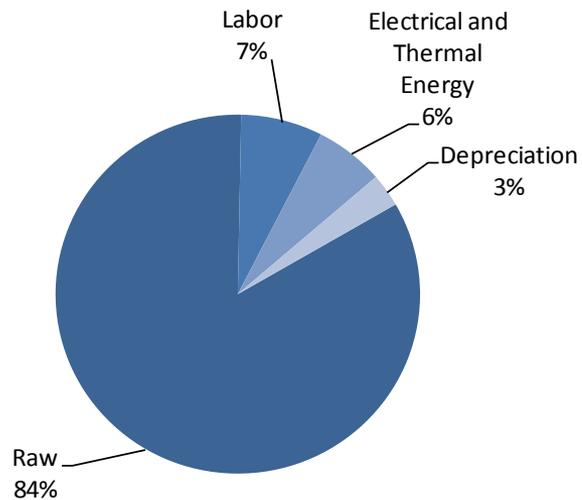
## Installed Capacity Utilization



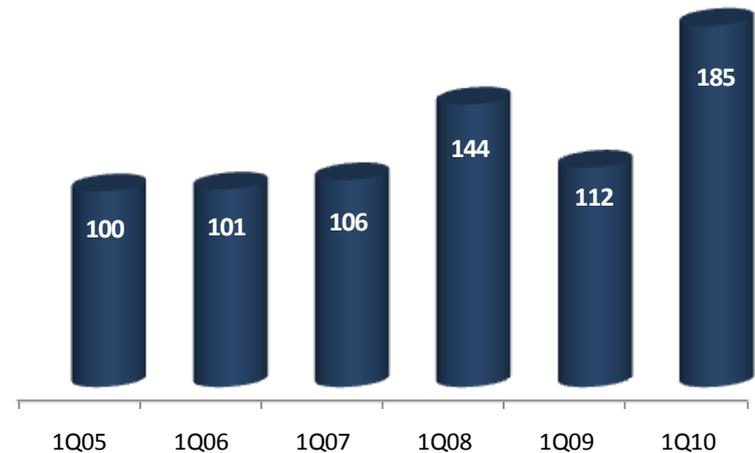
## Market Share



## Cost Breakdown



## Sales Volume – Base 2005=100

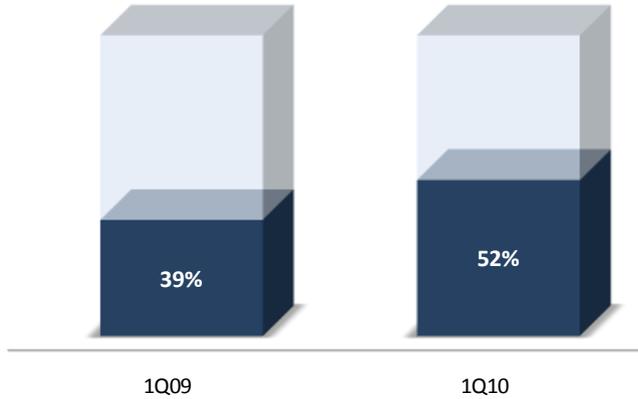


## Eucafloor Evidence

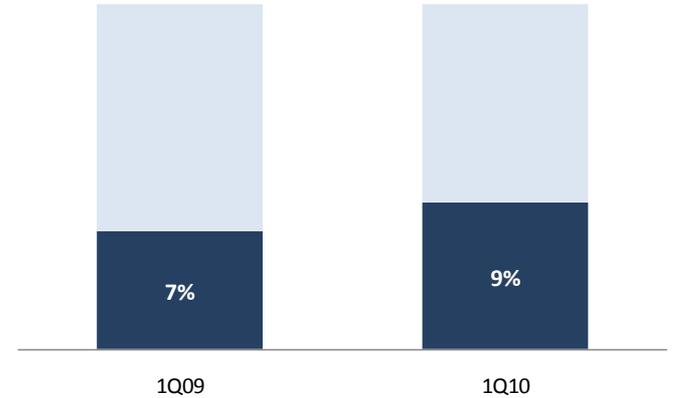
- » Launch of the Eucafloor Evidence Line at the 8<sup>th</sup> Expo Revestir – International Wall and Floor Covering Fair.
- » Product features 25-cm wide planks, meeting strong demand from architects and interior designers.
- » Created for residential and low-traffic commercial areas.



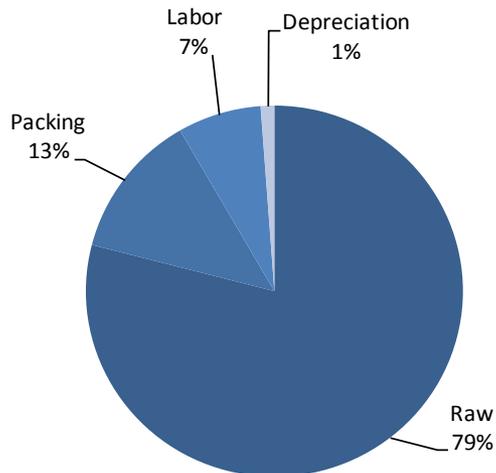
## Installed Capacity Utilization



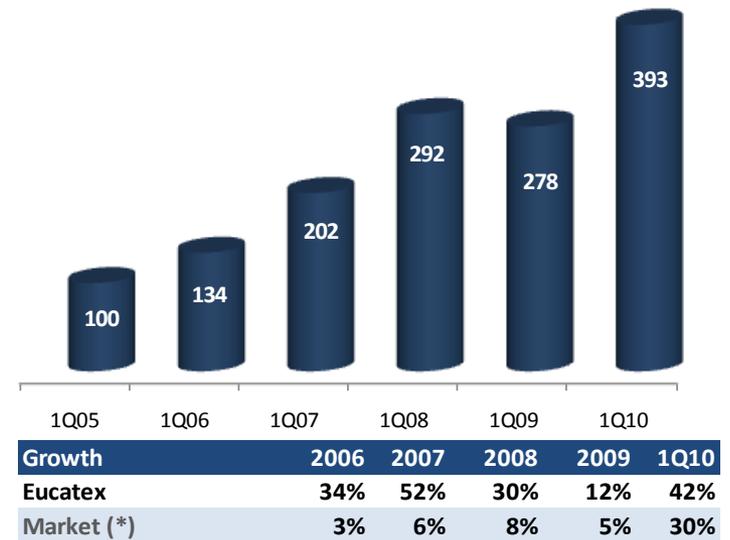
## Market Share



## Cost Breakdown

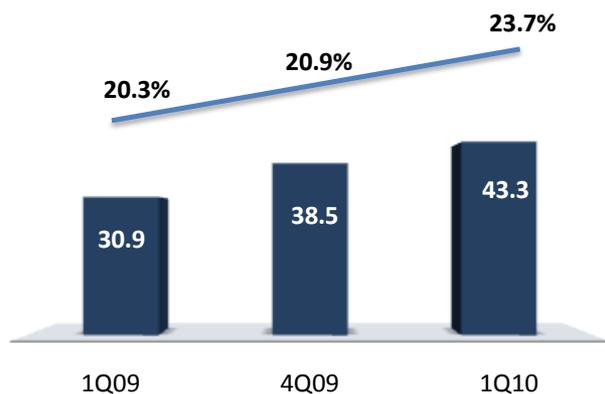


## Sales Volume - Base 2005=100

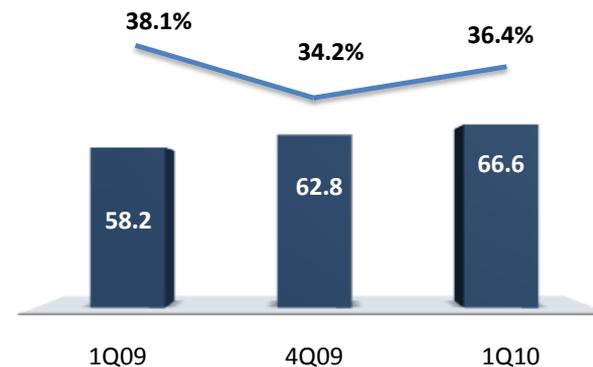


Highlights (R\$ MM)	1Q10	1Q09	Var. (%)	4Q09	Var. (%)
<b>Net Revenue</b>	<b>182.9</b>	<b>152.8</b>	<b>19.7%</b>	<b>183.9</b>	<b>-0.6%</b>
Cost of Good Sold	(116.3)	(94.7)	22.9%	(121.1)	-3.9%
<b>Gross Income</b>	<b>66.6</b>	<b>58.2</b>	<b>14.5%</b>	<b>62.8</b>	<b>5.9%</b>
<b>Gross Margin (%)</b>	<b>36.4%</b>	<b>38.1%</b>	<b>-1.7 p.p.</b>	<b>34.2%</b>	<b>2.2 p.p.</b>
Administrative Expenses	(10.2)	(10.7)	-4.8%	(12.1)	-15.6%
Comercial Expenses	(25.9)	(22.6)	14.5%	(28.1)	-7.9%
Others Operational Costs	(1.2)	(4.9)	76.2%	3.4	-134.8%
<b>EBITDA</b>	<b>43.3</b>	<b>30.9</b>	<b>39.9%</b>	<b>38.5</b>	<b>12.4%</b>
<b>Margin EBITDA (%)</b>	<b>23.7%</b>	<b>20.2%</b>	<b>3.5 p.p.</b>	<b>20.9%</b>	<b>2.7 p.p.</b>
Net Financial Income	(10.2)	(10.0)	-2.4%	(11.5)	11.1%
Taxes	(5.1)	(1.7)	-195.8%	(0.8)	-557.2%
<b>Net Income</b>	<b>14.0</b>	<b>8.2</b>	<b>70.0%</b>	<b>13.8</b>	<b>1.9%</b>

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

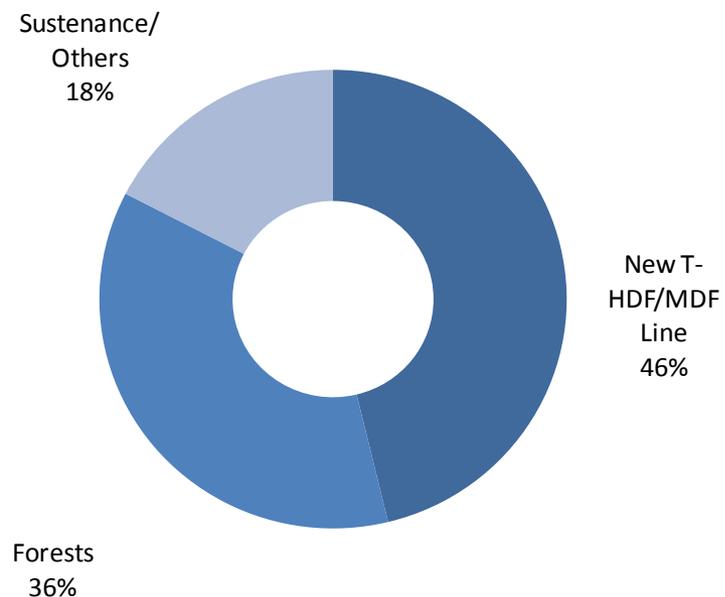
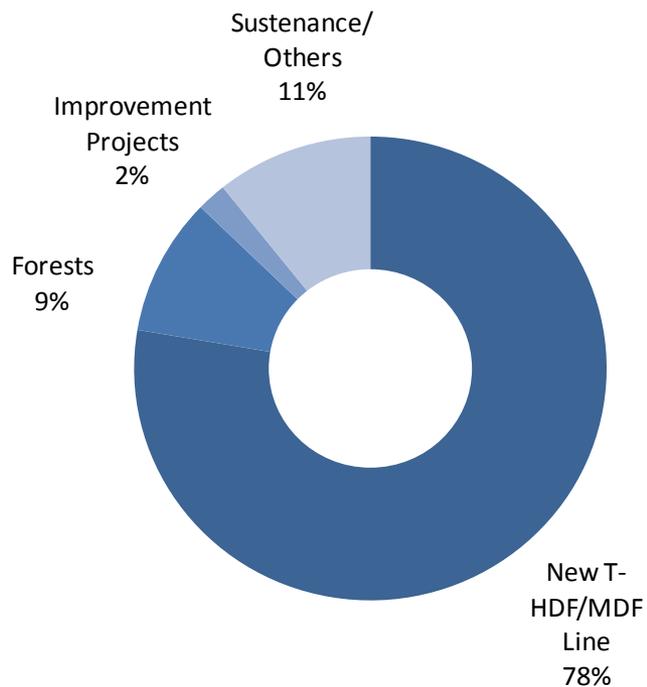


Gross Profit (R\$ million) and Gross Margin (%)



R\$ MM	1Q10
New T-HDF/MDF Line	41.4
Forests	5.1
Improvement Projects	1.1
Sustenance/ Others	5.7
<b>Total</b>	<b>53.4</b>

R\$ MM - Projection coming Quarters	2010
New T-HDF/MDF Line	43.2
Forests	34.0
Sustenance/ Others	16.3
<b>Total</b>	<b>93.4</b>



- » **T-HDF:** Product similar to MDF, but with higher quality and density.
- » Technology developed for applications requiring high mechanical resistance, such as flooring, doors, backings, drawers and dividers.
- » Operational start-up projected for **3Q10**.



## Capacity and Financial Data

Installed Capacity Growth 110 million m<sup>2</sup>/ year

Installed Capacity Growth 275 thousand m<sup>3</sup>/ year

Additional Gross Revenue R\$ 250 million

EBITDA R\$ 80 million

**EBITDA  
Margin**

**50%**

New T-HDF/MDF Line Investments	R\$ Million
Year 2008	72.0
Year 2009	107.8
1Q10	1.1
Total Investment up to 1Q10	180.9
Scheduled for 2010	84.6
<b>Total Investment</b>	<b>264.4</b>

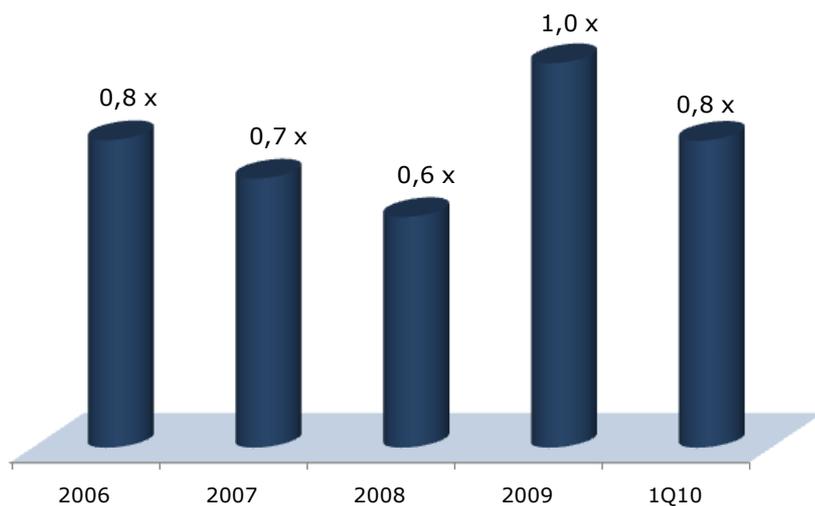
## Evolution of capacity utilization

Period	%	Volume (m <sup>3</sup> )
1 - 12 months	65%	179 thousand m <sup>3</sup> / year
13 - 24 months	85%	234 thousand m <sup>3</sup> / year
24 - 36 months	100%	275 thousand m <sup>3</sup> / year

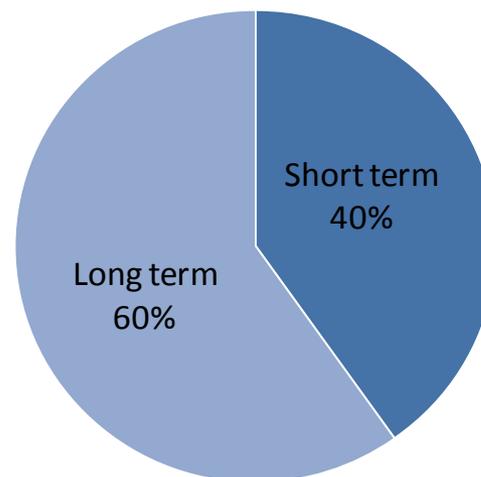


Debt (R\$ Million)	1Q10	1Q09	Var. (%)
Short Term Debt	60.3	28.9	108.8%
Long Term Debt	89.8	57.6	56.1%
<b>Gross Debt</b>	<b>150.1</b>	<b>86.4</b>	<b>73.7%</b>
Cash and Cash Equivalents	11.8	5.3	123.6%
<b>Net Debt</b>	<b>138.3</b>	<b>81.1</b>	<b>70.4%</b>
<i>% Short Term Debt</i>	<i>40%</i>	<i>33%</i>	<i>6,8 p.p.</i>
Net Cash (Debt)/EBITDA	0.8	0.7	21.8%

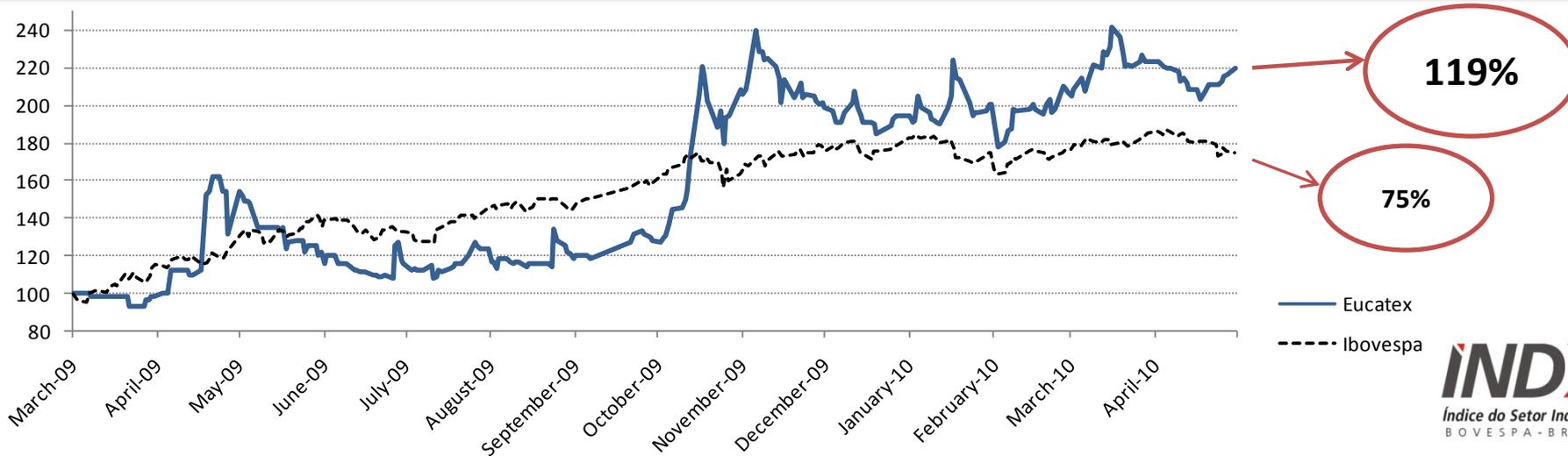
### Net Debt vs. EBITDA



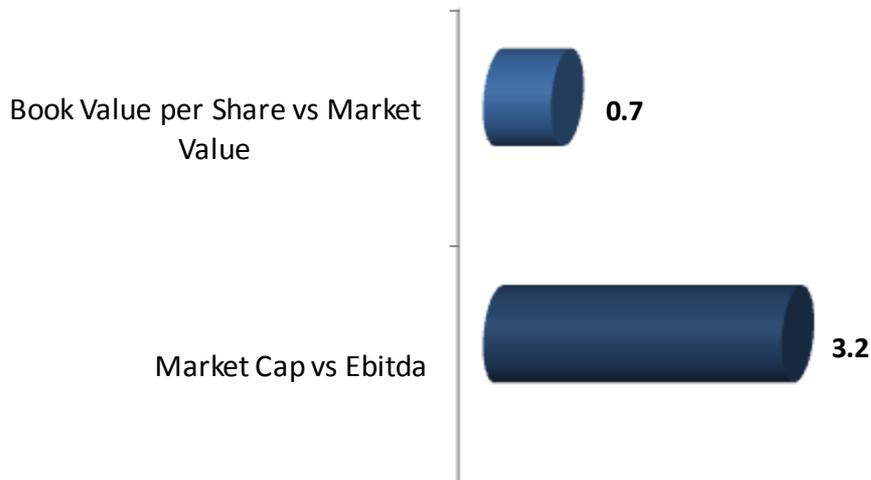
### Debt Profile



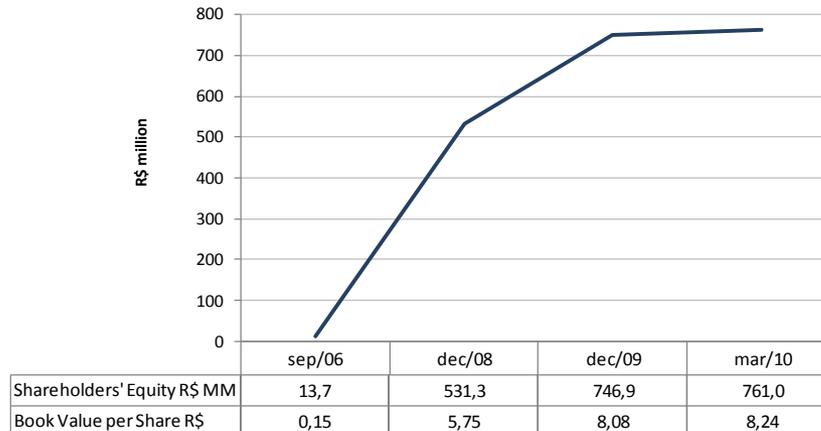
## EUCA4 vs. IBOVESPA (Base=100)



## Multiples

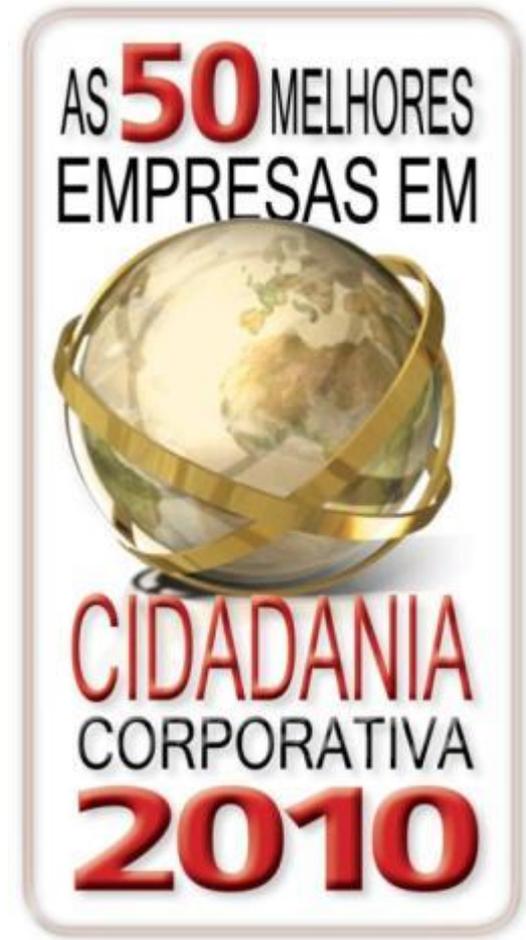


## Shareholders' Equity



## EUCATEX É DESTAQUE ESPECIAL

no Pilar de Ética e Relacionamento com Stakeholders  
no Prêmio Cidadania Corporativa 2010.





Innovation, creativity and exclusive products.



Strategic presence in key consumer centers and sales team operating nationwide.



Partnerships with large foreign companies to distribute products in global markets.



Environmental Responsibility: Green Seal (FSC) for all products, supported by environmental and forest management.



Sustainability guaranteed through a large forest area and innovative recycling program



Brand strength

{ Construction Industry  
Furniture industry



Verticalization

**José Antonio G. de Carvalho**  
*Executive VP and IRO*

**Sergio Henrique Ribeiro**  
*Controller*

**Waneska Bandeira**  
*Investor Relations*

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