eucatex 60 years

Eucatex Group – 60 years of solidity, technology and innovation

Eucatex celebrates its 60th anniversary in 2011, with its history built upon the solid pillars that have made it one of the largest companies in Brazil.

The Eucatex Group comprises four plants that offer a wide range of products for the furniture (T-HDF boards and fiberboard, MDP and MDF boards and Tamburato) and construction segments (laminate flooring, doors, wall partitions, paint and varnish).

The Board and Paint and Varnish units are located in Salto, São Paulo and the fiberboard and flooring unit is located in Botucatu, São Paulo. The company also has a Forestry unit, with a seedling nursery in Bofete, São Paulo.

Since its founding, the Eucatex Group has been recognized for its quality, cutting-edge technology and concern with the environment. Its plants use 100% reforested eucalyptus wood and its forests cover more than 45,000 hectares, of which one-third is allocated to natural reserve areas.

As a result, today Eucatex is a solidly recognized brand, supported by its seriousness, its growing investments in sustainability and technology and its offering of high-quality products.

Eucatex, a brand that has been part of the lives of thousands of Brazilians for 60 years.

EUCATEX announces its 2010 results: Gross Revenue Growth of 19.2%, Recurring EBITDA of R$159 million (+34.4%) and EBITDA Margin of 20%.

São Paulo, March 22, 2011. Eucatex (BM&FBovespa: EUCA3 and EUCA4; Bloomberg: EUCA3 BZ and EUCA4 BZ), one of the largest manufacturers of wood panels in Brazil, with operations also in the segments of paint and varnish, laminate flooring, wall partitions and doors, announces its results for the fourth quarter of (4Q10). Except where stated otherwise, the financial and operating information herein is audited and presented on a consolidated basis in thousand Brazilian real (R$ '000), in accordance with Brazilian Corporation Law, and all comparisons are with the fourth quarter of 2009 (4Q09).

The Company's consolidated financial statements were prepared and are presented in accordance with International Financial Reporting Standards (IFRS).

These financial statements are the first presented in accordance with the IFRS by the Company and were prepared based on the pronouncements for the full convergence with international accounting standards issued by the Accounting Pronouncement Committee (CPC) and ratified by the Securities and Exchange Commission of Brazil (CVM). The main differences between the accounting practices previously adopted in Brazil and the CPCs/IFRS are presented.

We highly recommend the reading of this material in conjunction with the Notes to the Annual Consolidated Financial Statements.

Highlights

- **Net Revenue** of **R$794.0 million** in 2010, 19.1% higher than 2009;
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- **Laminate Flooring** and **Paint** sales volume grew by 46.1% and 14.5%, respectively, in relation to 4Q09. In 2010, sales volume growth was 42.7% for Flooring and 23.1% for Paint;
- **Gross Margin** of 32.2% in **2010,** up 2.6 p.p. from 2009; and
- **Recurring EBITDA of R$158.9 million, from R$118.2 million in 2009,increase of 34.4%;**
- **Start of production on the new T-HDF/MDF line in October 2010.**

Highlights (R$ MM)	4Q10	4Q09	Var. (%)	2010	2009	Var. (%)
Net Revenue	214.3	183.9	16.5%	794.0	666.7	19.1%
Gross Profit	67.0	55.1	21.6%	255.4	197.3	29.5%
Gross Margin (%)	*31.3%*	*30.0%*	*1.3 p.p.*	*32.2%*	*29.6%*	*2.6 p.p.*
EBITDA	35.7	38.4	-7.0%	208.8	290.4	-28.1%
EBITDA Margin (%)	*16.7%*	*20.9%*	*-4.2 p.p.*	*26.3%*	*43.6%*	*-17.3 p.p.*
Net Income	46.1	16.8	175.2%	120.0	199.2	-39.8%
Net Debt	161.2	121.4	32.7%	155.7	121.4	28.2%
Net Debt / EBITDA (LTM)	0.9	0.8	17.7%	1.0	1.0	-4.6%
EBITDA RECORRENTE (UDM)	**43.3**	**38.4**	**12.7%**	**158.9**	**118.2**	**34.4%**
EBITDA Margin (%)	***20.2%***	***20.9%***	***-0.7 p.p.***	***20.0%***	***17.7%***	***2.3 p.p.***

Economic Scenario

In 2010, Brazil posted significant GDP growth of 7.5%, according to the Brazilian Institute of Geography and Statistics (IBGE). This improvement was also observed in the company's operating segments. The growth in household consumption helped fuel consumption in the construction sector, which showed a growth in sales of building materials of 12% in 2010, according to Abramat. Some indicators for the Company's markets presented even stronger performances: growth of 15% in the finishing materials segment, 12% in the paint segment, 20% in the wood panels segment (MDP and MDF) and 18% in the laminate flooring segment. Where installed capacity allowed, the company recorded performances above the industry average. Management believes that the main growth drivers of its operating segments are associated with the upward trend in income and employment levels, consumer confidence and the availability of credit.

Despite the positive outlook, higher inflation led the monetary authorities to implement measures to curb credit and hike interest rates, which should be reflected in growth rates. Nevertheless, the growth prospects remain positive.

Eucatex and the Market

Eucatex has benefited from the a solid economic scenario, with very positive impact in the construction sector, showing significant growth in 2010 in relation to its Flooring and Paint lines, which recorded 42.7% and 23.1% growth in relation to 2009, respectively. In the Wood Panels segment, the company should leverage its sales considerably with the production generated by its new T-HDF/MDF line.

Operating Performance
2005 - 100 base

Sales Volume	4Q10	4Q09	Var. (%)	2010	2009	Var. (%)
Hardboard (DM)	109	121	-9.9%	115	114	1.3%
Hardboard (FM)	39	50	-21.4%	38	59	-34.9%
Laminate Flooring	253	173	46.1%	218	153	42.7%
Paint	318	278	14.5%	340	276	23.1%

DM - Domestic Market / FM - Foreign Market

Eucatex posted modest growth of 1.3% in the domestic wood panels sector compared with 2009. Except for its new line of T-HDF/MDF, the remaining lines are operating at their near capacity. Demand has proven consistent in the domestic market, which generates higher margins for the Company.

Coated products accounted for 96% of MDP board sales in 2010, in comparison with 95% in 2009. Excluding Eucatex, coated products account for 23% of the MDP board market.

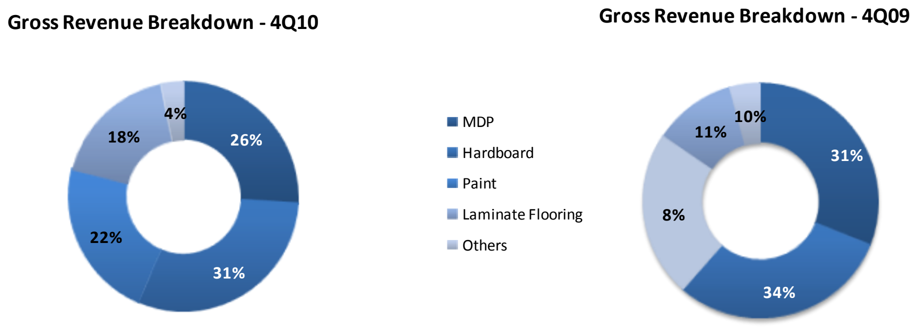
Eucatex continues to develop new standards that are aligned with the needs of its clients in order to maintain their loyalty and competiveness. In addition, new investments were announced with the aim of increasing production capacity of coated products, including Lacquer, LP and Laminate Flooring.

The Laminated Flooring segment recorded growth of 42.7%, versus the industry average of 18%, demonstrating the effectiveness of the strategies to develop and market new products.

Products for the construction industry will benefit from the sector's expansion, and Eucatex is taking advantage of this opportunity to launch products and strengthen its relationship with customers.

Financial Performance

Gross Revenue Breakdown (R$ MM)	*4Q10*	*4Q09*	Var. (%)	*2010*	*2009*	Var. (%)
Hardboard*	81.5	69.6	17.1%	298.5	259.4	15.1%
MDP	69.3	71.1	-2.6%	281.2	262.9	7.0%
Laminate Flooring	47.7	26.0	83.4%	138.7	86.9	59.6%
Wood Segment	*198.5*	*166.7*	*19.1%*	*718.3*	*609.2*	*17.9%*
Paint Segment	*60.1*	*52.6*	14.2%	*216.3*	*180.3*	20.0%
Others	*8.6*	*9.6*	-10.5%	*53.5*	*39.6*	35.0%
Gross Revenue	***267.3***	***229.0***	**16.7%**	***988.1***	***829.1***	**19.2%**



Gross Revenue in 2010 grew 19.2% from the year earlier to R$988.1 million, driven by the higher revenue in the Laminate Flooring segment.

In the Wood Panels segment, the sales revenue growth in 2010, which exceeded sales volume growth, demonstrates the recovery in prices, which have virtually reached the pre-crisis levels of 2008/09.

Cost of Goods Sold (COGS)

COGS in 2010 increased by 14.7% from 2009, basically due to the higher sales volume in the period. Fixed costs also rose due to the wage increases under collective bargaining agreements and the higher maintenance costs.

Gross Income and Gross Margin

Despite the higher costs mentioned above, Gross Income in 2010 grew 29.5% from 2009, accompanied by gross margin expansion from 29.6% in 2009 to 32.2% in 2010.

Operating Expenses

Operating Expenses Distribution	4Q10	4Q09	Var. (%)	2010	2009	Var. (%)
Sales	(32.7)	(28.1)	16.4%	(117.7)	(104.9)	12.1%
General and Administration	(12.5)	(12.1)	3.8%	(44.3)	(44.4)	-0.4%
Total Operating Expenses	**(45.2)**	**(40.2)**	**12.6%**	**(161.9)**	**(149.4)**	**8.4%**
% Net Income	***-21.1%***	***-21.8%***	**-0.7 p.p.**	***-20.4%***	***-22.4%***	**-2 p.p.**
Others Operating Revenues and Expenses	29.8	11.5	159.8%	75.1	181.0	-58.5%

Selling expenses in 2010 increased by 12.1% from 2009, basically reflecting the higher sales volume. Administrative expenses remained stable in the period.

Despite the nominal increase of 8.4% in relation to 2009, the sum of administrative and selling expenses corresponded to 20.4% of revenue in 2010, declining from 22.4% in 2009.

Other Operating Revenue and Expenses decreased by 58.5% from 2009, due to the nonrecurring items recorded under this line, which, in 2010, refer to: a) Result from the sale of the Santa Luzia Farm: R$57 million; b) Provision to recovering assets: R$4.8 million; and c) Adjustments of tax provisions and others: R$2.8 million. In 2009, nonrecurrent results refer to the net impact of the adherence to the Refis tax amnesty program, R$172 million.

EBITDA and EBITDA Margin

EBITDA Reconciliation (R$ MM)	4Q10	4Q09	Var. (%)	2010	2009	Var. (%)
Net income (Loss)	46.1	16.8	175%	120.0	199.2	-40%
Deferred Income and Social Distribution Taxes	(6.1)	(1.9)	223%	15.7	1.3	1128%
Net Financial Income	11.5	11.5	0%	32.8	28.4	16%
Depreciation and Amortization	20.3	19.0	7%	76.4	68.5	11%
Fair value variation related to biologic assets	(36.1)	(7.0)	419%	(36.1)	(7.0)	419%
EBITDA	**35.7**	**38.4**	**-7%**	**208.8**	**290.4**	**-28%**
EBITDA Margin	**16.7%**	**20.9%**	**-4.2 p.p.**	**26.3%**	**43.6%**	**-17.3 p.p.**
Recurring EBITDA	**43.3**	**38.4**	**13%**	**158.9**	**118.2**	**34%**
Recurring EBITDA Margin	**20.2%**	**20.9%**	**-0.7 p.p.**	**20.0%**	**17.7%**	**2.3 p.p.**

Eucatex recorded recurring EBITDA of R$43.3 million in the fourth quarter, an increase of 12.7% from 4Q09, reflecting the growth in the company's operations.

In 2010, recurring EBITDA reached 158.9 million, versus 118.2 million in 2009, an increase equivalent to 34.4%. The EBITDA margin in 2010 was 20.0% versus 17.7%, up 2.3 basis points.

Net Income

Net income was R$120.0 million in 2010, mainly due to Refis impact, which was 39.8% lower than in 2009.

Debt

The Company's debt at the close of 4Q10 corresponded to 1.0x annualized 2010 EBITDA.

Debt (R$ Million)	2010	2009	Var. (%)
Short Term Debt	100.7	42.7	135.8%
Long Term Debt	60.4	82.9	-27.1%
Gross Debt	**161.2**	**125.7**	**28.3%**
Cash and Cash Equivalents	5.5	4.2	30.0%
Net Debt	**155.7**	**121.4**	**28.2%**
% Short Term Debt	*62%*	*34%*	*28.5 p.p.*
Net Casth (Debt)/EBITDA	1.0	1.0	-4.6%

The 28.3% growth in nominal debt from 2009 was chiefly due to the investments in the new T-HDF/MDF line.

Capex

The Company's investments in 2010 include:

- Expenses of R$137 million from the conclusion of the new THDF/MDF line and other improvement projects;
- The planting of 4,000 hectares of forest, for R$31 million; and
- R$30 million in sustainability investments.

New T-HDF/MDF Line

At the end of October 2010, Eucatex launched production on its T-HDF/MDF line (Thin High Density Fiberboard/Medium Density Fiberboard), which was installed on the company's industrial unit in Salto, a city in the interior of São Paulo state, where it already produces hardboard and where a good part of its industrial complex is located. The project marks a milestone in the company's history, which completes 60 years this year. The T-HDF/MDF line, which is designed to produce 110 million m² of board per year, is expected to boost the Salto unit's production capacity from 72 million m²/year to 182 million m²/year. The company believes that when it reaches full capacity, the line will increase gross revenue by R$250 million and cash flow by R$80 million (based on current prices and costs). A total of R$265 million was invested in the plant.

Sustainability

Eucatex's forest sustainability, including the operations of its new T-HDF/MDF line, is assured by 45,900 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 in São Paulo 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 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 come to around R$200 million. This wood recycling process, in addition to aiding with costs, prevents all the material from being deposited in local landfills.

Capital Markets

Eucatex PN stock (EUCA4) listed on the São Paulo Stock Exchange (BM&FBOVESPA) ended 4Q10 quoted at R$7.20. Based on the 4Q10 closing price, Eucatex's market capitalization stood at R$666.9 million, equivalent to 4.2x annualized EBITDA and approximately 71% of book value. On July 1, 2010, Eucatex adhered to the corporate governance standards of the BM&FBOVESPA's Level 1 listing segment.

Human Resources

Personnel expenses in 4Q10 totaled R$118.9 million, of which R$55.2 million were wages, R$39.5 million were payroll charges and around R$24.2 million were spent on medical and dental plans, transport, meals, training, and occupational health and safety actions for the Company's 2,622 employees and their dependents.

Relationship with Independent Auditors

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

On October 1, 2010, Terco was merged by Ernst & Young Auditores Independentes S.S., with the combined company called Ernst & Young Terco Auditores Independentes S.S. and representing a new auditor for the Company.

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 4Q10, the Eucatex Group did not contract any services from Ernst & Young Terco Auditores Independentes S.S. other than the auditing services.

About Eucatex

Eucatex S.A. Ind. e Com. (BM&FBovespa: EUCA3 and EUCA4), which will complete 60 years of operations this year, is one of Brazil's largest manufacturers of flooring, wall partitions, doors, MDP/MDF/T-HDF boards, fiberboard and paints and varnishes. With 2,622 employees, Eucatex exports to more than 37 countries and has four modern plants located in the cities of Botucatu and Salto in the inland region of São Paulo state. For more information go to 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.

Statement of the Impacts from the First-time Adoption of IFRS

FINANCIAL STATEMENTS (R$ MM) - 2010	4Q10 BEFORE IFRS	IFRS ADJUSTMENTS	4Q10 AFTER IFRS	2010 BEFORE IFRS	IFRS ADJUSTMENTS	2010 AFTER IFRS
Gross Revenue	**214.3**		**214.3**	**794.0**		**794.0**
Cost of Goods Sold	(143.9)		(143.9)	(522.1)		(522.1)
. Increase of the useful life of assets (depreciation reduction)		2.8	2.8		11.0	11.0
. Biological Asset (Depletion of market value)		(6.2)	(6.2)		(27.5)	(27.5)
Gross Profit	**70.4**	**(3.4)**	**67.0**	**271.9**	**(16.5)**	**255.4**
Gross Margin (%)	***32.9%***	***0.0%***	***31.3%***	***34.2%***	***0.0%***	***32.2%***
Administrative expenses	(12.5)		(12.5)	(44.3)		(44.3)
Sales expenses	(32.7)		(32.7)	(117.7)		(117.7)
Other Operational Income (Expenses)	(6.3)		(6.3)	39.0		39.0
. Fair value variation related to biologic assets		36.1	36.1		36.1	36.1
EBITDA	**35.7**		**35.7**	**208.8**		**208.8**
EBITDA Margin (%)	***16.7%***		***16.7%***	***26.3%***		***26.3%***
Recurring EBITDA	**43.3**		**43.3**	**158.9**		**158.9**
EBITDA Margin (%)	***20.2%***		***20.2%***	***20.0%***		***20.0%***
Net Financial Result	(11.5)		(11.5)	(34.0)	1.2	(32.8)
Income and social contribution taxes	3.8	2.2	6.1	(14.7)	(1.0)	(15.7)
Net Income	**11.2**	**34.9**	**46.1**	**100.2**	**19.8**	**120.0**
Recurring Net Income	**18.8**	**34.9**	**53.7**	**50.3**	**19.8**	**70.1**

FINANCIAL STATEMENTS (R$ MM) - 2009	4Q09 BEFORE IFRS	IFRS ADJUSTMENTS	4Q09 AFTER IFRS	2009 BEFORE IFRS	IFRS ADJUSTMENTS	2009 AFTER IFRS
Gross Revenue	**183.9**		**183.9**	**666.7**		**666.7**
Cost of Goods Sold	(122.2)		(122.2)	(445.7)		(445.7)
. Increase of the useful life of assets (depreciation reduction)		1.6	1.6		6.4	6.4
. Biological Asset (Depletion of market value)		(8.2)	(8.2)		(30.1)	(30.1)
Gross Profit	**61.7**	**(6.6)**	**55.1**	**221.0**	**(23.7)**	**197.3**
Gross Margin (%)	***33.5%***		***30.0%***	***33.1%***		***29.6%***
Administrative expenses	(12.1)		(12.1)	(44.4)		(44.4)
Sales expenses	(28.1)		(28.1)	(104.9)		(104.9)
Other Operational Income (Expenses)	4.5		4.5	174.0		174.0
. Fair value variation related to biologic assets		7.0	7.0		7.0	7.0
EBITDA	**38.4**		**38.4**	**290.4**		**290.4**
EBITDA Margin (%)	***20.9%***		***20.9%***	***43.6%***		***43.6%***
Recurring EBITDA	**38.4**	**-**	**38.4**	**118.2**	**-**	**118.2**
EBITDA Margin (%)	***20.9%***		***20.9%***	***17.7%***		***17.7%***
Net Financial Result	(11.5)	(0.0)	(11.5)	(27.1)	(1.2)	(28.4)
Income and social contribution taxes	(0.8)	2.7	1.9	(2.7)	1.4	(1.3)
Net Income	**13.8**	**3.0**	**16.8**	**215.8**	**(16.6)**	**199.2**
Recurring Net Income	**13.8**	**3.0**	**16.8**	**43.5**	**(16.6)**	**27.0**

Statement of the Impacts from the First-time Adoption of IFRS

SHAREHOLDER'S EQUITY	12.31.10	12.31.09
Before adoption of CPCs/IFRS	826,281	746,921
Deemed cost of land	136,034	136,034
Fair value related to biologic assets	16,185	18,668
Fair value realization related to biologic assets - Subsidiaries	4,682	2,199
Fair value variation related to biologic assets	43,043	6,952
Revaluation of the useful life of fixed assets	17,382	6,390
Equity income	-	-
Unrealized income (losses)	-	-
Interest capitalization to fixed assets	(35)	(1,248)
Depletion of biological assets (realization)	(57,633)	(30,096)
Unadjusted deferred income tax and social contribution	(48,880)	(43,757)
After adoption of CPCs/IFRS	937,059	842,063

Income Statement

(R$ '000)	4Q10	4Q09	Var. (%)	2010	2009	Var. (%)
Gross Revenue	**267.3**	**229.0**	**16.7%**	**988.1**	**829.1**	**19.2%**
Sales taxes and Deductions	(52.9)	(45.1)	17.5%	(194.1)	(162.5)	19.5%
Net Revenues	**214.32**	**183.94**	**16.5%**	**794.00**	**666.68**	**19.1%**
Cost of Goods Sold	(147.3)	(128.8)	14.4%	(538.6)	(469.4)	14.7%
Gross Profit	**67.0**	**55.1**	**21.6%**	**255.4**	**197.3**	**29.5%**
Operating Expenses	31.3%	30.0%	1.3 p.p.	32.2%	29.6%	2.6 p.p.
Sales	(32.7)	(28.1)	16.4%	(117.7)	(104.9)	12.1%
General and Administration	(12.5)	(12.1)	3.8%	(44.3)	(44.4)	-0.4%
Other Operational Costs	29.8	11.5	159.8%	75.1	181.0	-58.5%
Operational (loss) Income	**(15.5)**	**(28.7)**	**-46.1%**	**(86.9)**	**31.6**	**375.1%**
Operational Result	**51.5**	**26.4**	**95.1%**	**168.5**	**228.9**	**-26.4%**
Financial (Expense) Income	(11.5)	(11.5)	0.3%	(32.8)	(28.4)	-15.6%
Operational Result	**40.0**	**14.9**	**169.1%**	**135.7**	**200.5**	**-32.3%**
Taxes	6.1	1.9	223.3%	(15.7)	(1.3)	-1128.3%
Net (Loss) Income	46.1	16.8	175.2%	120.0	199.2	-39.8%
Net Margin	**21.5%**	**9.1%**	***12.4 p.p.***	**15.1%**	**29.9%**	***-14.8 p.p.***

Balance Sheet (R$ '000)	2010	2009	Var. (%)
ASSETS			
Current Assets			
Cash and Equivalents	5.5	4.2	30.0%
Securities	2.4	2.8	-16.5%
Clients	150.6	133.9	12.5%
Inventories	81.0	66.2	22.3%
Related parties	-	-	0.0%
Taxes Recoverable	28.9	15.6	86.1%
Anticipated expenses	0.7	0.6	17.6%
Unrealized losses	-	-	0.0%
Other Credits	32.0	4.8	564.0%
Total Current Assets	**301.0**	**228.1**	**32.0%**
Long- Term Assets			
Clients	0.3	2.0	-82.7%
Related parties	-	-	0.0%
Taxes Recoverable	10.9	10.2	6.7%
Deferred income tax and social contribution	7.3	5.1	42.8%
Available-for-sale	1.0	5.2	-81.8%
Investment properties	30.2	-	0.0%
Judicial Deposits	7.6	7.3	3.8%
Other Credits	47.4	17.8	166.3%
Total Long- Term Assets	**104.6**	**47.6**	**119.8%**
Permanent Assets			
Investments	-	0.9	-100.0%
Biologic assets	223.7	197.5	13.3%
Fixed Assets	981.3	906.2	8.3%
Intangible	0.7	1.0	-27.5%
Total Permanent Assets	**1,205.8**	**1,105.7**	**-105.9%**
Total Non-Current Assets	**1,310.4**	**1,153.3**	**13.6%**
Total Assets	**1,611.4**	**1,381.4**	**16.7%**
LIABILITIES			
Current Liabilities			
Suppliers	112.7	58.2	93.7%
Loans and Financing	100.7	42.7	135.8%
Debentures	-	-	0.0%
Salaries	20.6	17.3	19.3%
Tax, Accrued Expenses and Payroll	13.3	8.1	64.3%
Related parties	-	-	0.0%
Tax Installments	9.6	9.5	0.6%
Deferred Taxes	-	-	0.0%
Advances from Clients	4.3	5.4	-19.9%
Dividends payable	21.3	-	0.0%
Unrealized income	-	-	0.0%
Accounts Payable	32.7	12.1	170.5%
Total Current Liabilities	**315.2**	**153.3**	**105.6%**
Non- Current Liabilities			
Long-Term Liabilities			
Loans and Financings	60.4	82.9	-27.1%
Tax Installments	122.4	120.1	1.9%
Income tax and social contribution	75.6	68.8	9.8%
Provision for judicial demands	101.0	91.9	9.9%
Accounts Payable	-	22.3	-100.0%
Total Long-Term Liabilities	**359.4**	**386.0**	**-6.9%**
Shareholder's Equity			
Capital	488.2	488.2	0.0%
Capital Reserve	343.6	246.3	39.5%
Adjustment of asset evaluation	106.0	108.5	-2.3%
Other Results	(0.1)	(0.0)	211.8%
Treasury Stocks	(0.8)	(0.8)	0.0%
Minority interest	**936.9**	**842.1**	**11.3%**
Total Liabilities	**1,611.4**	**1,381.4**	**16.7%**

Cash Flow (R$ 000)	2010	2009
Net Income before Income Tax and Social Contribution Tax	**135.7**	**200.5**
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	76.4	68.5
Residual Value of Fixed Assets Sold	50.9	14.6
Investiments write-off	0.9	-
Equity Results	-	-
Fair value variation related to biologic assets	(36.1)	(7.0)
Interest, Monetary and Exchange Variations on Loans	23.3	22.2
Provision for Inventory Losses	0.4	1.7
Income and Social Contribution Taxes	(11.1)	(3.5)
Deferred income tax and social contribution	(4.6)	2.2
Reversal of obligations related to adherence to Refis IV and others	1.5	(209.2)
Reversal of obligations with shareholders	(22.3)	(5.8)
Changes in operating assets and liabilities	**-**	**-**
Securities	0.5	(2.8)
Clients	(18.6)	(17.8)
Related Parties	-	-
Inventories	(8.3)	7.0
Recoverable taxes	(17.1)	(7.9)
Deferred income tax and social contribution	0.8	1.0
Next period expenses	(0.1)	(0.1)
Prepaid expenses	(0.3)	(1.9)
Other Credits	(82.7)	13.7
Suppliers	54.5	(2.0)
Labor and Tax Liabilities	8.8	(7.5)
Tax Installments	2.4	37.3
Advances from Clients	(1.1)	2.0
Other Liabilities	11.2	(3.0)
Net Cash Flow from Operating Activities	**165.1**	**102.4**
Cash Flow from Investing Activities		
Capital transfer to subsidiaries	-	-
Capital reduction on subsidiaries	-	-
Addition to fixed assets	(167.5)	(133.1)
Addition to biological assets	(31.0)	(26.5)
Net Cash Flow from Investing Activities	**(198.6)**	**(159.7)**
Cash Flow from Financing Activities		
Amortization of Loans	(75.5)	(51.7)
Inflow of Loans	110.3	102.2
Intercompany loans	-	-
Net Cash Flow from Financing Activities	**34.7**	**50.5**
Increase (Reduction) in Net Cash and Cash Equivalents	**1.3**	**(6.8)**
Cash and Cash Equivalents		
Beginning of period	4.2	11.0
End of period	5.5	4.2