3Q13 Earnings Release

São Paulo, November 6, 2013: Eucatex (BM&FBovespa: EUCA3 and EUCA4), one of the largest manufacturers of panels in Brazil, with operations also in the segments of paint and varnish, laminated flooring, partitions and doors, announces its results for the third quarter of 2013 (3Q13). The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS). Except where stated otherwise, the amounts are in millions of Brazilian real (R$ million) and comparisons are with the same period the previous year.

Highlights of the quarter

Higher growth of Revenue, EBITDA and Net Income

» **Net Revenue of R$292.9 million (+17.5%), with gains in market share**

» **Recurring EBITDA of R$60.7 million (+22.9%), with EBITDA margin of 20.7% (+0.9 p.p.)**

» **Net Income of R$35.1 million, up 45.1% from R$24.2 million in 3Q12**

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Highlights (R$ million)	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Net Revenue	292.9	249.2	17.5%	825.1	698.7	18.1%
Gross Income	97.4	81.2	20.0%	275.9	230.3	19.8%
Gross Margin (%)	33.3%	32.6%	0,7 p.p.	33.4%	33.0%	0.5 p.p.
EBITDA adjusted by non-cash events	55.9	62.1	-10.0%	172.2	161.3	6.7%
EBITDA Margin (%)	19.1%	24.9%	-5,8 p.p.	20.9%	23.1%	-2.2 p.p.
Net Income	35.1	24.2	45.1%	80.3	53.9	49.0%
Net Debt	254.8	260.5	-2.2%	254.8	260.5	-2.2%
Net Debt / EBITDA (LTM)	1.0	1.3	-20.4%	1.1	1.3	-16.2%
RECURRING Adjusted EBITDA	**60.7**	**49.4**	**22.9%**	**173.0**	**135.2**	**28.0%**
Recurring Adjusted EBITDA Margin (%)	**20.7%**	**19.8%**	**0.9 p.p.**	**21.0%**	**19.3%**	**1.6 p.p.**

Management Comments

The healthy performance in the quarter is due both to the actions taken by management, which have resulted in growth rates of above the market average in virtually all of the Company's operating segments, and to the positive performance by the retail and construction sectors, which created greater demand for our products.

Despite a macroeconomic scenario of low growth, higher interest rates and foreign exchange volatility - the last negatively impacting the costs of a few important inputs - sales growth was healthy and in line with the Company's expectations, while operating margins did not change significantly from the previous quarter and increased slightly from the same period in 2012.

According to the Monthly Survey of Trade (*Pesquisa Mensal do Comércio* - PMC) conducted by the Brazilian Institute of Geography and Statistics (IBGE), the Retail segment should benefit from the Brazilian government's Minha Casa Melhor program. According to estimates by Tendências Consultoria, furniture and home appliance sales may grow 5.7% in 2013 and 7.0% in 2014. This scenario includes more recent estimates of the impact of this program on the retail segment based on the initial results observed. Tendências Consultoria also estimates that the total funds injected by the Minha Casa Melhor Melhor program into Retail will be around R$6.9 billion by November 2015, since families can register for the program by December 2014 and will have 12 months to use the credit. In 2013, the program should generate revenues of R$1.9 billion for business, which is about 2.0% of the total estimate for the furniture and home appliances sector (R$85.7 billion this year, up 9.5% from last year). For 2014, the estimate puts the total funds injected by the program into Retail at R$4.2 billion, or 4.4% of the estimated revenue in the period.

The government's initial expectation was that the amount disbursed by the program would reach R$18.7 billion if the 3.7 million families benefited by the Minha Casa Minha Vida program fully used the credit facility provided by it. Even if the government's optimistic projections do not materialize, the Minha Casa Melhor program will significantly boost demand in the furniture and home appliances sector in 2013 and 2014.

Indicators are favorable also in the construction sector, thanks to the continuation of the Minha Casa Minha Vida program and the growth in sales of new properties in the main state capitals. According to the Brazilian Construction Industry Chamber (CBIC), new property sales increased 16.8% between January and August 2013, led by São Paulo which, according to SECOVI (the real estate industry union), accounts for 50% of the Brazilian market and which registered year-on-year sales growth of 45% during the period.

The ratio of mortgage loans to GDP in Brazil currently stands at 7.7%, which shows that there is still room for growth, especially when compared with the ratio in other developed or developing economies.

Market for products

The 17.5% growth in net revenue in 3Q13 reflects the sales growth across practically all the segments. The top performer was the wood segment, whose net revenue increased 17.6%, driven by the 6.4% increase in sales volume and the recovery in sale prices. In the same period, the panel market as a whole expanded 2.6%. The main driver of this growth, of above the market average, was the T-HDF/MDF Line.

MDP sales registered moderate growth of around 2%, while the T-HDF/MDF segment registered growth of 35.3%, with the production line operating close to capacity. A few improvements are still being implemented in this line to ramp up production in the coming quarters.

In the wood segment, the growth in laminated flooring sales was 17.4%, showing the continued brisk pace of sales in this segment.

Another highlight was the increase in panel exports. The Company expanded its line of higher value-added products to meet export demands early in 2013, and growth in 3Q13 stood at 48.6%.

Paint sales volume increased 6.8% in the quarter, while market growth was 3.5%, according to the Brazilian Paint Manufacturers Association (ABRAFATI).

Operating Performance
2005 - 100 base

Sales Volume	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Panels (DM)	174	164	5.8%	159	148	6.9%
Panels (EM)	93	63	48.6%	74	62	18.7%
Laminated Flooring	346	295	17.4%	304	253	20.1%
Paint	365	341	6.8%	376	354	6.2%

DM - Domestic Market / EM - Export Market

Results

Net revenue

Net Revenue Breakdown (R$ million)	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Fiberboard	57.6	50.2	14.8%	155.8	140.9	10.6%
MDP	64.0	57.8	10.6%	196.4	171.6	14.5%
T-HDF/MDF	63.2	49.1	28.8%	188.3	145.0	29.9%
Laminated Flooring	39.1	33.2	17.6%	99.4	80.8	22.9%
Wood Segment	223.9	190.4	*17.6%*	639.9	538.3	*18.9%*
Paint Segment	*62.5*	*54.3*	15.0%	*168.0*	*148.5*	13.2%
Other	*6.5*	*4.6*	42.6%	*17.2*	*11.9*	45.0%
Net Revenue	***292.9***	***249.2***	**17.5%**	***825.1***	***698.7***	**18.1%**

Net revenue totaled R$ 292.9 million (R$ 249.2 million in 3Q12). The table above details the revenues earned and the percentage growth registered in each segment in 3Q13 and 9M13.

The following deserve mention:

- In the wood segment, the main driver of revenue growth was the T-HDF/MDF line, which recorded sales growth and rebuilt its sales prices;
- In the fiber board segment, the increase in the quarter reflects the increase in prices, the improved sales mix and gains from the appreciation of the U.S. dollar;
- In the MDP line, the growth was due to the rebuilding of prices, since sales volume increased only slightly;
- In the laminated flooring line, the growth reflects, to a greater extent, the increased sales volume resulting from the improved product mix, while the variation in the average price was just 2.8%; and
- In the paints segment, sales volume increased 6.8%, also involving the rebuilding of prices.

Cost of Goods Sold (COGS)

COGS increased 15.9% in the quarter. Although the increases in production input prices have slowed, the COGS reflects the impact of exchange variation on the prices of imported products, the increase in depreciation and the higher prices for urea-formaldehyde resins.

Gross Income and Gross Margin

Gross Income in 3Q13 was R$ 97.4 million, compared to R$ 81.2 million in 3Q12. Gross margin in the quarter reached 33.3%, up 0.7 p.p. from the same period the previous year.

Operating Expenses

Breakdown of Expenses (R$ million)	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Selling	(40.8)	(32.9)	24.1%	(113.4)	(100.7)	12.6%
General and Administrative	(12.5)	(12.6)	-0.5%	(38.2)	(36.3)	5.0%
Total Operating Expenses	**(53.4)**	**(45.5)**	**17.3%**	**(151.5)**	**(137.0)**	**10.6%**
% Net Revenue	***-18.2%***	***-18.3%***	**0 p.p.**	***-18.4%***	***-19.6%***	**-1.2 p.p.**
Other Operating Income and Expenses	(2.1)	(1.4)	-53.2%	(5.1)	0.0	-44602.5%

Operating expenses as a ratio of net revenue remained stable in 3Q13, while decreasing 1.2 p.p. in the 9M13.

EBITDA and EBITDA Margin

EBITDA Reconciliation (R$ million)	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Net Income	35.1	24.2	45.1%	80.3	53.9	49.0%
Income and Social Contribution Taxes	3.5	11.3	-69.3%	11.3	19.9	-43.3%
Net Financial Income (Loss)	(1.5)	11.6	-112.8%	26.8	45.7	-41.3%
EBIT	***37.1***	***47.1***	***-21.2%***	***118.5***	***119.5***	***-0.9%***
Depreciation and Amortization	29.3	24.7	18.7%	86.7	73.7	17.6%
EBITDA under CVM instr. 527/12	***66.4***	***71.8***	***-7.5%***	***205.2***	***193.3***	***6.2%***
EBITDA Margin	**22.7%**	**28.8%**	**-6.1 p.p.**	**24.9%**	**27.7%**	**-2.8 p.p.**
Non-cash adjustments						
Fair value variation in biological assets	(10.6)	(9.7)	8.7%	(32.9)	(31.9)	3.1%
EBITDA adjusted by non-cash events	***55.9***	***62.1***	***-10.0%***	***172.2***	***161.3***	***6.7%***
Non-recurring events (1)	4.8	(12.7)	-138.2%	0.8	(26.2)	-103.0%
Recurring adjusted EBITDA	***60.7***	***49.4***	***22.9%***	***173.0***	***135.2***	***28.0%***
Adjusted recurring EBITDA Margin	**20.7%**	**19.8%**	**0.9 p.p.**	**21.0%**	**19.3%**	***1.6 p.p.***

(1) non-recurring events: 3Q13 - primarily early terminations and labor claims.

3Q12 - mainly untimely ICMS tax credits.

As a result of the above, recurring EBITDA totaled R$ 60.7 million, up 22.9% from 3Q12. Recurring EBITDA margin stood at 20.7%, an increase of 0.9 p.p. over 19.8% in the same period the previous year.

Net Income

Net income in the quarter was R$ 35.1 million, an increase of 45.1% over the same period the previous year. Net income in 9M13 totaled R$ 80.3 million, up 49.0% over the same period the previous year.

Debt

The Company's net debt at the end of 3Q13 was R$ 254.8 million and was equivalent to 1.1 times its annualized EBITDA. Debt reduction was not greater only because of the exchange variation.

In October 2013, the Company concluded the issue of Agribusiness Credit Rights Certificates (CDCA), raising R$70 million. These funds will enable it to lengthen its debt profile and improve its liquidity.

Debt (R$ Million)	9M13	9M12	Var. (%)	2012	Var. (%)
Short Term Debt	137.5	132.0	4.1%	146.9	-6.4%
Long Term Debt	129.4	135.8	-4.7%	126.9	2.0%
Gross Debt	**266.9**	**267.8**	**-0.3%**	**273.8**	**-2.5%**
Cash and Cash Equivalents	12.1	7.3	65.9%	6.9	74.9%
Net Debt	**254.8**	**260.5**	**-2.2%**	**266.9**	**-4.5%**
% Short Term Debt	*52%*	*49%*	*2.2 p.p.*	*54%*	*-4.0%*
Net Debt/EBITDA	**1.1**	**1.3**	**-16.2%**	**1.4**	**-23.7%**

Capex

Capex in the quarter mainly went to the plantation of forests, acquisition of ancillary equipment to increase capacity and reduce production costs of the T-HDF/MDF line, and other working capital and 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. It 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 two million trees, 470,000 cubic meters of standing timber or 1,500 hectares of planted forests. The investment in land and planting to maintain this volume of wood, considering a seven-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, listed on the BM&FBovespa under the ticker EUCA4, closed 3Q13 at R$ 6.43. Eucatex's market capitalization at the end of the quarter stood at R$ 595.5 million, equivalent to approximately 60% of its book value.

About Eucatex

Eucatex S.A. Indústria e Comércio completes 62 years in 2013. It is one of Brazil's largest manufacturers of laminated flooring, wall partitions, doors, MDP/MDF/T-HDF panels, fiberboard and paints and varnishes. It operates four modern plants in the cities of Botucatu and Salto, located in the inland region of São Paulo state, and employs 2,462 people. Its products are exported to more than 37 countries. 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 economy, the sector and the international markets 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 3Q13, the Eucatex Group did not contract any services from Grant Thornton Auditores Independentes other than audit services.

Income Statement

Income Statement (R$ million)	3Q13	3Q12	Var. (%)	9M13	9M12	Var. (%)
Gross Revenue	**359.5**	**337.0**	**6.7%**	**1,014.8**	**892.1**	**13.8%**
Sales taxes and Deductions	(66.6)	(87.8)	-24.1%	(189.7)	(193.4)	-1.9%
Net Revenue	**292.9**	**249.2**	**17.5%**	**825.1**	**698.7**	**18.1%**
Fair value variation in biological assets	10.6	9.7	-8.7%	32.9	31.9	-3.1%
Cost of Goods Sold	(206.0)	(177.7)	15.9%	(582.2)	(500.3)	16.4%
Gross Income	**97.4**	**81.2**	**20.0%**	**275.9**	**230.3**	**19.8%**
% Gross Margin	33.3%	32.6%	0.7 p.p.	33.4%	33.0%	0.5 p.p.
Selling Expenses	(40.8)	(32.9)	24.1%	(113.4)	(100.7)	12.6%
General and Administrative Expenses	(10.7)	(10.7)	0.0%	(32.1)	(30.9)	3.9%
Management Compensation	(1.9)	(1.9)	-3.1%	(6.0)	(5.4)	11.8%
Other Operating Income / (Expenses)	(2.1)	(1.4)	-53.2%	(5.1)	0.0	-44602.5%
Operating Income (Expenses)	**(55.5)**	**(46.9)**	**18.3%**	**(156.6)**	**(137.0)**	**14.3%**
Net Income before Financial Result	**42.0**	**34.3**	**22.3%**	**119.2**	**93.3**	**27.8%**
Financial Income (Expense)	1.5	(11.6)	112.8%	(26.8)	(45.7)	41.3%
Non-recurring Income (Expense)	(4.8)	12.7	-138.2%	(0.8)	26.2	-103.0%
Net Income after Financial Result	**38.6**	**35.4**	**9.0%**	**91.6**	**73.8**	**24.2%**
Provision for Income and Soc. Contr. Taxes	(3.5)	(11.3)	-69.3%	(11.3)	(19.9)	-43.3%
Net Income (Loss) before Non-Controlling I	**35.1**	**24.1**	**45.7%**	**80.3**	**53.8**	**49.2%**
Non-controlling interest	-	0.1	100.0%	-	0.1	100.0%
Net Income (Loss) for the Year	**35.1**	**24.2**	**45.1%**	**80.3**	**53.9**	**49.0%**
Net Margin	**12.0%**	**9.7%**	***2.3 p.p.***	**9.7%**	**7.7%**	***2 p.p.***

Balance Sheet

Balance Sheet (R$ '000)	*9M13*	*9M12*	Var. (%)
ASSETS			
Current Assets			
Cash and Cash Equivalents	8.5	5.7	49.4%
Marketable Securities	3.5	1.5	126.6%
Trade Accounts Receivable	243.9	196.7	24.0%
Inventories	121.8	103.8	17.3%
Taxes Recoverable	29.3	23.5	24.5%
Prepaid Expenses	1.8	7.5	-76.6%
Other receivables	3.4	2.6	29.5%
Total Current Assets	**412.2**	**341.5**	**20.7%**
Non-Current Assets			
Long-Term Assets			
Trade Accounts Receivable	7.5	7.2	5.1%
Taxes Recoverable	4.3	7.3	-40.7%
Deferred income and soc. Contr. Taxes	-	-	0.0%
Goods held for sale	0.7	0.7	-0.7%
Investment properties	28.0	28.1	-0.2%
Judicial Deposits	8.6	9.2	-5.7%
Other receivables	17.2	17.2	0.0%
Total Long-Term Assets	**66.4**	**69.6**	**-4.6%**
Permanent Assets			
Biological Assets	325.7	287.8	13.2%
Fixed Assets	1,059.6	1,068.2	-0.8%
Intangible Assets	0.4	0.5	-19.8%
Total Permanent Assets	**1,385.6**	**1,356.5**	**-7.4%**
Total Non-Current Assets	**1,452.0**	**1,426.1**	**1.8%**
Total Assets	**1,864.2**	**1,767.6**	**5.5%**
LIABILITIES			
Current liabilities			
Trade Accounts Payable	105.8	95.1	11.3%
Loans and Financing	134.9	132.0	2.2%
Labor Liabilities	32.2	29.1	10.5%
Tax Liabilities	16.5	15.3	7.6%
Tax Installments	38.8	31.1	24.7%
Advances from Clients	21.6	8.8	145.7%
Dividends and interest on equity payable	40.9	33.5	22.1%
Debentures payable	2.6	0.4	564.0%
Accounts Payable	33.9	27.6	23.1%
Total Current Liabilities	**427.2**	**372.9**	**14.6%**
Non-Current Liabilities			
Loans and Financing	55.4	61.8	-10.4%
Trade Accounts Payable	2.4	2.9	-18.1%
Tax Installments	62.0	79.2	-21.7%
Deferred Income and Soc. Contr. Taxes	75.3	72.1	4.5%
Provision for Contingencies	19.0	53.7	-64.5%
Debentures payable	74.0	74.0	0.1%
Total Long-Term Liabilities	**288.1**	**343.6**	**-16.1%**
Shareholder's Equity			
Capital	488.2	488.2	0.0%
Revaluation Reserves	208.8	215.9	-3.3%
Profit Reserve	356.3	195.1	82.6%
Asset Valuation Adjustment	98.6	101.0	-2.4%
Other Comprehensive Income	0.0	0.0	0.0%
Treasury Stock	(2.9)	(2.9)	0.0%
Retained Earnings/Accumulated Losses	-	53.8	-100.0%
Total Shareholder's Equity	**1,149.0**	**1,051.1**	**9.3%**
Non-controlling interest	-	-	0.0%
Total Shareholder's Equity & Non-controlling Inter	**1,149.0**	**1,051.1**	**9.3%**
Total Liabilities and Shareholder's Equity	**1,864.2**	**1,767.6**	**5.5%**

Cash Flow

Cash Flow (R$ 000)	9M13	9M12
Net Income before Income and Social Contribution Taxes	**91.6**	**73.8**
Adjustments to Reconcile Net Income and Operating Cash Flow		
Depreciation and Amortizations	45.0	36.5
Exhaustion of biological assets	41.7	37.2
Residual Value of Fixed Assets Sold	0.0	0.2
Fair value variation in biological assets	(32.9)	(31.9)
Write-off of investments	(0.0)	0.4
Interest, Monetary and Exchange Variations, net	23.4	23.1
Provision for inventory losses	0.0	(0.0)
Income and social contribution taxes in the period	(10.7)	(10.4)
Deferred income and social contribution taxes	(0.6)	(9.5)
Provision (reversal) for liabilities and others	(3.1)	5.7
Provision for obligations with shareholders	-	-
Changes in operating assets and liabilities		
Trade accounts receivable	(1.9)	7.3
Related Parties	(41.7)	(14.7)
Inventories	(0.1)	-
Recoverable taxes	(10.5)	(0.0)
Deferred income and soc. Contr. Taxes - 11,638/07	(3.8)	9.3
Deferred expenses	3.2	4.6
Judicial deposits	0.9	(0.1)
Other receivables	0.9	(1.2)
Trade accounts payable	0.0	(1.8)
Labor and Tax Liabilities	12.4	(4.0)
Tax Installments	4.8	(1.7)
Advances from Clients	(14.9)	(14.5)
Accounts payable	-	-
Net Cash Flow from Operating Activities	**107.7**	**112.5**
Cash Flow from Investing Activities		
Capital transfer to subsidiaries	-	-
Capital reduction on subsidiaries	-	-
Marketable Securities	-	-
Addition to fixed assets	(41.5)	(63.8)
Addition to biological assets	(38.4)	(34.8)
Net Cash Flow from Investing Activities	**(79.9)**	**(98.5)**
Cash Flow from Financing Activities		
Amortization of Loans	(108.1)	(155.4)
Loans	84.7	106.3
Payment of dividends/Interest on equity	(7.0)	(0.2)
Debentures	-	74.0
Net Cash Flow from Financing Activities	**(30.4)**	**24.8**
Increase (Reduction) in Net Cash and Cash Equivalents	**(2.7)**	**38.7**
Cash and Cash Equivalents		
Beginning of period	5.3	8.1
End of period	8.5	5.7
Supplementary information:		
Income and social contribution taxes paid	(9.8)	(4.2)
Interest paid	-	-