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Company Information / Capital Breakdown

Number of Shares (in thousands)	Last Fiscal Year 12/31/2010
Paid-in Capital	
Common	140,039
Preferred	268,853
Total	408,892
Treasury Shares	
Common	6,786
Preferred	4,155
Total	10,941

Company Information / Cash Dividends

Event	Approval	Type	Date of Payment	Type of Share	Class of Share	Amount per Share (R$/share)
Annual and Special Shareholders' Meetings	04/30/2010	Dividend	05/17/2010	Common		0.01000
Annual and Special Shareholders' Meetings	04/30/2010	Dividend	05/17/2010	Preferred	Class A Preferred	0.01100
Annual and Special Shareholders' Meetings	04/30/2010	Dividend	05/17/2010	Preferred	Class B Preferred	0.01100
Board of Directors' Meeting	08/10/2010	Interest on Shareholders' Equity	09/10/2010	Common		0.14433
Board of Directors' Meeting	08/10/2010	Interest on Shareholders' Equity	09/10/2010	Preferred	Class A Preferred	0.15877
Board of Directors' Meeting	08/10/2010	Interest on Shareholders' Equity	09/10/2010	Preferred	Class B Preferred	0.15877
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Common		0.36372
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Preferred	Class A Preferred	0.40010
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Preferred	Class B Preferred	0.40010

Individual Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
1	Total Assets	18,677,950	17,340,078	17,340,548
1.01	Current Assets	5,422,224	4,184,032	4,420,216
1.01.01	Cash and Cash Equivalents	3,484,168	2,261,889	1,921,063
1.01.03	Receivables	1,173,565	1,103,742	1,535,799
1.01.03.01	Trade	1,173,565	1,103,742	1,535,799
1.01.04	Inventories	538,082	510,250	585,867
1.01.06	Recoverable Taxes	170,434	237,587	333,700
1.01.06.01	Current Recoverable Taxes	170,434	237,587	333,700
1.01.07	Prepaid Expenses	4,954	5,226	4,411
1.01.08	Other Current Assets	51,021	65,338	39,376
1.01.08.03	Other	51,021	65,338	39,376
1.01.08.03.01	Derivatives Gains	12,353	11,641	1,737
1.01.08.03.02	Other Accounts Receivable	13,644	29,548	33,759
1.01.08.03.03	Receivables / Indemnification for Land Expropriation	6,279	6,162	0
1.01.08.03.04	Receivables from Properties and Forests	10,230	10,817	697
1.01.08.03.05	Advance to Suppliers	6,563	5,670	2,803
1.01.08.03.06	Related Parties	1,952	1,500	380
1.02	Non-Current Assets	13,255,726	13,156,046	12,920,332
1.02.01	Long-Term Assets	2,333,244	2,209,775	1,840,540
1.02.01.05	Biological Assets	1,809,670	1,583,605	1,292,532
1.02.01.08	Receivables from Related Parties	811	1,111	49,083
1.02.01.08.02	Receivables from Subsidiaries	811	1,111	49,083
1.02.01.09	Other Non-Current Assets	522,763	625,059	498,925
1.02.01.09.03	Derivatives Gains	2,619	9,315	577
1.02.01.09.04	Recoverable Taxes and Contributions	96,062	110,407	152,436
1.02.01.09.05	Advance to Suppliers	257,828	243,480	215,632
1.02.01.09.06	Other Receivables	79,175	144,202	40,260
1.02.01.09.07	Receivables / Indemnification for Land Expropriation	50,233	55,461	0
1.02.01.09.08	Judicial Deposits	36,846	62,194	90,020

Individual Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
1.02.02	Investments	580,383	457,073	467,656
1.02.02.01	Equity Interest	580,383	457,073	467,656
1.02.02.01.02	Interest in Subsidiaries	580,383	457,073	467,656
1.02.03	Property, Plant and Equipment	10,308,047	10,455,146	10,578,089
1.02.03.01	Operational Property, Plant and Equipment	10,152,376	10,369,284	10,468,203
1.02.03.02	Leased Property, Plant and Equipment	49,797	59,321	64,520
1.02.03.03	Construction in Progress	105,874	26,541	45,366
1.02.04	Intangible Assets	34,052	34,052	34,047
1.02.04.01	Intangible Assets	34,052	34,052	34,047
1.02.04.01.02	Goodwill	34,052	34,052	34,047

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2	Total Liabilities	18,677,950	17,340,078	17,340,548
2.01	Current Liabilities	2,098,054	2,244,939	2,484,435
2.01.01	Payroll and Related Charges	69,236	68,980	68,544
2.01.01.01	Payroll Charges Liabilities	2,992	2,888	9,780
2.01.01.02	Labor Liabilities	66,244	66,092	58,764
2.01.02	Trade accounts payables	271,997	262,667	219,067
2.01.02.01	Domestic Suppliers	263,715	249,545	198,714
2.01.02.02	Foreign Suppliers	8,282	13,122	20,353
2.01.03	Tax Liabilities	39,095	40,548	10,130
2.01.03.01	Federal Tax Liabilities	31,089	33,864	10,122
2.01.03.02	State Tax Liabilities	5,837	4,402	-1,737
2.01.03.03	Loans and Financing	2,169	2,282	1,745
2.01.04	Loans and Financing	1,237,313	1,526,728	1,867,805
2.01.04.01	Loans and Financing	1,194,742	1,412,981	1,834,942
2.01.04.01.01	In Domestic Currency	688,804	884,638	556,605
2.01.04.01.02	In Foreign Currency	505,938	528,343	1,278,337
2.01.04.02	Debentures	42,571	113,747	32,863
2.01.05	Other Liabilities	480,413	346,016	318,889
2.01.05.01	Related Party Liabilities	135,411	19,092	15,917
2.01.05.01.02	Debts with Subsidiaries	135,411	19,092	15,917
2.01.05.02	Other	345,002	326,924	302,972
2.01.05.02.01	Dividends and Interest on Shareholders Equity	129,020	167,519	470
2.01.05.02.04	Derivatives Losses	32,863	37,052	150,039
2.01.05.02.05	Accounts Payable	60,345	43,765	45,545
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	59,731	58,756	0
2.01.05.02.07	Unrealized Profit	63,043	19,832	106,918
2.02	Non-Current Liabilities	7,939,225	7,230,769	7,681,842
2.02.01	Loans and Financing	4,612,646	4,869,221	5,711,592
2.02.01.01	Loans and Financing	4,030,381	4,183,258	4,907,536

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2.02.01.01.01	In Domestic Currency	2,542,355	2,173,301	2,515,431
2.02.01.01.02	In Foreign Currency	1,488,026	2,009,957	2,392,105
2.02.01.02	Debentures	582,265	685,963	804,056
2.02.02	Other Liabilities	1,204,490	297,885	171,823
2.02.02.01	Related Party Liabilities	1,120,044	174,119	116,850
2.02.02.01.02	Debts with Subsidiaries	1,120,044	174,119	116,850
2.02.02.02	Other	84,446	123,766	54,973
2.02.02.02.03	Derivatives Losses	29,296	23,810	51,652
2.02.02.02.04	Accounts Payable	10,352	7,575	3,321
2.02.02.02.05	Debt from Acquisition of Land and Reforestation	44,798	92,381	0
2.02.03	Deferred Taxes	1,767,255	1,751,983	1,518,878
2.02.03.01	Deferred Income and Social Contribution Taxes	1,767,255	1,751,983	1,518,878
2.02.04	Provisions	354,834	311,680	279,549
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	354,834	311,680	279,549
2.02.04.01.01	Provisions for Tax Claims	119,099	96,411	131,440
2.02.04.01.02	Provisions for Pension and Labor Claims	41,305	11,379	11,794
2.02.04.01.04	Provisions for Civil Claims	4,387	3,576	4,281
2.02.04.01.05	Share-Based Payments	17,746	12,852	3,582
2.02.04.01.06	Provision for Actuarial Liabilities	162,691	187,462	128,452
2.02.04.01.07	Other Provisions	9,606	0	0
2.03	Equity	8,640,671	7,864,370	7,174,271
2.03.01	Paid-in Capital	2,685,183	2,054,430	2,054,430
2.03.02	Capital Reserves	-161,272	246,147	210,432
2.03.02.02	Special Goodwill Reserve on Merger	0	108,723	108,723
2.03.02.04	Options Granted	350	0	0
2.03.02.05	Treasury Shares	-227,405	-201,798	-201,798
2.03.02.07	Tax Incentive Reserves	65,783	339,222	303,507
2.03.04	Income Reserve	2,666,821	2,112,001	1,448,533
2.03.04.01	Legal Reserve	230,431	191 ,981	149,315

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2.03.04.02	Statutory Reserve	286,285	235,665	181,254
2.03.04.08	Additional Dividend Proposed	13,113	2,945	0
2.03.04.11	Capital Increase Reserve	2,136,992	1,681,410	1,117,964
2.03.06	Other Comprehensive Income	3,449,939	3,451,792	3,460,876

Individual Financial Statements / Statement of Income

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
3.01	Net Sales Revenue from Goods and/or Services	4,244,727	3,916,614
3.02	Cost of Goods Sold and/or Services Rendered	-2,854,990	-2,784,472
3.03	Gross Profit	1,389,737	1,132,142
3.04	Operating Expense/Income	-285,911	-462,080
3.04.01	Selling Expenses	-416,974	-386,192
3.04.02	General and Administrative Expenses	-279,716	-211,561
3.04.04	Other Operating Income	318,682	173,555
3.04.05	Other Operating Expenses	-44,953	-27,540
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	137,050	-10,342
3.05	Earnings Before Financial Income and Taxes	1,103,826	670,062
3.06	Financial Income (Expenses)	-212,372	662,643
3.06.01	Financial Income	224,217	73,331
3.06.02	Financial Expenses	-436,589	589,312
3.07	Earnings Before Income Taxes	891,454	1,332,705
3.08	Income and Social Contribution Taxes	-122,457	-386,184
3.08.01	Current	-120,162	-184,644
3.08.02	Deferred	-2,295	-201,540
3.09	Net Income from Continued Operations	768,997	946,521
3.11	Net Income/Loss for the year	768,997	946,521
3.99	Earnings per Share - (Brazilian Reais/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	1.97777	2.89519
3.99.01.02	Class A Preferred	2.17555	3.18471
3.99.01.03	Class B Preferred	2.17555	3.18471
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	1.97657	2.89519
3.99.02.02	Class A Preferred	2.17223	3.18310
3.99.02.03	Class B Preferred	2.17555	3.18471

Individual Financial Statements / Statement of Comprehensive Income

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
4.01	Net Income/Loss for the year	768,997	946,521
4.02	Other Comprehensive Income (Loss)	24,559	-28,556
4.02.01	Exchange Variation on Foreign Investments	-632	0
4.02.02	Actuarial Gain (Loss)	38,168	-43,266
4.02.03	Deferred Income and Social Contribution Taxes	-12,977	14,710
4.03	Comprehensive Income for the Year	793,556	91 7,965

Individual Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
6.01	Net Cash from Operating Activities	1,006,548	1,208,619
6.01.01	Cash Generated in Operations	1,309,064	809,485
6.01.01.01	Net Income for the Year	768,997	946,521
6.01.01.02	Depreciation, Depletion and Amortization	517,280	512,120
6.01.01.03	Income on Sale of Non Current Assets	-284,640	-39,632
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	-137,050	10,342
6.01.01.05	Exchange and Monetary Variations, Net	-30,577	-1,052,845
6.01.01.06	Interest Expenses, Net	382,437	414,931
6.01.01.07	Deferred Income and Social Contribution Tax Expenses	2,295	201,540
6.01.01.08	Additional Actuarial Liabilities	21,289	15,764
6.01.01.09	Addition to (Reversal of) Contingencies	74,590	-51,568
6.01.01.10	Share-Based Payment Expenses	5,245	8,345
6.01.01.11	Derivative Gains (Losses), Net	17,371	-51 ,676
6.01.01.12	Reversal of Investment Losses	-42	-1,803
6.01.01.13	Biological Assets Fair Value Adjustment	-28,131	-102,554
6.01.02	Variation in Assets and Liabilities	-302,516	399,134
6.01.02.01	Decrease (Increase) in Accounts Receivable	-69,823	432,057
6.01.02.02	Decrease (Increase) in Inventories	-17,463	85,891
6.01.02.03	Decrease in Recoverable Taxes	81,498	138,142
6.01.02.04	Increase in Other Current and Non-Current Assets	-7,595	-207,949
6.01.02.05	Settlement of Derivative Operations	29,286	-71,478
6.01.02.06	Increase in Suppliers	9,330	43,600
6.01.02.07	Increase in Other Current and Non-Current Liabilities	38,207	323,948
6.01.02.08	Payment of Interest	-329,348	-311,528
6.01.02.09	Payment of Other Taxes and Contributions	-1,453	0
6.01.02.10	Payment of Income and Social Contribution Taxes	-35,155	-33,549
6.02	Net Cash used in Investment Activities	-216,504	-607,941
6.02.01	Additions to Property, Plant and Equipment and Biological Assets	-601,907	-675,228
6.02.02	Proceeds from the Sale of Assets and Dividends	370,352	67,345

Individual Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
6.02.03	Additions to Investments	0	-58
6.02.04	Net Effect from the Sale of Ariemil and Água Fria	15,051	0
6.03	Net Cash from (used in) Financing Activities	432,235	-259,852
6.03.01	Funding	3,462,679	2,194,809
6.03.02	Settlement of Derivative Operations	-39,377	-36,317
6.03.03	Payment of Loans	-2,699,485	-2,382,997
6.03.04	Acquisition of Own Shares	-42,560	0
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-249,022	-35,347
6.05	Increase of Cash and Cash Equivalents	1,222,279	340,826
6.05.01	Cash and Cash Equivalents at the Beginning of the Year	2,261,889	1,921,063
6.05.02	Cash and Cash Equivalents at the End of the Year	3,484,168	2,261,889

Individual Financial Statements / Statement of Changes in Equity / 01/01/2010 to 12/31/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity
5.01	Opening Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370
5.04	Equity Transactions with Shareholders	218,524	-25,257	-2,945	-207,577	0	-17,255
5.04.03	Granted Options	0	350	0	0	0	350
5.04.07	Interest on Shareholders' Equity	0	0	0	-207,577	0	-207,577
5.04.08	Payment of Additional Dividends, Exceeding the Mandatory Minimum Dividend of the Previous Year	0	0	-2,945	0	0	-2,945
5.04.10	Shares Received from Transfer - Finor	0	-2,027	0	0	0	-2,027
5.04.11	Purchase of Shares from Ripasa's Former Controlling Shareholders	0	-23,580	0	0	0	-23,580
5.04.12	Conversion of Debentures into Shares	218,524	0	0	0	0	218,524
5.05	Total Comprehensive Income	0	0	0	794,188	-632	793,556
5.05.0 1	Net Income for the Year	0	0	0	768,997	0	768,997
5.05.02	Other Comprehensive Income	0	0	0	25,191	-632	24,559
5.05.02.06	Exchange Variation from Investees	0	0	0	0	-632	-632
5.05.02.08	Actuarial Gain, net of Deferred Income and Social Contribution Taxes	0	0	0	25,191	0	25,191
5.06	Internal Changes in Equity	412,229	-382,162	557,765	-586,611	-1,221	0
5.06.04	Capital Increase with Reserves	412,229	-412,229	0	0	0	0
5.06.05	Realization of Other Comprehensive Income, Net of Deferred Income and Social Contribution Taxes	0	0	0	1,221	-1,221	0
5.06.06	Tax Incentive Reserve	0	30,067	0	-30,067	0	0
5.06.07	Special Statutory Reserve	0	0	50,620	-50,620	0	0
5.06.08	Legal Reserve	0	0	38,450	-38,450	0	0
5.06.09	Reserve to Increase Capital	0	0	455,582	-455,582	0	0
5.06.10	Additional Proposed Dividends	0	0	13,113	-13,113	0	0
5.07	Closing Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671

Individual Financial Statements / Statement of Changes in Equity / 01/01/2009 to 12/31/2009

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity
5.01	Opening Balances	2,054,430	210,432	1,510,101	0	0	3,774,963
5.02	First time adoption adjustments	0	0	-61,568	0	3,460,876	3,399,308
5.03	Adjusted Opening Balances	2,054,430	210,432	1,448,533	0	3,460,876	7,174,271
5.04	Equity Transactions with Shareholders	0	0	0	-227,866	0	-227,866
5.04.07	Interest on Shareholders' Equity	0	0	0	-227,543	0	-227,543
5.04.08	Payment of Additional Dividends, Exceeding the Mandatory Minimum Dividend of the Previous Year	0	0	0	-3,268	0	-3,268
5.04.09	Reversal of Surplus Amount of Mandatory Minimum Dividends	0	0	0	2,945	0	2,945
5.05	Total Comprehensive Income	0	0	0	917,965	0	917,965
5.05.0 1	Net Income for the Year	0	0	0	946,521	0	946,521
5.05.02	Other Comprehensive Income	0	0	0	-28,556	0	-28,556
5.05.02.06	Actuarial Loss, net of Deferred Income and Social Contribution Taxes	0	0	0	-28,556	0	-28,556
5.06	Internal Changes in Equity	0	35,715	663,468	-690,099	-9,084	0
5.06.04	Realization of Asset Valuation Adjustment, Net of Deferred Income and Social Contribution Taxes	0	0	0	9,084	-9,084	0
5.06.05	Tax Incentive Reserve	0	35,715	0	-35,715	0	0
5.06.06	Special Statutory Reserve	0	0	54,411	-54,411	0	0
5.06.07	Legal Reserve	0	0	42,666	-42,666	0	0
5.06.08	Reserve to Increase Capital	0	0	566,391	-566,391	0	0
5.07	Closing Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370

Individual Financial Statements / Statement of Value Added

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
7.01	Income	5,268,519	4,692,990
7.01.01	Sale of Goods, Products and Services	4,815,901	4,392,328
7.01.02	Other Income	331,382	214,220
7.01.03	Income from Construction of Own Assets	149,747	89,840
7.01.04	Allowance for Doubtful Accounts	-28,511	-3,398
7.02	Input Acquired from Third-Parties	-3,168,731	-3,061,336
7.02.01	Cost of Products Sold and Services Rendered	-1,652,363	-1,718,805
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,499,189	-1,336,813
7.02.03	Loss/Recovery of Assets	295	-5,718
7.02.04	Other	-17,474	0
7.03	Gross Added Value	2,099,788	1,631,654
7.04	Retentions	-517,280	-512,120
7.04.01	Depreciation, Amortization and Depletion	-517,280	-512,120
7.05	Net Added Value Produced	1,582,508	1,119,534
7.06	Added Value from Transfers	361,267	63,022
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	137,050	-10,342
7.06.02	Financial Income	224,195	72,311
7.06.03	Other	22	1,053
7.06.03.02	Dividends Received from Investment at Cost	22	1,053
7.07	Total Added Value to Distribute	1,943,775	1,182,556
7.08	Distribution of Value Added	1,943,775	1,182,556
7.08.01	Personnel	501,033	452,454
7.08.01.01	Direct Compensation	398,149	316,286
7.08.01.02	Benefits	81,965	118,083
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	20,919	18,085
7.08.02	Taxes, Fees and Contributions	164,619	312,150
7.08.02.01	Federal	189,228	400,007
7.08.02.02	State	-28,130	-90,494
7.08.02.03	Local	3,521	2,637

Individual Financial Statements / Statement of Value Added

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
7.08.03	Value Distributed to Providers of Capital	509,126	-528,569
7.08.03.01	Interest Rates	523,680	508,520
7.08.03.02	Rental	72,660	60,829
7.08.03.03	Other	-87,214	-1,097,918
7.08.03.03.01	Exchange Losses	-87,214	-1,097,918
7.08.04	Value Distributed to Shareholders	768,997	946,521
7.08.04.01	Interest on Shareholders' Equity	207,577	227,543
7.08.04.02	Dividends	13,109	323
7.08.04.03	Retained Earnings / Loss for the Year	548,311	71 8,655

Consolidated Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
1	Total Assets	18,913,509	17,615,555	17,602,658
1.01	Current Assets	5,423,823	4,230,651	4,415,999
1.01.01	Cash and Cash Equivalents	3,735,438	2,533,285	2,176,312
1.01.03	Receivables	792,057	766,174	934,171
1.01.03.01	Trade	792,057	766,174	934,171
1.01.04	Inventories	658,821	615,931	881,568
1.01.06	Taxes Recoverable	171,748	238,825	361,025
1.01.06.01	Current Recoverable Taxes	171,748	238,825	361,025
1.01.07	Prepaid Expenses	5,777	5,319	4,509
1.01.08	Other Current Assets	59,982	71,117	58,414
1.01.08.03	Other	59,982	71,117	58,414
1.01.08.03.01	Derivatives Gains	15,754	12,960	16,939
1.01.08.03.02	Other Accounts Receivable	21,156	35,508	37,975
1.01.08.03.03	Receivables/Court- Indemnification for Land Expropriation	6,279	6,162	0
1.01.08.03.04	Receivables – Sale of Properties and Forests	10,230	10,817	697
1.01.08.03.05	Advance to Suppliers	6,563	5,670	2,803
1.02	Non-Current Assets	13,489,686	13,384,904	13,186,659
1.02.01	Long-Term Assets	2,381,282	2,246,399	1,897,240
1.02.01.05	Biological Assets	1,811,094	1,588,945	1,297,318
1.02.01.06	Deferred Taxes	26,946	11,356	73,033
1.02.01.06.01	Deferred Income and Social Contribution Taxes	26,946	11,356	73,033
1.02.01.09	Other Non-Current Assets	543,242	646,098	526,889
1.02.01.09.03	Derivatives Gains	11,518	15,089	14,449
1.02.01.09.04	Recoverable Taxes and Contributions	96,110	110,408	152,440
1.02.01.09.05	Advance to Suppliers	257,828	243,480	215,632
1.02.01.09.06	Other Receivables	86,896	156,691	52,002
1.02.01.09.07	Receivables/Indemnification for Land Expropriation	50,233	55,461	0
1.02.01.09.08	Judicial Deposits	40,657	64,969	92,366
1.02.03	Property, Plant and Equipment	10,938,493	11,104,453	11,255,372

Consolidated Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
1.02.03.01	Operational Property, Plant and Equipment	10,770,834	11,013,215	11,145,486
1.02.03.02	Leased Property, Plant and Equipment	49,797	59,321	64,520
1.02.03.03	Construction in Progress	117,862	31,917	45,366
1.02.04	Intangible Assets	169,911	34,052	34,047
1.02.04.02	Goodwill	169,911	34,052	34,047

Consolidated Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2	Total Liabilities	18,913,509	17,615,555	17,602,658
2.01	Current Liabilities	2,075,243	2,258,782	2,477,759
2.01.01	Payroll and Related Charges	71,111	70,785	72,226
2.01.01.01	Payroll Related Charges	2,990	2,888	9,779
2.01.01.02	Payroll Liabilities	68,121	67,897	62,447
2.01.02	Trade account payable	277,107	268,050	277,318
2.01.02.01	Domestic Suppliers	263,715	249,546	199,769
2.01.02.02	Foreign Suppliers	13,392	18,504	77,549
2.01.03	Tax Liabilities	44,219	44,955	40,442
2.01.03.01	Federal Tax Liabilities	36,212	38,271	40,434
2.01.03.01.01	Income and Social Contribution Taxes Payable	2,848	2,017	3,630
2.01.03.01.02	Federal Tax Liabilities	33,364	36,254	36,804
2.01.03.02	State Tax Liabilities	5,838	4,402	-1,737
2.01.03.03	Local Tax Liabilities	2,169	2,282	1,745
2.01.04	Loans and Financing	1,382,698	1,546,478	1,880,934
2.01.04.01	Loans and Financing	1,340,127	1,432,731	1,848,071
2.01.04.01.01	In Domestic Currency	741,738	895,141	567,027
2.01.04.01.02	In Foreign Currency	598,389	537,590	1,281,044
2.01.04.02	Debentures	42,571	113,747	32,863
2.01.05	Other Liabilities	300,108	328,514	206,839
2.01.05.01	Related Party Liabilities	0	0	521
2.01.05.01.01	Debts with Associated Companies	0	0	521
2.01.05.02	Other	300,108	328,514	206,318
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	129,020	167,519	470
2.01.05.02.04	Derivatives Losses	37,390	51,654	151,022
2.01.05.02.05	Accounts Payable	68,336	48,079	54,826
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	65,362	61,262	0
2.02	Non-Current Liabilities	8,197,595	7,492,403	7,950,628
2.02.01	Loans and Financing	5,773,697	5,097,540	5,898,239

Consolidated Financial Statements / Balance Sheet - Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2.02.01.01	Loans and Financing	5,191,432	4,411,577	5,094,183
2.02.01.01.01	In Domestic Currency	2,585,927	2,238,003	2,596,650
2.02.01.01.02	In Foreign Currency	2,605,505	2,173,574	2,497,533
2.02.01.02	Debentures	582,265	685,963	804,056
2.02.02	Other Liabilities	151,681	197,868	57,719
2.02.02.02	Other	151,681	197,868	57,719
2.02.02.02.03	Accounts Payable	10,352	7,576	3,321
2.02.02.02.05	Derivatives Losses	29,891	25,727	54,398
2.02.02.02.06	Debt from Acquisition of Land and Reforestation	111,438	164,565	0
2.02.03	Deferred Taxes	1,909,352	1,877,438	1,708,751
2.02.03.01	Deferred Income and Social Contribution Taxes	1,909,352	1,877,438	1,708,751
2.02.04	Provisions	362,865	319,557	285,919
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	362,865	319,557	285,919
2.02.04.01.01	Provisions for Tax Claims	119,100	96,411	131,440
2.02.04.01.02	Provisions for Pension and Labor Claims	49,340	19,257	18,164
2.02.04.01.04	Provisions for Civil Claims	4,387	3,576	4,281
2.02.04.01.05	Share-Based Payments	17,746	12,851	3,582
2.02.04.01.06	Provision for Actuarial Liabilities	162,691	187,462	128,452
2.02.04.01.07	Other Provisions	9,601	0	0
2.03	Consolidated Equity	8,640,671	7,864,370	7,174,271
2.03.01	Paid-in Capital	2,685,183	2,054,430	2,054,430
2.03.02	Capital Reserves	-161,272	246,147	210,432
2.03.02.02	Special Goodwill Reserve on Merger	0	108,723	108,723
2.03.02.04	Granted Options	350	0	0
2.03.02.05	Treasury Shares	-227,405	-201,798	-201,798
2.03.02.07	Tax Incentives	65,783	339,222	303,507
2.03.04	Income Reserve	2,666,821	2,112,001	1,448,533
2.03.04.01	Legal Reserve	230,431	191 ,981	149,315
2.03.04.02	Statutory Reserve	286,285	235,665	181,254

Consolidated Financial Statements / Balance Sheet - Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2010	One before last 12/31/2009	Two before last 01/01/2009
2.03.04.08	Additional Proposed Dividend	13,113	2,945	0
2.03.04.11	Reserve to Increase Capital	2,136,992	1,681,410	1,117,964
2.03.06	Other Comprehensive Income	3,449,939	3,451,792	3,460,876

Consolidated Financial Statements / Statement of Income

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
3.01	Net Sales Revenue from Goods and/or Services	4,513,883	3,952,746
3.02	Cost of Goods Sold and/or Services Rendered	-3,148,502	-3,079,210
3.03	Gross Profit	1,365,381	873,536
3.04	Operating Expense/Income	-213,936	-233,915
3.04.01	Selling Expenses	-227,993	-158,489
3.04.02	General and Administrative Expenses	-288,473	-230,779
3.04.04	Other Operating Income	334,483	183,140
3.04.05	Other Operating Expenses	-31,953	-27,787
3.05	Earnings Before Financial Income and Taxes	1,151,445	639,621
3.06	Financial Income (Expenses)	-252,378	696,400
3.06.01	Financial Income	191 ,934	124,378
3.06.02	Financial Expenses	-444,312	572,022
3.07	Earnings Before Income Taxes	899,067	1,336,021
3.08	Income and Social Contribution Taxes	-130,070	-389,500
3.08.01	Current	-126,904	-190,115
3.08.02	Deferred	-3,166	-199,385
3.09	Net Income from Continued Operations	768,997	946,521
3.11	Consolidated Net Income for the Year	768,997	946,521
3.11.01	Attributed to the Parent Company’s Shareholders	768,997	946,521
3.99	Earnings per Share - (Brazilian Reais/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	1.97777	2.89519
3.99.01.02	Class A Preferred	2.17555	3.18471
3.99.01.03	Class B Preferred	2.17555	3.18471
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	1.97657	2.89519
3.99.02.02	Class A Preferred	2.17223	3.18310
3.99.02.03	Class B Preferred	2.17555	3.18471

Consolidated Financial Statements / Statement of Comprehensive Income

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
4.01	Consolidated Net Income for the Year	768,997	946,521
4.02	Other Comprehensive Income	24,559	-28,556
4.02.01	Exchange Variation on Foreign Investments	-632	0
4.02.02	Actuarial Gain (Loss)	38,168	-43,266
4.02.03	Deferred Income and Social Contribution Taxes	-12,977	14,710
4.03	Consolidated Comprehensive Income for the Year	793,556	917,965
4.03.01	Attributed to the Parent Company’s Shareholders	793,556	917,965

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
6.01	Net Cash from Operating Activities	1,177,867	1,184,219
6.01.01	Cash Generated in Operations	1,493,423	870,830
6.01.01.01	Net Income for the Year	768,997	946,521
6.01.01.02	Depreciation, Depletion and Amortization	525,848	521,154
6.01.01.03	Income on Sale of Non Current Assets	-284,591	-39,626
6.01.01.05	Exchange and Monetary Variations, Net	-42,755	-1,021,996
6.01.01.06	Interest Expenses, Net	410,190	428,709
6.01.01.07	Deferred Income and Social Contribution Tax Expenses	3,166	199,385
6.01.01.08	Additional Actuarial Liabilities	21,289	15,764
6.01.01.09	Addition to (Reversal of) Contingencies	74,743	-49,137
6.01.01.10	Share-Based Payment Expenses	5,245	8,345
6.01.01.11	Derivative Net Gains (Losses)	39,464	-33,932
6.01.01.12	Provision for Investment Losses	-42	-1,803
6.01.01.13	Biological Assets Fair Value Adjustment	-28,131	-102,554
6.01.02	Variation in Assets and Liabilities	-315,556	313,389
6.01.02.01	Decrease (Increase) in Accounts Receivable	-25,883	167,997
6.01.02.02	Decrease (Increase) in Inventories	-32,521	275,911
6.01.02.03	Decrease in Recoverable Taxes	81,375	164,232
6.01.02.04	Increase in Other Current and Non-Current Assets	-10,784	-252,591
6.01.02.05	Settlement of Derivative Operations	29,286	-71,478
6.01.02.06	Increase (Decrease) in Suppliers	8,505	-9,268
6.01.02.07	Increase in Other Current and Non-Current Liabilities	8,247	419,994
6.01.02.08	Payment of Interest	-335,113	-318,550
6.01.02.09	Payment of Other Taxes and Contributions	1,113	-23,849
6.01.02.10	Payment of Income and Social Contribution Taxes	-39,781	-39,009
6.02	Net Cash used in Investment Activities	-352,495	-596,322
6.02.01	Additions to Property, Plant and Equipment and Biological Assets	-603,077	-658,658
6.02.02	Proceeds from the Sale of Assets and Dividends	372,749	67,383
6.02.03	Additions to Investments	-137,218	-5,047

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
6.02.04	Net Effect from the Sale of Ariemil and Água Fria	15,051	0
6.03	Net Cash from (used in) Financing Activities	385,628	-171,321
6.03.01	Funding	3,468,166	2,289,153
6.03.02	Settlement of Derivative Operations	-76,455	-25,796
6.03.03	Payment of Loans	-2,714,501	-2,399,331
6.03.04	Acquisition of Own Shares	-42,560	0
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-249,022	-35,347
6.04	Exchange Variation on Cash and Cash Equivalents	-8,847	-59,603
6.05	Increase of Cash and Cash Equivalents	1,202,153	356,973
6.05.01	Cash and Cash Equivalents at the Beginning of the Year	2,533,285	2,176,312
6.05.02	Cash and Cash Equivalents at the End of the Year	3,735,438	2,533,285

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2010 to 12/31/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity	Non-controlling Interest	Consolidated Equity
5.01	Opening Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370	0	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370	0	7,864,370
5.04	Equity Transactions with Shareholders	218,524	-25,257	-2,945	-207,577	0	-17,255	0	-17,255
5.04.03	Granted Options	0	350	0	0	0	350	0	350
5.04.07	Interest on Shareholders' Equity	0	0	0	-207,577	0	-207,577	0	-207,577
5.04.08	Distribution of Additional Dividends, Exceeding the Mandatory Minimum Dividend of the Previous Year	0	0	-2,945	0	0	-2,945	0	-2,945
5.04.10	Shares Received from Transfer - Finor	0	-2,027	0	0	0	-2,027	0	-2,027
5.04.11	Purchase of Shares from Ripasa's Former Controlling Shareholders	0	-23,580	0	0	0	-23,580	0	-23,580
5.04.12	Conversion of Debentures into Shares	218,524	0	0	0	0	218,524	0	218,524
5.05	Total Comprehensive Income	0	0	0	794,188	-632	793,556	0	793,556
5.05.01	Net Income for the Year	0	0	0	768,997	0	768,997	0	768,997
5.05.02	Other Comprehensive Income	0	0	0	25,191	-632	24,559	0	24,559
5.05.02.06	Exchange Variation from Investees	0	0	0	0	-632	-632	0	-632
5.05.02.08	Actuarial Gain, net of Deferred Income and Social Contribution Taxes	0	0	0	25,191	0	25,191	0	25,191
5.06	Internal Changes in Equity	412,229	-382,162	557,765	-586,611	-1,221	0	0	0
5.06.04	Capital Increase with Reserves	412,229	-412,229	0	0	0	0	0	0
5.06.05	Realization of Other Comprehensive Income, Net of Deferred Income and Social Contribution Taxes	0	0	0	1,221	-1,221	0	0	0
5.06.06	Tax Incentive Reserve	0	30,067	0	-30,067	0	0	0	0
5.06.07	Special Statutory Reserve	0	0	50,620	-50,620	0	0	0	0
5.06.08	Legal Reserve	0	0	38,450	-38,450	0	0	0	0
5.06.09	Reserve to Increase Capital	0	0	455,582	-455,582	0	0	0	0
5.06.10	Additional Proposed Dividends	0	0	13,113	-13,113	0	0	0	0
5.07	Closing Balances	2,685,183	-161 ,272	2,666,821	0	3,449,939	8,640,671	0	8,640,671

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2009 to 12/31/2009

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity	Non-controlling Interest	Consolidated Equity
5.01	Opening Balances	2,054,430	210,432	1,471,797	0	0	3,736,659	0	3,736,659
5.02	First time adoption Adjustments	0	0	-23,264	0	3,460,876	3,437,612	0	3,437,612
5.03	Adjusted Opening Balances	2,054,430	210,432	1,448,533	0	3,460,876	7,174,271	0	7,174,271
5.04	Equity Transactions with Shareholders	0	0	0	-227,866	0	-227,866	0	-227,866
5.04.07	Interest on Shareholders' Equity	0	0	0	-227,543	0	-227,543	0	-227,543
5.04.08	Payment of Additional Dividends, Exceeding the Mandatory Minimum Dividend of the Previous Year	0	0	0	-3,268	0	-3,268	0	-3,268
5.04.09	Reversal of Surplus Amount of Mandatory Minimum Dividends	0	0	0	2,945	0	2,945	0	2,945
5.05	Total Comprehensive Income	0	0	0	917,965	0	917,965	0	917,965
5.05.01	Net Income for the Year	0	0	0	946,521	0	946,521	0	946,521
5.05.02	Other Comprehensive Income	0	0	0	-28,556	0	-28,556	0	-28,556
5.05.02.06	Actuarial Loss, net of Deferred Income and Social Contribution Taxes	0	0	0	-28,556	0	-28,556	0	-28,556
5.06	Internal Changes in Equity	0	35,715	663,468	-690,099	-9,084	0	0	0
5.06.04	Realization of Other Comprehensive Income, Net of Deferred Income and Social Contribution Taxes	0	0	0	9,084	-9,084	0	0	0
5.06.05	Tax Incentive Reserve	0	35,715	0	-35,715	0	0	0	0
5.06.06	Special Statutory Reserve	0	0	54,411	-54,411	0	0	0	0
5.06.07	Legal Reserve	0	0	42,666	-42,666	0	0	0	0
5.06.08	Reserve to Increase Capital	0	0	566,391	-566,391	0	0	0	0
5.07	Closing Balances	2,054,430	246,147	2,112,001	0	3,451,792	7,864,370	0	7,864,370

Consolidated Financial Statements / Statement of Value Added

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009
7.01	Income	5,548,948	4,745,820
7.01.01	Sale of Goods, Products and Services	5,085,057	4,458,356
7.01.02	Other Income	342,709	200,949
7.01.03	Income from Construction of Own Assets	149,747	89,913
7.01.04	Allowance for Doubtful Accounts	-28,565	-3,398
7.02	Input Acquired from Third Parties	-3,233,494	-3,130,077
7.02.01	Cost of Products Sold and Services Rendered	-1 ,945,875	-2,009,683
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,287,914	-1,114,676
7.02.03	Loss/Recovery of Assets	295	-5,718
7.03	Gross Value Added	2,315,454	1,615,743
7.04	Retentions	-525,848	-521,154
7.04.01	Depreciation, Amortization and Depletion	-525,848	-521,154
7.05	Net Value Added Produced	1,789,606	1,094,589
7.06	Value Added from Transfers	191,934	125,021
7.06.02	Financial Income	191,912	123,968
7.06.03	Other	22	1,053
7.06.03.02	Dividends Received from Investment at Cost	22	1,053
7.07	Total Value Added to Distribute	1,981,540	1,219,610
7.08	Distribution of Value Added	1,981,540	1,219,610
7.08.01	Personnel	513,113	461,578
7.08.01.01	Direct Compensation	408,504	324,426
7.08.01.02	Benefits	83,663	119,066
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	20,946	18,086
7.08.02	Taxes, Fees and Contributions	181,572	321,950
7.08.02.01	Federal	205,401	406,527
7.08.02.02	State	-28,120	-88,098
7.08.02.03	Local	4,291	3,521
7.08.03	Value Distributed to Providers of Capital	517,858	-510,439
7.08.03.01	Interest Rates	548,781	516,787

Consolidated Financial Statements / Statement of Value Added

R$ (in thousands)

Code	Description	Last fiscal year 01/01/2010 to 12/31/2010	One before last 01/01/2009 to 12/31/2009	Two before last 12/31/2008 to 01/01/2009
7.08.03.02	Rentals	73,669	61,715	0
7.08.03.03	Other	-104,592	-1,088,941	0
7.08.03.03.01	Exchange Losses	-104,592	-1,088,941	
7.08.04	Value Distributed to Shareholders	768,997	946,521	0
7.08.04.01	Interest on Shareholders' Equity	207,577	227,543	0
7.08.04.02	Dividends	13,109	323	0
7.08.04.03	Retained Earnings / Accumulated Losses for the Year	548,311	718,655	0

Management Report / Company's Performance

MESSAGE FROM MANAGEMENT

Year 2010 will be etched in our history by the completion and announcement of Suzano 2024 Plan. After an in-depth study of high-level global trends, Suzano's strengths carefully built over its 86 years of existence and the aspirations of our shareholders and employees, we defined a long-term vision stretching up to year 2024, when Suzano Group will complete 100 years.

Several initiatives envisaged in Suzano 2024 Plan were already implemented in 2010. We progressed on several fronts relating to our expansion in northeast Brazil, where two manufacturing units (in the states of Maranhão and Piauí) will go operational in 2013 and 2014, respectively, increasing our pulp production capacity by 3 million tons. We obtained environmental clearances, acquired land, and hired around 2,500 people, who are already working in the northeast operation.

In July, we announced the creation of Suzano Energia Renovável, a company that will manufacture wood pellets. We will enter the biomass energy generation segment in 2013. The development of this business was driven by our expertise in the forestry area and our capability to execute manufacturing projects, our solid relationship with logistics operators and the huge market potential for biomass energy, especially in Europe. To provide forest management services to Suzano Energia Renovável, we set up a dedicated area, which will also serve other clients, thus becoming a new business for the Company.

Another initiative of Suzano 2024 Plan implemented in 2010 was in the biotechnology area. We acquired FuturaGene, a company that has an R&D center in Israel and field experiments in Brazil, U.S. and China. Over the recent years, FuturaGene developed technologies to increase the productivity of eucalyptus and other forest species used in pulp production, power generation and other applications. This acquisition will strengthen our eucalyptus genetic improvement program, launched three decades ago, and conducted by our Forestry Technology Center. In the future, forestry biotechnology will be a specific business of FuturaGene.

At the end of the period, again in line with Suzano 2024 Plan, we announced the acquisition of 50% of the assets of Consórcio Paulista de Papel e Celulose (Conpacel) and 100% of KSR, the largest distributor of printing paper and products in Brazil, both pertaining to Fibria. The total deal amount was R$ 1.5 billion and the transactions were concluded on January 31 and February 28, 2011, respectively. These acquisitions will help consolidate Suzano Papel e Celulose's leadership in the printing and writing paper segment in Brazil and South America.

All these initiatives also led us to adjust our corporate identity. Within the Strategic Planning Cycle, we defined our new Mission and Vision, and reaffirmed our Values, which were widely disseminated among our employees.

Through a disciplined execution of our Excellence in Management Model (MEG), we implemented several initiatives, including the Operational Excellence Program and the Six Sigma Program, which brought us gains of around R$ 57 million. We also identified a series of opportunities to streamline our processes. Important measures were taken in the Human Resources area regarding recruitment, personnel development and retention, including improvements to the management system.

This set of initiatives positively impacted operations. The Forestry Business Unit reached the mark of 108 million eucalyptus seedlings planted, or an average of 415 thousand seedlings per business day during the year - an extraordinary record in Brazil.

The pulp market saw a restriction of supply in the beginning of the year as a result of the earthquake in Chile but was normalized during the course of the year. As a result, pulp prices rose steadily till mid-2010 but stabilized in the second half of the year with a letup in demand from China. The average price in 2010 was 57.8% higher than in 2009, with sales reaching 1.6 million tons.

Proximity to clients was the focus of the Paper Business Unit, which registered a 3.6% growth in sales over the previous year. In line with its operational excellence strategy, it also broadened the use of its assets and increased the overall efficiency rate of its machinery. Furthermore, six products were launched in the market.

We ended 2010 with record pulp and paper production of 2.7 million tons and sales of 2.8 million tons. Net revenue was a record R$ 4.5 billion and net income came to R$ 769.0 million. EBITDA was R$ 1.7 billion, 46.7% higher than in 2009. Capex totaled R$ 603 million and was earmarked for maintenance of our assets and organic growth programs. These investments were fundamental for the Company's economic sustainability in the medium and long terms.

However, we are aware that building foundations for sustainable growth is more than simply maintaining the competitiveness of the operations and positive economic results. It also involves socio-environmental responsibility and quality relationships – a belief that led us to conclude last year our Sustainability Master Plan, through which we endeavor to become the benchmark in relations with communities where we operate. In this regard, we are creating the Suzano Advisory Council on Sustainability, consisting of internal and external leaderships, to improve our socio-environmental actions and lay down the guidelines for applying sustainable practices in all that we do.

Suzano Papel e Celulose's sustainability initiatives reflect the commitments that are part of our corporate DNA and, in 2010, we earned market recognition in the form of awards and honors. These include the Model Company from Guia Exame de Sustentabilidade, and the Época Climate Changes Award from Época magazine, both of which were given for our Emissions Inventory. Moreover, our Social Performance Matrix was included in the Brazilian Environmental Benchmarking Program.

I share these honors, which make us proud and encourage us to take on fresh challenges, with all those who, in their day-to-day routine, contribute to enable us write new chapters in this success story: clients, suppliers, investors and, especially, the Suzano team, renowned for its grit and competence in the domestic and international industry. In 2011, we will move forward with the implementation of Suzano 2024 Plan, focusing firmly on operational excellence.

Antonio Maciel Neto
Chief Executive Officer

Overview

We are a forestry-based publicly held company, controlled by Suzano Holding and belonging to the Suzano Group. With 86 years of experience, we operate in two segments: market pulp, sold in 31 countries, and paper, whose portfolio consists of coated paper, uncoated paper, cutsize and paperboard, sold in 86 countries through about 30 brands, including Report®, TpPremium® and Reciclato®. We are the world's second largest producer of eucalyptus pulp, one of the ten largest producers of market pulp and the leader in white paper in Brazil and South America.

We operate through three Business Units – Forestry, Pulp and Paper – and, in 2010, defined a new strategic positioning that envisaged the expansion of our operations to two other fronts: biotechnology, through the acquisition of FuturaGene, and renewable energy, through the announcement of the creation of Suzano Energia Renovável. Organic growth in the pulp business will be strengthened by the new units in Maranhão and Piauí, which will add 3 million tons per year to our production capacity by 2015. We also acquired the other 50% of the assets of Consórcio Paulista de Celulose e Papel (Conpacel) and the distributor KSR, both from Fibria, which came under Suzano's control on February 1 and March 1, 2011, respectively.

In Brazil, we have five manufacturing units – Suzano, Rio Verde, Embu and Limeira (former Conpacel) in São Paulo state and Mucuri in Bahia state, in addition to the division specializing in the distribution of SPP printing products – Nemo and KSR. The head office is situated in São Paulo. We have 4,352 direct employees and around 8,000 personnel in outsourced activities. The own and leased forest areas well as those pertaining to forest partners total about 671 thousand hectares, of which 310 thousand hectares are planted and are located in Bahia, Espírito Santo, São Paulo, Minas Gerais, Maranhão, Piauí and Tocantins.

We have subsidiaries in the United States and Switzerland, which market our products, commercial offices in China and England (Sun Paper) and a distributor in Argentina (Stenfar).

We closed 2010 with record net revenue of R$ 4.5 billion, up 14.2% over 2009, and net income of R$ 769.0 million.

Our current strategic positioning reflected in a new organizational identity for a forestry-based company which, after a review in 2010, imposed on us the need to redefine our Mission and Vision, while also strengthening our Values. Being a forestry-based company is our biggest competitive advantage, placing us among the lowest cash cost pulp producers in the world and the regional leader in the paper market in which we operate, besides enabling us to use our forestry expertise for ancillary businesses like renewable energy and biotechnology.

1. Economic Scenario

The year 2010 was marked by uncertainty about the growth of the world's leading economies in response to the measures taken to prevent an economic depression, especially in the U.S. Emerging economies, notably China and Brazil, continued to register strong growth, contributing to a strong rebound in asset prices and raising concerns about the creation of speculative bubbles and inflationary pressures. The Brazilian economy remained buoyant during 2010, ending the year with higher-than-expected retail sales, consumer confidence, employment and industrial production indicators, and pointing to an economic growth of over 7%. Driven by the depreciation of the U.S. dollar vis-à-vis other leading currencies and the sentiment of lower risk aversion in emerging economies, the Brazilian Real reached R$ 1.67 / US$ on December 31, 2010, gaining 4.3% in the year.

In light of this, commodity prices rose in 2010. The USD decline vis-à-vis the currencies of leading pulp producing countries, combined with the level of activity in pulp buying economies, especially China, drove up dollar pulp prices in the international market. Thus, in addition to the Real, the Chilean Peso, the Canadian Dollar and the Yuan rose 7.8%, 5.2% and 3.5%, respectively, in relation to USD during the period. On the other hand, the Euro depreciated 6.6% against USD in the year.

For us, this global economic recovery brings with it huge challenges and opportunities. On the one hand, we stand to benefit from the increase in business activity to improve our sale prices and volumes, and on the other, we will have to face the strengthening Real, which pressures operating margins.

2. Operating Performance

2.1. Forestry Business Unit

Suzano Papel e Celulose was one of the companies that planted the most in 2010 (67 thousand hectares or 108 million trees a year or 415 thousand seedlings per business day) and consumed planted forests (around 8.3 million m^3 or 34 thousand hectares) in Brazil's pulp and paper sector. Our core differential lies in the promotion of sustainable growth through forestry research and development for the past 43 years.

We own about 671 thousand hectares in the states of São Paulo, Bahia, Espírito Santo, Minas Gerais, Tocantins, Piauí and Maranhão, of which 310 thousand hectares are planted with eucalyptus, 29 thousand hectares are destined for infrastructure, 87 thousand hectares are available for plantation and 256 thousand hectares, or about 40% of the total area, are destined to environmental preservation, thus ensuring compliance with environmental legislation, in addition to permanent preservation areas mainly situated on riverbanks.

We have already acquired a large portion of the land required for the new plants (Maranhão and Piauí). For the Maranhão unit, in addition to our own forests, in formation since 2008, we will receive wood supply from Vale's forests (Vale Florestar Program). New forestry partnership programs were implemented in both locations.

In addition, 100 thousand hectares are occupied by plantation of local producers in the states where we operate, who participate in the Forestry Partnership Program and are responsible for a part of the industrial supply.

The average productivity of our plantations is 44 m³ / hectare / year, which continues to be higher than the national average (in turn, the world's highest) of 41 m³ / hectare / year for eucalyptus, according to the Brazilian Planted Forest Producers Association (ABRAF).

In terms of volume, we averaged 11 tons / hectare / year of pulp in our production areas. In experimental plantations, new clones produced 13 tons / hectare / year, that is, 18% more pulp produced from the same area.

In 2010, we signed agreements for the sale of about 50 thousand hectares forest assets, with around 13 thousand hectares planted with eucalyptus, in Minas Gerais, for R$ 334 million. The sale of these assets will not affect current operations and future projects.

Moreover, due to the focus on the technological development of genetic materials, we were able to start planting in dry weather areas such as Maranhão and Piauí. We invested in the diversity of our genetic material and developed clones with high adaptability in order to guarantee productivity and resistance to diseases.

For the new plants, we are relying on investments in forestry technology and our experience gained over more than two decades ago in the region, which enable us to plant on a commercial basis, in these regions with little experience in forestry, with expected productivity of over 40 m^3/hectare/year. This is the result of 30 years of research and development in Maranhão, where we conducted tests with more than 5 thousand clones and dozens of eucalyptus species.

Since 2006, we are holders of the widest range of forestry certifications in the world, which include ISO 9001, ISO 14001, OHSAS 18001, FSC and Cerflor. Moreover, our own forests have Brazilian and international certifications, which is recognition that our management meets the highest socio-environmental standards. We continue to work on extending the certifications to several areas covered by the Forestry Partnership Program through a pioneering project in the pulp and paper segment. Our objective is to increasingly make our partners aligned with our objectives of sustainable income, modernization of work relations and expansion of knowledge through the exchange of experience.

Apart from all these achievements, we optimized our assets and identified new business opportunities and other uses for wood – all in line with our strategy of adding value to our forestry assets.

2.2. Pulp Business Unit

Production (thousand tons)	2007	2008	2009	2010	2010 x 2009
Market Pulp	827.4	1,523.9	1,589.7	1,617.0	1.7%

Pulp sales in 2010 totaled 1.6 million tons, 9.7% lower than in 2009, whose sales included the sale of inventories accumulated during the course of the international financial crisis.

In 2010, pulp exports totaled 1.3 million tons, 13.8% down from 2009, corresponding to 81.5% of total sales. The decline in exports was due to the contraction of the Chinese market and, at the same time, sales opportunities that arose in the domestic market, which grew 13.9%.

The stable demand in Europe resulted in an increase in its share of our sales mix, as the table shows.

Destination of pulp sales	2010	2009	2010 x 2009
Europe	38.4%	32.9%	5.4 p.p.
Asia	33.5%	44.9%	-11.4 p.p.
Brazil	18.5%	14.7%	3.8 p.p.
North America	9.3%	6.7%	2.6 p.p.
South/Central America	0.4%	0.9%	-0.4 p.p.

We sought greater balance in pulp sales among the different paper segments in 2010, which resulted in a decline in printing and writing (-5 p.p.) and a higher share of tissue (+4 p.p.) and specialty paper (+6 p.p.).

Sales by segment	2010	2009	2010 x 2009
Print and write	36%	41%	-5 p.p.
Tissue	32%	28%	4 p.p.
Specialty	25%	19%	6 p.p.
Other	7%	12%	-5 p.p.

Net revenue from pulp sales in 2010 was R$ 2,018.3 million, 25.4% higher than in 2009, with 82.4% coming from exports and 17.6% from domestic sales. Net revenue from exports grew 20.8% over 2009, while net revenue from domestic sales grew 53.1%.

Average net selling price was US$ 713/ton in 2010, 57.8% higher than in 2009, due to the recovery in prices during 2010, mainly caused by the decline in global supplies, which resulted in a sharp increase in international list prices. In terms of Reais, average net price was R$ 1,256 / ton, 39.0% higher than in 2009, partly affected by the 11.9% appreciation of the Real in the year (average exchange rate).

In 2010, the average cash cost of market pulp production at the Mucuri Unit, excluding the cost of standing timber and the costs of scheduled maintenance downtimes, was R$ 445 / ton, 14.4% more than in 2009, chiefly due to the increase in prices of few raw materials such as caustic soda, sodium chlorate and fuel oil, and the increase of third-party wood in the supply matrix in 2010 compared to 2009. The cost of scheduled downtimes in relation to total pulp production at the Mucuri plant was R$ 23 / ton, raising the cash cost to R$ 468 / ton in the period.

2.3. Paper Business Unit

Paper production totaled 1.1 million tons, 3.6% more than in 2009, partly due to the improvement in the overall efficiency rate of the machinery, in line with the strategy of operational excellence of the paper assets.

Consolidated production (thousand tons)	2007	2008	2009	2010	2010 x 2009
Total paper	1,098.2	1,140.2	1,088.4	1,128.1	3.6%
Uncoated P&W	725.1	758.3	735.7	741.6	0.8%
Coated P&W	132.5	123.5	117.7	134.0	13.8%
Paperboard	240.6	258.4	234.9	252.5	7.5%

Paper sales in 2010 came to 1.2 million tons, 3.6% more than in 2009, generating net revenue of R$ 2.5 billion in the year, a 6.5% increase over 2009.

We retained our national leadership in the markets where we operated. Domestic sales totaled 642.9 thousand tons in 2010, up 8.7% on the previous year.

We sold 483.1 thousand tons of printing and writing paper in the domestic market, up 7.5% on 2009. Uncoated and coated paper sales totaled 364.4 thousand tons and 118.7 thousand tons, respectively, 3.7% and 21.2% higher than in the previous year. Domestic paperboard sales totaled 159.8 thousand tons in 2010, 12.7% more than in 2009, thanks to the strong growth of the Brazilian economy in 2010.

Exports totaled 513.3 thousand tons in 2010, 2.1% down from 2009 when, due to the weak domestic demand caused by the international financial crisis, a greater volume of paper was diverted to exports.

In 2010, we exported 421.4 thousand tons of printing and writing paper, a volume similar to that reached in 2009. Uncoated paper exports totaled 406.0 thousand tons, remaining at 2009 levels. Coated paper exports totaled 15.4 thousand tons, 7.6% lower than in the previous year, while paperboard exports totaled 91.9 thousand tons, down 9.8%.

Destination of paper sales	2010	2009	2010 x 2009
Brazil	55.6%	53.0%	2.6 p.p.
South/Central America	17.9%	12.8%	5.0 p.p.
North America	12.2%	11.3%	0.8 p.p.
Europe	10.2%	11.8%	-1.6 p.p.
Other	4.1%	11.0%	-6.9 p.p.

Net paper sales totaled R$ 2,495.6 million in 2010, 6.5% more than in 2009, with domestic sales accounting for 62.5% and exports for 37.5%, up 9.4% and 1.9%, respectively, over 2009.

Average net price in Reais was R$ 2,158.4 / ton, 2.7% higher than in 2009. Average domestic net price was R$ 2,426.5 / ton, compared to R$ 2,411.0 / ton in 2009. Average net export price was US$ 1,035.2 / ton, 18.2% over 2009, in Reais R$ a 4.1% increase caused by the Real's appreciation against the USD.

Average net price of printing and writing paper in the domestic market was R$ 2,327.5 / ton, 2.0% lower than in the previous year. Average net price of uncoated paper in the domestic market was R$ 2,279.6 / ton, 2.9% lower, while the price of coated paper was 0.2% lower in the period. Average paperboard price rose 8.1% during the same period.

Average net price of printing and writing paper in the export market was R$ 1,828.1 / ton, 0.8% higher than in the previous year. Average net price of uncoated paper remained stable and the price of coated paper was 23.8% higher than in 2009. Average net price of paperboard rose 20.8% in 2010.

During the year, the average difference between the price of printing and writing paper (in reels in the export market) and the average price of market pulp was US$ 200 / ton (CIF North Europe), lower than the average of the past ten years (US$ 235 / ton).

3. Financial Performance

3.1. Results

The Company's consolidated financial statements for the years ended December 31, 2010 and 2009 were prepared in accordance with the accounting practices adopted in Brazil, the regulations of the Brazilian Securities and Exchange Commission (CVM) and the Pronouncements, Guidelines and Interpretations issued by the Brazilian FASB (CPC) and the International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB).

<u>Net Revenue</u>

In 2010, net revenue reached a record R$ 4,513.9 million, 14.2% higher than in 2009, with pulp sales amounting to 1.6 million tons, down 9.7% from 2009, whose sales included inventories accumulated over 2008 on account of the international crisis, and 1.2 million tons of paper, 3.6% more than in the previous year, driven by the Brazilian economy's growth.

Pulp and paper exports' share of total net revenue was 57.6% or R$ 2.6 billion, compared to 58.1% in 2009.

Pulp sales revenue accounted for 44.7% of total revenue in 2010, compared to 40.7% in 2009, thanks to the recovery in pulp prices in the course of 2010.

Cost of Goods Sold

Cost of goods sold (COGS) in 2010 was R$ 3,148.5 million, 2.3% higher than in 2009, mainly due to the increase in the prices of the main raw materials such as fuel oil, caustic soda and sodium chlorate, as well as the increase in the share of third-party wood in the supply matrix in 2010. Unit COGS in 2010 stood at R$ 1,139.5 / ton, compared to R$ 1,063.3 / ton in 2009, up 7.2%.

Administrative and Selling Expenses and Other Operating Expenses/Revenues

Administrative expenses totaled R$ 288.5 million in 2010, compared to R$ 230.8 million in 2009, the increase mainly due to the establishment of provisions for non-recurring labor and civil contingencies in the amount of R$ 30.4 million, of which R$ 29.3 million pertain to a labor claim initiated in 1997, in addition to third-party services such as consulting and advisory services, as a result of new projects and action plans that had been postponed due to the general cost cutting in 2009 during the international financial crisis.

Selling expenses totaled R$ 228.0 million in 2010, compared to R$ 158.5 million in 2009, the increase mainly due to the establishment of non-recurring allowance for doubtful accounts in the amount of R$ 22.7 million relating to the restatement of previous years' provisions, in addition to the increase in logistics, personnel and third-party services.

Other operating revenues in 2010 totaled R$302.5 million, positively impacted by a non-recurring item in the net amount of R$ 263.0 million, resulting from the sale of assets in Minas Gerais in 2010, compared to revenue of R$ 155.4 million in 2009.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

Cash generation as measured by EBITDA was R$ 1,703.3 million in 2010, 46.7% higher than in 2009, mainly due to the: (i) successive pulp price increases in the domestic and export markets in 2010; (ii) increase in paper prices in the export market and stable prices in the domestic market; and (iii) increase in domestic market paper sales. Moreover, this margin increase was mainly impacted by the sale of assets, mentioned earlier. EBITDA margin in 2010 came to 37.7%, 8.4 p.p. higher than in 2009.

Net Income (Loss)

Net income in 2010 was R$ 769.0 million, compared to R$ 946.5 million in 2009, due to the increase in the net financial expense and the accounting result of the monetary variations and net exchange variations, affected by the Real's appreciation.

3.2. Debt

As at December 31, 2010, gross debt, including the effects of the adoption of IFRS, including debentures, was R$ 7,156.4 million, compared to R$ 6,644.0 million at December 31, 2009, representing an increase of R$ 512.3 million in the year.

Debt denominated in foreign currency totaled R$ 3,605.5 million at December 31, 2010, while debt denominated in Reais was R$ 3,550.8 million, with both figures including charges and leasing. Gross debt at December 31, 2010, was represented by 80.7% long-term maturities and 19.3% short-term maturities.

Cash, cash equivalents and short-term financial investments were maintained high throughout the year, ending the year at R$ 3.7 billion, compared to R$ 2.5 billion in 2009.

On December 31, 2010, consolidated net debt was R$ 3,421.0 million and EBITDA in the past twelve months was R$ 1,703.3 million. Thus, net debt / EBITDA was 2.0x, compared to 3.5x at the end of 2009.

3.3. Rating

On December 30, 2010 - Moody's affirmed the Baa3 rating (Investment Grade) in foreign currency USD 650 million guaranteed senior unsecured notes due 2021, as well as the Baa3 global scale rating and Aa1.br Brazilian national scale rating of R$500 million of the senior unsecured debentures due 2014 and 2019. The ratings outlook remains stable.

On December 23, 2010, Standard & Poor’s reaffirmed our corporate rating of BB+ on global scale (stable) and our senior note issue.

The rating affirmations followed the acquisition announcement, by us, of the 50% of Conpacel assets and KSR, owned by Fibria, without any effect over the ratings previously attributed to us.

3.4. Capex

In 2010, our capex totaled R$ 603.1 million, 8.4% lower than in 2009. Investments in maintenance of the current capacity totaled R$ 330.3 million, with R$ 97.9 million going to the industrial area and R$ 232.5 million to the forestry area. We invested R$ 260.0 million in expansion projects in Maranhão and Piauí and R$ 12.7 million in other investments.

4. Growth strategy

Our strategy was broadly revised and updated in 2010 within the aegis of our Strategic Planning Cycle. A reappraisal of our core capabilities and the markets that we wish to enter resulted in a plan with a long-term vision – the Suzano 2024 Plan.

Suzano 2024 Plan makes it clear that our forestry capability is our principal source of competitiveness and, based on it, our objective is to supply profitable products and services using our renewable forests. We will maintain our strong presence in the paper segment, keeping our focus on Latin America, significantly increase our market pulp production capacity and expand the scope of our operations in new products and services, such as production of wood pellets for renewable energy, management of third-party forests and biotechnology.

We believe that, with this operational focus, combined with innovation, sustainability and operational excellence, by 2024 – when we will complete 100 years – we will become one of the world's most important and efficient business organizations in the forestry base sector.

As part of Suzano 2024 Plan, we made a proposal to acquire 50% of the assets of Consórcio Paulista de Celulose e Papel (Conpacel) and the distributor KSR, both pertaining to Fibria, and which were acquired on January 31, and February 28th, respectively. The quality of the assets and the strong distribution network will consolidate our presence in Brazil and other Latin American countries.

In the pulp segment, we reviewed and went ahead with the expansion of our presence in northeast Brazil with the objective of doubling our size through the construction of two pulp production lines in Maranhão and Piauí. In Maranhão – the first line, which will go operational in 2013 – we obtained environmental licenses, acquired land, and planted 7 thousand hectares between 2009 and 2010, bringing the total planted area to 41 thousand hectares. In Piauí, 35 thousand hectares have already been planted, 23 thousand hectares in the year alone, to supply the unit that will go operational in 2014.

At the same time, we continued the process of obtaining new environmental licenses, identified a site close to São Luís where we plan to construct a port, started the basic engineering works at the Maranhão unit, finalized the technical proposals and are negotiating business proposals with leading suppliers.

At the end of 2010, an important stage was concluded with the contracting of a R$ 2.7 billion loan from the Brazilian Development Bank (BNDES) for the construction of the manufacturing unit in Maranhão and, among others, the implementation of the necessary infrastructure and operational support for the unit, construction of a biomass cogeneration plant, working capital and acquisition of locally manufactured machinery and equipment. In addition, we will carry out a private issue of debentures mandatorily convertible into shares, amounting to R$ 1.2 billion.

We also made progress on other fronts envisaged in Suzano 2024 Plan. We acquired FuturaGene, a biotechnology company, which will add to our R&D expertise in eucalyptus to accelerate productivity gains in the forests and go beyond our operations as we are able to apply this technology in third-party forests. We also announced the creation of Suzano Energia Renovável to enter the biomass energy market in 2013.

We are confident that our growth strategy will make us one of the largest and most profitable companies in the sector and are committed to its implementation.

5. Capital Markets

Our capital is represented by 140,039,904 common shares (SUZB3) and 268,852,497 preferred shares (SUZB5 and SUZB6), with a total of 408,892,401 outstanding shares traded in the BM&FBovespa (São Paulo Stock Exchange). Out of this total, the Company had 4,154,685 preferred shares and 6,786,194 common shares held in treasury on December 31, 2010. Our shares are listed in Special Corporate Governance Level 1 and were included in the Corporate Sustainability Index (ISE) of the stock exchange for the sixth consecutive year.

At the end of December, the SUZB5 preferred shares were quoted at R$ 14.78, decreasing 6.9% in the year. During the same period, the benchmark Ibovespa index and the IBRX-50 index increased by 1.0% and 0.8%, respectively. The average daily number of trades was 2,087 and financial volume was R$ 19.4 million, increasing by 73.4% and 56.7%, respectively. Suzano's market capitalization at December 31, 2010 was R$ 6.0 billion. Free float was 45.4%.

A perception study conducted by the Institutional Investor magazine revealed that Suzano's CEO and CFO are the best in the pulp and paper segment. The buy-side analysts also opined that the company has the best Investor Relations professional in the sector.

6. Dividends

Our Articles of Incorporation, in line with the principles of current legislation, establish a minimum mandatory dividend of 25% of the year's adjusted net income. The dividend amount for preferred class "A" and "B" shares will be 10% higher than the amount for common shares.

The Company distributed R$207.6 million as interest on equity capital in 2010, with R$58.8 million credited and paid on September 10, 2010; and R$148.7 million credited on December 30, 2010, to be paid on March 15, 2011. A proposal for dividend payment of R$220.7 million will be submitted to the Annual General Meeting, from which interest on equity capital for the fiscal year 2010 will be deducted, resulting in dividend payable of R$13.1 million.

7. Awards and Honors

Our initiatives in the economic, social and environmental areas during the year earned us several awards and honors, which included:

- Best Company in the Pulp and Paper Sector: Best of Agribusiness Award from the Globo Rural magazine.
- Best Company in the Pulp and Paper Sector for the second successive year, according to a ranking by the Isto É Dinheiro magazine.
- Model Company in Corporate Social Responsibility in Brazil, elected by Guia Exame de Sustentabilidade, for the seventh successive year, this time for our Corporate Emissions Inventory.
- Época Climate Changes Award, given by Época magazine for our Corporate Emissions Inventory.
- Our CEO, Antonio Maciel Neto, was honored by RISI Latin America as the CEO of the Year for the second consecutive year. He was also one of the five finalists of the Global CEO of the Year Awards, which is part of the PPI Awards.
- Antonio Maciel was elected the Best CEO in Latin America, Bernardo Szpigel, the Best CFO in Latin America, and Andrea Fernandes, the Best IR Professional, all in the Pulp and Paper sector, by the Institutional Investor Magazine, according to buy-side analysts through the Latin Executive Team Ranking.
- Top Company in the Sector Award from the Brazilian Pulp and Paper Technical Association (ABTCP) in the Forestry Sustainability and Development category.
- Certification from the British Retail Consortium, a management system adopted in England, given by the country's retail business.
- One of Brazil's Top-10 globalized companies, according to the Ranking of Brazilian Transnationals, prepared by the Dom Cabral Foundation.
- Brazilian Environmental Benchmarking Program, in which our Social Performance Matrix was included in the ranking of socio-environmental best practices.
- Fernando Pini Printing Excellence Award from the Brazilian Printing Industry Association (ABTG) to the Paper Business Unit for coated printing paper, as well as coated and uncoated paperboard for printing.
- Graphprint Award given by the country's largest printing companies for coated and uncoated printing and writing paper, as well as recycled paper and paperboard.
- 6^{th} Mogi News/Chevrolet Award for Social Responsibility in Alto Tietê, for monitoring the water quality of the Paraitinga River.

8. Audit and internal controls

We use the services of external auditors and our internal audit department to evaluate our results, internal controls and accounting practices, and the findings are submitted to the Audit Committee.

Since 2004, we have been using the services of the independent auditors, Ernst & Young Terco Auditores Independentes S.S., whose efforts have enabled us to improve internal controls, especially in aspects relating to tax, accounting and information technology.

Note:

Non-financial data such as volumes, quantity, average prices and average quotes, besides EBITDA, in Brazilian Real and U.S. Dollar were not examined by our independent auditors.

**** All amounts in thousands of reais, unless otherwise stated ****

1 Company Information

The core business of Suzano Papel e Celulose S.A. (hereinafter referred to as the Company or Suzano) and its subsidiaries, consists in the manufacturing and trading in Brazil and abroad of hardwood eucalyptus pulp and paper, in addition to the formation and exploitation of eucalyptus forests for its own use and sale to third parties. The Company is a corporation domiciled in Brazil and its shares are traded on BM&F Bovespa. The Company's headquarters are located in the city of Salvador, state of Bahia. The Company is controlled by Suzano Holding S.A., which holds 88% interest in the common shares of its capital stock.

The Company has manufacturing plants in the states of Bahia and São Paulo. The Company uses direct sales and its foreign subsidiaries to trade its products in the international market.

1.1 Major events in 2010:

a) Proposal to buy 50% of Consórcio Paulista de Papel e Celulose's assets ("Conpacel") and KSR's operations

On December 21, 2010, the Company obtained the irrevocable and irreversible acceptance of the proposal to buy the interest held by Fibria Celulose S.A. ("Fibria") in the net assets of Conpacel and KSR's paper distribution operations. Total purchase price is R$1,500 million and the financial settlement is scheduled as follows: i) R$1,450 million on January 31, 2011, referring to the net assets of Conpacel and ii) R$50 million on February 28, 2011 related to KSR distributor (Note 31 item "a"). These net assets will be controlled upon the financial settlement.

b) Announcement of financing with BNDES with the private issue of debentures mandatorily convertible into shares

On December 17, 2010, the Company's Board of Directors authorized a financing operation with BNDES, in the approximate amount of R$2.7 billion, for construction and implementation of support infrastructure to operate the new manufacturing unit located in the state of Maranhão and, among others, the construction of a biomass co-generation power plant, working capital and acquisition of domestic machinery and equipment within the scope of the Investment Sustainable Program (PSI). Funds will be released as project phases are implemented (Note 31 item "b").

c) Issue of Senior Notes ("Notes due 2021")

On September 23, 2010, the Company through its wholly-owned subsidiary Suzano Trading Ltd. ("Suzano Trading") offered abroad Notes due 2021 in the total amount of US$650,000 thousand (Note 16, item 6).

d) Acquisition of FuturaGene Plc. (“FuturaGene”)

On July 13, 2010, through its subsidiary Suzano Trading, the Company obtained authorizations from the United Kingdom’s appropriate authorities to acquire the total capital stock of FuturaGene, obtaining the control of the Company. The operation was settled on July 19, 2010, for £55,276 thousand, corresponding to US$84,169 thousand (Note 12).

Suzano Trading held non-relevant investments in the acquired company and with this operation, it acquired the total amount of shares with an initial goodwill of R$135,859 (Note 15).

e) Set-up of Suzano Energia Renovável (“SER”)

On July 29, 2010, the Company announced the set-up of SER which will produce wood pellets (biomass) for energy purposes. Total investments are estimated at approximately US$800 million and funds will be destined to three production units located in Brazil's northeast region with a capacity of 1 million tons each and startup foreseen between 2013 and 2014 (unaudited information). SER will rely on forest management services to be provided by the Company or its subsidiaries.

f) Purchase of remaining shares of Ripasa S.A. Celulose e Papel’s former controlling shareholders (“Ripasa”)

Ripasa’s former controlling shareholders exercised the put option of the 786,403 class “A” preferred shares remaining for acquisition on April 16, 2010, and these shares were purchased and accordingly, financially settled by the Company on May 10, 2010, in the total amount of R$42,560, of which R$23,580 refer to the stock market value recorded under treasury shares in equity and R$18,980 recorded under financial expenses (Note 27).

g) Disposal of Lands and Forests

On March 31, 2010, the Company recorded a gain amounted to R$262,996 obtained with the sale of approximately 50 thousand hectares in the state of Minas Gerais and nearly 13 thousand hectare-eucalyptus plantation. The disposal was made through the sale of units of interest held by special purpose entities Turmalina Silvicultura e Participações Ltda. and Vale do Jequitinhonha Silvicultura e Participações Ltda., owners of the assets. In addition, the Company recorded a provision for contractual liabilities of this operation amounting to R$9,678 (Note 26).

2 Basis of preparation and presentation of the financial statements

2.1. Basis of preparation of the individual and consolidated financial statements

The Company's financial statements for the years ended December 31, 2010 and 2009 and January 1, 2009 were prepared according to the accounting practices adopted in Brazil, which include the rules issued by Brazilian Securities and Exchange Commission ("CVM") and the Pronouncements, Guidelines and Interpretations issued by Brazilian FASB("CPC"), and the consolidated financial statements were prepared according to the accounting practices adopted in Brazil which include the rules issued by CVM and the Pronouncements, Guidelines and Interpretations issued by CPC which are in conformity with the International Financial Reporting Standards (IFRS*)* issued by the International Accounting Standard Board ("IASB").

In the individual financial statements, the investments in subsidiaries are measured under the equity method, while they would be measured at cost or fair value for the purposes of IFRS issued by IASB.

However, there are no differences between equity and consolidated net income reported by the Company and equity and net income of the controlling entity in its individual financial statements. Thus, the consolidated financial statements of the Company and the individual financial statements of the parent company have been stated side by side in a single set of financial statements.

The Company's Management authorized the issue of these financial statements on February 28, 2011.

2.2. New standards, pronouncements, reviews and interpretations

The following standards, technical pronouncements, reviews and interpretations were approved and issued up to the disclosure date of these financial statements, which are applicable to the fiscal years ended as of December 2010 and also applicable to financial statements ended December 2009 to be disclosed jointly with the financial statements ended December 31, 2010 for comparison purposes:

- The standards below reflect IASB's changes incorporated into related CPCs. They provide certain wording adjustments so as to produce the same accounting effects of the related international financial reporting standard. These new pronouncements do not produce any effects on the Company:

  - CPC 1 (R1) – Impairment of assets (IAS 36)
  - CPC 2 (R2) – Changes in exchange rates and translation of financial statements (IAS 21)
  - CPC 3 (R2) – Statement of cash flows (IAS 7)
  - CPC 5 (R1) – Related party disclosures (IAS 24)
  - CPC 6 (R1) – Leases (IAS 17)
  - CPC 7 (R1) – Government grants and assistance (IAS 20 and SIC nº 10)

- The standards below reflect IASB's changes incorporated into related CPCs. They provide certain wording adjustments so as to produce the same accounting effects of the related international financial reporting standard. The Company applied said pronouncements to these financial statements:

    - CPC 37 (R1) – First-time adoption of the international financial reporting standards (IFRS 1)
    - CPC 41 – Earnings per share (IAS 33)

- The Interpretations below shall not apply to the Company's activities, therefore, they do not produce any effects on these financial statements:

    - Technical Interpretation ICPC 13 – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
    - Technical Interpretation ICPC 15 – Liabilities arising from Participating in a Specific Market – Waste of Electrical and Electronic Equipment.

- **IAS 24 Reporting requirements for governmental entities and related party disclosures (Reviewed) –** It simplifies the reporting requirements for governmental entities and clarifies the definition of related party. The reviewed standard discusses aspects, which according to the previous reporting requirements and definition of related party, were extremely complex and difficult to be practically applied, mainly in environments with an extensive government control, offering partial exemption to governmental entities and a reviewed definition of the related party concept. This amendment was issued in November 2009 and effective for the fiscal years starting as of January 2011. This change will not produce any effects on the Company's consolidated financial statements.

- **IFRS 9 Financial Instruments – Classification and measurement -** IFRS 9 concludes the first part of the project to replace "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 uses a simple approach to determine if a financial asset is measured at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and the contractual cash flows, which is a characteristic of the financial assets. The standard also requires the adoption of only one method to determine the impairment of assets. This standard is applicable for the fiscal years starting as of January 1, 2013. The Company does not expect that this change will produce any material effect on its consolidated financial statements.

- **IFRIC 14 Prepayments of a minimum funding requirement –** This amendment only applies to those situations in which an entity is subject to minimum funding requirements and anticipates contributions in order to cover these requirements. This amendment allows this entity to record the benefit of this prepayment as an asset. This amendment is effective for the fiscal years starting as of January 1, 2011 and will not produce any effects on the Company's consolidated financial statements.

- **IFRIC 19 Extinguishing financial liabilities with equity instruments -** IFRIC 19 was issued in November 2009 and was applicable as of July 1, 2010, and its early application is allowed. This interpretation clarifies the IFRS requirements when an entity renegotiates the conditions of a financial liability with its creditor and the latter accepts the entity shares or other equity instruments in order to settle the financial liability in whole or partially. The Company does not expect that the IFRIC 19 will produce any effects on its consolidated financial statements.

- **IFRS improvements–** In May 2010, IASB issued clarifications to the IFRS standards which will be effective as of January 1, 2011. Below, the main clarifications that could produce any effects on the Company:

    - IFRS 3 – Business combination;
    - IFRS 7 – Disclosure of Financial Instruments;
    - IAS 1 – Presentation of the Financial Statements.

There are no other standards and interpretations issued or under exposure draft phase and not yet adopted that, according to the Management's opinion, may significantly affect the Company's net income or equity.

2.3. Application of the new accounting practices

Until December 31, 2009, the Company's individual and consolidated financial statements had been reported according to the accounting practices adopted in Brazil, CVM additional standards, CPC technical pronouncements issued until December 31, 2008 and requirements of the Brazilian Corporation Law.

The Company prepared its opening balance sheet with the transition date of January 1, 2009, thus, it applied the mandatory exceptions and certain elective exemptions fully retrospectively applied, as laid down in the Technical Pronouncements, Guidelines and Interpretations issued by CPC and approved by CVM for the individual and consolidated financial statements and according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board – IASB for the consolidated financial statements.

CPC 37 (R1) (IFRS 1) requires that an entity develops accounting policies based on CPC and IASB standards and interpretations effective on the date of its first individual financial statement and these policies to be applied on the transition date and during all the periods reported in the first statements under the CPC (application of all standards) and IFRS, and the Company adopted January 1, 2009 as the transition date. The Company adopted all the Pronouncements, Guidelines and Interpretations of CPC issued until December 31, 2010, and accordingly, the consolidated financial statements are in conformity with the international financial reporting standards issued by IASB and approved by CPC. The main difference between the accounting practices adopted on the transition date, the reconciliations of Equity and Net Income of comparative financial statements are described in item "j" of this Note.

The individual financial statements for the year ended December 31, 2010 are the firstly presented considering the full application of CPCs and the first consolidated financial statements also considering the full application of CPCs and according to IFRS.

The Company took into account the requirements of CVM Resolution 656/11, which refers to the reporting of 2010 quarterly information and already included the adjustments required comparatively with 2009.

Below, the balance sheets for the year ended December 31, 2008, considered as basis for the transition into IFRS on January 1, 2009 and for the fiscal year ended December 31, 2009:

		Opening Balances on January 1, 2009					
		Parent Company			Consolidated		
	Note	According to the previous accounting practices	Adjustments	Full application of the CPCs	According to the previous accounting practices	Adjustments	Full application of the CPCs
Current Assets		**4,340,317**	**79,899**	**4,420,216**	**4,406,710**	**9,289**	**4,415,999**
Cash and cash equivalents		1,921,063	-	1,921,063	2,176,312	-	2,176,312
Trade account receivables	2.3 (f)	1,391,670	144,129	1,535,799	790,042	144,129	934,171
Inventories		585,867	-	585,867	881,568	-	881,568
Recoverable Taxes		333,700	-	333,700	361,025	-	361,025
Deferred taxes	2.3 (i)	60,766	(60,766)	-	131,351	(131,351)	-
Other current assets	2.3 (f)	47,251	(3,464)	43,787	66,412	(3,489)	62,923
Non-Current Assets		**8,477,286**	**4,443,046**	**12,920,332**	**8,551,769**	**4,634,890**	**13,186,659**
Long-term assets	2.3 (i)	1,192,207	(644,199)	548,008	1,173,536	(573,614)	599,922
Biological assets	2.3 (b)	860,371	432,161	1,292,532	865,157	432,161	1,297,318
Investments	2.3 (a)	232,273	235,383	467,656	-	-	-
Property, plant and equipment	2.3 (a)	5,690,978	4,887,111	10,578,089	6,011,619	5,243,753	11,255,372
Intangible assets	2.3 (a)	501,457	(467,410)	34,047	501,457	(467,410)	34,047
Total Assets		**12,817,603**	**4,522,945**	**17,340,548**	**12,958,479**	**4,644,179**	**17,602,658**
Current Liabilities		**2,256,326**	**228,109**	**2,484,435**	**2,356,593**	**121,166**	**2,477,759**
Suppliers		219,067	-	219,067	277,318	-	277,318
Loan and financing	2.3 (f)	1,723,676	144,129	1,867,805	1,736,805	144,129	1,880,934
Deferred taxes	2.3 (i)	19,474	(19,474)	-	19,474	(19,474)	-
Unrealized profit	2.3 (d)	-	106,918	106,918	-	-	-
Other liabilities	2.3 (f)	294,109	(3,464)	290,645	322,996	(3,489)	319,507
Non-Current Liabilities		**6,786,314**	**895,528**	**7,681,842**	**6,865,227**	**1,085,401**	**7,950,628**
Loan and financing		5,711,592	-	5,711,592	5,898,239	-	5,898,239
Deferred taxes	2.3 (i)	623,350	895,528	1,518,878	623,350	1,085,401	1,708,751
Provisions and other liabilities		451,372	-	451,372	343,638	-	343,638
Shareholders' Equity	2.3 (j)	**3,774,963**	3,399,308	**7,174,271**	**3,736,659**	3,437,612	**7,174,271**
Total Liabilities		**12,817,603**	**4,522,945**	**17,340,548**	**12,958,479**	**4,644,179**	**17,602,658**

		Balances on December 31, 2009					
		Parent Company			Consolidated		
	Note	According to the previous accounting practices	Adjustments	Full application of the CPCs	According to the previous accounting practices	Adjustments	Full application of the CPCs
Current Assets		**4,094,724**	**89,308**	**4,184,032**	**4,148,255**	**82,396**	**4,230,651**
Cash and cash equivalents		2,261,889	-	2,261,889	2,533,285	-	2,533,285
Trade account receivables	2.3 (f)	958,763	144,979	1,103,742	621,195	144,979	766,174
Inventories	2.3 (b)	499,976	10,274	510,250	605,657	10,274	615,931
Recoverable Taxes		237,587	-	237,587	238,825	-	238,825
Deferred taxes	2.3 (i)	62,385	(62,385)	-	69,297	(69,297)	-
Other current assets	2.3 (f)	74,124	(3,560)	70,564	79,996	(3,560)	76,436
Non-Current Assets		**8,508,077**	**4,647,969**	**13,156,046**	**8,610,714**	**4,774,190**	**13,384,904**
Long-term assets	2.3 (i)	1,121,593	(495,423)	626,170	1,147,916	(490,462)	657,454
Biological assets	2.3 (b)	1,081,533	502,072	1,583,605	1,086,873	502,072	1,588,945
Investments	2.3 (a)	221,691	235,382	457,073	-	-	-
Property, plant and equipment	2.3 (a)	5,581,798	4,873,348	10,455,146	5,874,463	5,229,990	11,104,453
Intangible assets	2.3 (a)	501,462	(467,410)	34,052	501,462	(467,410)	34,052
Total Assets		**12,602,801**	**4,737,277**	**17,340,078**	**12,758,969**	**4,856,586**	**17,615,555**
Current Liabilities		**2,106,376**	**138,563**	**2,244,939**	**2,140,051**	**118,731**	**2,258,782**
Suppliers		262,667	-	262,667	268,050	-	268,050
Loan and financing	2.3 (f)	1,381,749	144,979	1,526,728	1,401,499	144,979	1,546,478
Deferred taxes	2.3 (i)	19,743	(19,743)	-	19,743	(19,743)	-
Unrealized profit	2.3 (d)	-	19,832	19,832	-	-	-
Other liabilities	2.3 (f)	442,217	(6,505)	435,712	450,759	(6,505)	444,254
Non-Current Liabilities		**6,098,959**	**1,131,810**	**7,230,769**	**6,235,138**	**1,257,265**	**7,492,403**
Loan and financing		4,869,221	-	4,869,221	5,097,540	-	5,097,540
Deferred taxes	2.3 (i)	625,939	1,126,044	1,751,983	625,939	1,251,499	1,877,438
Provisions and other liabilities	2.3 (c)	603,799	5,766	609,565	511,659	5,766	517,425
Shareholders' Equity	2.3 (j)	**4,397,466**	3,466,904	**7,864,370**	**4,383,780**	3,480,590	**7,864,370**
Total Liabilities		**12,602,801**	**4,737,277**	**17,340,078**	**12,758,969**	**4,856,586**	**17,615,555**

When applying the new accounting practices adopted in Brazil, the Company applied relevant mandatory exceptions and certain elective exemptions in relation to the entire retrospective application of the new BR GAAP described below, observing the provisions set forth in CPC 37 (R1).

Exemptions to retrospective application:

- business combination – the Company applied the business combination exemption, thus, it did not restate the business combinations calculation that took place before the transition date, that was January 1, 2009.

- employee benefits – the Company applied the exemption related to defined benefit plan at the transition date, January 1, 2009 and decided to recognize all actuarial gains and losses prospectively from the transition date directly in equity.

- Deemed cost of property, plant and equipment – the Company decided to apply the deemed cost on the transition date for certain classes of property, plant and equipment. The classes assessed were: machinery, equipment, buildings, land and farms (item “a” of this Note).

The Company did not use the other exemptions included in IFRS and CPC 37 (R1) for the following reasons:

- Leases – the Company decided to review the agreements taking into account the facts and circumstances on the transition date. No effects were identified, since the accounting practices previously adopted by the Company were already in compliance with IFRS.

- Share-based payment – the accounting treatment of stock options granted by the Company in previous periods was not affected, since the accounting practices previously adopted by the Company were already in compliance with IFRS.

- Assets and liabilities of subsidiaries – the first-time adoption of the new accounting practices was concurrently and consistently applied to all Company's subsidiaries.

- Compound financial instruments – there are no operations involving this type of financial instrument.

- Decommissioning liabilities included in the cost of property, plant and equipment - The Company does not have any liabilities related to assets restoration.

- Financial assets and intangible assets accounted for according to ICPC 1 - Concession Arrangements – the Company does not have any concession agreements.

The main changes in the accounting practices promoted by the first-time adoption of CPC 37 (R1), other CPCs and interpretations were the following:

a) Deemed cost

This corresponds to the application of new deemed cost to certain classes of property, plant and equipment, duly supported by asset appraisal reports prepared by independent experts, which included certain units of the Company and assets of its subsidiary Comercial e Agrícola Paineiras Ltda. ("Paineiras").

The new deemed costs on the transition date are the following:

	On January 1, 2009					
	Parent Company			Consolidated		
	Previous accounting practices	Adjustments	**New accounting practices**	Previous accounting practices	Adjustments	**New accounting practices**
Machinery and equipment	4,265,412	2,279,503	**6,544,915**	4,265,487	2,279,503	**6,544,990**
Buildings	743,968	302,522	**1,046,490**	744,778	302,522	**1,047,300**
Lands and farms	582,861	2,305,086	**2,887,947**	688,407	2,661,728	**3,350,135**
Overall total	5,592,241	4,887,111	**10,479,352**	5,698,672	5,243,753	**10,942,425**

As a result of the adjustment made on the assets of Conpacel resulting from acquisition of subsidiary Ripasa, on the transition date, the Company applied the CPC 1 (R1) – Impairment of Assets on the intangible assets related to this company and recorded a provision for impairment of goodwill recorded on that date, amounting to R$467,410.

Upon applying the deemed cost, the new carrying amount of lands and farms of the subsidiary Paineiras amounted to R$356,642 (R$235,383 net of deferred taxes).

The adjustments to deemed cost, net of deferred income and social contribution taxes were recorded in a specific account under Equity, named 'Other comprehensive income' on January 1, 2009.

b) Biological assets - Forests

These are represented by eucalyptus forests and they were measured at their fair value, as set forth by CPC 29 – Agriculture. According to the previous accounting practices, these assets were recorded at the historical formation cost.

c) Actuarial liabilities

During the transition to the new accounting practices, the Company reassessed the accounting treatment given to actuarial gains or losses. Previously, these were directly recognized in the income statement and upon adopting the CPC 33 – Employee Benefits, the Company changed its accounting practice recognizing actuarial gains and losses in Equity, prospectively.

d) Elimination of unrealized profits in sales transactions between parent company and its subsidiaries

According to ICPC 9 – Individual, Consolidated and Separate Financial Statements and Application of the Equity Method, the unrealized profits deriving from operations between the parent company and its subsidiaries shall be eliminated net of taxes, if applicable, when preparing the parent company's individual financial statements. Previously, as authorized by CVM Rule No. 247/96, the Company did not carry out these removals in its individual financial statements, but in the consolidated financial statements. The Company applied this ICPC to the parent company's financial statements.

e) Retained earnings

The biological assets fair value adjustments, the elimination of unrealized profit in the parent company and the provision for goodwill impairment, net of deferred income and social contribution taxes were recorded against the retained earnings account on January 1, 2009.

f) Reclassifications

In order to comply with CPC referring to the Framework for the Preparation and Presentation of Financial Statements, the Company reclassified certain accounting balances.

Credit balances deriving from vendor transactions were reclassified from Trade Accounts Receivable to Loans and Financing (Note 16). The balances from prepaid vacation, 13^{th} monthly salary pay and other balances recoverable by the Company upon the liability settlement were reclassified from Other Current Assets to Other Liabilities with a view to reporting the net balances, if applicable.

g) Earnings per share

Earnings per share are now stated based on net income for the year and on the weighted average of outstanding shares during the year, excluding treasury shares. Diluted earnings per share are now stated taking into account the potential effect deriving from the stock options related to share-based compensation plan and that provided for in the 4^{th} issue debentures agreement that may dilute results through increase in the number of shares.

h) Segment information

The Company is disclosing the segment information according to its current business model, divided into pulp and paper (Note 28).

i) Deferred income and social contribution taxes

Deferred income and social contribution taxes were calculated over the adjustments deriving from adoption of new accounting practices, based on the nominal rate of these taxes.

According to CPC 32 - Income Taxes, deferred tax assets and liabilities are presented in net amounts when the Company and/or its subsidiaries are legally entitled to this offset, stated as net amount in non-current assets or liabilities.

j) Additional information to the financial statements

The table presented hereafter demonstrates the reconciliations of previously adopted accounting practices to the effects on the new accounting practices on the equity and net income:

		Parent Company		Consolidated	
	Note	2009	01/01/2009	2009	01/01/2009
Shareholders' equity according to the previous accounting practices:		4,397,466	3,774,963	4,383,780	3,736,659
Effects deriving from the new practices:		3,466,904	3,399,308	3,480,590	3,437,612
Treatment of mandatory minimum dividend		2,945	-	2,945	-
Deemed cost	2.3 (a)	4,873,348	4,887,111	5,229,990	5,243,753
Equity pickup (deemed cost)	2.3 (a)	235,383	235,383	-	-
Biological assets - reforestation	2.3 (b)	512,346	432,161	512,346	432,161
Actuarial liabilities	2.3 (c)	(5,766)	-	(5,766)	-
Provision for goodwill impairment	2.3 (a)	(467,410)	(467,410)	(467,410)	(467,410)
Removal of unrealized profits by the parent company	2.3 (d)	(19,832)	(106,918)	-	-
Deferred income and social contribution taxes	2.3 (i)	(1,664,110)	(1,581,019)	(1,791,515)	(1,770,892)
Shareholders' equity calculated according to the new accounting practices		7,864,370	7,174,271	7,864,370	7,174,271

		2009	
	Note	Parent Company	Consolidated
Net Income according to the previous accounting practices:		853,315	877,932
Effects deriving from the new practices:		93,206	68,589
Deemed cost	2.3 (a)	(13,763)	(13,763)
Biological assets - reforestation	2.3 (b)	80,185	80,185
Actuarial liabilities	2.3 (c)	37,500	37,500
Removal of unrealized profits by the parent company	2.3 (d)	87,085	-
Deferred income and social contribution taxes	2.3 (i)	(97,801)	(35,333)
Net Income according to the new accounting practices		946,521	946,521

2.4. Consolidated financial statements

No significant changes occurred during the consolidation of the subsidiaries' financial statements when adopting the new accounting standards. The main consolidation procedures are:

- Elimination of intercompany asset and liability account balances;
- Elimination of interest in capital, reserves and retained earnings of consolidated companies;
- Elimination of balances from revenues and expenses, as well as unrealized profit deriving from intercompany transactions;
- Calculation of taxes on unrealized profit amounts, stated as deferred taxes in the consolidated balance sheets.

The base date of the subsidiaries' financial statements included in the consolidation coincides with that of the parent company.

As required by CPC 19 – Investment in Joint Ventures, we present below the main financial information related to Asapir Produção Florestal e Comércio Ltda. ("Asapir") and Conpacel. Asapir was consolidated proportionally according to the shareholders' agreement with Fibria. Conpacel's assets and liabilities were proportionally integrated to the parent company's financial statements.

	2010	
Balance sheet	**Asapir**	**Conpacel**
Assets		
Current	21,397	81,935
Non-current	38,629	1,170,153
Long-term assets	30,432	15,308
Permanent assets	8,197	1,154,845
Property, plant and equipment	8,197	1,151,377
Intangible assets	-	3,468
	60,026	**1,252,088**
Liabilities		
Current	1,519	56,703
Non-current	15,830	1,195,385
Shareholders' equity	42,677	-
	60,026	**1,252,088**

	2010
Statement of income	**Asapir**
Net operating revenues	978
Cost of products sold	(233)
Gross profit	745
Net operating expenses	(5,084)
Operating loss	(4,339)
Deferred income and social contribution taxes	1,040
Loss for the year	**(3,299)**

3 Summary of significant accounting practices

3.1. Statement of income

Sales revenues are stated at their net amounts excluding taxes and discounts incurred on sales. Sales and expenses are recorded on accrual basis. Sales of products are recognized in the statement of income when its amounts can be measured reliably, all risks and rewards inherent to the product are transferred to the buyer, the Company does not have more control or responsibility over the goods sold and it is probable that the economic benefits will be generated for the Company. Revenues are not recognized if there is significant uncertainty as to their realization. Interest income and expense are recognized by the effective interest rate method as financial income or expenses.

3.2. Investments and translation of foreign-currency-denominated balances

a) Investments, functional currency and presentation of the financial statements

The Company's functional currency is the Brazilian Real (BRL), same currency of preparation and presentation of unconsolidated and consolidated financial statements. The financial statements of each subsidiary, which are also those used as basis of evaluation of investments by the equity method, are prepared based on each entity's functional currency.

Concerning foreign subsidiaries, their monetary assets and liabilities are translated from their functional currency into Brazilian Reais, using the exchange rates of balance sheets closing dates and respective revenues and expenses accounts are calculated by the monthly average rates of the periods. Concerning non-monetary assets and liabilities, they are translated from their functional currency into Brazilian Reais by exchange rate of the accounting transaction date (historical rate). These subsidiaries are valued by the equity method, which results are recognized at the proportion of the Company's investments.

b) Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (Brazilian Real- BRL) using the exchange rate effective on the respective balance sheets dates. Gains and losses resulting from the adjustment of these assets and liabilities, determined between the exchange rate effective on the date of transaction and closing dates are recognized as financial income or expenses in the income statement.

The exchange rates applied when translating the financial statements of foreign subsidiaries into the reporting currency of the financial statements are the following:

Currency	Name	Country	Final rate		Average rate	
			12/31/2010	12/31/2009	2010	2009
USD	U.S. Dollar	United States	**1.6662**	1.7412	**1.7608**	1.9991
CHF	Swiss Franc	Switzerland	**1.7828**	1.6904	**1.6877**	1.8364
EUR	Euro	European Union	**2.2280**	2.5073	**2.3363**	2.7721
GBP	Pound Sterling	United Kingdom	**2.5876**	2.8241	**2.7210**	3.1103
ARS	Argentine Peso	Argentina	**0.4189**	0.4582	**0.4490**	0.5333

3.3. Financial instruments

Financial instruments are recognized as of the date the Company becomes party to financial instruments contractual provisions. These are initially recorded at their fair value, plus transaction costs which are directly attributable to their acquisition or issue, except for the financial assets and liabilities classified under the fair value category through profit or loss, where these costs are directly recorded in the income statement for the period. Their subsequent measure occurs every balance sheet date according to the rules set forth for each type of financial assets and liabilities classification. The Company does not adopt the hedge accounting as required by CPC 38, 39 and 40.

3.3.1.Financial assets

These are classified among the categories below according to the purpose for which they were acquired or issued:

a) Financial assets measured at fair value through profit or loss

These include financial assets held for trading and those assets designated in the initial recognition at fair value through profit or loss and derivatives. These are classified as held for trading if originated with the purpose of sale or repurchase in the short term. These are measured at their fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value measurement are recognized as financial income or expenses in the income statement when incurred.

b) Loans (granted) and receivables

These include non-derivative financial assets with fixed or determinable payments, but not quoted on the active market. After initial recognition, these are measured by the amortized cost through the effective interest rate method. Interest rates, monetary restatement, exchange variation, less impairment, when applicable, are recognized as financial income or expenses in the income statement when incurred.

The Company did not identify any financial assets that would be classified as held-to-maturity investments.

3.3.2. Financial liabilities:

These are classified between the categories below according to the nature of financial instruments contracted or issued:

a) Financial liabilities measured at fair value through profit or loss

These include financial liabilities usually traded before maturity, liabilities designated upon initial recognition at fair value through profit or loss and derivatives. They are measured by their fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value valuation, where applicable, are recognized in the income statement when incurred.

b) Financial liabilities not measured at fair value

Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are measured by the amortized cost through the effective interest rate method. The interest rates, monetary restatement and exchange variation, where applicable, are recognized in the income statement when incurred.

3.3.3. Fair value

The fair value of financial instruments actively traded on the organized markets is determined based on the market quotes on the balance sheet closing dates. In the lack of an active market, fair value is determined through valuation techniques. These techniques include the use of recent arm's length observable market transactions, benchmark to the fair value of similar financial instruments, discounted cash flows analysis or other valuation models.

3.4. Cash and cash equivalents:

These include cash, positive balances in bank accounts, investments in marketable securities highly liquid or redeemable within 90 days as of balance sheet dates and with insignificant risk of changing their fair value. Marketable securities denominated as cash and cash equivalents are classified in the "financial assets at fair value through profit or loss" category.

3.5. Trade accounts receivable

These are classified in the financial instruments category "loans (granted) and receivables", stated at their net realizable values, including currency adjustment when these are denominated in foreign currency and adjusted by allowance for doubtful accounts, which is defined in an amount deemed sufficient by management to cover losses, if any, on these accounts receivable realization.

3.6. Inventories:

These are stated at the average acquisition or production cost, including depletion of biological assets, not exceeding their realizable value. Provisions for inventory losses (for low turnover or obsolescence, etc) are set up when deemed necessary by management.

3.7. Biological assets

These are eucalyptus forests for the supply of timber used in the pulp and paper manufacturing process. An insignificant portion of these timber resources is available for sale to third parties.

Reforestation is treated as biological assets within the scope of CPC 29, and they are recorded and stated in the financial statements by their fair value.

3.8. Property, plant and equipment

These are recorded at the cost of acquisition, buildup or construction, including interest and other financial charges incurred during the project design or development, monetarily restated based on prevailing laws until December 31,1995.

On the transition date to the IFRS, the Company and its subsidiary Comercial Agrícola Paineiras Ltda., applied the requirements of CPC 37 (RI) and in compliance with the Interpretation ICPC 10 – Interpretation on the First-Time Application to the Property, Plant and Equipment and Investment Property of the Technical Pronouncements CPCs 27, 28, 37 and 43, evaluated its machinery, equipment, buildings, land and farms to assign the deemed cost. The remaining useful life of these assets was reviewed, except for lands and farms, which have an indefinite useful life.

The depreciation of assets is calculated by the straight-line method at rates mentioned in Note 14 and takes into account the estimated remaining useful life in the assets appraisal report which determined the new amounts attributed to the assets. The effects deriving from any changes in these estimates, if relevant, are treated as change of accounting estimates and recognized prospectively in the income statement for the year. Financial charges and expenditures that significantly increase assets' useful life are capitalized at the property, plant and equipment value and depreciated, taking into account the same criteria and useful life defined for the item into which these were incorporated. Maintenance and repair expenses, which do not significantly increase assets' useful life, are recorded as expenses when incurred.

Property, plant and equipment are net of credits from the Social Integration Program (PIS), Social Contribution on Revenues (COFINS) and State Value-Added Tax (ICMS) and the corresponding entry is recorded in recoverable taxes.

3.9. Leases

Finance lease agreements are recognized in property, plant and equipment and against loans and financing, by the lower amount between the present value of minimum lease payments or the fair value of the related assets, plus, when applicable, initial direct costs incurred in the transaction. The amounts recorded in property, plant and equipment are depreciated by assets' estimated economic-useful life or the estimated lease agreement term, depending on specific characteristics of each transaction. Implicit interest rates in loans and financing liabilities are recorded in the income statement by the effective interest rate method. Operating lease agreements, when these are contracted, are recognized as expense on a systematic basis which represents the period in which the benefit over leased asset is obtained, even if these payments are not made on this basis.

3.10. Intangible assets

These refer to goodwill generated in the acquisition of investments made until December 31, 2008, and were amortized on a straight-line basis for a 5-to-10 year term until that date based on future profitability. As of January 1, 2009, they are no longer amortized and shall only be submitted to an annual impairment test (see Note 15).

The new business acquisitions and their effects are recorded as provided by CPC 15 – Business Combinations.

3.11. Provision for impairment of assets

Management reviews, on an annual basis, the net carrying amount of assets aiming at assessing events or changes in economic, operational or technological circumstances that may indicate impairment or loss of their recoverable value. When these evidences are identified and the net carrying amount exceeds the recoverable value, then a provision for asset impairment is recorded, adjusting the net carrying amount to the recoverable value.

3.12. Provisions

Provisions are recognized in the balance sheet for those situations showing on the date of financial statements a level of probable risk of future disbursement which can be measured reliably. Provisions for contingencies are recorded by their net amount of corresponding judicial deposits and are classified as provisions for tax, social security, labor and civil claims.

3.13. Actuarial liabilities

The defined benefit plans are evaluated by an independent actuary in order to determine the commitments to health care plans and life insurance provided to active employees and retirees, at the end of each year.

Actuarial gains or losses are recognized directly in equity, as provided by CPC 33 – Employee Benefits. The interest on actuarial liability is directly recorded in the income statement under "Other Operating Expenses".

3.14. Other assets and liabilities

Assets are recognized only when it is probable that the economic benefit associated with the transaction will flow to the Company and its cost or value can be measured reliably. Contingent assets are not recognized.

A liability is recognized when the Company has a legal or constructive obligation arising from a past event, and it is probable that an economic resource will be required to settle this liability. Provisions are recorded based on the best estimates of the risk involved.

3.15. Income and social contribution taxes

The tax on income for the year comprises the Corporate Income Tax ("IRPJ") and the Social Contribution Tax on Net Profit ("CSLL"), including current and deferred taxes, which are calculated based on the taxable income (adjusted book profit), at rates effective on the balance sheet dates: (i) income tax – calculated at the rate of 25% over adjusted book profit (15% on taxable income plus 10% surtax for the profits exceeding R$240 in a 12-month period); (ii) Social contribution tax – calculated at the rate of 9% over the adjusted book profit. Additions to book profit of temporarily non-deductible expenses, or exclusions of temporarily non-taxable income, which are considered when calculating current taxable income, generate deferred tax assets or liabilities.

Deferred tax assets and liabilities, deriving from tax losses, social contribution tax loss carryforward and temporary differences are recorded according to CPC 32 – Income Taxes.

3.16. Government grants and assistance

Government grants and assistance are recognized when it is reasonably certain that the conditions established by the granting governmental authority were observed and that these subsidies will be obtained. These are recorded as revenue or expense deduction in the income statement for the period of enjoyment of benefit and are subsequently allocated to the tax incentives reserve under equity.

3.17. Share-based payments

The Company's executives and managers receive their compensation partially as: i) share-based payment plans to be paid in cash; and ii) share-based payment plans to be paid with shares, and alternatively in cash.

Expenses related to plan i) and ii) are firstly recognized in the income statement as administrative expenses during the vesting period (grace period), over the period when services will be rendered against a financial liability (in case of plan i) and ii)) or in specific account under equity (in case of exclusive payment with shares) and measured by their fair value when the compensation programs are granted. The financial liability is measured again by its fair value every balance sheet date and its variation is recorded in the income statement as administrative expenses.

However, on the option exercise date, if such options are exercised by the officer in order to receive Company shares, financial liabilities are reclassified to an equity account called "Stock options reserve". In case of option exercise paid in cash, the Company settles the financial liability on behalf of the officer.

3.18. Dividends and Interest on Shareholders' Equity

The Company's management proposal to distribute dividends and interest on shareholders' equity within the amount corresponding to the mandatory minimum dividend is recorded as liability in "Dividends and Interest on shareholders' Equity payable", as it is a legal obligation set forth in the Company's Articles of Incorporation; however, the amount of dividends exceeding the mandatory minimum dividend declared by management after the accounting period to which the financial statements refer, but before the authorization date to issue said financial statements, is recorded in "Additional dividends proposed" under equity.

3.19. Adjustment to present value of assets and liabilities

Non-current monetary assets and liabilities are monetarily restated, therefore, they are adjusted to their present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded, if deemed as relevant when compared to the financial statements taken as a whole. For the purposes of recording and determining materiality, the present value adjustment is calculated taking into account contractual cash flows and explicit interest rates, and implicit interest rates in certain cases, of respective assets and liabilities. Based on the analyses made and the management's best estimate, the Company concluded that the present value adjustment of current monetary assets and liabilities is immaterial when compared to the financial statements taken as a whole, thus, no adjustments were recorded.

3.20. Accounting estimates

These are used to measure and recognize certain assets and liabilities of the financial statements of the Company and its subsidiaries. The calculation of these estimates takes into account experiences of past and current events, assumptions related to future events and other objective and subjective factors, based on the management's judgment, in order to determine the value to be recorded in this financial statements. Significant items subject to estimates include: the selection of property, plant and equipment and intangible assets' useful lives; allowance for doubtful accounts; provision for inventory losses; provision for investment losses; calculation of fair value of biological assets; calculation of deemed cost for certain groups of property, plant and equipment; impairment analysis of property, plant and equipment and intangible asset amounts; deferred income tax and social contribution taxes; rates and timing applied when determining the present value adjustment of certain assets and liabilities; provision for contingencies and actuarial liabilities; fair value measurement of share-based payment plans and financial instruments; estimates to disclose the sensitivity analysis chart of derivative financial instruments as required by CPC 40 – Financial Instruments: Disclosure. The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to inaccuracies inherent to their calculation process. The Company reviews its estimates and assumptions, at least, quarterly.

3.21. Statements of cash flow and statements of value added

The statements of cash flows were prepared using the indirect method and have been reported according to CPC 3 – Statements of Cash Flows. The statements of value added were prepared according to CPC 9 – Statement of Value Added.

4 Cash and cash equivalents

	Parent Company			Consolidated		
	2010	2009	1/1/2009	2010	2009	1/1/2009
Cash and banks	**114,785**	19,369	23,222	**345,486**	278,944	77,719
Marketable securities	**3,369,383**	2,242,520	1,897,841	**3,389,952**	2,254,341	2,098,593
	3,484,168	2,261,889	1,921,063	**3,735,438**	2,533,285	2,176,312

Cash and cash equivalents mainly refer to bank deposit certificates, repurchase agreements, investment funds, farm credit bank notes (LCA's) and funds available abroad composed of U.S. dollar-denominated demand bank deposits.

As of December 31, 2010 these investments yield interest at rates varying between 99.0% and 114.0% of Interbank Deposit Certificate ("CDI") (from 99.0% to 115.0% at December 31, 2009), except for an amount in LCAs, which are investments that mature in less than 30 days, yielding between 20.0% and 70.0% of CDI.

Cash and cash equivalents were classified in the held-for-trading financial assets category, therefore, they were measured according to the criterion outlined in Note 3.3.1 item "a".

5 Trade accounts receivable

	Parent Company			Consolidated		
	2010	**2009**	**1/1/2009**	**2010**	**2009**	**1/1/2009**
Domestic clients						
- Third parties	**486,956**	506,544	540,056	**490,939**	511,489	547,722
- Other related parties	**1,640**	10,628	40,141	**1,640**	10,628	40,141
Foreign clients						
- Third parties	**12,866**	6,966	8,080	**371,196**	311,235	441,234
- Subsidiaries	**699,633**	617,738	985,021	**-**	-	-
Provision for discounts	**(7,129)**	(2,493)	(4,792)	**(47,717)**	(27,434)	(57,137)
Allowance for doubtful accounts	**(20,401)**	(35,641)	(32,707)	**(24,001)**	(39,744)	(37,789)
	1,173,565	1,103,742	1,535,799	**792,057**	766,174	934,171

The Company conducts trade notes assignment transactions with financial institutions, transferring all the credits risks referring to these notes to those financial institutions. Upon the conduction of transactions of this nature, trade notes are immediately written off of trade accounts receivable.

For additional information on the terms and conditions involving the accounts receivable from subsidiaries and other related parties, please refer to Note 9.

At December 31, balances of overdue trade accounts receivable are broken down as follows:

	Parent Company			Consolidated		
	2010	**2009**	**01/01/2009**	**2010**	**2009**	**01/01/2009**
Amounts overdue:						
- Up to two months	2,733	17,082	33,193	6,810	56,317	65,568
- Two to six months	6,066	10,539	25,069	6,635	10,646	32,351
- Over six months	26,395	49,415	34,769	30,299	55,233	38,540
	35,194	77,036	93,031	**43,744**	122,196	136,459

Below, the breakdown of allowance for doubtful accounts:

	Parent Company	Consolidated
Balances on January 1, 2009	(32,707)	(37,789)
Credits accrued in the year	(6,423)	(6,796)
Credits recovered in the year	3,016	3,016
Credits definitely written-off from position	473	473
Foreign exchange variation	-	1,352
Balances on December 31, 2009	**(35,641)**	**(39,744)**
Credits accrued in the year	**(28,518)**	**(28,652)**
Credits recovered in the year	**16**	**753**
Credits definitely written-off from position	**43,742**	**43,742**
Foreign exchange variation	**-**	**(100)**
Balances on December 31, 2010	**(20,401)**	**(24,001)**

Trade accounts receivable was classified in financial assets category “loans (granted) and receivables”, thus, it was measured as described in Note 3.3.1 item “b”.

6 Inventories

	Parent Company			Consolidated		
	2010	2009	01/01/2009	2010	2009	01/01/2009
Finished goods						
Pulp						
- Domestic	**19,027**	23,807	27,632	**19,027**	23,807	27,632
- Foreign	**-**	-	-	**54,877**	40,688	196,206
Paper						
- Domestic	**127,444**	128,692	162,564	**127,444**	128,692	162,564
- Foreign	**-**	-	-	**61,737**	60,820	98,730
Work in process	**22,560**	20,045	43,403	**22,560**	20,045	43,402
Raw materials	**184,123**	152,989	159,315	**184,307**	153,269	159,543
Maintenance and other materials	**202,755**	206,016	205,349	**206,696**	209,909	205,887
Provision for inventories losses of maintenance and others	**(17,827)**	(21,299)	(12,396)	**(17,827)**	(21,299)	(12,396)
	538,082	510,250	585,867	**658,821**	615,931	881,568

7 Recoverable taxes

	Parent Company			Consolidated		
	2010	**2009**	**01/01/2009**	**2010**	**2009**	**01/01/2009**
Recoverables Social Contribution	**1,914**	10,460	49,499	**1,954**	10,500	49,558
Income tax recoverable	**21,296**	55,299	75,994	**22,145**	56,094	76,827
PIS/COFINS recoverable	**118,924**	150,045	221,751	**118,924**	150,045	221,791
ICMS recoverable	**123,451**	125,535	117,995	**123,547**	125,631	144,300
Provision for ICMS loss	**(8,032)**	(6,986)	-	**(8,032)**	(6,986)	-
IPI recoverable	**-**	2,751	10,109	**-**	2,751	10,109
Other taxes and contributions	**8,943**	10,890	10,788	**9,320**	11,198	10,880
	266,496	347,994	486,136	**267,858**	349,233	513,465
Current	**170,434**	237,587	333,700	**171,748**	238,825	361,025
Non-current	**96,062**	110,407	152,436	**96,110**	110,408	152,440

In addition to the accelerated depreciation benefit referred to in Note 8, Law No. 11196 of November 21, 2005 also authorizes the use of PIS/COFINS credits over acquisitions made as from January 1, 2006 of certain machinery and equipment, in 12 months instead of 24 months.

The amount of recoverable PIS/COFINS stated in the table above is basically due to tax assets over the acquisition of fixed assets related to Mucuri expansion project. The Company will realize these credits with debits deriving from the increase of business activities and through other federal taxes carryforward, according to the Brazilian IRS (SRF) Instruction No. 600/05.

From the amount of ICMS recoverable shown in the table above, R$66,932 as of December 31, 2010 (R$58,216 at December 31, 2009) refers to tax credits on export of pulp and paper generated at Mucuri plant located in Bahia. In order to realize these amounts, the Company has requested from the Finance Office of the State of Bahia - SEFAZ/BA to validate and approve tax credits generated from August 2006 to September 2008, already audited by fiscal authorities, amounting to R$37,901. In addition, the Company awaits inspection and ratification of new credits for the period between October 2008 and December 2009, amounting to R$20,315, so that the Company can also use them in offsetting authorized by RICMS/BA or trade them on the active market, to which the expected average discount is approximately 12% over the credit value. Therefore, the Company recorded a provision for loss of these credits in the amount of R$8,032 (R$6,986 at December 31, 2009).

8 Income and social contribution taxes

Neutrality for tax purposes of first-time adoption of Law No. 11941/09

The Company opted for the Transition Tax Regime ("RTT") introduced by Law No. 11941 of May 27, 2009, whereby the calculations of corporate income tax (IRPJ), social contribution tax on net profit (CSLL), and social contribution tax on gross revenue for Social Integration Program (PIS) and Social Security Financing (COFINS) for the two-year period of 2008-2009, are still determined based on the accounting methods and criteria set forth by Law No. 6404 of December 15, 1976, effective at December 31, 2007. Therefore, deferred income and social contribution taxes, calculated over the adjustments deriving from the adoption of new accounting practices resulting from Law No. 11941/09 were recorded in the Company's financial statements, if applicable, according to CPC 32 – Income Taxes. The Company declared this option in the 2009 corporate income tax return ("DIPJ").

Deferred income tax and social contribution taxes

Deferred income and social contribution taxes are recorded to reflect future tax effects, attributable to temporary differences and over tax losses and social contribution tax loss carryforward.

Deferred income and social contribution taxes are originated as follows:

	Parent Company			Consolidated		
	2010	2009	1/1/2009	2010	2009	1/1/2009
Income tax						
Credits over losses carryforward	**299,879**	346,539	436,346	**301,722**	348,973	436,346
Credits over temporary differences:						
- Credits over provisions	**119,805**	69,036	73,414	**137,742**	76,336	127,115
- Credits over goodwill amortization	**28,526**	39,435	60,610	**28,526**	39,435	60,610
Credits over effects of Law 11,941/09	**27,041**	31,234	34,869	**27,041**	31,234	34,869
Credits over adjustments of new CPCs	**116,853**	116,852	116,853	**116,853**	116,852	116,853
	592,104	603,096	722,092	**611,884**	612,830	775,793
Social contribution						
Credits over negative basis of social contribution	**-**	9,084	34,336	**708**	10,026	34,336
Credits over temporary differences:						
- Credits over provisions	**42,877**	37,040	32,022	**49,335**	39,669	51,354
- Credits over goodwill amortization	**10,270**	14,196	20,814	**10,270**	14,196	20,814
Credits over effects of Law 11,941/09	**9,735**	11,244	12,553	**9,735**	11,244	12,553
Credits over adjustments of new CPCs	**42,067**	42,067	42,067	**42,067**	42,067	42,067
	104,949	113,631	141,792	**112,115**	117,202	161,124
Total assets	**697,053**	716,727	863,884	**723,999**	730,032	936,917
Income tax						
Debits over accelerated depreciation	**581,208**	592,805	607,688	**581,208**	592,805	607,688
Debits over goodwill amortization	**53,709**	26,855	-	**53,709**	26,855	-
Reforestation costs	**2,021**	2,896	3,791	**2,021**	2,895	3,791
Debits over effects of Law 11,941/09	**760**	9,140	22,292	**760**	9,140	22,292
Debits over adjustments of new CPCs	**1,328,142**	1,340,463	1,279,365	**1,432,624**	1,434,143	1,418,979
	1,965,840	1,972,159	1,913,136	**2,070,322**	2,065,838	2,052,750
Social contribution						
Debits over goodwill amortization	**19,335**	9,667	-	**19,335**	9,667	-
Reforestation costs	**727**	1,028	1,028	**727**	1,028	1,028
Debits over effects of Law 11,941/09	**274**	3,290	8,025	**274**	3,290	8,025
Debits over adjustments of new CPCs	**478,132**	482,566	460,573	**515,747**	516,291	510,832
	498,468	496,551	469,626	**536,083**	530,276	519,885
Total liabilities	**2,464,308**	2,468,710	2,382,762	**2,606,405**	2,596,114	2,572,635
Total non-current assets, net	**-**	-	-	**26,946**	11,356	73,033
Total non-current liabilities, net	**1,767,255**	1,751,983	1,518,878	**1,909,352**	1,877,438	1,708,751

The first-time adoption of Law No. 11941/09 determined the end of goodwill accounting amortization due to future profitability as of January 1, 2009. Additionally, the Company recorded an impairment provision on goodwill balance of Conpacel (former Ripasa) on the transition date to the IFRS. However, these changes do not produce any effects for tax purposes. The Company recorded deferred income and social contribution taxes liabilities over the amounts amortized for tax purposes, from January 1, 2009 until December 31, 2010.

The breakdown of accumulated tax losses and social contribution negative basis is shown below:

	Parent Company			Consolidated		
	2010	2009	1/1/2009	2010	2009	1/1/2009
Income tax losses carryforward	**1,199,517**	1,386,155	1,745,384	**1,206,888**	1,395,892	1,745,384
Negative basis of social contribution	**-**	100,932	381,511	**7,865**	111,402	381,511

According to CPC 32 – Income Taxes, the Company, based on the expectation of generating future taxable income determined in a technical study approved by management, recognized deferred tax assets over temporary differences, income tax loss carryforward and negative basis of social contribution tax, which do not have expiring date. The carrying amount of deferred tax assets is annually reviewed by the Company and resulting adjustments have not been relevant when compared to the management's initial estimate.

The Company, based on this technical study of generating future taxable income, estimates to recover these deferred tax assets in the following years:

	2010	
	Parent Company	**Consolidated**
2011	**101,207**	**122,618**
2012	**109,456**	**109,966**
2013	**88,402**	**88,402**
2014	**77,987**	**77,987**
2015	**79,162**	**79,162**
2016 onwards	**240,839**	**245,864**
	697,053	**723,999**

The estimates of tax assets recovery were based on taxable income projections, taking into account several financial and business assumptions on the date the balance sheets were prepared. Accordingly, these estimates might not materialize in the future, due to uncertainties inherent thereto.

75% income tax reduction at Mucuri Plant (Line 1)

The Company has from the Superintendence for the Development of the Northeast ("SUDENE") a tax incentive of 75% income tax reduction related to Mucuri Plant (line 1 pulp and paper machine), to be used until 2011 for pulp and until 2012 for paper. This tax incentive is calculated based on the profit that benefits from favorable tax treatment, proportionally to Mucuri Plant's net revenues (line 1 pulp and paper machine).

The income tax reduction deriving from this benefit is recorded as reduction of income tax and social contribution expenses in the income for the year. Nevertheless, at the end of each fiscal year, after calculating net income, the tax reduction is allocated to a capital reserve, as partial allocation of net income earned, thus complying with the legal provision of not distributing this amount.

75% income tax reduction at the Mucuri Plant (Line 2)

The Company submitted to SUDENE a request for identical income tax reduction incentive to Mucuri's line 2 pulp (expansion), and on August 18, 2009, the Company was granted the nonrefundable income tax and surtax reduction benefit at the percentage of 75%, for a 10-year enjoyment term, effective from calendar years 2009 through 2018.

Income Tax – accelerated depreciation incentive related to Mucuri Plant

Law No. 11196 of November 21, 2005, in its Article 31, established that legal entities with project approved in less developed micro-regions, where SUDENE and Superintendence for the Development of Amazon ("SUDAM") operate, are eligible to accelerated depreciation for the assets acquired as from January 1, 2006. This benefit was granted to Mucuri Plant on March 29, 2007, however, retroactively applied to acquisitions made in the course of fiscal year 2006. This accelerated incentive depreciation consists of full depreciation in the year of acquisition, for tax purposes, representing an exclusion from taxable income, made through Taxable Income Control Register ("LALUR") not changing, however, the depreciation expense that will be recorded in the statement of income, upon beginning of activities of the expansion project, based on the estimated useful lives of the assets.

Accelerated incentive depreciation represents deferral of income tax payment (but not of Social Contribution Tax on Net Profit) over the useful life of the asset and the depreciation recorded in each of the years for these assets must be added in future years to taxable income.

Reconciliation of income and social contribution tax expenses

The reconciliation of expense calculated by applying aggregate statutory tax rates and income and social contribution tax expenses recorded in the income statement is shown as follows:

	Parent Company		Consolidated	
	2010	**2009**	**2010**	**2009**
Income before income and social contribution taxes	**891,454**	1,332,705	**899,067**	1,336,021
Exclusion of equity pickup	**(137,050)**	10,342	**-**	-
Income after the exclusion of equity pickup	**754,404**	1,343,047	**899,067**	1,336,021
Income and social contribution taxes by the nominal rate of 34%	**(256,497)**	(456,636)	**(305,683)**	(454,247)
Permanent differences				
Income taxation of foreign subsidiaries	**(290)**	(123)	**-**	-
Realization of foreign subsidiaries' inventory losses, without tax basis for deduction	**-**	(32,859)	**-**	(32,859)
Exchange effect of translating foreign subsidiaries' financial statements	**-**	-	**42,462**	(3,350)
Taxation over adjustments to Law 11,941/09 recorded in foreign subsidiaries	**(1,361)**	7,814	**-**	-
Interest on shareholders' equity	**70,576**	77,364	**70,576**	77,364
Tax incentives - SUDENE reduction	**30,067**	35,715	**30,067**	35,715
Tax incentives - technological innovation	**4,722**	-	**4,722**	-
Effect of SUDENE reduction over the calculation of temporary differences	**34,595**	(18,153)	**34,595**	(18,153)
Non-taxable gain from Indemnification for Land Expropriation	**-**	19,024	**-**	19,024
"Plano Verão" debts according to Law 11,941/09	**-**	(31,564)	**-**	(31,564)
Reversal of contingency - Spontaneous reserve	**-**	12,728	**-**	12,728
Other	**(4,269)**	506	**(6,809)**	5,842
Current income and social contribution taxes	**(120,162)**	(184,644)	**(126,904)**	(190,115)
Deferred income and social contribution taxes	**(2,295)**	(201,540)	**(3,166)**	(199,385)
Income and social contribution taxes expense recorded in the income statement for the year	**(122,457)**	(386,184)	**(130,070)**	(389,500)
Effective rate	***16.2%***	*28.8%*	***14.5%***	*29.2%*

9 Related parties

Balances and transactions in the year ended December 31, 2010

	Assets				Liabilities				2010	
	Current		Non-current		Current		Non-current		Revenues (expenses)	
Consolidated companies										
Suzano Trading	**693,705**	(2)	**811**		**116,075**	(1)	**1,120,044**	(1)	**1,686,118**	(2)
Suzano America, Inc.	**17**		**-**		**-**		**-**		**-**	
Suzano Europe S.A.	**137**		**-**		**3,487**		**-**		**-**	
Paineiras	**-**		**-**		**6,036**		**-**		**(26,378)**	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	**7,726**	(2)	**-**		**61**		**-**		**27,709**	(2)
Ondurman Empreendimentos Imobiliários Ltda.	**-**		**-**		**-**		**-**		**(11,419)**	
Asapir	**-**		**-**		**9,752**		**-**		**-**	
	701,585		**811**		**135,411**		**1,120,044**		**1,676,030**	
Non-consolidated companies										
Suzano Holding S.A.	**-**		**-**		**-**		**-**		**(19,265)**	
Agaprint Indl. e Coml. Ltda.	**297**		**-**		**13,501**	(5)	**-**		**29,832**	(2)
Central Distribuidora de Papéis Ltda.	**101**		**-**		**13,991**	(5)	**-**		**62,641**	(2)
Nova Mercante de Papéis Ltda	**1,242**		**-**		**-**		**-**		**1,046**	(2)
Nemonorte Imóveis e Participações Ltda.	**-**		**-**		**-**		**-**		**(474)**	
Mabex Representações e Participações Ltda.	**-**		**-**		**-**		**-**		**(968)**	
Brasilprev Seguros e Previdência S.A.	**-**		**-**		**-**		**-**		**(4,029)**	(3)
Lazam MDS Corretora e Adm. Seguros S.A.	**-**		**-**		**-**		**-**		**(268)**	
Shareholders					**129,020**	(4)				
CONSOLIDATED	**1,640**		**-**		**156,512**		**-**		**68,515**	
PARENT COMPANY	**703,225**		**811**		**291,923**		**1,120,044**		**1,744,545**	

Balances and transactions in the year ended December 31, 2009

	Assets				Liabilities				2009	
	Current		Non-current		Current		Non-current		Revenues (expenses)	
Consolidated companies										
Suzano Trading	610,429	(2)	1,111		2,635		174,119	(1)	1,901,273	(2)
Suzano America, Inc.	282		-		285		-		-	
Suzano Europe S.A.	149		-		2,902		-		-	
Paineiras	-		-		1,986		-		(27,256)	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	8,378	(2)	-		33		-		26,522	(2)
Asapir	-		-		11,251		-		-	
Ondurman Empreendimentos Imobiliários Ltda.	-		-		-		-		(2,036)	
	619,238		**1,111**		**19,092**		**174,119**		**1,898,503**	
Non-consolidated companies										
Suzano Holding S.A.	-		-		-		-		(7,538)	
SPP Agaprint Indl. e Coml. Ltda.	66		-		7,237	(5)	-		13,383	(2)
Central Distribuidora de Papéis Ltda	2,822		-		15,336	(5)	-		56,325	(2)
Nova Mercante de Papéis Ltda	7,740		-		4,563	(5)	-		33,487	(2)
Nemonorte Imóveis e Participações Ltda.	-		-		-		-		(232)	
Mabex Representações e Participações Ltda.	-		-		-		-		(343)	
Brasilprev Seguros e Previdência S.A.	-		-		-		-		(4,203)	(3)
Lazam MDS Corretora e Adm. Seguros S.A.	-		-		-		-		(248)	
Shareholders					167,519	(4)				
CONSOLIDATED	**10,628**		**-**		**194,655**		**-**		**90,631**	
PARENT COMPANY	**629,866**		**1,111**		**213,747**		**174,119**		**1,989,134**	

(1) - These refer mainly to 'Notes due-2021" and import financing, funded by subsidiary Suzano Trading and transferred to the Company in export prepayment operations.
(2) - This refers to pulp and paper sales operations;
(3) - Expenses related to defined contribution private pension plan for the Company's employees.
(4) – This refers to dividends and interest on equity.
(5) – This refers to vendor operations classified as loans and financing (Note 16).

Related-party transactions were carried out under usual market conditions.

Management compensation

Company's key management compensation expenses, recognized in the income statement for the year ended December 31, 2010 amounted to R$41,685 in the parent company and R$41,950 in the consolidated (R$23,455 and R$25,539, respectively, in the year ended December 31, 2009). Please refer to Note 21 for share-based compensation information.

10 Indemnification for land expropriation

On July 1, 1987, Companhia Santista de Papel, one of the invested companies owned by the former group Ripasa (subsequently named Conpacel), filed a claim requiring indemnity due to indirect expropriation of its property, which was declared in an area of public interest (property included in the State Park of Serra do Mar). On December 2, 2004, the Company had a favorable judicial decision. During this phase, given the uncertainties related to the receipt of the amounts and for not having ownership of the expropriated property, the former Ripasa wrote off the net carrying amount of these lands and did not record the amount receivable in its financial statements.

However, on January 28, 2008, the 2nd Judicial District Court of Cubatão issued an official communication to the Chief Justice requiring necessary actions to revert the amount in favor of the Company, through the issuance of securities to cover court-ordered debts, payable in ten (10) annual equal and successive installments (2010 to 2019), duly restated by the indexes established in the related court decision. On April 20, 2010, the Company withdrew the first installment deposited in court.

As of December 31, 2010, this receivable balance was R$56,512 (R$61,623 at December 31, 2009), of which R$6,279 were recorded in current assets and R$50,233 were recorded in non-current assets.

11 Advance to suppliers – Timber development program

This development program is a system where independent producers plant eucalyptus at their own farms in order to supply the agricultural product (timber) to the Company, and these advances are not subject to valuation by fair value.

The Company had advances from development financial resources amounting to R$264,391, classified under current and non-current assets as of December 31, 2010 (R$249,150 at December 31, 2009).

12 Investments

		2010			Equity				
		Subsidiary's information			Pickup		Investments		
		Shareholders' equity	Income (loss) for the year	Equity interest	2010	2009	2010	2009	01/01/2009
PARENT COMPANY									
Asapir		**42,678**	**(3,300)**	**50%**	**(1,649)**	(1,843)	**21,339**	22,988	24,830
Paineiras		**432,687**	**11,412**	**100%**	**11,412**	6,586	**432,687**	421,274	414,686
Stenfar S.A., Ind. Com. Imp. Y Exp.	(b) / (e)	**12,661**	**523**	**15.70%**	**385**	(1,170)	**1,988**	1,603	2,773
Suzano Trading Ltd.	(a) / (b)	**95,052**	**119,881**	**100%**	**120,874**	(11,119)	**95,052**	(25,193)	(14,075)
Suzano America, Inc.	(b)	**12,192**	**1,168**	**100%**	**672**	(1,664)	**12,192**	11,520	13,188
Bahia Sul Holdings GmbH	(b)	**(4)**	**(7)**	**100%**	**(7)**	(12)	**(4)**	4	(52)
Suzano Europe S.A.	(b)	**13,593**	**3,928**	**100%**	**4,429**	823	**13,593**	9,164	8,347
Sun Paper and Board Limited	(b)	**1,993**	**508**	**100%**	**(636)**	(2,357)	**1,993**	15,740	18,099
Ondurman Empreendimentos Imobiliários Ltda.		**1,543**	**1,570**	**100%**	**1,570**	(85)	**1,543**	(27)	9
Buram Empreendimentos Imobiliários Ltda.	(d)	**-**	**-**	**100%**	**-**	375	**-**	-	(30)
Grasdate Empreendimentos Imobiliários Ltda.	(c)	**-**	**-**	**100%**	**-**	4	**-**	-	(1)
Vanua Empreendimentos Imobiliários Ltda.	(c)	**-**	**-**	**100%**	**-**	120	**-**	-	(118)
Total investments in direct and indirect subsidiaries					**137,050**	(10,342)	**580,383**	457,073	467,656
CONSOLIDATED									
Futuragene PLC.		**(3,018)**	**(4,948)**	**100%**	**-**	-	**-**	-	-
Stenfar S.A., Ind. Com. Imp. Y Exp.	(b)	**12,661**	**523**	**84.30%**	**-**	-	**-**	-	-
Total investments in direct and indirect subsidiaries							**-**	-	-

(a) As of December 31, 2010, investment in this subsidiary considered the elimination of profit on unrealized inventory, net of tax effects, in the amount of R$146 (R$58 at December 31, 2009);

(b) The equity pickup of these foreign direct and indirect subsidiaries for the year ended December 31, 2010, includes exchange variation loss of investment in these subsidiaries, amounting to R$1,179 (loss of R$10,621 in the year ended December 31, 2009);

(c) These subsidiaries were dissolved in May 2009;

(d) This subsidiary was dissolved in September 2009.

(e) Investment that the Company indirectly controls through its subsidiary Paineiras.

Changes in investments are as follows:

	Parent Company	
	2010	**2009**
Opening balances	**457,073**	467,656
Capital reduction	**-**	(241)
Equity pick-up in subsidiaries and affiliates	**137,050**	(10,342)
Payment of dividends	**(13,108)**	-
Foreign exchange variation	**(632)**	-
Closing balance	**580,383**	457,073

Acquisition of FuturaGene

Futuragene is a groundbreaking company in terms of biotechnology research and development that targets forest and biofuel markets, among others. Among Futuragene's most advanced technologies, we mention techniques that will increase forest productivity concerned with the sustainable production of timber for industrial process.

Management believes that this transaction will enable the Company to continue developing the technologies that comprise Futuragene's current portfolio and that the combination of the expertise and technologies of both companies will result in synergies of the forest research and development, which is one of the Company's main competitiveness drivers in the pulp and paper markets.

Suzano Trading held non-relevant investments in the acquired company and with this operation acquired 100% of the shares, with an initial goodwill of R$135,859 (see Note 15), which will be submitted to valuation in order to allocate the fair value to the acquired assets and liabilities, as required by CPC 15 – Business Combinations. This allocation of goodwill in view of fair value of assets and liabilities of Futuragene will be made during 2011, according to the 12-month term authorized by CPC 15, Paragraph 45.

The assets and liabilities acquired from FuturaGene are as follows:

Assets	**Jun/2010**	**Dec/2010**
Current	5,742	6,727
Non-current	355	492
	6,097	**7,219**
Liabilities		
Current	4,220	10,237
Shareholders' equity	1,877	(3,018)
	6,097	**7,219**

Statement of income	**7-month period ended 12/31/2010**
Net operating expenses	(4,948)
Loss for the period	**(4,948)**

13 Biological assets

The determination of fair value for the forest biological assets includes a complex exercise of judgment and estimate which requires an understanding of the Company's business, the utilization of this asset in the manufacturing process, opportunities and restrictions to use timber, and also, the forest formation and growth cycle.

The volume of timber traded on the market by the Company is not sufficient to fairly represent the eucalyptus price on the market for the purposes of determining the fair value of forests.

When the Company determined the fair value of its assets, it took into account all the implementation, renovation and maintenance costs, net of taxes paid, to third parties. The price was established by considering the cost plus method.

The eucalyptus forests valuation was made through the Income Approach method, based on the discounted future cash flows at present value, in order to reflect the economic model of a business unit solely concerned with the eucalyptus plantation. The assumptions applied to calculate the fair value in 2010 are consistent with those applied at December 31, 2009 and January 1, 2009.

In the discounted future cash flows, the flow projections based on the expected production of vertical tree bark existing on the balance sheets reference date consider forest average growth cycle of seven years, average productivity obtained by the Annual Average Increase ("IMA") of 44.2 m^3 / hectare and forest formation costs until the appropriate cutting period of the vertical tree (harvest period, i.e., matured assets). Sales average net price was R$44.40/ m^3 (R$43.89 in 2009). The discount rate was 12.3% before income tax.

The fair value of the biological assets is calculated yearly and is stated in Note 2.3. The adjustment effects are recorded under other operating income and their monthly realization through depletion, under cost of products sold. The Company does not have Biological Assets given as collateral on the dates of these financial statements.

Below, a breakdown of the biological asset balances and the opening balances include the adjustment mentioned in Note 2.3 related to their measurement at fair value.

	Parent Company		**Consolidated**	
	2010	**2009**	**2010**	**2009**
Opening balances	**1,583,605**	1,292,532	**1,588,945**	1,297,318
Additions	**396,183**	268,167	**396,469**	269,081
Cuts in the period	**(177,604)**	(158,827)	**(177,721)**	(159,187)
Gains from fair value adjustment	**28,131**	102,554	**28,131**	102,554
Transfers	**2,210**	90,059	**2,210**	90,059
Other write-offs	**(22,855)**	(10,880)	**(26,940)**	(10,880)
Closing balances	**1,809,670**	1,583,605	**1,811,094**	1,588,945

14 Property, plant and equipment

The opening balances stated include the adjustment mentioned in Note 2.3 item "a", related to the deemed cost.

Parent Company

	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total
Annual average depreciation rate	**2.32%**	**4.70%**	**16.08%**	**-**	**-**	**-**
Cost						
Balance on January 1st, 2009	1,446,172	9,718,724	230,043	2,510,262	45,366	**13,950,567**
Additions	-	25,113	2,561	289,665	89,722	**407,061**
Transfers	8,810	75,912	5,703	(157,584)	(103,173)	**(170,332)**
Write-offs	(6,700)	(26,201)	(4,933)	(2,065)	-	**(39,899)**
Balance on December 31, 2009	**1,448,282**	**9,793,548**	**233,374**	**2,640,278**	**31,915**	**14,147,397**
Additions	**7**	**21,753**	**7,503**	**37,201**	**139,260**	**205,724**
Transfers	**8,613**	**40,890**	**4,193**	**(1,423)**	**(53,315)**	**(1,042)**
Write-offs	**(3,967)**	**(13,339)**	**(2,656)**	**(1,059)**	**-**	**(21,021)**
Balance on December 31, 2010	**1,452,935**	**9,842,852**	**242,414**	**2,674,997**	**117,860**	**14,331,058**
Depreciation, amortization and depletion						
Balance on January 1st, 2009	(399,682)	(2,796,124)	(176,672)	-	-	**(3,372,478)**
Transfers	47	9,097	(298)	-	-	**8,846**
Write-offs	4,473	25,526	4,784	-	-	**34,783**
Depreciation, amortization and depletion	(21,409)	(326,342)	(15,651)	-	-	**(363,402)**
Balance on December 31, 2009	**(416,571)**	**(3,087,843)**	**(187,837)**	**-**	**-**	**(3,692,251)**
Transfers	**-**	**13**	**(264)**	**-**	**-**	**(251)**
Write-offs	**2,792**	**12,536**	**1,947**	**-**	**-**	**17,275**
Depreciation, amortization and depletion	**(21,880)**	**(311,282)**	**(14,622)**	**-**	**-**	**(347,784)**
Balance on December 31, 2010	**(435,659)**	**(3,386,576)**	**(200,776)**	**-**	**-**	**(4,023,011)**
Residual value						
Balance on December 31, 2010	**1,017,276**	**6,456,276**	**41,638**	**2,674,997**	**117,860**	**10,308,047**
Balance on December 31, 2009	1,031,711	6,705,705	45,537	2,640,278	31,915	10,455,146
Balance on January 1st, 2009	1,046,490	6,922,600	53,371	2,510,262	45,366	10,578,089

						Consolidated
	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total
Annual average depreciation rate	2.32%	4.70%	16.08%	-	-	-
Cost						
Balance on January 1st, 2009	1,452,411	9,718,955	460,908	2,972,450	45,366	14,650,090
Additions	-	25,113	4,019	270,723	89,722	389,577
Transfers	8,810	75,911	3,886	(157,584)	(103,173)	(172,150)
Write-offs	(6,700)	(26,201)	(4,934)	(2,065)	-	(39,900)
Balance on December 31, 2009	1,454,521	9,793,778	463,879	3,083,524	31,915	14,827,617
Additions	7	21,753	8,387	37,201	139,260	206,608
Transfers	8,614	40,890	3,787	(1,423)	(53,316)	(1,448)
Write-offs	(3,967)	(13,339)	(2,656)	(12,478)	-	(32,440)
Balance on December 31, 2010	1,459,175	9,843,082	473,397	3,106,824	117,859	15,000,337
Depreciation, amortization and depletion						
Balance on January 1st, 2009	(405,111)	(2,796,280)	(193,327)	-	-	(3,394,718)
Transfers	47	9,097	(298)	-	-	8,846
Write-offs	4,474	25,526	4,784	-	-	34,784
Depreciation, amortization and depletion	(21,657)	(326,353)	(24,066)	-	-	(372,076)
Balance on December 31, 2009	(422,247)	(3,088,010)	(212,907)	-	-	(3,723,164)
Transfers	-	13	267	-	-	280
Write-offs	2,792	12,537	1,946	-	-	17,275
Depreciation, amortization and depletion	(22,112)	(311,293)	(22,830)	-	-	(356,235)
Balance on December 31, 2010	(441,567)	(3,386,753)	(233,524)	-	-	(4,061,844)
Residual value						
Balance on December 31, 2010	1,017,608	6,456,329	239,873	3,106,824	117,859	10,938,493
Balance on December 31, 2009	1,032,274	6,705,768	250,972	3,083,524	31,915	11,104,453
Balance on January 1st, 2009	1,047,300	6,922,675	267,581	2,972,450	45,366	11,255,372

Machinery and equipment include amounts recognized as finance lease outlined in Note 16.

To determine the deemed cost and remaining new economic useful lives of certain classes of assets, the Company engaged independent specialized appraisers of Amaral D'Avila Engenharia de Avaliações.

The general methodology applied in the valuation of Buildings, Machinery and Equipment was based on the standards effective on the date of transition into IFRS of ABNT – NBR 14,653 – parts 1, 2 and 5 and for Lands and Farms according to ABNT rules - NBR 14.653 – parts 1 and 3 of IBAPE – Brazilian Institute of Engineering Valuations and Expert Examination. The determination of remaining useful economic life of Buildings, Machinery and Equipment was based on ABNT - NBR 14.603-1, Part 1, considering an average residual value of 5% for these assets. Below, a comparison of depreciation average rates used:

		Consolidated
	2010	2009 (previous rates)
Buildings	**2.32%**	3.18%
Machinery and equipment	**4.70%**	4.28%
Other assets	**16.08%**	16.37%

As of December 31, 2010 other consolidated assets basically refer to turbines of Complexo Energético Amador Aguiar (energy complex), in the amount of R$194,703 (R$201,990 at December 31, 2009).

As at December 31, 2010, the Company and its subsidiaries had property, plant and equipment pledged as collateral in loan operations and lawsuits amounting to R$3,921,173 (R$4,086,535 at December 31, 2009).

In the years ended December 31, 2010 and 2009 new material capitalizations of interest did not occur.

15 Intangible assets - Goodwill

Goodwill was amortized on a straight-line basis from the date of acquisition of each subsidiary until December 31, 2008. As of that date, the residual balances are yearly tested for impairment, according to CPC 1 (R1).

Below, the breakdown of goodwill balances:

				2010	2009	01/01/2009
	Cost	Amortization	Provision for goodwill impairment	Residual	Residual	Residual
Ripasa S.A. Celulose e Papel	722,646	(255,236)	(467,410)	-	-	-
B.L.D.S.P.E. Celulose e Papel S.A.	49,305	(15,253)	-	34,052	34,052	34,047
Total parent company	771,951	(270,489)	(467,410)	34,052	34,052	34,047
Futuragene PLC	135,859	-	-	135,859	-	-
Total consolidated	907,810	(270,489)	(467,410)	169,911	34,052	34,047

The goodwill related to acquisition of subsidiary FuturaGene will be subjected to the Purchase Price Allocation analysis – PPA.

The amount invested in FuturaGene involves risks and uncertainties which are not only under the management of the Company but inherent to the activities developed by investee. These risks and uncertainties result from new technologies, market, biotechnological tests to prove the expected benefits and the regulation of the patents in the countries where this technology will be traded. Therefore, the income to be earned by this company may differ from those currently expected.

As of December 31, 2010, the Company assessed the carrying value of goodwill based on CPC 1 (R1) - Impairment of assets. At December 31, 2010, the impairment test of intangible assets, based on the discounted cash flows method used price projections grounded on the paper market prospects for the following years, volumes and costs in similar bases to actual ones at the end of the adjusted years and a discount rate of 12.3%. The model did not result in the recognition of losses, given that value in use exceeds its net carrying amount on the assessment date.

16 Loans and financing

	Index	Annual average interest rates in Dec/10	Parent Company 2010	Parent Company 2009	Parent Company 1/1/2009	Consolidated 2010	Consolidated 2009	Consolidated 1/1/2009
Property, plant and equipment:								
BNDES - Finem	TJLP (1) (2)	8.51%	**1,860,087**	1,811,753	1,808,300	**1,914,007**	1,876,437	1,889,498
BNDES - Finem	Currency basket (2)	6.36%	**299,644**	286,137	374,815	**299,644**	286,137	374,815
BNDES - Finame	TJLP (1) (2)	5.66%	**7,123**	9,637	10,909	**7,123**	9,637	10,909
BNDES - Finame	Currency basket	6.96%	**60**	120	229	**60**	120	229
BNDES - Automatic	TJLP (1) (2)	9.30%	**2,832**	4,622	6,444	**2,832**	4,622	6,444
BNDES - Automatic	Currency basket	6.96%	**282**	477	890	**282**	477	890
FNE - BNB	Fixed rate	8.50%	**129,906**	147,921	157,408	**129,906**	147,921	157,408
FINEP	TJLP	4.79%	**34,679**	14,599	7,636	**34,679**	14,599	7,636
Rural credit	Fixed rate + CDI	7.65%	**41,266**	22,321	21,328	**41,266**	22,321	21,328
Financial leasing	CDI + US$	11.60%	**65,469**	77,136	93,110	**65,469**	77,136	93,110
Working capital:								
Export financing	US$ (3)	3.62%	**1,641,907**	2,192,358	3,148,259	**1,725,225**	2,280,195	3,148,259
Import financing	US$ (4)	2.30%	**203,102**	258,369	404,055	**287,159**	346,755	522,610
Nordic Investment Bank	US$ (5)	5.74%	**74,454**	87,572	118,130	**74,454**	87,572	118,130
Export credit note	CDI	10.48%	**348,060**	382,836	374,615	**348,060**	382,836	374,615
Export credit note	US$	6.65%	**51,547**	53,867	70,110	**51,547**	53,867	70,110
BNDES - EXIM	TJLP (1)	7.53%	**308,159**	100,792	-	**308,159**	100,792	-
Notes due 2021	US$ (6)	5.88%	**-**	-	-	**1,072,490**	-	-
Vendor operations			**155,593**	144,979	144,129	**155,593**	144,979	144,129
Other			**953**	743	2,111	**13,604**	7,905	2,134
			5,225,123	5,596,239	6,742,478	**6,531,559**	5,844,308	6,942,254
Current (including interest rates payable)			**1,194,742**	1,412,981	1,834,942	**1,340,127**	1,432,731	1,848,071
Non-current			**4,030,381**	4,183,258	4,907,536	**5,191,432**	4,411,577	5,094,183
Non-current loans and financing mature as follows:								
2010			**-**	-	1,290,562	**-**	-	1,301,639
2011			**-**	845,110	864,760	**-**	942,396	992,687
2012			**1,256,299**	1,286,203	821,109	**1,287,260**	1,296,430	832,186
2013			**980,679**	525,942	666,984	**1,011,640**	623,228	678,061
2014			**477,365**	463,065	354,866	**508,326**	473,291	365,943
2015			**418,105**	400,732	372,576	**427,337**	410,049	382,670
2016			**400,142**	388,403	372,997	**404,082**	392,380	377,315
2017			**242,471**	183,413	147,905	**242,471**	183,413	147,905
2018			**179,767**	68,653	15,777	**179,767**	68,653	15,777
2019 onwards			**75,553**	21,737	-	**1,130,549**	21,737	-
			4,030,381	4,183,258	4,907,536	**5,191,432**	4,411,577	5,094,183

1) Term of capitalization corresponds to that one exceeding 6% of long-term interest rate (TJLP) published by Brazilian Central Bank;

2) Loans and financing are secured, depending on the agreements by (i) plant mortgages; (ii) rural properties and forests; (iii) chattel mortgage of assets subject of financing; (iv) shareholders' guarantee and (v) bank guarantee.

3) In September 2009, the Company through its subsidiary Suzano Trading signed a loan agreement with Banco WestLB AG of US$50 million to finance exports. This agreement contains clauses establishing maximum indebtedness and leverage levels, which were complied with as of December 31, 2010.

4) In October 2006, the Company signed a loan agreement with BNP Paribas and Société Générale, in the proportion 50% for each one, in the amount of US$150 million, to finance imported equipment for Mucuri project. This agreement contains clauses establishing maximum indebtedness and leverage levels, which were complied with at December 31, 2010.

5) In November 2006, the Company executed a Credit Facility Agreement with Nordic Investment Bank in the amount of up to US$50 million to finance equipment and specialized workforce related to Mucuri project. This agreement contains clauses establishing maximum indebtedness and leverage levels, which were complied with at December 31, 2010.

6) In September 2010, the Company through its international subsidiary Suzano Trading, issued US$650 million on the international market (corresponding to R$1,083 million at December 31, 2010) to mature on January 23, 2021 and payment of semiannual interest rates of 5.875% p.a. (yield to maturity 6.125% p.a.).

   The Company is guarantor of the issue, which represents an unsecured senior debt of the issuer or the Company and equally concurs with other companies similar liabilities.

Finance lease

The Company has finance lease agreements related to:

i) Equipment used in the pulp and paper industrial process, located in the cities of Suzano-São Paulo, Limeira-São Paulo and Mucuri-Bahia. These agreements are denominated in U.S. dollars and contain purchase option clauses of these assets at the expiration of leasing term, which varies between 8 and 15 years, for a price substantially lower than their fair value.

ii) Hardware equipment and installation service. These agreements were executed in Brazilian Reais and contain purchase option clauses of assets at the end of 5 years, for a price substantially lower than their fair value.

Management intends to exercise the purchase options on the dates estimated in each agreement.

The amounts capitalized in property, plant and equipment, net of depreciation, and the present value of mandatory installments of the agreement (financing) corresponding to these assets are stated below:

	Parent Company and Consolidated		
	2010	**2009**	**1/1/2009**
Machinery and equipment	**98,557**	98,557	94,954
(-) Accumulated depreciation	**(48,760)**	(39,236)	(30,434)
Property, plant and equipment, net	**49,797**	59,321	64,520
Present value of mandatory installments (financing):			
Less than 1 year	**16,143**	14,986	14,249
From 1 to 5 years	**39,495**	50,280	60,917
Over 5 years	**9,831**	11,870	17,944
Total present value of mandatory installments (financing)	**65,469**	77,136	93,110
Financial charges to be appropriated in the future	**11,116**	12,959	12,959
Value of mandatory installments at the expiration of agreements	**76,585**	90,095	106,069

17 Debentures

			2010			2009	1/1/2009	Index	Interest	Due Date
Issue	Series	Number	Current	Non-current	Current and non-current	Current and non-current	Current and non-current			
3rd	1st	333,000	**31,859**	**481,509**	**513,368**	455,939	459,624	IGP-M	10% *	4/1/2014
3rd	2nd	167,000	**843**	**91,903**	**92,746**	96,669	130,842	USD	9.85%	5/7/2019
4th	1st	8,776	**3,351**	**3,008**	**6,359**	82,548	82,399	TJLP	2.50%	12/1/2012
4th	2nd	17,552	**6,518**	**5,845**	**12,363**	164,554	164,054	TJLP	2.50%	12/1/2012
			42,571	**582,265**	**624,836**	799,710	836,919			

*The instrument was issued at a discount of R$38,278, fully incorporated into the amount of respective debentures, which changed the effective interest rate of the operation from 8% p.a. to 10% p.a.

a) 3rd issue debentures

The 3rd issue in August 2004, in the amount of R$500,000 is composed of two series, the first one in the nominal amount of R$333,000 and the second one in the amount of R$167,000, both maturing in 2014 in one single installment. The first series offered to the local market yield interest by IGP-M plus annual coupon of 8%, payable yearly and was priced on the basis of the concepts set in CVM Rule 404, by granting premium and discount on the issue price. The second series, not traded on the market, was fully purchased by Banco Votorantim.

The Debenture Holders General Meeting held on May 22, 2007, ratified the change of maturity of 2nd series Debentures which previously had a 10-year maturity on April 1, 2014, and now they mature within 15 years on May 7, 2019. Interest yield which until May 22, 2007 was 10.38% p.a. now is 9.85% p.a. up to maturity date.

The Debenture Holders General Meeting held on May 4, 2010, ratified with the approval of 93.88% of 1st series Debenture Holders and 100% of 2nd series Debenture Holders: (i) changes in the limits for Net Debt/Equity ratio and Net Debt/EBITDA ratio; (ii) adjustment to the definition of "Consolidated Net Debt" contained in the Deed of Debentures; (iii) the introduction of a buyback option of Debentures by the issuer in certain cases of early maturity. In order to implement these changes, the Company paid to debenture holders on May 11, 2010, a premium corresponding to 0.75% of Debentures in the amount of R$ 4,234.

The 3rd issue of debentures contains clauses establishing maximum indebtedness and leverage levels, based on the consolidated financial statements of the Company. The Company was performing all the contractual conditions, according to the changes implemented.

b) 4th issue debentures

The 4th issue occurred in August 2006, with issue date on December 1, 2005, composed of two series, the first one in the nominal amount of R$80,000 and the second one in the nominal amount of R$160,000, both convertible into shares to be privately placed and with preemptive right for shareholders' subscription. Non-controlling shareholders subscribed the nominal amount of R$18,081 and the remainder in the nominal amount of R$221,919 was subscribed by BNDES PARTICIPAÇÕES S.A. – BNDESPAR, pursuant to the agreement executed with this BNDES' subsidiary. 4th issue debentures have final maturity in December 2012, and amortizable in three annual installments, after a 4-year grace period, on the dates of December 1, 2010, 2011 and 2012. Annual interest rates are 2.5% plus TJLP (until 6%), payable semiannually on June and December 1 of each year. The TJLP exceeding 6% p.a. will be capitalized for amortization jointly with principal. Debentures will be convertible into shares, at any moment at the holder's discretion, by the price of R$13.84 per share, as of April 30, 2010. Concerning the common shares resulting from conversion, BNDESPAR undertakes to sell and the Company's controlling shareholder undertakes to buy these shares, by the same conversion price plus interest calculated between conversion date and effective payment.

In December 2010, BNDESPAR converted 70,959 1st series debentures and 141,919 2nd series debentures, which resulted in the issue of 5,263,014 common shares and 10,526,267 Class "A" preferred shares of the Company. All the common shares resulting from this conversion were acquired by parent company Suzano Holding S.A. (Note 25).

There are nonfinancial covenants for the 4th issue debentures. If such clauses are not observed, the resulting effect is that the debt is immediately enforceable. At December 31, 2010, these covenants were fully performed.

18 Provision for contingencies

Provisions for contingencies were set up for probable losses in administrative and legal proceedings related to tax, civil and labor claims in an amount deemed sufficient by management, according to legal counsels' opinion and evaluation.

Parent Company

	2010			2009			01/01/2009		
	Judicial deposits	Provision for contingencies	Net liabilities	Judicial deposits	Provision for contingencies	Net liabilities	Judicial deposits	Provision for contingencies	Net liabilities
Tax	**(27,924)**	**147,023**	**119,099**	(7,116)	103,527	96,411	(7,115)	138,555	131,440
Social security and labor	**(5,231)**	**46,536**	**41,305**	(4,991)	16,370	11,379	(7,731)	19,525	11,794
Civil	**(201)**	**4,588**	**4,387**	(201)	3,777	3,576	(202)	4,483	4,281
Other	**-**	**9,606**	**9,606**	-	-	-	-	-	-
	(33,356)	**207,753**	**174,397**	(12,308)	123,674	111,366	(15,048)	162,563	147,515

Consolidated

	2010			2009			01/01/2009		
	Judicial deposits	Provision for contingencies	Net liabilities	Judicial deposits	Provision for contingencies	Net liabilities	Judicial deposits	Provision for contingencies	Net liabilities
Tax	**(27,924)**	**147,024**	**119,100**	(7,116)	103,527	96,411	(7,115)	138,555	131,440
Social security and labor	**(5,231)**	**54,571**	**49,340**	(4,991)	24,248	19,257	(7,731)	25,895	18,164
Civil	**(201)**	**4,588**	**4,387**	(201)	3,777	3,576	(202)	4,483	4,281
Other	**-**	**9,601**	**9,601**	-	-	-	-	-	-
	(33,356)	**215,784**	**182,428**	(12,308)	131,552	119,244	(15,048)	168,933	153,885

Changes in provision for contingencies (without deducting judicial deposits) are as follows:

	Parent Company		Consolidated	
	2010	**2009**	**2010**	**2009**
Opening balances	**123,674**	162,563	**131,552**	168,933
Add-on/ Recording of provision	**87,408**	12,977	**87,561**	15,408
Reversal of provision	**(12,818)**	(64,545)	**(12,818)**	(64,545)
Monetary restatement	**21,713**	14,830	**21,713**	14,830
Settlement of lawsuits	**(12,224)**	(2,151)	**(12,224)**	(3,074)
Closing balances	**207,753**	123,674	**215,784**	131,552

Significant proceedings are commented below:

COFINS

The Company has COFINS judicial deposits amounting to R$33.2 million made in lawsuits that challenge the amendments of Law No. 9718/98, R$9.2 million referring to the extension of the calculation basis, the case laws of which are generally accepted to the benefit of taxpayer and R$24 million referring to the tax rate increase, the case laws of which are generally accepted to the benefit of federal government and to which provisions are recorded. Out of the amount of R$24 million that shall be converted into income, the Company probably will recover R$12 million by force of REFIS/2009 and the lapse of right recognized in the administrative proceeding.

Other tax claims

The Company figures as defendant in legal or administrative proceedings, which involve other taxes, such as PIS (Social Integration Program), IPI (Excise Tax), ICMS (State Value-Added Tax), IR (Income Tax), Social Security Contributions, summing up R$444.8 million, whose chances of losses are possible.

Labor claims

The Company is defendant in labor claims amounting to R$37.6 million to which the chances of losses are probable, therefore, they were duly accrued. In addition, the Company is defendant in labor claims amounting to R$15.3 million, to which the chances of losses are possible.

Civil claims

The Company is defendant in civil claims amounting to R$4.6 million, whose chances of losses are probable, thus, they are properly accrued. In addition, the Company is defendant in civil claims amounting to R$5.7 million to which chances of losses are possible.

19 Actuarial liabilities

The Company ensures three defined benefit plans for life to a certain group of retirees:

- Sepaco health insurance program: ensures the health care costs with an accredited network and Hospital Sepaco for former employees who requested retirement until 2003 (until 1998 for Ripasa's former employees), as well as their spouses for life and dependants until they complete full age.

- Bradesco health insurance program: bears Bradesco Saúde health care expenses for a group of former employees, who exceptionally, according to the Company's criteria and resolution, were vested with rights related to the compliance with Articles 30 and 31 of Law No. 9656/98.

- Life insurance: life insurance benefit provided to retirees with Bradesco.

At December 31, 2010, the amount of future liabilities related to these benefits, calculated by independent actuary and recorded by the Company was R$162,691 (R$187,462 at December 31, 2009). The actuarial methods adopted comply with the CPC 33 – Employee Benefits. The economic and biometric assumptions used in 2010 calculations were: annual discount rate of 6.00%, health costs annual growth rate of 3.0% and general mortality biometric table AT-83.

Changes in the actuarial liability are as follows:

	Parent Company and Consolidated	
	2010	**2009**
Opening balances	**187,462**	128,452
Interest on actuarial liability	**21,289**	15,764
Actuarial (gain) loss	**(38,168)**	43,266
Benefits paid in the year	**(7,892)**	(20)
Closing balances	**162,691**	187,462

20 Defined contribution private pension plan

In January 2005, the Company established a supplementary defined contribution private pension plan for its employees, called Suzano Prev, and hired a financial institution to manage this plan. When Suzano Prev was created, the Company defined that it will pay the contribution related to previous year for all employees, on account of services rendered to the Company in periods prior to the organization of the Plan (past service). This disbursement will occur over the following years, calculated separately, until each employee then becomes eligible for the Plan benefit payouts. The Company (employer) contributions in the year ended December 31, 2010, amounted to R$4,029, whereas employee contributions amounted to R$6,111 (R$4,204 and R$5,506 in the year ended December 31, 2009, respectively).

21 Share-based payments

Description of Share-based payment plans paid in cash

The Company has a long-term incentive plan ("ILP") for its key management personnel, linked to the Company share price to be paid in Brazilian Reais (BRL). General acquisition and grant conditions are established by the Company concerning "phantom shares" to these executives (beneficiaries), which are annually defined in specific regulations and administered by the Management Committee according to the guidelines and conditions established by the Company's Articles of Incorporation and Board of Directors.

The quantities of phantom shares to be granted to each beneficiary are determined by dividing the amount of wages granted, determined based on - i) achievement of goals; ii) discretionary quantities allocated by the Executive Board; and iii) vested quantities, based on the beneficiary's short-term compensation investment, limited to two salaries, added by a matching contribution by the Company -, into the arithmetic mean of the closing quote price of the Company's preferred shares traded in the last 90 trading floor sessions.

Vesting conditions have been fully met after a grace period from one to three years, and if applicable, until a limit period of six years as of the grant date. Vesting conditions are not fully met when: i) in the programs in which vesting is possible, as item iii) in the preceding paragraph, in case of the dismissal for cause or voluntary resignation, in these cases, the beneficiary automatically loses any right to exercise the phantom shares granted to him with no indemnification whatsoever, except only in vesting-related quantities; and ii) in case of dismissal without cause or retirement before becoming vested to the exercise of phantom shares, given to the beneficiary the right to immediately exercise all of the phantom shares stock.

Between 2004 and 2006, the phantom share appreciation was limited to 120% of their grant value.

The exercise price for each phantom share is determined by the average of the Company's preferred shares in the last 90 floor sessions as from the exercise date, plus dividends and interest on shareholders' equity distributed between the grant date and exercise date, multiplied by a performance percentage of the Company in relation to its competitors, if applicable.

Additionally, for certain executives, the Company established another long-term incentive program. This payment occurs in January of each year, if the market value of the Company exceeds the highest market value observed in January of the previous three years. The amount of compensation is based on increased market value of the preferred shares in relation to the January of previous year. The market value of the Company's preferred shares is determined by the average price quotation of preferred shares, determined based on the last 90 floor sessions, multiplied by the total number of this type of share.

This program determines that such compensation be entirely used by the beneficiaries in the purchase of the Company's preferred shares in the open market, kept under custody and unavailable at percentages and periods varying over time, having year 2011 as deadline.

The sale of shares by the beneficiary out of the specified periods, implies an indemnification to the Company for the total value transacted plus the fine of 1% per month. In the event of dismissal without cause by the Company, the beneficiary may sell all their shares without the limits of time and percentage of retention.

At December 31, 2010, compensation amounts payable in 2011 in relation to this plan to a group of eligible executives are capped at US$141 thousand.

Share-based payment plan paid in shares or alternatively in cash (Class "A" preferred shares stock option)

At the Special Shareholders' Meeting held on August 29, 2008, the Class "A" preferred shares Stock Option Plan was approved to certain executives. On August 10, 2009 (grant date) and on August 11, 2010, the Board of Directors, by means of Special Commission created for this purpose, approved the Regulation and Agreements of the Company's First and Second Stock Option Program, respectively.

The plan stipulates the Company's general conditions for the acquisition and granting of stock options to its executives, management and employees (beneficiaries), which are defined in specific regulations and administered by the Management Committee according to the guidelines and conditions established by the Company's Articles of Incorporation and the Board of Directors.

According to the Plan, the options granted cannot exceed 2% of the Company's total paid-up and subscribed capital stock, as well as, they shall derive from, as suggested by the Management Committee and approved by the Board of Directors: (i) issue of new shares, within the limit of the Company's authorized capital; and/or (ii) treasury shares.

At the Management Committee meeting held on August 10, 2009 and August 11, 2010 *(grant dates)*, the first and second Program of the Plan were approved, in which the Company granted stock options to beneficiaries as well as it defined the following conditions so that these beneficiaries are entitled to exercise these options (*vesting and non-vesting conditions*): i) in the event of dismissal with cause, or request for voluntary dismissal or retirement, the beneficiary will automatically lose any right to exercise the options granted thereto, without indemnification; ii) in the assumption of dismissal without cause, the terms foreseen to exercise the stock options will be anticipated and the beneficiary will be entitled to immediately exercise all the options; iii) in the lack of the situation (i) mentioned above, the vesting conditions are deemed as fully met, thus allowing the beneficiary to exercise his/her options under the terms defined by regulation.

During the grace period of options exercise, the beneficiary is forbidden to sell or record any burden incurred on these options. Below, the grace periods and limits:

Program	Grace period	Number of Class "A" preferred shares
Program 1	1st exercise date: from 06/01/2010 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	2nd exercise date: from 06/01/2011 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	3rd exercise date: from 06/01/2012 to 12/31/2012	Remaining balance of shares or 75% of total shares under option
Program 2	1st exercise date: from 08/01/2013 to 12/31/2015	120,000 shares or 20% of total shares under option
	2nd exercise date: from 08/01/2014 to 12/31/2015	120,000 shares or 20% of total shares under option
	3rd exercise date: from 08/01/2015 to 12/31/2015	Remaining balance of shares or 60% of total shares under option

The Strike Price was R$14.56 per option for program 1 and R$15.53 per option for program 2, less dividends and interest on shareholders' equity distributed between the grant date and the option exercise, both adjusted based on the Company's weighted average cost of capital ("WACC") calculated by renowned financial institutions.

Condition exclusively applicable to Program 1, if on the options exercise date the difference between the exercise price and the unit price of class "A" preferred shares issued by the Company traded at BOVESPA (Market Price) on the start date of each vesting period is less than eight reais (R$8.00) (Reference Value) or the beneficiary declares he/she does not intend to exercise the option fully or partially, alternatively, the Company will make an extraordinary payment in cash ("Extraordinary Payment") to the beneficiary corresponding to the income earned by the Reference Value multiplied by the amount of non-exercised options, less total Market Price, less Strike Price multiplied by the amount of non-exercised options.

At December 31, 2010, there were 4,154 thousand preferred treasury shares which can guarantee the options granted by the Plan.

The table below shows the maximum percentage of dilution of the holding to which current shareholders may be submitted in the event the beneficiaries exercise until 2015 all stock options granted and not opt for the alternative settlement in cash, where applicable:

Assumptions	2010
Number of shares (mil)	393,103
Balance of the series granted in effect (thousand)	1,038
Maximum dilution of corporate interest (%)	0.26%

Summary of changes related to share-based payments

Whenever applicable, the bonus shares were included, according to the material fact notice of April 30, 2010:

Long-Term Incentive – phantom shares

Parent Company and Consolidated

Dec/2010											
						Shares					
Granted program	Grant date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date and settlement	Granted	Exercised	Exercised due to dismissal	Not exercised due to dismissal	Total in effect on 12/31/2010	Weighted average price of exercised shares
ILP2006 (P)	mai/07	23.38	17.17	set/10	set/13	31,105	-	-	-	31,105	-
ILP2006 (D)	mai/07	16.32	17.17	set/10	set/13	15,783	-	-	-	15,783	-
ILP2007 (PN)	mar/08	34.74	19.52	mar/11	mar/14	146,180	-	-	-	146,180	-
ILP2007 (PA)	mar/08	43.38	14.69	mar/11	mar/14	10,181	-	-	-	10,181	-
ILP2007 (PE)	ago/08	34.74	19.52	set/14	-	8,996	-	-	-	8,996	-
ILP2008 (R3)	mar/08	25.68	15.61	mar/11	-	238,670	-	-	-	238,670	-
ILP2008 (A)	jul/08	34.74	19.52	mar/12	mar/15	78,019	-	-	-	78,019	-
ILP2009 (A)	jul/08	34.74	19.52	mar/13	mar/16	78,019	-	-	-	78,019	-
ILP2008 (PN)	jan/09	18.01	19.52	mar/12	mar/15	23,334	-	-	-	23,334	-
ILP2008 (PN)	mar/09	15.11	19.52	mar/12	mar/15	276,997	-	-	(14,268)	262,729	16.06
ILP2009 (D)	mar/09	15.11	19.52	mar/12	mar/15	129,926	-	-	-	129,926	-
ILP2009 (M)	set/09	15.11	19.52	mar/12	mar/15	209,057	-	-	(1,969)	207,088	16.06
ILP2009	mar/10	23.86	19.52	mar/13	mar/16	275,448	-	(4,976)	(14,929)	255,543	16.06
ILP2009 (B)	mar/10	19.29	19.52	set/13	set/16	32,406	-	-	-	32,406	-
ILP2009 (J)	mai/10	21.56	19.52	set/13	set/16	3,188	-	-	-	3,188	-
ILP2009 (L)	ago/10	20.15	19.52	set/13	set/16	4,653	-	-	-	4,653	-
TOTAL						1,561,962	-	(4,976)	(31,166)	1,525,820	16.06

Parent Company and Consolidated

Dec/2009											
						Shares					
Granted program	Grant date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date and settlement	Granted	Exercised	Exercised due to dismissal	Not exercised due to dismissal	Total in effect on 12/31/2009	Weighted average price of exercised shares
ILP2005	mar/06	10.03	19.87	mar/09	mar/12	10,965	-	-	-	10,965	-
ILP2006 (P)	mai/07	23.38	19.87	set/10	set/13	24,884	-	-	-	24,884	-
ILP2006 (D)	mai/07	16.32	19.87	set/10	set/13	12,626	-	-	-	12,626	-
ILP2007 (PN)	mar/08	34.74	22.58	mar/11	mar/14	120,586	-	-	-	120,586	-
ILP2007 (PA)	mar/08	43.38	20.62	mar/11	mar/14	5,227	-	-	-	5,227	-
ILP2007 (PE)	ago/08	34.74	22.58	set/14	-	7,197	-	-	-	7,197	-
ILP2008 (R2)	mar/08	25.68	18.07	mar/10	-	285,089	-	-	-	285,089	-
ILP2008 (R3)	mar/08	25.68	18.07	mar/11	-	190,936	-	-	-	190,936	-
ILP2008 (A)	jul/08	34.74	22.58	mar/12	mar/15	62,416	-	-	-	62,416	-
ILP2009 (A)	jul/08	34.74	22.58	mar/13	mar/16	62,416	-	-	-	62,416	-
ILP2008 (PN)	jan/09	18.01	22.58	mar/12	mar/15	13,879	-	-	-	13,879	-
ILP2008 (PN)	mar/09	15.11	22.58	mar/12	mar/15	218,248	-	-	-	218,248	-
ILP2009 (D)	mar/09	15.11	22.58	mar/12	mar/15	100,591	-	-	-	100,591	-
ILP2009 (M)	set/09	15.92	22.58	mar/12	mar/15	174,597	-	-	-	174,597	-
TOTAL						1,289,657	-	-	-	1,289,657	-

Long-Term Incentive – Class “A” preferred shares stock option

Parent Company and Consolidated

Dec/2010											
					Price		Number of shares				
Program	Granted series	Grant date	1st exercise date	2nd exercise date	On the grant date	End of the period	Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 12/31/2010
Program 1	Series I	08/10/2009	06/01/2010	12/31/2012	11.36	-	62,500	62,500	-	-	-
	Series II	08/10/2009	06/01/2011	12/31/2012	11.36	8.03	62,500	-	-	-	62,500
	Series III	08/10/2009	06/01/2012	12/31/2012	11.36	8.03	375,000	-	-	-	375,000
Program 2	Series I	08/11/2010	08/01/2013	12/31/2015	5.97	5.29	120,000	-	-	-	120,000
	Series II	08/11/2010	08/01/2014	12/31/2015	5.97	5.29	120,000	-	-	-	120,000
	Series III	08/11/2010	08/01/2015	12/31/2015	5.97	5.29	360,000	-	-	-	360,000
TOTAL							1,100,000	62,500	-	-	1,037,500

Recognition and measurement of fair value of share-based payments

In order to calculate the fair value of phantom shares and class “A” preferred shares stock option, with or without alternative payment in cash, the Company used the Suzb5 share of each year based on the program calculation model multiplied by the 125% performance percentage, where applicable.

For the ILP 2007 program, due to the alternative choice of shares with combined characteristics of share and share option, defined in the program policy effective in December 2007, to determine the fair value of these phantom shares and also to measure the fair value of Class “A” preferred shares stock options at the end of the period, the Company used the mathematical model of approximation for U.S. type options Bjerksund & Stensland, which considers the dividends distribution rate and the following mathematical assumptions:

Description of assumptions	Index		
	Phantom stocks	Option	
		Program I	Program II
Asset base price (1)	R$15.61/share	R$17.56/share	R$16.05/share
Expectation of volatility (2)	25.77% p.a.	43.26% p.a.	42.27% p.a.
Phantom stocks/options average life expectancy (3)	3.21 years	2.29 years	4.91 years
Dividends expectancy (4)	2.93% p.a.		
Risk-free weighted average interest rate (5)	12.12% average		

(1) The asset base price was defined considering the arithmetic mean of the closing price of the last 90 trading floor sessions for Suzb5 share;
(2) The expected volatility was calculated for each exercise date, taking into account the remaining time to complete the vesting period, as well as the historical volatility of returns, considering a standard deviation of 90 observations of returns;
(3) The expected average life of phantom shares and stock options was defined by the remaining term until the limit exercise date;
(4) The expected dividend was defined based on historical earnings per share of the Company;
(5) Risk-free weighted average interest rate used was the BRL yield curve (DI expectation) observed on the open market, which is the best comparison basis with the Brazilian market risk-free interest rates. The rate used for each exercise date changes according to the vesting period.

Set out below are amounts corresponding to services received and recognized in the financial statements:

	Parent Company and Consolidated				
	Liabilities and Shareholders' equity			Result	
	2010	2009	1/1/2009	2010	2009
Non-current liabilities					
Provision including phantom stocks plan	**15,603**	12,302	3,582	**(3,301)**	(7,796)
Provision including stock option plan	**2,143**	550	-	**(1,594)**	(549)
Total share-based compensation plan	**17,746**	12,852	3,582		
Shareholders' equity					
Stock option reserve	**350**	-	-	**(350)**	-
				(5,245)	(8,345)

22 Debt related to the acquisition of land and reforestation

On July 13, 2009, a partnership with Vale S/A (“Vale”) was ratified concerning the development of forest base that partially ensures the Company’s new growth cycle projects. On that date, the companies entered into agreements, in the total amount of R$233,367, as follows: i) acquisition of 8.2 million m³ planted eucalyptus forests in the total amount of R$144,640 to be paid in 12 quarterly installments; and ii) acquisition of 84.7 thousand hectares of land in the total amount of R$88,727, of which: ii.a) 12.9 thousand hectares of land, in the amount of R$13,727, directly acquired by parent company and to be paid in 12 quarterly installments; and ii.b) 71.8 thousand hectares, in the amount of R$75,000 acquired by subsidiary Ondurman Empreendimentos Imobiliários Ltda (“Ondurman”), to be paid in 168 monthly installments, and receivables flow deriving from this operation, on the same act and with buyer’s agreement, was assigned by Vale to Brazilian Securities, a securitization company, which in its turn, used as guarantee in the issue of Real Estate Receivables Certificates (C.R.I.’s).

The issue of C.R.I.’s was made on October 27, 2009 and was structured pursuant to CVM Rule No. 476/2009, with payment term identical to the receivables flow used as guarantee, and 168 monthly installments of R$877, adjusted by savings deposits basic adjustment index (TR) and initial and final maturity dates on November 27,2009 and October 27, 2023, respectively. The operation was formally carried out via execution by all the parties involved of the “Private Instrument for the Installment Purchase and Sale of Real Properties, Issue of Real Estate Credit Certificates, Assignment of Credits and Other Covenants”, which was used as guarantee by Brazilian Securities for said issue, which also had Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S/A as trustee.

In order to ensure compliance with principal and ancillary obligations assumed by the Company in the “Private Instrument for the Installment Purchase and Sale of Real Properties, Issue of Real Estate Credit Certificates, Assignment of Credits and Other Covenants”, chattel mortgage of Ondurman units of interest was created and the parent company tendered guarantee, both on behalf of Brazilian Securities.

In the event of impossibility to dispose of any of the properties acquired in the transaction as a result of events preventing the permanent transfer of assets during the contract period, Suzano may opt, if deemed of its interest, to indemnify the securitization company on behalf of Vale, terminating the assignment of the property at issue. In this case, Suzano shall be subsequently reimbursed by the seller for the indemnified amounts, as monetarily restated plus late-payment interest.

At December 31, 2010, the Company had debt related to the acquisition of land, farms and reforestation amounting to R$104,529 (parent company) and R$176,800 (consolidated), classified in current and non-current liabilities. (R$151,137 in Company and R$225,827 in consolidated at December 31, 2009).

23 Commitments

Vale Florestar

In 2009, the Company entered into an agreement with Vale to acquire 31.5 million m^3 of timber deriving from cultivation of eucalyptus trees of “Programa Vale Florestar”, which has been implemented in the state of Pará since 2007, to be provided to the Company in the period comprised between 2014 and 2028. The price conditions for these volumes will be determined upon the harvest of volumes to be delivered to the Company.

Rail freights

In order to meet an important logistic structure necessary for the future Manufacturing Unit of Maranhão, the Company entered into an agreement with Ferrovia Norte Sul S.A. for the railway transportation of 1.3 million tons/year of eucalyptus pulp as of 2014, for a 360-month term as of the first day of the month immediately subsequent to the effective startup of this new manufacturing plant.

24 Financial instruments

a. Overview

The Company’s management is focused on generating consistent and sustainable results over time. Factors of external risk related to fluctuations of market prices may introduce an unwelcome level of volatility in the Company’s cash flows and income statement. To manage this volatility so as not to distort or hinder the Company's consistent growth over a long time, the Company has policies and procedures for market risk management.

These policies seek: (i) to protect the Company’s cash flows and assets against fluctuations of the market prices of raw material and products, exchange rates and interest rates, price indices and restatement, or other assets or instruments traded on net value or not (”market risk”) to which the value of assets, liabilities and cash flow of the Company are exposed; and (ii) to optimize the process of taking out financial instruments for protection against exposure to risk, drawing on natural hedges and correlations between prices of different assets and markets, avoiding the waste of funds through taking out inefficient operations. The objective of all financial transactions entered by the Company is to protect it against existing exposures, the assumption of new risks, except those arising from operating activities of Suzano, being forbidden.

Market risk management process comprises the following sequential and recurrent phases: (i) identification of risk factors and exposure of assets value, cash flows and Company's net income to market risks; (ii) measurement and report of the values at risk; (iii) evaluation and definition of strategies for market risk management; and (iv) implementation and monitoring of performance of the strategies. Risk exposures are evaluated and controlled with the assistance of integrated operating systems, with appropriate segregation of duties in reconciliations with counterparties.

The Company uses the more liquid financial instruments and: (i) does not take out leveraged transactions or other types of embedded options that change its purpose of protection (hedge); (ii) has no debt with double index or other forms of implicit options; and (iii) neither has transactions that require margin deposit nor other forms of guarantee for the credit risk of the counterparties.

b. Valuation

The financial instruments recorded in the balance sheets, such as cash and banks, loans and financing, are stated by their contractual values. The marketable securities and derivative agreements, used for protection purposes only, are stated at their fair value.

For determining fair market values of assets or liquid financial instruments traded on the public market, the closing market price at the balance sheet dates was used. The fair value of swaps and of the interest rate and index is calculated at the present value of its future cash flows, discounted at current interest rates available for operations with conditions and terms of similar remaining maturity. This is calculated based on BM&FBovespa and Anbima (Brazilian Association of Capital and Financial Market Institutions) quotes for BRL-denominated interest rate operations, British Bankers Association and Bloomberg for Libor rate operations. The fair value of futures or forward exchange rate agreements is determined using forward exchange rates prevailing on the balance sheet dates, according to BM&FBovespa quotes.

The fair value of debt deriving from the 1st series of the 3rd issue of the Company's debentures is calculated based on the secondary market quotes published by Anbima on the balance sheet dates. In order to determine the fair value of assets or financial instruments traded on the over-the-counter markets or without liquidity, several assumptions and methods are used based on the usual market conditions (and not for settlement or forced sale) at each balance sheet date, including the utilization of option pricing models, such as Black & Scholes and Garman-Kolhagen, and estimates of future discounted cash flows. The fair value of agreements for pulp and paper pricing is obtained through the price quotation for corresponding for instruments with similar conditions and remaining terms with major participants of this market. Finally, the fair value of agreements for oil pricing is based on the New York Mercantile Exchange quotes (NYMEX).

The result of financial instruments trading is recognized on the closing dates or contracting of operations, where the Company undertakes to buy or sell these instruments. The liabilities deriving from the contracting of financial instruments are removed from our financial statements only when these instruments expire or when the risks, obligations and rights deriving therefrom are transferred.

The comparison between fair value and carrying value of outstanding financial instruments is shown as follows:

	Consolidated					
	2010		2009		1/1/2009	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
ASSETS						
Cash and cash equivalents	**3,735,438**	**3,735,438**	2,533,285	2,533,285	2,176,312	2,176,312
Derivative operations gains (current and non-current)	**27,272**	**27,272**	28,049	28,049	31,388	31,388
Trade accounts receivable	**792,057**	**792,057**	766,174	766,174	934,171	934,171
LIABILITIES						
Accounts payable to suppliers	**277,107**	**277,107**	268,050	268,050	277,318	277,318
Loans and financing (current and non-current)	**6,531,559**	**6,611,822**	5,844,308	5,684,636	6,942,254	6,794,325
Debentures (current and non-current)	**624,836**	**701,789**	799,710	838,888	836,919	815,454
Derivative operations losses (current and non-current)	**67,281**	**67,281**	77,381	77,381	205,420	205,420

c. Credit risk

Sales and credit policies determined by the management of the Company and its subsidiaries aim at minimizing risks, if any, deriving from their clients' default. This objective is achieved by means of judicious selection of client portfolio, which takes into account the payment capacity (credit analysis), and sales diversification (risk dispersion), besides obtaining guarantees or contracting instruments that mitigate credit risks, mainly the export credit insurance policy.

Interest rate and exchange rate risk

The raising of funds and exchange rate hedge policy of the Company are guided by the fact that more than 50% of net revenue comes from exports with prices in Dollars, while most of the production cost is tied to the Real. This structure allows the Company to engage in financing for export in Dollars at more competitive costs than those of local lines and to match financing payments to the flow of receipts from sales, providing a natural hedge of cash for these commitments. The exceeding revenue in dollars not tied to the commitments of debt and other obligations is sold in the exchange market by the time of the funds inflow into the country.

As additional protection, sales of Dollars in futures markets are contracted as a way to provide attractive levels of operating margins for one portion of the revenue. Sales in the futures markets are limited to a minority percentage of the exceeding funds on the timeline of one year and, therefore, are matched to the ready availability of foreign exchange for short-term sale.

At December 31, 2010, the principal net amount of operations contracted for forward sale of U.S. dollars was US$107.4 million, US$82.4 million through of Non-Deliverable Forwards ("NDFs") and US$25 million through "zero-cost collar". Their maturities fall between January 2011 and May 2011, as a way of setting the operational margins of a minority portion of sales over this period. The cash effect of these operations only will occur on their maturity dates, when cash disbursement or receipt is generated, as the case may be.

So, in the case of depreciation of the Real, as occurred in 2008, two effects are observed: (i) the first, negative and sharp, is related to the restatement of net currency exposure (balance of assets and liabilities accounts stated in foreign currency, including, among others, the balances of gross debt and cash denominated in Dollars, the inventory, accounts receivable and payable in foreign currency and the value of positions in swaps of currency to hedge the currency exposure of cash flows); and (ii) the second, positive and permanent, is related to the higher operating cash generation due to increased revenue from exports denominated in Dollars.

In addition to the foreign exchange hedge operations, contracts are concluded for the swap from floating interest rates to fixed rates, to reduce the effect of changes in interest rates on the debt value, and contracts of swap between different interest rates and restatement indices, as a way to minimize the mismatch among the different financial assets and liabilities. In this regard, at December 31, 2010, the Company had outstanding (i) US$808.7 million in outstanding swaps to fix the Libor on contracts for financing, (ii) US$270 million in coupon swaps for a 3-month fixed Libor rate and (iii) R$507 million in pre- to DI % swaps.

The Company does not adopt hedge accounting. Therefore, all results (gains and losses) determined in derivative operations (settled and outstanding) are fully recognized in the unconsolidated and consolidated income statement for the year. Note 27 shows derivatives gains and losses that affected the statement of income for the years.

d. Outstanding derivatives

Consolidated positions of outstanding derivatives at December 31, 2010 and December 31, 2009, grouped by asset or benchmark index, all of them traded at the over-the-counter market, are stated as follows:

Description	Maturities	Benchmark value (notional) on			Fair value on			Equity balances on					
		12.31.2010	12.31.2009	01.01.2009	**12.31.2010**	12.31.2009	01.01.2009	**12.31.2010**		12.31.2009		02.01.2009	
								Payable	**Receivable**	Payable	Receivable	Payable	Receivable
Foreign currency swaps													
Long position - US$ Libor	**1/4/2011 until 11/4/2019**	**1,347,399**	1,706,764	1,409,211	**1,349,535**	1,607,365	1,415,639	**-**	**-**	-	-	-	-
Short position - US$ fixed rate		**1,347,399**	1,706,764	1,409,211	**1,410,196**	1,660,993	1,483,711	**-**	**-**	-	-	-	-
Subtotal					**(60,661)**	(53,628)	(68,072)	**62,862**	**2,201**	62,927	9,299	69,291	1,219
Value at Risk (VaR) (1)					**2,658**	3,736	6,707	**-**	**-**	-	-	-	-
Rates and indexes swaps													
Long position - R$ fixed rate	**3/15/2011 until 3/15/2013**	**506,984**	10,000	10,000	**524,929**	11,894	10,530	**-**	**-**	-	-	-	-
Long position - TR + coupon		**-**	27,500	67,500	**-**	33,447	76,241	**-**	**-**	-	-	-	-
Long position - US$ coupon		**-**	**-**	70,120	**525,198**	43,770	70,945	**-**	**-**	-	-	-	-
Short position - % DI		**506,984**	37,500	147,620	**525,198**	43,770	157,616	**-**	**-**	-	-	-	-
Subtotal					**(269)**	1,571	100	**782**	**514**	-	1,571	1,675	1,775
Value at Risk (VaR) (1)					**571**	8	2,617	**-**	**-**	-	-	-	-
Currency swaps - NDF													
Long position in R$ x US$	**1/3/2011 until 3/8/2011**	-	-	**-**	**-**	-	-	**-**	**-**	-	-	-	-
Short position in R$ x US$		**137,262**	420,695	701,100	**8,490**	5,732	(134,454)	**-**	**-**	-	-	-	-
Subtotal					**8,490**	5,732	(134,454)	**-**	**8,490**	-	5,732	134,454	-
Value at Risk (VaR) (1)					**1,305**	5,573	25,687	**-**	**-**	-	-	-	
Currency options - Zero Cost Collar													
Launching position in R$ x US$ - buy	**5/2/2011**	**41,656**	130,590	**-**	**(38)**	(565)	**-**	**-**	**-**	-	-	-	-
Holding position in R$ x US$ - sell		**41,656**	130,590	**-**	**3,768**	4,353	**-**	**-**	**-**	-	-	-	-
Subtotal					**3,730**	3,788	-	**39**	**3,767**	565	4,353	-	-
Value at Risk (VaR) (1)					**320**	987	**-**	**-**	**-**	-	-	-	-
Commodities swaps	**12/31/2010 until 3/31/2011 (2)**												
Short position in pulp BHKP		**168,953**	226,913	90,021	**(3,373)**	(13,889)	18,449	**-**	**-**	-	-	-	-
Subtotal					**(3,373)**	(13,889)	18,449	**3,598**	**225**	13,889	-	-	18,449
Value at Risk (VaR) (1)					**25**	3,687	774	**-**	**-**	-	-	-	-
Commodities swaps													
Long position in oil	**12/31/2010 (2)**	**16,520**	-	-	**452**	**-**	**-**	**-**	**-**	-	-	-	-
Subtotal					**452**	-		**-**	**452**	-	-	-	-
Value at Risk (VaR) (1)					**5**	**-**	**-**	**-**	**-**	-	-	-	-
Other													
Long position - currency coupon	**1/4/2011 until 4/1/2015**	**333,240**	261,180	397,290	**55,819**	44,700	63,978	**-**	**-**	-	-	-	-
Long position - Libor + spread		**116,634**	-	-	**1,671**	-	-						
Short position - US$ fixed Libor		**333,240**	261,180	397,290	**45,402**	37,606	54,033	**-**	**-**	-	-	-	-
Short position - R$ x US$		**116,634**	-	-	**466**	-	-						
Subtotal					**11,622**	7,094	9,945	**-**	**11,623**	-	7,094	-	9,945
Value at Risk (VaR) (1)					**108**	79	326	**-**	**-**	-	-	-	-
Total result in swaps					**(40,009)**	(49,332)	(174,032)	**67,281**	**27,272**	77,381	28,049	205,420	31,388

(1) VaR with 1day holding period, with a confidence level of 95%

(2) Settlement date different from maturity date

Same consolidated positions of outstanding derivatives at December 31, 2010 and December 31, 2009, grouped by counterparty, are stated as follows:

Description	Benchmark value (notional) on			Fair value on			Equity balances on	
	12.31.2010	12.31.2009	01.01.2009	12.31.2010	12.31.2009	01.01.2009	12.31.2010	
							Payable	Receivable
Foreign currency swaps								
Counterparties								
BTG Pactual	245,099	294,139	-	(12,374)	(6,573)	-	-	-
Itaú BBA	486,031	522,359	701,100	(26,506)	(28,587)	(43,551)	-	-
JP Morgan	170,786	322,122	432,345	(6,545)	(8,254)	(11,904)	-	-
Banco Santander	-	31,342	42,066	-	(95)	203	-	-
Merrill Lynch	83,310	-	-	(1,141)	-	-	-	-
Standard Bank	124,965	130,590	233,700	(7,254)	(1,809)	(12,820)	-	-
Standard Chartered	237,209	406,212	-	(6,841)	(8,310)	-	-	-
Subtotal				(60,661)	(53,628)	(68,072)	62,862	2,201
Rates and indexes swaps								
Counterparties								
Itaú BBA	-	10,000	75,520	-	384	1,033	-	-
Banco Santander	-	27,500	52,100	-	1,187	(670)	-	-
Banco do Brasil	317,000	-	-	381	-	-	-	-
Barclays	10,000	-	-	8	-	-	-	-
Unibanco	-	-	20,000	-	-	(263)	-	-
HSBC	179,984	-	-	(658)	-	-	-	-
Subtotal				(269)	1,571	100	782	514
Currency swaps - NDF								
Counterparties								
Short position in R$ x US$								
BTG Pactual	-	60,942	-	-	431	-	-	-
Banco do Brasil S.A.	-	207,781	315,495	-	3,038	(68,912)	-	-
Itaú BBA	3,999	-	46,740	576	-	(12,228)	-	-
Merrill Lynch	89,208	87,060	-	5,270	1,564	-	-	-
Banco Santander	-	-	58,425	-	-	(1,059)	-	-
Standard Bank	2,399	47,500	-	346	386	-	-	-
HSBC	-	-	210,330	-	-	(36,167)	-	-
Rabobank Brasil	41,655	17,412	70,110	2,298	313	(16,088)	-	-
Subtotal				8,490	5,732	(134,454)	-	8,490
Currency options - Zero Cost Collar								
Counterparties								
Launching position in R$ x US$ - buy								
Merrill Lynch	-	43,530	-	-	(380)	-	-	-
Standard Bank	41,655	43,530	-	(38)	-	-	-	-
Votorantim	-	43,530	-	-	(185)	-	-	-
Holding position in R$ x US$ - sell								
Merrill Lynch	-	43,530	-	-	970	-	-	-
Standard Bank	41,655	43,530	-	3,768	2,413	-	-	-
Votorantim	-	43,530	-	-	970	-	-	-
Subtotal				3,730	3,788	-	39	3,767
Commodities swaps - pulp								
Counterparties								
Nordea Bank Finland P/C	150,958	208,108	90,021	(2,950)	(11,738)	18,449	-	-
Standard Chartered	17,995	18,805	-	(423)	(2,151)	-	-	-
Subtotal				(3,373)	(13,889)	18,449	3,598	225
Commodities swaps - oil								
Counterparties								
Standard Chartered	16,520	-	-	452	-	-	-	-
				452	-	-	-	452
Other								
Counterparties								
JP Morgan	449,874	261,180	397,290	11,622	7,094	9,945	-	-
Subtotal				11,622	7,094	9,945	-	11,623
Total result in swaps				(40,009)	(49,332)	(174,032)	67,281	27,272

e. Settled derivatives

Accumulated settled derivatives positions in the years ended December 31, 2010 and 2009, grouped by asset or referential index, all of them traded at the over-the-counter market, are stated as follows:

Description	Maturities	Benchmark value (notional) accumulated on			Fair value (settlement value) accumulated on		
		12.31.2010	12.31.2009	1.1.2009	**12.31.2010**	12.31.2009	1.1.2009
Foreign currency swaps							
Long position - US$ Libor	2009: 1/5 to 12/21/ **2010: 1/4 to 12/30**	**3,265,061**	1,646,954	-	-	-	-
Short position - US$ fixed rate		**3,265,061**	1,646,954	607,620	-	-	-
Subtotal					**(43,791)**	(14,595)	(2,845)
Rates and indexes swaps							
Long position - TR + coupon	2009: 4/28 to 12/3 **2010: 4/14 to 12/15**	**27,500**	40,000	54,500	-	-	-
Long position - R$ fixed rate		**160,000**	-	-	-	-	-
Long position - US$ coupon		-	70,120	-	-	-	-
Short position - % DI		**187,500**	110,120	54,500	-	-	-
Subtotal					**1,796**	(22,185)	(238)
Currency swaps							
Long position in R$ x US$	2009: 1/2 to 12/1 **2010: 2/08 to 12/08**	**390,388**	60,942	6,555,285	**-**	-	-
Short position in R$ x US$		**2,502,232**	824,831	7,677,045	**-**	-	-
Subtotal					**26,855**	(71,478)	(27,567)
Currency options							
Launching position in R$ x US$ - sell	**2010: 2/1 to 11/1**	**127,835**	**-**	**-**	**-**	-	-
Holding position in R$ x US$ - buy		**127,835**	-	**-**	**-**	-	-
Short position in put (R$/US$)		-	-	350,550	**-**	-	-
Subtotal					**2,430**	-	255
Commodities swaps	2009: 1/8 to 12/7 **2010: 1/8 to 12/07**						
Short position in pulp BHKP		**136,074**	73,838	95,639	-	-	-
Subtotal					**(37,991)**	10,485	(9,489)
Commodities swaps							
Long position in oil	**2010: 4/7 to 12/7**	**162,443**	-	-	-	-	-
Short position in oil		**27,026**	-	-	-	-	-
Subtotal					**2,265**	-	-
Other							
Long position - currency coupon	**2009: 9/11 2010: 3/11 to 12/13**	**69,429**	35,193	-	-	-	-
Long position - Libor + spread		-	-	-			
Short position - US$ fixed Libor		**69,429**	35,193	-	-	-	-
Short position - R$ x US$		-	-	-			
Subtotal					**1,267**	499	499
Total result in swaps		-	-	-	**(47,169)**	(97,274)	(39,884)

f. Statement of sensitivity analysis

The table below shows the sensitivity of outstanding derivatives consolidated positions at December 31, 2010, which represents the Company's major exposure in the short term, as stated in item (d), prices and rates variations in underlying assets:

Description	Fair value	Scenarios on 12/31/2011			
		Risk	**Probable**	**25% deterioration**	**50% deterioration**
Foreign currency swaps AssetsUS$ Libor x Liability US$ Fixed (1)	**(60,661)**	Libor drop	(61,100)	(71,345)	(82,104)
Rates and indesex swaps Assets fixed rate (2) in R$ x Liability % DI	**(269)**	High curve- fixed	(1,837)	(24,110)	(44,612)
Currency swaps (NDF) Short position in R$ x US$ (3)	**8,490**	R$/US$ exchange rate increase	4,372	(30,839)	(66,051)
Lauching position - buy Foreign currency - R$ x US$ (4)	**(38)**	R$/US$ exchange rate increase	(68)	(2,368)	(10,323)
Holding position - sell Foreign currency - R$ x US$ (5)	**3,768**	R$/US$ exchange rate increase	2,973	65	-
Commodities swaps Pulp scenario (6)	**(3,373)**	Pulp up	(3,623)	(4,628)	(5,634)
Commodities swaps Oil scenario (7)	**452**	Oil down	1,728	(2,833)	(7,395)

(1) Source for the probable scenario: Bloomberg - market curve on 01/13/2011. Probable 6-month Libor on 12/31/2011: 0.45656% p.a.
25% deterioration: 6-month Libor on 12/31/2011 of 0.34242% p.a. 50% deterioration: 6-month Libor on 12/31/2011 of 0.22828% p.a.
(2) Source for the probable scenario: Brazilian Central Bank Focus Report on 01/14/2011. Probable Selic rate on 12/31/2011: 12.46% p.a.
25% deterioration: Selic rate on 12/31/2011 of 15.58% p.a. 50% deterioration: Selic rate on 12/31/2011 of 18.69% p.a.
(3) Source for the probable scenario: Brazilian Central Bank Focus Report on 01/14/2011. Probable exchange rate on 12/31/2011: R$1.7100 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1375 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5650 / US$.
(4) Source for the probable scenario: Brazilian Central Bank Focus Report on 01/14/2011. Probable exchange rate on 12/31/2011: R$1.7100 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1375 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5650 / US$.
(5) Source for the probable scenario: Brazilian Central Bank Focus Report on 01/14/2011. Probable exchange rate on 12/31/2011: R$1.7100 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1375 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5650 / US$.
(6) Source for the probable scenario: RISI Report on 12/31/2010. Probable BHKP pulp price on 12/31/2011: US$805 / ton.
25% deterioration: Price on 12/31/2011 of US$1,006.25 / ton. 50% deterioration: Price on 12/31/2011 of US$1,208 / ton.
(7) Source for the probable scenario: Bloomberg - quotation of CLZ1 agreement for 01/13/2011. Probable oil price in Dec/2011: US$96.07
25% deterioration: Price in Dec/2010 of US$72.05. 50% deterioration: Price in Dec/2010 of US$43.03

It is worth mentioning that the management of these positions is dynamic and with the use of current mechanisms to restrict losses (stop-loss systems) and risk exposures, which are affected by assets volatility, the positions are adjusted to the extent that losses, if any, are materialized. Therefore, in the event an impairment scenario occurs as exemplified in the chart above, the Company's positions subject to this impairment would already have been dismantled when they reach the limits established by stop-loss systems.

A probable scenario at December 31, 2010 or the sensitivity analysis for swaps listed under "Other" category in chart of item (e) were not prepared in further detail, since these swaps refer to arbitration operations between Libor rate and currency coupon, and both at fixed rates in said operations, inhibiting the occurrence of any result different from that one already stipulated in the agreement.

g. Capital management

Suzano's capital management main objective is to ensure that a solid credit rating is sustained and a risk-free capital in order to support businesses and maximize the shareholder value. The Company administers its capital structure and makes adjustments considering the changes in economic conditions.

No changes occurred as to objectives, policies or processes during the fiscal years ended December 31, 2010 and 2009.

	Parent Company			Consolidated		
	2010	2009	1/1/2009	**2010**	2009	1/1/2009
Loans and financing	**5,225,123**	5,596,239	6,742,478	**6,531,559**	5,844,308	6,942,254
Debentures	**624,836**	799,710	836,919	**624,836**	799,710	836,919
(-) Cash and cash equivalents	**(3,484,168)**	(2,261,889)	(1,921,063)	**(3,735,438)**	(2,533,285)	(2,176,312)
Net debt	**2,365,791**	4,134,060	5,658,334	**3,420,957**	4,110,733	5,602,861
Shareholders' equity	8,640,671	7,864,370	7,174,271	8,640,671	7,864,370	7,174,271
Shareholders' equity and net debt	**11,006,462**	**11,998,430**	**12,832,605**	**12,061,628**	**11,975,103**	**12,777,132**

25 Equity

a) Capital Stock

At December 31, 2010, fully paid-in subscribed capital was R$2,685,183 (R$2,054,430 at December 31, 2009), divided into 408,892,401 non-par shares, of which: 140,039,904 were registered common shares; 266,926,398 were class "A" preferred shares and 1,926,099 were class "B" preferred shares, both book-entry shares. 10,940,879 shares are held in treasury, of which 6,786,194 common shares, 2,244,986 class "A" preferred shares and 1,909,699 class "B" preferred shares. SUZB5 preferred shares ended the year of 2010 priced at R$14.78.

On April 30, 2010, the Special Shareholders' Meeting approved the Company's capital increase in the amount of R$412,229, absorbing part of existing reserves at December 31, 2009, of which R$303,506 refer to tax incentive reserve and R$108,723 refer to special goodwill reserve on merger.

At this same meeting, the issue of new Company shares was approved for shareholders representing the ownership structure on the date of the Special Shareholders' Meeting that approves the matter, at the ratio of one new share for each group of four pre-existing shares, of same type and class, consisting of the issue of 78,620,624 new shares, 26,955,378 common shares, 51,280,026 class "A" preferred shares and 385,220 class "B" preferred shares. New shares will enjoy the same political and economic rights of original shares, including dividend over 2010 results. The shareholders to result in shareholding position of fractional share will receive shares from the Company's controlling shareholder, as donation, so that to reach the immediately sequential whole number of shares.

On December 1, 2010, when BNDESPAR converted debentures of the 4th issue into shares (Note 17 item "b"), the Company's capital stock was increased by R$218,524 upon issue of registered, non-par 5,263,014 common shares and 10,526,267 class "A" preferred shares. As agreed upon between BNDESPAR and the parent company Suzano Holding S.A., all the common shares resulting from this conversion were acquired by Suzano Holding S.A.

Class "A" preferred shares are entitled to dividends per share, at least, 10% higher than those attributed to common shares. Class "B" preferred shares are entitled to priority dividend of 6% p.a. over their share in the capital stock or at least 10% higher than those attributed to common shares. Preferred shares are not entitled to vote, unless when this is provided for in applicable laws.

b) Income reserve

The reserve to increase capital is made up of 90% of the remaining balance of net income for the year, after dividends and legal reserve and aims at ensuring adequate operational conditions to the Company.

The special statutory reserve includes the remainder 10% of the remaining balance of net income for the year and aims at ensuring the distribution of dividends.

c) Payment of interest on shareholders' equity

As authorized by Law No. 9249/95 and as provided for in Article 32 of the Company's Articles of Incorporation, management calculated interest on shareholders' equity limited to the *pro rata die* variation of the long-term interest rate – TJLP, in the gross amounts: i) R$ 58,828 and withholding income tax of R$7,917, resulting in a net amount for shareholders of R$50,911 credited and paid on September 10, 2010; ii) R$148,750 and withholding income tax of R$20,223, resulting in a net amount for shareholders of R$128,527, credited on December 30, 2010 to be paid on March 15, 2011.

The interest on shareholders' equity, pursuant to CVM Resolution No. 207/96, was attributed to the mandatory minimum dividend account, net of withholding income tax, recorded as financial expenses and reversed in specific account, returning to profit or loss, thus not affecting net income, except for the tax effects recognized under income and social contribution taxes.

	2010	2009	
Net income for the year	**768,997**	853,315	**(i)**
Legal reserve	**(38,450)**	(42,666)	
Reserve for tax incentive related to income tax reduction - SUDENE	**(30,067)**	(35,715)	
Calculation basis of dividends	**700,480**	774,934	
Minimum mandatory dividends - 25%	**175,120**	193,734	
Interest on shareholders' equity - approved in the year	**207,577**	227,543	
Withholding income tax on interest on shareholders' equity, according to CVM Rule 207/96	**(31,137)**	(34,131)	
	176,440	193,412	
Additional minimum dividends proposed by the Management	**-**	324	
Additional dividends proposed exceeding the minimum mandatory amount	**13,113**	2,945	
Total dividends and interest on shareholders' equity	**220,690**	230,812	

(i) Income earned prior to the adoption of IFRS.

d) Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average common shares issued during the period, excluding the common shares acquired by the Company and held as treasury shares.

2010	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	**241,347**	**527,616**	**34**	**768,997**
Weighted average number of shares in the period	**128,477**	**244,457**	**1,830**	**374,764**
Weighted average treasury shares	**(6,447)**	**(1,936)**	**(1,814)**	**(10,197)**
Weighted average number of outstanding shares	**122,030**	**242,521**	**16**	**364,567**
Basic earnings per share	**1.97777**	**2.17555**	**2.17555**	

2009	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	296,446	650,033	42	946,521
Weighted average number of shares in the period	107,822	205,120	1,541	314,482
Weighted average treasury shares	(5,429)	(1,010)	(1,528)	(7,966)
Weighted average number of outstanding shares	102,393	204,111	13	306,516
Basic earnings per share	2.89519	3.18471	3.18471	

Diluted

Diluted earnings per share is calculated by adjusting the weighted average of outstanding preferred and common shares assuming the conversion of all preferred and common shares which would cause dilution. The Company reports two categories of potential shares that would cause dilution: call options by option of the holder and debentures convertible into common and preferred shares.

				2010
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	**241,347**	**527,616**	**34**	**768,997**
Weighted average number of outstanding shares	**122,030**	**242,521**	**16**	**364,567**
Adjustment by stock options	**74**	**370**	**-**	**445**
Weighted average number of shares (diluted)	**122,104**	**242,891**	**16**	**365,011**
Diluted earnings per share	**1.97657**	**2.17223**	**2.17555**	

				2009
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	296,446	650,033	42	946,521
Weighted average number of outstanding shares	102,393	204,111	13	306,516
Adjustment by stock options	-	103	-	103
Weighted average number of shares (diluted)	102,393	204,214	13	306,620
Diluted earnings per share	2.89519	3.18310	3.18471	

26 Other operating income, net

	Parent Company		Consolidated	
	2010	**2009**	**2010**	**2009**
Gain (loss) on sale of other products	**5,869**	(2,873)	**15,559**	7,526
Gain (loss) on the sale of electricity	**-**	-	**2,587**	(704)
Additional provision for inventory losses	**-**	(8,903)	**-**	(8,921)
Tax recovery	**-**	15,191	**-**	15,191
Provision for contingencies (a)	**(9,678)**	-	**(9,678)**	(2,398)
Other (expenses) income	**(13,000)**	3,419	**3,573**	5,484
Additional actuarial liability	**(21,289)**	(15,764)	**(21,289)**	(15,764)
Gain on the sale of fixed assets (b)	**284,640**	39,632	**284,591**	39,626
Gain on the sale of investments	**42**	1,803	**42**	1,803
Gain in the restatement of the fair value of biological assets	**28,131**	102,554	**28,131**	102,554
(Loss) Gain from indemnified payment notices to government	**(986)**	10,956	**(986)**	10,956
Total other operating expenses	**(44,953)**	(27,540)	**(31,953)**	(27,787)
Total other operating income	**318,682**	173,555	**334,483**	183,140
Other operating income, net	**273,729**	146,015	**302,530**	155,353

(a) – See Note 1.1 item “g”.

(b) – Mainly composed of income earned in the operation mentioned in Note 1.1 item “g”.

27 Financial income (expenses), net

	Parent Company		Consolidated	
	2010	**2009**	**2010**	**2009**
Interest expenses	**(388,216)**	(413,101)	**(401,693)**	(421,601)
Monetary and exchange variations - on liabilities	**87,398**	1,097,989	**104,776**	1,089,013
Derivative operations losses - interest rate	**(42,404)**	(30,448)	**6,839**	(19,846)
Derivative operations losses - exchange rate	**(23,113)**	(18,098)	**(23,113)**	(18,098)
Derivative operations losses - commodities	**-**	-	**(44,025)**	(942)
Other financial expenses	**(70,254)**	(47,030)	**(87,096)**	(56,504)
Total financial expenses	**(436,589)**	589,312	**(444,312)**	572,022
Interest income	**227,575**	202,076	**227,880**	202,519
Interest receivable on indemnified payment notice to government	**-**	44,998	**-**	44,998
Derivative operations gains - interest rate	**(6,953)**	9,374	**(6,841)**	(1,717)
Derivative operations gains - exchange rate	**55,099**	90,848	**55,099**	90,847
Derivative operations gains - commodities	**-**	-	**(27,423)**	(16,312)
Monetary and exchange variations - on assets	**(51,504)**	(273,965)	**(56,781)**	(195,957)
Total financial income	**224,217**	73,331	**191,934**	124,378
Net financial result	**(212,372)**	662,643	**(252,378)**	696,400

28 Segment information

Management defined pulp and paper as the Group's operational segments. The main information, by business segment, corresponding to the years ended December 31, 2010 and 2009 are the following:

	Consolidated							
	2010				2009			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net revenues	2,018,293	2,495,590	-	4,513,883	1,608,874	2,343,872	-	3,952,746
Net financial result	-	-	(252,378)	(252,378)	-	-	696,400	696,400
Other net operating revenue	-	-	302,530	302,530	-	-	155,353	155,353
Operating income	474,594	374,321	50,152	899,067	130,332	353,936	851,753	1,336,021
Total assets	6,921,634	2,326,115	9,665,760	18,913,509	6,434,761	2,695,623	8,485,171	17,615,555

The geographical areas are determined based on the consumer market location. The Company's net revenues classified by geographical area may be thus represented:

	Consolidated					
	2010			2009		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	2,018,293	2,495,590	4,513,883	1,608,874	2,343,872	3,952,746
Domestic market	354,836	1,559,970	1,914,806	231,758	1,425,675	1,657,433
Foreign market	1,663,457	935,620	2,599,077	1,377,116	918,197	2,295,313
Asia	693,258	70,585	763,843	708,334	152,691	861,025
Europe	764,477	208,731	973,208	534,529	245,161	779,690
North Ameria	195,915	264,570	460,485	120,244	253,305	373,549
South and Central America	9,807	387,657	397,464	14,009	262,738	276,747
Africa	-	4,077	4,077	-	4,302	4,302

29 Expenses by nature

	Parent Company		Consolidated	
	2010	2009	2010	2009
Variable and fixed costs, other selling and administrative expenses	2,533,367	2,417,651	2,626,007	2,485,746
Personnel expenses	501,033	452,454	513,113	461,578
Depreciation, depletion and amortization	517,280	512,120	525,848	521,154
	3,551,680	3,382,225	3,664,968	3,468,478

30 Insurance coverage

The Company maintains insurance coverage for operational and other risks to safekeep its fixed assets and inventories.

The amount of insurance taken out is deemed sufficient to cover losses, if, any, according to the opinion of insurance expert advisors.

31 Subsequent events

a) Acquisition of 50% of Conpacel's assets and acquisition of KSR's operations

On January 31, 2011, the Company announced the execution of an agreement to acquire the interest held by Fibria in Conpacel's net assets, which includes 50% of the pulp and paper plant, owned land, owned and leased plantation, by paying on this same date the total price of R$1,450 million. As of this date, the unit will be exclusively operated by Suzano.

The assets comprise 50% of: i) the pulp and paper plant with productive capacity of 390 thousand annual tons of paper, and approximately 650 thousand annual tons of pulp; and ii) owned land with a total approximate area of 76 thousand hectares and nearly 71 thousand hectares of plantation, 53 thousand hectares in owned land and 18 thousand hectares in leased areas.

On February 28, 2011, the Company concluded the execution of an agreement to acquire KSR's paper distribution operations by paying the amount of R$50 million on March 1, 2011 to be adjusted after the final calculation of working capital until April 15, 2011.

These operations will be assessed for the purposes of allocating the fair value to net assets acquired, as required by CPC 15 – Business combination. This allocation of goodwill due to the fair value of net assets acquired from Conpacel and KSR will be made during 2011, according to the 12-month term authorized by CPC 15, paragraph 45.

b) Announcement of financing with BNDES with the private issue of debentures mandatorily convertible into shares

On December 17, 2010, the Company's Board of Directors authorized a financing operation with BNDES to build and implement the support infrastructure required to operate the new manufacturing unit located in the state of Maranhão and, among others, to build a biomass co-generation power plant, working capital and acquisition of domestic machinery and equipment within the Investment Sustainable Program (PSI).

The total financing amount is approximately R$2.7 billion, divided into sub-credits with total terms of up to 138 months, grace periods of up to 42 months to pay the principal amount and interest rates, according to sub-credit, corresponding to long-term interest rate (TJL) plus 1.81% p.a., exchange variation plus 6% and for PSI sub-credit, an annual rate of 5.5%. The release of funds will occur according to the implementation of the project phases.

As part of the conditions of BNDES financing and aiming at adjusting the Company's capital structure, the Company is estimated to privately issue the debentures mandatorily convertible into shares to be submitted for the approval of the general shareholders' meeting. The amount of issue will be approximately R$1.2 billion, the 1st series in the amount of R$402 million, convertible into common shares and the 2nd series in the amount of R$798 million, convertible into class "A" preferred shares. Debentures will mature within 60 years and will be adjusted by IPCA (Extended Consumer Price Index) plus 4.5% p.a. The operation will have the firm commitment underwriting of BNDESPAR in the amount of up to R$564 million.

The convertibility of debentures will be at the discretion of debenture holder after two years from the issue date or at the discretion of the Company, after three years. The conversion price will be R$17.39 corresponding to the average price, weighted by the number of class "A" preferred shares issued by the Company traded over the last 20 trading floor sessions prior to December 15, 2010 (exclusive), plus a premium of 12.5%.

The shareholders' meeting to approve the issue of debentures is scheduled to be held in the first quarter of 2011, including preemptive right for shareholders composing the ownership structure at that time.

c) Equipment purchase agreements with Metso and Siemens

On February 28, 2011, the Company, complementing the Material Fact Notice disclosed on September 3, 2010, announces that the Board of Directors, in a meeting held on this date, authorized the Board of Executive Officers to close deals and execute an agreement with Metso and Siemens to acquire main equipment related to the construction of Maranhão manufacturing unit, based on the established targets.

The contract of main equipment with Metso will basically cover the following areas: (i) timber yard; (ii) firing and washing; (iii) fiber line; (iv) 2 driers, packing and shipping; (v) recovery boiler and biomass; (vi) causticizing and lime kiln; (vii) evaporation. The scope of the agreement includes the supply of equipment and related activities. The agreement to be executed with Siemens will include the acquisition of turbo generators.

These acquisitions will enable to anticipate the plant start-up in 6 months, now scheduled for April 30, 2013. Total estimated investments stand at US$2.3 billion and include the aforementioned equipment and others, as well as services to be contracted. Maranhão unit will have annual total capacity of 1.5 million tons and energy surplus generation of 100 MW.

Other Information Deemed as Relevant by the Company

In compliance with the Corporate Governance Special Practices Rules (Level 1) set out below is a statement of the ownership structure of investor or shareholder owning more than 5% of shares of each type and class of the Company's capital stock, directly or indirectly, including individuals, at December 31, 2010.

OWNERSHIP STRUCTURE – SUZANO PAPEL E CELULOSE S/A Position at 12/31/2010 CAPITAL - R$2,685,182,767.36								
SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S.A	123,240,831	88.00%	694,857	0.26%	2,978	0.15%	123,938,666	30.31%
BNDES PART SA BNDESPAR	-	0,00%	17,831,356	6.68%	-	0.00%	17,831,356	4.36%
IPLF HOLDING S.A	10,000,000	7.14%	-	0.00%	-	0.00%	10,000,000	2.45%
CONTROLLING SHAREHOLDERS AND MANAGEMENT	12,879	0.01%	77,685,586	29.10%	8,067	0.42%	77,706,532	19.00%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
OTHER	-	0.00%	168,469,613	63.11%	5,355	0.28%	168,474,968	41.20%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

OWNERSHIP STRUCTURE - SUZANO HOLDING S.A Position at 12/31/2010 CAPITAL - R$1,018,819,520.73 (Annual Shareholders' Meeting - AGO 4/30/2010)								
SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	14,630,000	27.50%	12,986,379	25.21%	6,063,196	27.52%	33,679,575	26.57%
DANIEL FEFFER	9,642,500	18.13%	9,073,332	17.61%	3,991,700	18.12%	22,707,532	17.91%
DAVID FEFFER	9,642,500	18.13%	9,072,801	17.61%	3,991,700	18.12%	22,707,001	17.91%
JORGE FEFFER	9,642,500	18.13%	9,025,185	17.52%	3,991,700	18.12%	22,659,385	17.88%
RUBEN FEFFER	9,642,500	18.13%	8,995,554	17.46%	3,991,700	18.12%	22,629,754	17.85%
OTHER	-	0.00%	2,369,295	4.60%	3	0.00%	2,369,298	1.87%
TOTAL	53,200,000	100.00%	51,522,546	100.00%	22,029,999	100.00%	126,752,545	100.00%

OWNERSHIP STRUCTURE - IPLF HOLDING S.A Position at 12/31/2010 CAPITAL: R$338,166,982.72 (Special Shareholders' Meeting - AGE 4/30/2010)						
SHAREHOLDER	COMMON SHARES		PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	126,764,000	27.50%	1,194	27.48%	126,765,194	27.50%
DANIEL FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
DAVID FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
JORGE FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
RUBEN FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
OTHER	-	0.00%	3	0.07%	3	0.00%
TOTAL	460,960,000	100.00%	4,345	100.00%	460,964,345	100.00%

In compliance with the Corporate Governance Special Practices Rules (Level 1) set out below is a statement of the amount and characteristics of securities issued by the Company to which the Controlling Shareholder, officers and members of the Supervisory Board, Board of Directors and Management Committee are direct or indirect holders, at December 31, 2010 and 2009.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 12/31/2010
CAPITAL - R$2,685,182,767.36

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	133,253,710	95.15%	78,380,443	29.36%	11,045	0.57%	211,645,198	51.76%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
BOARD OF DIRECTORS	-	0.00%	68,747	0.03%	-	0.00%	68,747	0.02%
BOARD OF EXECUTIVE OFFICERS	-	0.00%	660,431	0.25%	-	0.00%	660,431	0.16%
SUPERVISORY BOARD	-	0.00%	14,202	0.01%	-	0.00%	14,202	0.00%
MANAGEMENT COMMITTEE	-	0.00%	35,581	0.01%	-	0.00%	35,581	0.01%
Other Shareholders	-	0.00%	185,522,008	69.51%	5,355	0.28%	185,527,363	45.38%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 12/31/2009
CAPITAL - R$2,054,429,845.57

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	102,392,557	94.96%	61,945,980	30.20%	8,838	0.57%	164,347,375	51.76%
TREASURY	5,428,955	5.04%	1,009,584	0.49%	1,527,759	99.15%	7,966,298	2.68%
BOARD OF DIRECTORS	-	0.00%	54,994	0.03%	-	0.00%	54,994	0.02%
BOARD OF EXECUTIVE OFFICERS	-	0.00%	450,811	0.22%	-	0.00%	450,811	0.16%
SUPERVISORY BOARD	-	0.00%	11,631	0.01%	-	0.00%	11,631	0.00%
MANAGEMENT COMMITTEE	-	0.00%	30,735	0.01%	-	0.00%	30,735	0.01%
Other Shareholders	-	0.00%	141,616,370	69.04%	4,282	0.28%	141,620,652	45.38%
TOTAL	107,821,512	100.00%	205,120,105	100.00%	1,540,879	100.00%	314,482,496	100.00%

In compliance with the Corporate Governance Special Practices Rule (Level 1), set out below is a statement of the number of outstanding shares and their percentage in relation to total shares issued, at December 31, 2010.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 12/31/2010
CAPITAL - R$2,685,182,767.36

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S.A.	123,240,831	88.00%	694,857	0.26%	2,978	0.15%	123,938,666	30.31%
IPLF HOLDING S/A	10,000,000	7.14%	-	0.00%	-	0.00%	10,000,000	2.45%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
OTHER CONTROLLING SHAREHOLDERS	12,879	0.01%	77,685,586	29.10%	8,067	0.42%	77,706,532	19.00%
MANAGEMENT*	-	0.00%	729,178	0.27%	-	0.00%	729,178	0.18%
OUTSTANDING SHARES	-	0.00%	185,571,791	69.52%	5,355	0.28%	185,577,146	45.39%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

*Management = Board of Executive Officers, Board of Directors

Opinions and Statements / Independent Auditor's Report – Unqualified

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To
Management and Shareholders of
Suzano Papel e Celulose S.A.

We have audited the accompanying individual and consolidated financial statements of Suzano Papel e Celulose S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010, and the related income statement, of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil, and of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Suzano Papel e Celulose S.A. as of December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suzano Papel e Celulose S.A. as of December 31, 2010, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB.

Emphasis of a matter

As mentioned in Note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Suzano Papel e Celulose S.A., these practices differ from IFRS - applicable to the separate financial statements - solely with respect to the measurement of investments in subsidiaries, affiliates and jointly-owned subsidiaries, under the equity method, while such investments would be measured at cost or fair value for IFRS purposes.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added for the year ended December 31, 2010, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the financial statements taken as a whole.

Auditing of amounts corresponding to the previous year

The amounts corresponding to the year ended December 31, 2009, presented for comparison purposes were previously audited by us according to the audit standards effective on the issue of our auditors' report on March 2, 2010, which does not contain any modification. The previously effective standards on auditing allowed to share responsibility, therefore, assets, liabilities and income statements of Consórcio Paulista de Papel e Celulose, referring to the year ended December 31, 2009 were audited by other independent auditors. Our opinion, as far as assets, liabilities and income statements of Consórcio Paulista de Papel e Celulose are concerned, included in the Company's individual and consolidated financial statements, these are exclusively based on the opinion of these auditors. As part of our audit of the financial statements of December 31, 2010, we also audited the adjustments made as described in Note 2 to the assets, liabilities and income statements of Consórcio Paulista de Papel e Celulose for the year ended December 31, 2009. These adjustments were submitted to the same audit procedures previously described and in our opinion they are presented fairly in all material respects, in relation to the financial statements taken as a whole. We were not engaged to audit, review or apply any other procedures related to the 2009 financial statements of Consórcio Paulista de Papel e Celulose, therefore, we did not express any opinion or any assurance over the 2009 financial statements taken as a whole.

Salvador, February 28, 2011

Ernst & Young Terco Auditores Independentes S.S.
CRC 2SP015199/O-6-F-BA

Antonio Carlos Fioravante	Alexandre Rubio
Accountant CRC-1SP184973/O-0/S-BA	Accountant CRC-1SP223361/0-2/S-BA

Opinions and Statements / Supervisory Board Report or Similar Committee

SUPERVISORY BOARD REPORT

Dear Shareholders,

The members of the SUPERVISORY BOARD of Suzano Papel e Celulose S.A. in a meeting held on this date, and in the use of their legal and statutory attributions reviewed the Management Report, the Financial Statements, the Consolidated Financial Statements and corresponding notes, the Proposed Allocation of Net Income for the Year, referring to the fiscal year ended December 31, 2010, accompanied by the independent auditor's report, "Ernst & Young Terco Auditores Independentes S.S.", as well as the Projected Company's Results, pursuant to CVM Rule No. 371 of June 27, 2002, which comply with the legal precepts, and they approve the aforementioned documents.

São Paulo, February 28, 2011

Rubens Barletta

Luiz Augusto Marques Paes

Jaime Luiz Kalsing

Opinions and Statements / Executive Officers Statement on Financial Statements

FOR PURPOSES OF ARTICLE 25 OF CVM RULE No. 480/09

I declare, in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 – 2º floor, rooms 206, 207 and 208, Zip Code 41810-011, corporate taxpayer ID (CNPJ/MF) No. 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule No. 480 of December 7, 2009, that jointly with other members of the Company's Board of Executive officers, I reviewed, discussed and agreed with the Company's financial statements related to the fiscal year ended December 31, 2010.

São Paulo, February 28, 2011

Antonio dos Santos Maciel Neto
Chief Executive Officer and Investor Relations Officer

Bernardo Szpigel
Finance and Strategy Executive Officer

João Comério
Forest Business Unit Executive Officer

André Dorf
New Business Executive Officer

Ernesto Peres Pousada Junior
Chief Operations Officer

Carlos Anibal Fernandes de Almeida Junior
Paper Business Unit Executive Officer

Carlos Alberto Griner
Human Resources Executive Officer

Opinions and Statements / Executive Officers Statement on Independent Auditor's Report

FOR PURPOSES OF ARTICLE 25 OF CVM RULE No. 480/09

I declare in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 – 2º floor, rooms 206, 207 and 208, CEP 41810-011, corporate taxpayer ID (CNPJ/MF) No. 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule No. 480 of December 7, 2009, that jointly with other members of the Company's Board of Executive officers, I reviewed, discussed and agreed with the independent auditor's report related to the fiscal year ended December 31, 2010.

São Paulo, February 28, 2011

Antonio dos Santos Maciel Neto
Chief Executive Officer and Investor Relations Officer

Bernardo Szpigel
Finance and Strategy Executive Officer

João Comério
Forest Business Unit Executive Officer

André Dorf
New Business Executive Officer

Ernesto Peres Pousada Junior
Chief Operations Officer

Carlos Anibal Fernandes de Almeida Junior
Paper Business Unit Executive Officer

Carlos Alberto Griner
Human Resources Executive Officer